

<b>SCRUTINY COMMISSION FOR HEALTH ISSUES</b>	<b>Agenda Item No. 6</b>
<b>15 SEPTEMBER 2016</b>	<b>Public Report</b>

<b>Report of the Director of Public Health</b>		
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**PROPOSAL TO FORM A JOINT COMMITTEE TO SCRUTINISE THE PROPOSED MERGER OF PETERBOROUGH AND STAMFORD HOSPITALS NHS FOUNDATION TRUST AND HINCHINGBROOKE HEALTH CARE NHS FOUNDATION TRUST**

**1. PURPOSE**

1.1 To consider establishing a joint scrutiny committee between Peterborough City Council and Cambridgeshire County Council to scrutinise proposals to merge Peterborough and Stamford Hospitals NHS Foundation Trust (PSHFT) with Hinchingsbrooke Health Care NHS Trust (HHCT).

**2. RECOMMENDATIONS**

2.1 The Commission is asked to:

- 1) decided whether to support the establishment of a joint scrutiny committee with Cambridgeshire County Council to scrutinise proposals for the merger of PSHFT and HHCT;

and, if it is decided to support the establishment of such a joint committee, to:

- 2) decide on the preferred size of the joint committee;
- 3) appoint members of the Scrutiny Commission for Health Issues to serve as members and substitutes on the joint committee;
- 4) authorise the joint committee to respond on behalf of the Scrutiny Commission for Health Issues to the public engagement / consultation proposals;
- 5) consider whether the joint committee would be required to scrutinise the implementation and governance arrangements, should the proposed merger be agreed by the two NHS Trust Boards; and
- 6) comment on the draft terms of reference.

**3. LINKS TO THE CORPORATE PRIORITIES AND RELEVANT CABINET PORTFOLIO**

3.1 This proposals links in to the Peterborough City Council corporate priority to ‘Achieve the best health and wellbeing for the city.’

**4. BACKGROUND**

4.1 On 23 May and 24 May 2016 respectively, the Boards of Hinchingsbrooke Health Care NHS Trust (HHCT) and Peterborough and Stamford Hospitals NHS Foundation Trust (PSHFT) met to discuss proposals about collaborative working between the two trusts.

4.2 Both trusts face significant sustainability challenges, not only financially but also from a quality and clinical perspective. The Outline Business Case (OBC) has determined that closer

collaboration will not only support the ongoing provision of services locally at HHCT but will improve quality of care and enable significant financial benefits to be achieved through the integration of back office functions.

- 4.3 An options appraisal was conducted as part of the OBC which concluded Option 4: to create a single organisation, as the preferred option to deliver the most benefits in terms of financial and clinical suitability. The Scrutiny Commission for Health Issues met on 19 July to discuss with Chief Executives from both PSHFT and HHCT the current proposals about collaborative working between the two trusts. Members were informed that both Trust Boards have agreed to a Full Business Case (FBC) for the merger of HHCT and PSHFT to be produced and presented at the September 2016 board meetings.
- 4.4 This report will discuss the principles behind establishing a Joint Overview and Scrutiny committee (OSC) between Peterborough City Council (PCC) Cambridgeshire County Council (CCC). The CCC Health Committee considered a similar report at its meeting on 8 September 2016.

## **5. KEY ISSUES**

### **Legislative and Constitutional Basis**

- 5.1 Under regulation 30 of the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013, two or more local authorities may appoint a discretionary joint OSC to carry out all or specified health scrutiny functions, for example in relation to health issues that cross local authority boundaries. The same regulation also requires that a joint OSC must be established if a local NHS body consults more than one local authority on any proposal for a substantial development of the health service in the local authorities' area, or for a substantial variation in the provision of such a service.
- 5.2 The present HHCT and PSHFT merger proposals do not constitute a substantial development or variation of the health service, so the establishment of a joint OSC to examine them would be at the discretion of the local authorities involved. Both PCC's Scrutiny Commission for Health Issues and CCC's Health Committee would be authorising the joint OSC to respond to the proposals on their behalf, and would not make any separate response as an individual committee.
- 5.3 The City Council's Constitution authorises the Scrutiny Commission for Health Issues to appoint members, from within the membership of the Commission, to any joint health OSC's with other local authorities. In such a case political balance requirements apply to the appointments.

### **Benefits of Joint Overview and Scrutiny**

- 5.4 There is a clear benefit of efficiency in regards to establishing a Joint OSC, both for the local authorities involved in scrutinising the NHS and also for the health service organisations under scrutiny. In deciding whether to establish a Joint OSC, it is necessary to consider whether it would complement rather than duplicate work for all partners. Appendix A sets out a recommended test to enable a quick assessment of whether to undertake joint scrutiny activity. The test is very simple – if the considered response to the majority of questions in the table is "Yes" then some form of joint scrutiny is likely to be appropriate.
- 5.5 At its meeting on 19 July 2016, the Scrutiny Commission for Health Issues considered the idea to proceed with further joint scrutiny of the proposals in collaboration with Cambridgeshire City Council and other local authorities. The Commission did take any decision on the matter, or what form such scrutiny would take.

### **Purpose and Powers**

- 5.6 A joint OSC is recommended to scrutinise the proposals of PSHFT and HHCT working collaboratively. Alternative approaches could include two OSC's (Peterborough Scrutiny

Commission for Health Issues and Cambridgeshire Health Committee) each scrutinising the matter separately, or holding a shared evidence-gathering session after which each OSC would make its own response to the engagement exercise.

5.7 The purpose of the joint committee would be to scrutinise the Full Business Case (FBC) for the proposed merger of PSHFT and HHCT, recognising that PHSFT would be acquitting organisation as an established “Foundation Trust”.

5.8 Key areas of focus would include review of and comment on:

- Arrangements and process for effective Public Engagement;
- Joint Clinical Vision; and
- Long Term Financial models for the merger.

5.9 When establishing the joint committee, it is also necessary to consider in advance whether the joint committee’s remit should be extended beyond the merger decision to scrutinise the mobilisation phase, should the merger be agreed.

### **Membership and Co-option**

5.10 When PCC and CCC established a joint OSC in 2011, it consisted of five members from each of the two authorities, with three substitutes from each. Members are asked to consider what number would be appropriate on this occasion.

5.11 In deciding the size of the joint committee, members should note that practical considerations mean that political proportionality will have to apply. Only Full Council can waive the proportionality requirement and Peterborough’s next meeting is not until 12 October (18 October for Cambridgeshire), when two weeks of the six-week engagement period will already have passed.

5.12 The Peterborough membership of the joint OSC would be calculated separately from the Cambridgeshire membership. The table below sets out the allocation based on different numbers of Peterborough members.

<b>Total Number of Members</b>	<b>Conservative</b>	<b>Labour</b>	<b>Liberal Democrat</b>	<b>Liberal</b>	<b>Werrington First</b>	<b>UKIP</b>
<b>3</b>	2	1	0	0	0	0
<b>4</b>	2	1	1	0	0	0
<b>5</b>	3	1	1	0	0	0
<b>6</b>	3	2	1	0	0	0

### **Co-option**

5.13 If its terms of reference permit, the joint OSC can co-opt other people as non-voting members. Given the concerns expressed by Huntingdonshire residents and District Councillors, it has been recommended to the CCC Health Committee that provision be made by them for the joint OSC to co-opt a member of Huntingdonshire District Council. Because some of their residents are potentially affected by the proposals, consideration should also be given to the co- option of a member of Bedford Borough Council and of Lincolnshire County Council.

5.14 It may also be appropriate to co-opt representatives of organisations with an interest or expertise in the issue being scrutinised. For example, Healthwatch Peterborough and Healthwatch Cambridgeshire would potentially be able to provide relevant information on concerns expressed by patients.

### **Supporting the Joint OSC**

5.15 Informal discussions have been underway in regards to determining the lead authority. It is

proposed that Cambridgeshire County Council would assume this role, perhaps with some assistance from Peterborough officers. The lead authority will act as secretary to the Committee. This will include:

- Appointing a lead officer to advise and liaise with the Chairman and committee members ensure attendance of witnesses, liaise with the consulting NHS body and other agencies, and produce reports for submission to the health bodies concerned;
- Providing administrative support; and
- Organising and minuting meetings.

### **Establishing Timescales**

5.16 Both Trusts are working to very tight timescales around the proposals. This has implications for potential members of the Joint OSC, as it is envisaged that at least two meetings will be needed during the period 12 October to 11 November, including developing a formal response to be submitted by the Joint OSC as part of the engagement process. The Joint OSC may also want to consider the report that is presented to both the HHCT and PSHFT Boards to ensure it captures the recommendations proposed by the Joint OSC.

- FBC to be discussed PSHFT Board 27 September;
- FBC to be discussed at HHCT Board 29 September;
- Public Engagement commences 2 October;
- Public Engagement responses deadline 11 November;
- Final approval of proposals HHCT Board 24 November;
- Final approval of proposals PSHFT Board 29 November; and
- Implementation of merger (subject to approval) 1 April 2017.

5.17 The Memorandum of Understanding agreed by the Chief Executives of HHCT and PSHFT is attached as Appendix B. It includes information on time line and work streams.

### **Powers and Terms of Reference**

5.18 In summary, a Joint OSC would have authority to:

- Require officers of appropriate local NHS bodies to attend and answer questions;
- Require appropriate local NHS bodies to provide information about the proposals;
- Obtain and consider information and evidence from other sources, such as patient groups, members of the public, expert advisers, and order agencies;
- Make a report and recommendations to the appropriate NHS bodies and other bodies that it determines; and potentially
- Consider the NHS response to its recommendations.

5.19 Draft terms of reference are attached as Appendix C to this report. They are based on the terms of reference used for the Cambridgeshire, Norfolk and Suffolk Joint Health Scrutiny Committee for Liver Resection Services in 2013, which in turn were based on model terms of reference agreed by all the Health OSC's in the region in 2010.

## **6. IMPLICATIONS**

### **Resources Implications**

6.1 Officer support and administration in regards to establishing a joint committee. Details are outlined in section 5.15.

### **6.2 Equality and Diversity Implications**

No significant implications.

## **7. CONSULTATION**

- 7.1 Cambridgeshire County Council are due to consider this proposal at the meeting of its Health Committee on 8 September 2016. Further information will be provided on the outcome of this meeting via a verbal update.

## **8. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 8.1 Outline Business case – Merger of Hinchingsbrooke Health Care NHS Trust and Peterborough and Stamford Hospitals NHS Foundation Trust  
<http://www.hinchingsbrooke.nhs.uk/working-with-peterborough-stamford-hospitals/>

Step by Step to Joint Scrutiny: A handbook for Scrutineers *Ashworth R. and Downe J. (2015)*  
<http://business.cardiff.ac.uk/news/cardiff-business-school-launches-handbook-help-councils-collaborate-accountability>

Local Authority Health Scrutiny (guidance document)  
<https://www.gov.uk/government/publications/advice-to-local-authorities-on-scrutinising-health-services>

Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013  
<http://www.legislation.gov.uk/ukxi/2013/218/made>

## **9. APPENDICES**

- 9.1 Appendix A – Joint Scrutiny Assessment
- 9.2 Appendix B – Memorandum of Understanding agreed by the Chief Executives of HHCT and PSHFT
- 9.3 Appendix C – Draft Terms of Reference

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