



Health Scrutiny Select Committee
20 November 2014

**Frimley Health NHS Foundation Trust:
Frimley Park Hospital NHS Foundation Trust acquisition of Heatherwood
& Wexham Park Hospitals NHS Foundation Trust: UPDATE**

Purpose of the report: Scrutiny of Services

Following Monitor's approval of Frimley Park's acquisition of Heatherwood & Wexham Park Hospitals the Committee wishes to receive an update on the plans for the management of the new organisation and seek assurances on the benefits for Surrey residents and how risks will be managed.

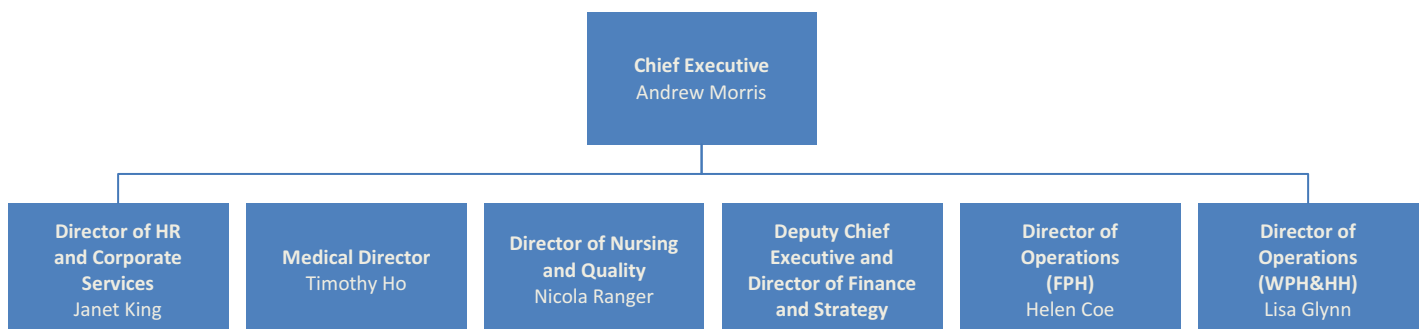
Introduction:

1. Heatherwood and Wexham Park hospital (HWPH) was facing significant financial, operational & clinical challenges. In the absence of the transaction, ongoing financial and operational challenges may have risked Frimley Park Hospital's (FPH) sustainability in the medium term
 - 1.1 Increasing financial and operational pressures are being placed on acute Trusts. FPH was facing declining surpluses over the coming years and HWPH was in a continuing unsustainable financial position.
 - 1.2 There is a continued drive for high quality sustainable care in the NHS. FPH was at risk of becoming clinically subscale in certain areas as the NHS consolidates to preserve and improve quality care. HWPH already had areas of poor quality in patient care and had lost certain services.
 - 1.3 Both trusts were facing a growing and ageing population, coupled with a forecast increase in chronic diseases, which will put additional strain on local services.
 - 1.4 The combined organisation provides the opportunity to achieve critical mass in clinical services and achieve a sustainable financial position.
 - 1.5 Options appraisal has shown that acquisition offered the best opportunity for FPH to maintain medium term sustainability at the current time.

2. The acquisition of HWPH by FPH and the resulting increased population served of between 800,000 and 1,000,000 people creates the organisational scale necessary to establish robust, sustainable services for the people of Berkshire, Buckinghamshire, North East Hampshire and Surrey.
3. The acquisition enables a platform for change, driving forward clinical service changes where appropriate and providing the impetus to create new services to serve the growing and ageing population. The enlarged trust is better placed to recruit and retain high quality clinical staff and to offer excellent training opportunities. Back-office and operational consolidation will help release resources for front-line services.
4. The enlarged organisation is committed to significantly improving the quality of care and delivery of performance on the Wexham Park and Heatherwood Hospital sites while maintaining and improving all aspects of care on the Frimley Park site. The longer term goal is to achieve the same standards of quality, performance and financial efficiency across the whole organisation.

Governance arrangements for Frimley Health NHS Foundation Trust:

5. Frimley Health Foundation Trust (FHFT) is a single foundation trust incorporating Frimley Park Hospital, Heatherwood Hospital and Wexham Park Hospital. The foundation trust has a single Board of Directors, made up of the Board of FPH plus two additional positions, one executive and one non-executive.
6. The structure for the executive team (given below) includes a dedicated operations director for each acute site, to ensure that there is sufficient focus on maintaining and improving performance and delivery on each of the Frimley Park and Wexham Park sites:



7. Reflecting the successful governance structure of FPH, the clinical services are organised into 10 directorates, each headed by a Chief of Service, who is an experienced consultant. These chiefs of service have responsibility across all sites and report directly into the Chief Executive. They are supported by associate directors who also work across the sites, in order to promote strong clinical leadership and aligned managerial support that will drive integration and best practice

improvements. The only exception is the medical/emergency department associate directors, who each work on a single site.

8. The trust is establishing an organisation-wide clinical and corporate governance structure that supports the Board, executive team and the clinical and corporate leadership team. This is based on the most successful elements of the FPH approach to governance, with modifications to make it scalable and appropriate for a multi-site organisation.
9. Quality assurance arrangements will include two site-specific quality committees for the first year at least, to ensure that there is no loss of focus on the Frimley Park site. A cross-site Corporate Governance Committee will review arrangements at specialty level across the organisation, using an assessment framework reflecting the Care Quality Commission's five domains: safe, effective, caring, responsive and well-led. Specialties will also report on how well their services reflect the Trust's values: committed to excellence, working together and facing the future. The Board of Directors has established a new Quality Assurance Committee of the Board, which will provide the Board with the opportunity to gain greater assurance as required.
10. The FPH management has successfully embedded their vision and principles among the staff through significant communication activities and leadership engagement. Following the acquisition, the executive team will lead the engagement work with teams, explain the imperative for change and cascade a single set of core values across all sites through the local management teams and face to face meetings with the executives.
11. An integration programme board will oversee the work plans that will deliver the required changes across the organisation, and give the Board and our regulators assurance that the benefits of the integration will be achieved. Both Monitor and the Care Quality Commission will work alongside our local commissioners to monitor progress, share learning from other acquisitions and mergers and provide assurance that patients will benefit from improved quality, performance and financial viability.
12. The trust is also committed to working with its partners on transformation across the broader health and social care system and will achieve this through joint transformation initiatives with health and social care partners.

Commissioning and contracting arrangements for Frimley Health Foundation Trust:
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13. The acquisition of HWPH by FPH to form Frimley Health NHS Foundation Trust (FT) impacts on how the local Clinical Commissioning Groups (CCGs) will work together to commission and contract for high quality and safe services for local people.

14. There are six main CCGs that that commission services from Frimley Health Foundation Trust. Currently the CCGs work together in two systems; the FPH system and the HWPB systems. The FPH 'system' includes Bracknell and Ascot CCG, North East Hampshire and Farnham CCG and Surrey Heath CCG. The HWPB 'system' includes Bracknell and Ascot CCG, Chiltern CCG, Slough CCG and Windsor, Ascot and Maidenhead CCG (please note Bracknell and Ascot CCG works with both 'systems').
15. The CCGs recognise that currently HWPB and FPH have different quality and performance standards and different contracting arrangements in place. The CCGs agree that changes to the commissioning and contracting structures and processes (e.g. to one Frimley Health NHS FT-wide contract) needs to be implemented at an agreed pace to ensure that quality, performance and activity and finance can be appropriately contracted and monitored.
16. It is proposed that a Joint Strategic Commissioning Forum, encompassing all six CCGs, is established. This strategic forum will bring together the two existing commissioning systems (as described in 13) providing strategic oversight and leadership to the services commissioned from newly formed Frimley Health NHS FT.
17. It is proposed that in the short term (e.g. for 2015/16) the current arrangements for commissioning and contract monitoring remain the same as they currently are. This will mean two contracts for next year; one for FPH site and one for HWPB sites. In relation to quality, this will ensure that commissioners can monitor and lead quality improvements at each site, focusing on specific areas of development for local services and local people. The establishment of a Joint Strategic Commissioning Forum will ensure there is strong commissioning clinical leadership and the sharing of best practice and lessons learnt.

Benefits for Surrey residents:

18. FPH has recently been rated as 'outstanding' by the Care Quality Commission, the first trust in England to receive this rating. The acquisition provides a way forward to improve services for both legacy organisations, ensure equity of services and parity of access for the population served by HWPB and FPH. The proposed clinical model will bring the following specific benefits:
 - 18.1 Improve the quality at Heatherwood Hospital and Wexham Park Hospital through a common culture based on FPH leadership through robust clinical governance.
 - 18.2 Improving existing services and developing new services for patients based on sharing expertise and developing improved interfaces with community healthcare. The scale of the new organisation will allow for greater subspecialisation.
 - 18.3 New model of elective care including a new centre of excellence for elective care at Heatherwood and enhanced patient centred models of care, for example 'one stop shop' services.

- 18.4 Improved flexible capacity and ability to develop and transform services to meet the increasing demands on the system, particularly for frail elderly patients.
19. Key specific changes envisaged within the proposed clinical model include:
- 19.1 Changes in care of the elderly (CoE): proactive management of higher risk patients, provision of front-door CoE physicians, and greater integration with local health providers will create treatment pathways specifically for older adults and lead to both improved hospital care and early supported discharge;
 - 19.2 Changes in the ED model: excellent quality of care (in all 5 quality indicators) will be achieved through streamlined patient flows, 24/7 Consultant-delivered care, and closer integration with community services;
 - 19.3 Maintain hyper acute services such as stroke, heart attack and vascular services on the Frimley Park site;
 - 19.4 Changes in the urology and cancer networks to ensure that more local services are available for patients, including access to highly specialised services where possible.
20. Bringing together two Trusts with important complementarities will deliver improved clinical outcomes through larger clinical teams and improved access to services for patients. The ability to attract and retain high quality staff will support the delivery of these benefits across all sites.
21. Implementation of the clinical model will be carried out to ensure that the existing excellent quality of services is maintained or enhanced, new services are developed and the clinical pathways are transformed over a pragmatic timeline so that senior leaders are able to devote adequate time to the integration. The focus will therefore be on delivering the short-term changes to 'business as usual' that address current clinical issues and preparing the medium and long-term changes that will drive patient benefits.
22. The clinical model assumes that the mix of services currently offered to patients in their local area will remain locally. Should the enlarged organisation wish to make any substantial service changes in the future, it would follow an appropriate process of involving all local stakeholders in shaping plans and giving formal feedback on those plans.

Conclusions:

23. The formation of Frimley Health through the acquisition is required to provide Frimley Park with a sustainable future, given the challenging external environment.
24. Frimley Health is maintaining its successful governance structure of strong clinical leadership and an empowered and engaged culture to ensure the success of the enlarged organisation.

25. The governance structure has been developed to particularly ensure that there will be high quality services maintained and improved on the Frimley Park site, while integration is achieved.
26. There are clinical benefits to being a larger organisation, able to provide more local services with greater sub-specialisation, and these benefits will be available to the residents of Surrey.
27. The six CCGs that commission services from Frimley Health NHS FT will work together, bringing together the collaborative strength of commissioning clinical leadership to drive improvements whilst ensuring local focus on the quality of local services.
28. The organisation will also be better able to engage in the transformation agenda with its health and social care partners including commissioners and the local authority. This will drive improved care for patients with more care intended to be delivered closer to home, and only the sickest patients being admitted to hospital for their care.

Recommendations:

29. The Health Scrutiny Select Committee is asked to note the update provided.
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