ASHFORD AND ST PETER'S/ROYAL SURREY COUNTY MERGER INQUIRY

Summary of hearing with NHS North West Surrey Clinical Commissioning Group on 29 April 2015

Background

1. NHS North West Surrey Clinical Commissioning Group (NWS) told us that it was a clinically led membership organisation established under the Health and Social Care Act 2012. It was made up of clinicians and managers responsible for commissioning healthcare services for around 360,000 people in North West Surrey across the boroughs of Elmbridge (West), Runnymede, Spelthorne and Woking. It was the main Clinical Commissioning Group (CCG) for Ashford and St Peter's Hospitals NHS Foundation Trust (ASP). ASP provided for around 85% of its acute business.

Views on the proposed merger

2. NWS said that it supported the merger between ASP and Royal Surrey County Hospital NHS Foundation Trust (RSC), in principle, because it understood the case around seven day working and being able to stretch resources to operate across the increased requirements of all acute trusts.

3. NWS said it did have some concerns regarding the merger however. First, it would like to see a more robust business case around the bringing together of clinical services by ASP/RSC and that in its experience, clinical alignment was the biggest challenge to an effective merger. It said that ASP/RSC needed to demonstrate not only what was going to be delivered but how it was going to be delivered, and how they would do that without distracting from the business that they usually had to do. It said that if they could do this it would be behind the merger.

4. Second, NWS said that there were a number of constitutional standards that ASP was not currently meeting and that NWS was working proactively with it to focus on getting delivery back on track in key areas. It was concerned that ASP going through a big organisational change meant that it might be focused on things that did not help NWS to deliver the best care for the population.

5. NWS said that North West Surrey currently functioned well as an economy and in some ways was quite self-contained. This meant that for providers in its health economy there was a strong focus in terms of creating locality based commissioning, which it saw as important for the future sustainability of the NHS and making resources go further. It said that the proposed merger was in some ways across an odd geography as the populations of Guildford and Waverley, and North West Surrey had quite separate flows.

6. NWS said there were no current plans to merge the CCGs in the event of the ASP/RSC merger. It said that the size of the population it currently served provided a good planning number. There were 42 practices within it, which broke down into three localities of between 100,000 to 150,000 each. This enabled the CCG to be large enough to apply effective commissioning levers whilst being small enough to engage effectively with its members. It was concerned about the level of engagement with general practitioners (GPs) that would be possible over a wider footprint.

7. NWS noted that whilst the business case had changed latterly it was initially predicated on significant changes of specialised commissioning flows from London. It acknowledged that some repatriation of specialised activity would be good for its population and that it was keen to repatriate activity where appropriate, however, responsibility for this lay with NHS England. It said that it was difficult to see how, in the current context, the funding flow would be diverted from London to Surrey.

8. NWS said that ASP and RSC were intending to repatriate to St Peter's some of the activity that went currently from RSC to Frimley Health NHS Foundation Trust (Frimley). It said that this might impact on patient choice as some patients chose Frimley either because they lived closer to Frimley or because the trust had a particular reputation. Changing the habits of clinicians' referral patterns was not always easy. It had raised with ASP/RSC whether it was the right thing to do but not taken this to conclusion as it understood that proposals were largely around specialised services.

Seven day working

9. NWS said it wondered whether, in the future, having a range of partnerships and networks was going to be more sustainable than any one trust actually trying to deliver genuinely seven day services across all its service lines. It was a challenge in the biggest teaching trusts, even today. If the merging trusts could evidence how they would deliver this it would support the merger.

10. NWS said there were lots of examples where partnerships worked effectively, for example in hub-and-spoke models. It gave the example of cardiology

services in the east of Surrey with consultants at Surrey and Sussex Healthcare NHS Trust working with consultants at St George's University Hospitals NHS Foundation Trust (St George's) and doing sessions there, with a real benefit for all clinicians. Increasingly trusts were looking to franchise and there were different opportunities around this.

11. NWS said it would like to see some of the practical elements behind the assertion that the merger would facilitate seven day working. It would want to see some evidence around how ASP/RSC would work effectively across two sites over seven days, taking into account their distance from each other.

Counterfactual

12. [✂]

Community services

13. NWS said that it currently contracted with Virgin Care Services Ltd to provide community services. The Virgin Care contract would come to an end in March 2017 so it was already doing the work on the procurement of that contract. It was preparing now for the procurement as it would take a year and there were nine associate commissioners. Other contracts (for example for primary care out of hours services) would come to an end at the same point.

14. NWS said that its colleagues in Surrey County Council managed adult social care and the CCG was working on a number of integration projects with the Council, including a locality hubs model for the delivery of frailty services. It needed to be thinking about how its population used services and how that would change in the future and how it could resource and enable that.

15. NWS said that it was in discussions with its co-commissioners as to whether core community services should be carried on as a Surrey contract or disaggregated to local CCGs. Co-commissioners were working through a range of options but had not made a decision on this.

16. NWS said that it would expect ASP potentially to come out to the hubs to provide, for example, outpatient appointments. The trust would also be important in the delivery of the reactive elements of the care model and these were still to be fully scoped. Together providers across the system were exploring ways of reducing costs and providing a more efficient service for frail and older people, which was community focused.

17. [✂]

18. NWS said there had been a lot of focus on patient flow into hospitals and that there was now more of a focus on patient flow through and out of hospitals. It was increasing the levels of care home support, extending some of the community hospital provision and working with community and social care providers on better homecare packages. It had also commissioned additional step-down community beds to ease the non-elective flows within ASP.

19. NWS said that part of the agreement it had with ASP in 2015/16 was that it would work jointly with ASP on planned care schemes, including potential to repatriate activity where it was flowing elsewhere. It was doing work with GPs to understand how referrals and non-elective admissions might have been avoided by providing different diagnostics in a more timely and accessible way for example.

Patient choice

20. NWS thought that facilitating patient choice was important, but noted that in reality patients often tended to choose their local hospital over a shorter waiting time.

21. NWS said that the best way to attract patients through choice was to have a really good reputation for the services you provide. ASP had done well this year in improving its patient survey results and achieving a positive Care Quality Commission report. However, a number of its GPs said they used RSC for certain services, maternity for example, where they perceived the quality to be better, or alternative providers where there had been quality problems with ASP.

22. NWS said it was not in favour of big monopoly providers, which was why it did not think that vertical integration and making ASP the only provider for everything in North West Surrey would ever be the right thing to do. It was talking to ASP about partnering with other trusts and that it would like it to think about franchising. There were lots of ways of attracting more activity into the trust without it being a big monopoly provider.

23. NWS said that it was true that mergers do reduce competition, but there were still other options for patients. Some of its population might choose to go to Frimley and there were already significant patient flows to London (partly driven by GPs but also the transport routes), as well as to private providers. There were service-specific flows to St George's and to other London providers. Transport flows were not always as good from Guildford to Chertsey as they were from Chertsey or Guildford up to London.

24. NWS said that it was also looking into integrated models of clinical care between a number of providers delivered through a prime provider and consortia arrangement. For example, it was procuring a new end-to-end integrated musculoskeletal model of care. The reason it was doing this was because benchmark data showed that it was paying about £4.4 million more for orthopaedic interventions than the best CCGs in its Office for National Statistics cluster, and its Patient Reported Outcome Measures were not as good. This told NWS that it was probably intervening too early surgically on people and therefore they were not getting the benefit from the intervention.

25. NWS said that for non-elective services there was an element of choice for patients as, in addition to A&E, there were walk-in centres at the Ashford site (run by Greenbrooks, a private GP provider) as well as in Weybridge and Woking (run by Virgin Care). It had invested in extended opening hours for these centres. Ambulances would usually take patients to the nearest A&E, reducing the element of choice for patients in an emergency. It did have a good footfall in its walk-in centres, due to history and location, but that evidence showed that people who lived near hospitals would go to those hospitals for their urgent care. Choice might not matter in an emergency as much as quality of care.

Levers

26. NWS said that quality of services and of care were very important to it. Its commissioning plans were clinically driven to ensure that they were robust and clinically sound.

27. NWS said that it held ASP to account through its contracts. It used a range of contractual mechanisms including rigorously applying penalties through the contracts. For example, where there had been problems with waiting times or capacity, it had awarded more contracts into the private sector and other alternative providers. It had monthly Contract Management Board meetings and Clinical Quality Review Meetings with each of its providers so there was a continuous review process.

Patient feedback

28. NWS said that patient experience was monitored as part of the Commissioning for Quality and Innovation requirement. All of its GPs had Practice Participation Groups. Each of its three localities had a Locality Patient Forum. It also had a CCG-wide Patient & Public Engagement Forum. All of these elements worked together in a structure that dovetailed to ensure the CCG heard the patient voice up to governing body level. It also had an

informal feedback route through its Talk to Us button that sat on GPs' desktops. It also had a formal complaints process. It also conducted ad hoc patient surveys and participated in the annual national CCG stakeholder survey.

Remuneration

29. NWS paid ASP through Payment by Results (PbR) in 2014/15. Heads of Terms had been agreed for the 2015/16 contract based on PbR primarily with elements of block and local tariff. It had explored cap and collar contracts.

30. NWS said that the PbR arrangements for emergency activity in the contract had changed significantly in 2015/16. Up until the last financial year providers were funded on the basis of a threshold that was set based on activity in 2008. It paid activity above that level at 30% of PbR. Now the threshold had changed and so it was reimbursing ASP for activity above the threshold at 70% of the tariff.

31. NWS said that while it had not agreed a formal cap and collar it did have a risk sharing arrangement for non-delivery of the Quality, Innovation, Productivity and Prevention (QIPP) schemes. ASP was taking ownership of planned care QIPP schemes and working with NWS jointly to deliver savings. [✂]

32. NWS was also working with ASP to support ASP's Cost Improvement Programme. It was supporting ASP to contain a bed base that was at a level it could afford within the permanent workforce, so having less reliance on a premium cost temporary or agency workforce.