

**PROPOSAL TO FORM A JOINT COMMITTEE TO SCRUTINISE THE PROPOSED  
MERGER OF PSHFT WITH HHCT**

- To:** HEALTH COMMITTEE
- Meeting Date:** 8 September 2016
- From:** The Monitoring Officer
- Electoral division(s):** All
- Forward Plan ref:** Not applicable
- Purpose:** To consider establishing a joint scrutiny committee between Cambridgeshire County Council and Peterborough City Council to scrutinise proposals to merge Peterborough and Stamford Hospitals NHS Foundation Trust (PSHFT) with Hinchingsbrooke Health Care NHS Trust (HHCT).
- Recommendation:** The Committee is asked to
- a) decide whether to support the establishment of a joint scrutiny committee with Peterborough City Council to scrutinise proposals for the merger of Hinchingsbrooke Health Care NHS Trust and Peterborough and Stamford Hospitals NHS Foundation Trust
- and, if it is decided to support the establishment of such a joint committee, to
- b) decide on the preferred size of the joint committee
  - c) appoint members of the Health Committee to serve as members and substitutes on the joint committee
  - d) authorise the joint committee to respond on behalf of the Health Committee to the public engagement / consultation proposals
  - e) consider whether a joint committee would be required to scrutinise the implementation and governance arrangements, should the proposed merger be agreed by the two NHS Trust Boards
  - f) comment on the draft terms of reference.

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## **1. BACKGROUND**

- 1.1 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.
- 1.2 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.
- 1.3 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 Health Committee met on 14 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.
- 1.4 This report will discuss the principles behind establishing a Joint Overview and Scrutiny committee (OSC) between Cambridgeshire County Council (CCC) and Peterborough City Council (PCC). The PCC Scrutiny Commission for Health Issues is expected to consider a similar report at its meeting on 15 September.

## **2. MAIN ISSUES**

### **2.1 Legislative and Constitutional Basis**

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.

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 CCC's Health Committee and PCC's Scrutiny Commission for Health Issues 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.

The County Council's Constitution authorises the Health Committee to delegate its functions to a joint overview and scrutiny committee when this is required by legislation or is conducive to the efficient scrutiny of proposals affecting more than one local authority area. The Committee is also authorised to appoint members to such a joint committee, in which case political balance requirements apply to the appointments.

## 2.2 Benefits of Joint Overview and Scrutiny

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.

At its meeting on 14 July 2016, the Health Committee considered the matter and decided ‘to proceed with further joint scrutiny of the proposals in collaboration with Peterborough City Council and other Local Authorities subject to their agreement.’ The Committee did not decide what form that this joint scrutiny would take.

## 2.3 Purpose and Powers

A Joint OSC is recommended to scrutinise the proposals of PSFHT and HHCT working collaboratively. Alternative approaches could include the two OSCs (Cambridgeshire Health Committee and the Peterborough Scrutiny Commission for Health Issues) 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.

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 the acquiring organisation as an established “Foundation Trust”.

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

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

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.

## 2.4 Membership and Co-option

When CCC and PCC 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.

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 Cambridgeshire’s next meeting is not until 18 October (12 October for Peterborough), when two weeks of the six-week engagement period will already have passed.

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

<b>Total</b>	<b>Conservative</b>	<b>Lib Dem</b>	<b>UKIP</b>	<b>Labour</b>	<b>Independent</b>
<b>3</b>	1	1	1	0	0
<b>4</b>	2	1	1	0	0
<b>5</b>	2	1	1	1	0
<b>6</b>	3	1	1	1	0

### Co-option

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 is recommended that provision be made 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.

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

## 2.5 Supporting the Joint OSC

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
- Organising and minuting meetings.

## 2.6 Establishing Timescales

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 at PSHFT Board 27 September
- FBC to be discussed at HHCT Board 29 September
- Public Engagement commences 3 October
- Public Engagement responses deadline 11 November
- Final approval of proposals HHCT Board 24 November
- Final approval of proposals PSHFT Board 29 November
- Implementation of merger (subject to approval) 1 April 2017

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.

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

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 other 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.

Draft terms of reference are being developed, to be supplied 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 OSCs in the region in 2010.

## **3. SIGNIFICANT IMPLICATIONS**

### **3.1 Resource Implications**

The following bullet points set out details of significant implications identified by officers:

- Officer support and administration in regards to establishing a joint committee. Details are outlined in section 2.5

### **3.2 Statutory, Risk and Legal Implications**

No significant implications

### **3.3 Equality and Diversity Implications**

No significant implications

### **3.4 Engagement and Consultation Implications**

No significant implications

### **3.5 Localism and Local Member Involvement**

There may be the need to involve local members from Huntingdonshire as the proposals affect the management of local district general hospital. Provision for this has been identified in section 2.4

### **3.6 Public Health Implications**

No significant implications

Source Documents	Location
Outline Business case – Merger of Hinchingbrooke Health Care NHS Trust and Peterborough and Stamford Hospitals NHS Foundation Trust	<a href="http://www.hinchingbrooke.nhs.uk/working-with-peterborough-stamford-hospitals/">http://www.hinchingbrooke.nhs.uk/working-with-peterborough-stamford-hospitals/</a>
Step by Step to Joint Scrutiny: A handbook for Scrutineers <i>Ashworth R. &amp; Downe J. (2015)</i>	<a href="http://business.cardiff.ac.uk/news/cardiff-business-school-launches-handbook-help-councils-collaborate-accountability">http://business.cardiff.ac.uk/news/cardiff-business-school-launches-handbook-help-councils-collaborate-accountability</a>
Local Authority Health Scrutiny (guidance document)	<a href="https://www.gov.uk/government/publications/advice-to-local-authorities-on-scrutinising-health-services">https://www.gov.uk/government/publications/advice-to-local-authorities-on-scrutinising-health-services</a>
Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013	<a href="http://www.legislation.gov.uk/ukxi/2013/218/made">http://www.legislation.gov.uk/ukxi/2013/218/made</a>
County Council Constitution (Part 3B)	<a href="https://cmis.cambridgeshire.gov.uk/ccclive/Documents/PublicDocuments.aspx">https://cmis.cambridgeshire.gov.uk/ccclive/Documents/PublicDocuments.aspx</a>

