

HINCHINGBROOKE HOSPITAL WIDER ISSUES

To: HEALTH COMMITTEE

Meeting Date: 28th May 2015

From: The Monitoring Officer

Electoral division(s): All

Forward Plan ref: Not applicable

Purpose: To provide the Committee with background information relating to Hinchingsbrooke NHS HealthCare Trust Franchise arrangements

Recommendation: To note the report

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1. BACKGROUND

- 1.1 Hinchingsbrooke Health Care NHS Trust were invited to attend the last Health Committee meeting on 12 March following on from the Care Quality Commission's (CQC) Inspection report. Following on from the Committee's scrutiny of patient care issues at Hinchingsbrooke Health Care NHS Trust the Committee has requested to scrutinise wider issues at Hinchingsbrooke. This report is intended to provide members with background information in relation to the franchise arrangements for Hinchingsbrooke Health Care NHS Trust to support this scrutiny item.
- 1.2 Hinchingsbrooke Health Care NHS Trust suffered financial difficulties and, between 2004-05 and 2007-08, developed a cumulative deficit of £39 million on an annual income of around £73 million.
- 1.3 Between 2006 and 2008, the Department of Health (the Department) gave the Trust around £40 million in working capital to support its cash position while it attempted to return to in-year financial balance. However, the Trust's financial recovery plans were unsuccessful and it required non-recurrent support from its main commissioner, NHS Cambridgeshire, and from the NHS East of England Strategic Health Authority (the SHA) to achieve in-year financial balance and to prevent the deficit from increasing further.
- 1.4 In 2007, the Department gave the East of England Strategic Health Authority approval to explore options to implement a new management structure at the Trust, to make it financially sustainable and repay its cumulative deficit. In July 2009, after a public consultation and review by the Department, the SHA obtained approval from the Department to seek a partner to run the Trust as an operating franchise. The SHA invited NHS organisations, private companies and the third sector to bid. In November 2011, the SHA awarded a ten-year operating franchise to Circle, a private company.
- 1.5 The management of Hinchingsbrooke Hospital by Circle commenced on 1st February 2012 and ceased on the 31st March 2015. On 9th January 2015, Circle announced its intention to seek to withdraw from its current 10-year franchise arrangement for the running of the Trust this was based on a £5m private investment ceiling break clause within the contract. The finance report to the most recent public Board meeting of Hinchingsbrooke Health Care NHS Trust Board (February 2015) indicate that the hospital is projecting a £9.6M deficit for 2014/15, and has requested this level of additional financial support from the Trust Development Authority.

2. CARE QUALITY INSPECTION

- 2.1 The Care Quality Commission (CQC) conducted an unannounced inspection of Hinchingsbrooke Hospital on 16-18th September 2014 and a further unannounced inspection on 21st -28th September. The inspection report from the CQC published on 9th January 2015 noted the hospital had an "inadequate" rating. A focused inspection was conducted on 2nd January 2015 and the CQC Inspection report from this visit was published on 22nd April 2015 and has rated the hospital as "requires improvement".
- 2.2 In its inspection report, the Care Quality Commission recommended that Hinchingsbrooke Healthcare NHS Trust is placed in special measures and the NHS Trust Development Authority (the body which oversees NHS Trusts which are not foundation trusts) has accepted this recommendation.

- 2.3 While a Trust is in special measures it receives support, challenge and oversight from the NHS Trust Development Authority (NHS TDA) to help it make the necessary improvements. This will usually include:
- the appointment of an Improvement Director to provide support and challenge to the trust and assurance to the NHS TDA;
 - partnership with high performing organisations (“Buddy Trusts”);
 - a capacity and capability review of the trust’s leadership;
 - direct development support, including funds, from the NHS TDA; and
 - regular public progress updates published on NHS Choices (and the Trust’s own website)
- 2.4 Special measures is a time-limited process. After around 12 months of being in the regime, a Trust will be re-inspected by the Care Quality Commission (CQC) and the Chief Inspector will make a recommendation as to whether the Trust should be removed from special measures. A further extension of around six months may be granted where this would allow a Trust to make sufficient progress so as to exit the regime.
- 2.5 The ‘Hinchingsbrooke Quality Summit Presentation describes improvement actions the Trust has taken already in response to the CQC Inspection Report and further improvement actions planned.

3. PUBLIC ACCOUNTS COMMITTEE

- 3.1 The Public Accounts Committee published a report in January 2013 on the franchising of Hinchingsbrooke Health Care NHS Trust. This was critical of separate decisions being taken to build a new Private Finance Initiative (PFI) hospital at Peterborough and to award a franchise to a private company to run a nearby NHS hospital (Hinchingsbrooke).
- 3.2 The Public Accounts Committee called local representatives from Hinchingsbrooke Hospital, Circle, and Cambridgeshire & Peterborough Clinical Commissioning Group (CCG), together with representatives from national organisations, to give oral evidence for an update on Hinchingsbrooke Health Care NHS Trust on 2nd February 2015. The oral evidence given has been published on the parliamentary website.

4. SCRUTINY OF HINCHINGBROOKE HEALTH CARE NHS TRUST BY CAMBRIDGESHIRE COUNTY COUNCIL

- 4.1 Cambridgeshire County Council has had considerable involvement in scrutiny of Hinchingsbrooke Health Care NHS Trust over the past decade.
- 4.2 September 2006: The Cambridgeshire Health and Adult Social Care Scrutiny Committee (HASC) meeting received a report on the financial situation at Hinchingsbrooke Hospital and proposals for the reconfiguration of acute hospital services in the East of England. Further HASC meetings were held in October and November and it was agreed to establish a joint committee with other interested authorities to respond to the proposals.
- 4.3 February – July 2007: The Joint Committee met five times in Huntingdon, membership: Cambridgeshire County Council, Peterborough City Council, Bedfordshire County Council, Essex County Council, Norfolk County Council, and one representative each

from the Cambridgeshire PCT PPI Forum and the Hinchingsbrooke PPI Forum. At its final meeting in July the Joint Committee resolved unanimously that it was not minded to exercise its power to refer the proposals to the Secretary of State for Health. The Committee endorsed Cambridgeshire Primary Care Trust's recommended Option 2 for Hinchingsbrooke Hospital, but stated that it still had significant concerns, not least about the transfer of services to the community and questions of capacity and timescale involved in implementing that transfer.

- 4.4 From March 2007 to November 2008 there were frequent HASC agenda items relating to the Hinchingsbrooke Next Steps Project and the future governance of Hinchingsbrooke Hospital.
- 4.5 In November and December 2009, the HASC agendas included items on proposed franchising arrangements for Hinchingsbrooke Hospital. There was ongoing scrutiny by a working group of the HASC.
- 4.6 21st March 2012: the Cambridgeshire Adults Wellbeing and Health Overview and Scrutiny Committee (AWHOSC, successor to HASC) scrutinised the Hinchingsbrooke Hospital Business Plan 2012/13, with attendance from representatives of Hinchingsbrooke Healthcare NHS Trust, Circle and NHS Cambridgeshire.

5th February 2013: the AWHOSC scrutinised Hinchingsbrooke Hospital: Progress and Plans, with attendance from Hinchingsbrooke Healthcare NHS Trust, Circle and Cambridgeshire and Peterborough CCG

- 4.7 Current scrutiny of Hinchingsbrooke Health Care Trust as conducted by the Health Committee has included the following:

15 January 2015: the Health Committee discussed the recently published CQC Inspection report on Hinchingsbrooke Health Care NHS Trust. Members resolved

“the inclusion of a scrutiny item on patient care issues at Hinchingsbrooke Hospital on the agenda for 12th March 2015”.

22 January 2015: the Health Committee liaison meeting with Cambridgeshire & Peterborough Clinical Commissioning group (CCG) and HealthWatch where members were informed of the work the CCG had undertaken with Hinchingsbrooke Hospital post the CQC Inspection in September 2014.

26 January 2015: Special Measures Oversight Group (Hosted by Trust Development Agency – TDA). Hinchingsbrooke Health Care NHS Trust (HHCT) extended an invitation for the Chair of Cambridgeshire County Council's Health Committee to attend this initial meeting. The TDA have included the Chair of the Health Committee and the Chair of Huntingdonshire District Council's Overview & Scrutiny Panel (Social Wellbeing) within its membership for these monthly recurring meetings.

26 February 2015: Health Committee Seminar with CQC & CPCCG. The Health Committee did not receive an invitation to the CQC Quality Summit on the release of the CQC Inspection report for Hinchingsbrooke Hospital scheduled on 9 January 2015. An individual session was organised with representation from the CQC and Cambridgeshire and Peterborough Clinical Commissioning Group. This meeting provided members with the opportunity to look at the CQC Inspection report in depth and question CQC Inspectors on any areas of clarification.

5. SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

There are no significant implications within this category.

5.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

5.3 Equality and Diversity Implications

There are no significant implications within this category.

5.4 Engagement and Consultation Implications

There are no significant implications within this category.

5.5 Localism and Local Member Involvement

There are no significant implications within this category.

5.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
National Audit Office Report November 2012 weblink:	http://www.nao.org.uk/wp-content/uploads/2012/11/1213628es.pdf
Care Quality Commission inspection reports on the care provided at Hinchingsbrooke Hospital from 2011 onwards are available on weblink	http://www.cqc.org.uk/location/RQQ31
Hinchingsbrooke Hospital Quality Summit response published on 9 January 2015 :	http://www.hinchingsbrooke.nhs.uk/about/about-trust-board/board-meetings
Care Quality Commission initial inspection report for Hinchingsbrooke Health Care NHS Trust published 9 January 2015	http://www.cqc.org.uk/location/RQQ31/reports
Care Quality Commission latest Inspection report for Hinchingsbrooke Health Care NHS Trust published 22 April 2015	http://www.cqc.org.uk/location/RQQ31
Public Accounts Committee Report January 2013	http://www.publications.parliament.uk/pa/cm201213/cmsellect/cmpubacc/789/789.pdf
Public Accounts Committee Report 2 February 2015	http://www.parliamentlive.tv/Main/Player.aspx?meetingId=17182&player=silverlight
Minutes of the Adults Wellbeing and Health Overview and Scrutiny Committee from (21-3-12 and 5-2-13)	http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Committee.aspx?committeeID=37