9 August 2018

NHS England (North)

NHS Improvement (North)

Quarry House
Quarry Hill
Leeds
LS2 7UE

Rt Hon Matthew Hancock MP
Secretary of State for Health and Social Care
39 Victoria Street
London
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Your ref: POC_1116484

Dear Secretary of State

Future arrangements for hospital and community health services in Calderdale and Greater Huddersfield

Your predecessor (on 10 May) shared advice from the Independent Reconfiguration Panel following the referral of the Right Care, Right Time, Right Place proposals under Regulation (23)9 of the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013. The letter requested a report back within three months on progress with implementing the IRP's recommendations. This letter and the attached paper from the local health community provide that update.

Background

The background to this programme of work is described in the IRP's advice to Secretary of State of 9 March 2018. It is accepted by all parties that, in the words of the Joint Overview and Scrutiny Committee, "the status quo is not an option and (we) wish to see improvements in the quality of services provided through hospitals, care closer to home provision and primary care"

Work to develop a safe and sustainable model of care has been underway since July 2012. Formal public consultation began on 15 March 2016 and ran for 14 weeks. Following referral by the Joint Committee in September 2017 the previous Secretary of State published his recommendations on 10 May 2018 stating "further action is required before a final decision is made about future arrangements for hospital and community health services…I have therefore asked NHS England and NHS

Improvement to work with the relevant CCGs and the JHSC, and to report back to me on progress".

The Secretary of State's letter of 10 May highlighted the following findings from the IRP's report: "scepticism about whether proposals of this scale and complexity are actually deliverable…there is a concern about the delivery of out of hospital care and whether the reduction in hospital beds could be justified. It is also not clear that capital financing of this scale, for a project of this type, would be available. Further work focussing on out of hospital care, hospital capacity and availability of capital is required from the NHS before a conclusion is reached".

Further work

Following receipt of the Secretary of State's letter of 10 May 2018 all parties have stood back and looked again at the proposals, focussed on addressing the concerns expressed by stakeholders and the issues highlighted in the IRP's recommendations.

The range of options considered included continuing with the current configuration of services (a no change scenario). This option was discounted on the grounds that it delivered no clinical or financial benefits and therefore failed to address the clinical and financial sustainability challenges faced by the local health system.

Further work has been focussed on developing an approach that addresses the concerns raised, strengthening out of hospital services and a complementary hospital model that maximises access for local people whilst also developing essential clinical adjacencies and the critical mass required to ensure quality, sustain staff recruitment and achieve revenue savings.

Progress to date

Significant work has been undertaken by local organisations working with NHS England and NHS Improvement and engaging the Chairs of the Joint Overview and Scrutiny Committee. NHS organisations have committed themselves to pragmatic, solution-based working to address the commonly acknowledged pressing case for change. The level of ambition remains undimmed but there is an acknowledgement that currently there is not a realistic opportunity to access the levels of capital required and consequently discussions between local partners have focussed on how to maximise the benefits of a future model of clinical services within a reduced capital requirement of £197m which is £112m less than that considered previously and with a manageable revenue impact that accepts a greater level of risk to be managed in terms of clinical staffing levels and backlog maintenance at the HRI site.

Work undertaken since receipt of the 10 May letter has helped build support for an enhanced plan. This has been discussed with the Chairs of both Calderdale and Kirklees Overview and Scrutiny Committees, the Kirklees Health and Wellbeing Board, Calderdale Council Cabinet and representatives of clinical communities. Further regular discussions will take place with local authority and Scrutiny

colleagues as the plan moves from the current high level outline into a more detailed version. The plan will also require approval at all relevant governing bodies.

The proposed approach is centred on ensuring the best possible clinical outcomes for patients within available resources and seeks to address the issues identified by the IRP in their report. The enclosed paper provides detail of the enhanced plan.

To take each of the three issues identified in the IRP report in turn and demonstrate the current position against each:

"Clarification of the programme for changes in out of hospital services and the likelihood of achieving the targeted reduction in demand for hospital care. This is required under all scenarios and is critical for hospital capacity planning which must be subject to sensitivity testing."

The foundation for the variation to the proposals is strengthening out of hospital services and fully integrating in and out of hospital care so that services are built around patients.

The local health community proposes to develop the out of hospital model, building on existing links with primary care, social care and community services. Both CCGs have committed to investment in Community and Primary Care over the next three years to deliver the commitments in the General Practice 5 Year Forward View. The total number of hospital beds will not be reduced until it is clear that they are not required which will mean a period of dual running which has been factored into a revised breakeven point in terms of revenue.

Local organisations have identified the need to make the best use of digital technology to help support people to have care at, or closer to home, complemented by a hospital model that maximises access for local people and improves essential clinical adjacencies to sustain staff recruitment and ensure high quality, expert care. The use of digital is not only linked to working within the hospital footprint but significantly from a ICS perspective also spans across the Bradford Teaching Hospital geography by virtue of the use of a shared electronic patient record system.

In addition to this the local Calderdale & Greater Huddersfield system is already amongst the most advanced in England with regard to the utilisation of an enhanced, real-time, Summary Care Record, providing more detailed information and of particular benefit in the delivery of care for people with complex or long-term conditions, or patients reaching end of life. The Yorkshire and Humber Local Health and Care Record Exemplar initiative will provide further support to the expansion of this capability enabling 'real-time' review and advice on patients' care to be provided by specialist staff where required.

"Secondly, the question of how in practice, over a prolonged period of implementation, the delivery of out of hospital care that enables the proposals for changing hospitals will meet the fifth test for service change – that services will be in place before changes to bed numbers are made."

The proposition under development would see existing hospital bed capacity retained until out of hospital capacity is not just in place, but can be proven to be effective. The Huddersfield Royal Infirmary (HRI) would offer in-patient capacity whilst services are developed in the community until such time they can demonstrate a reduction in demand for in-patient hospital care. This will ensure that only when out of hospital services are demonstrably effective - will hospital capacity be reviewed.

The local health community also acknowledges the anxiety amongst some stakeholders regarding changes to urgent and emergency care services. It is now their intention to develop variations to the proposals that will see consultant-led A&E services with 24/7 anaesthetic cover retained on both sites. In addition the urgent care centres on both sites will be medically led.

"Finally, the terms of availability, timing and cost of potential capital financing must be clearly signalled by NHS Improvement to avoid nugatory effort in progressing from the FBC and give meaning to the proposals."

The variations to the proposals are anticipated to result in a significantly reduced capital requirement and are based on the understanding that public capital is now the preferred option. The West Yorkshire & Harrogate Health and Care Partnership (ICS) has approved a priority submission of £197m being made into the STP capital allocation process and the West Yorkshire Association of Acute Trusts has also given its support.

The direction of travel outlined in this letter is the result of early thinking. Much more detailed work with stakeholders will now need to be undertaken to develop the variations to the proposals in detail. NHS England and NHS Improvement will work with local organisations to fully understand and consider the revenue and capital costs of the proposed model.

This new, digitally enabled, model will allow for seamless information sharing between all providers across primary, secondary and community care. They will also identify where technology enabled solutions offer opportunities to improve the patient experience and reduce cost which can then be reinvested in patient services. Further work, involving NHS Digital, is planned to fully scope these opportunities.

These plans aim to fully utilise the current estate and make best use of the existing Huddersfield Royal Infirmary and Calderdale Royal Hospital sites.

The system partners are clear that the variations to the proposals will be able to evidence compliance with the five tests for service change and that all statutory duties, including the duty to engage with stakeholders, public and patients will be upheld.

The variations to the proposals are supported by the West Yorkshire and Harrogate Health and Care Partnership and the West Yorkshire Association of Acute Trusts. The partnership is confident that they fit with the overall strategy for the development of better health and care services for West Yorkshire and Harrogate as a whole.

Next steps

We are satisfied that the CCGs and Trust have been transparent in their work to date and have had discussions not only with OSCs but other stakeholders including all local MPs. They have involved senior clinicians both inside and outside the hospital and representatives of clinical communities.

The next phase includes further development of the variations to the proposals and then sharing the work to date with a wider group of stakeholders to provide them with the opportunity to influence the emerging model. Governing Bodies, Boards and Overview and Scrutiny Committees will be engaged in formal discussions to secure their support to progress together toward our common goal of ensuring the people of Calderdale and Greater Huddersfield have access to the best health and care.

As we move from a high level outline to start to develop a more detailed service model the capital and revenue impact of the variations to the proposals will need to be fully modelled and considered by both NHS England and NHS Improvement. Once the variations to the proposals, their cost and benefits are able to be fully described local organisations will ensure public, patient and staff engagement.

The intention would be to continue to discuss these emerging variations to the proposals and take views on them from local stakeholders, including sharing them more widely. Additional work for example on capital availability and revenue implications will take place over the remainder of 2018-2019 but this will need to be done with a degree of urgency given the ongoing system recovery requirements and those of the wider West Yorkshire and Harrogate Health and Care Partnership

We trust this letter and the enclosed paper demonstrate the progress that has been made and the local health community's plans to work together with a wider group of stakeholders to make further progress. We would be very happy to share additional details on any aspect of our proposed approach.

Yours sincerely

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