

COVENTRY AND WARWICKSHIRE LOCAL TRUST'S FUTURE



HSJ Local Briefing is our new in-depth analysis of the key issues facing the NHS's major health economies

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In brief

Issue Acute services in the Arden primary care trust cluster area are not sustainable in their current form. The tiny George Eliot Hospital Trust has admitted it will not make it to foundation status on its own, and is seeking a partner from the NHS or private sector to secure its future. However, turning around one struggling trust will not fix the local health economy, and any solution will also involve changes to services at South Warwickshire Foundation Trust and University Hospitals Coventry and Warwickshire.

Context Local providers and clinicians are working on a programme aimed at ensuring local services are able to meet critical quality standards. Chronic obstructive pulmonary disease, stroke, emergency surgery and end of life care are currently under scrutiny. Dementia, diabetes and geriatric medicine are up next.

Outcome Whether the solution for George Eliot is a merger with a foundation trust, a Hinchingsbrooke Health Care Trust-style private sector franchise arrangement or something more exotic, the future is not likely to involve a district general hospital providing all the services currently on that site. There are immediate doubts over the future of emergency surgery and acute stroke services at South Warwickshire, and the expectation that other specialties will be increasingly centralised in Coventry.

George Eliot: The story so far

George Eliot Hospital Trust announced more than a year ago that it would be unable to reach foundation trust status alone, and would have to enter into a partnership to secure its long term future. The trust has since been in talks with a number of NHS and private sector providers, with potential options including a merger with another organisation, a takeover by a larger trust, or it being run as a franchise.

With Circle, Serco and Care UK all on the shortlist for talks, the franchise option has attracted the most interest, particularly since Circle was contracted to run Hinchingsbrooke Health Care Trust in Cambridgeshire on a similar basis.

The decision over whether to proceed with the partnering process is currently being awaited from health secretary Jeremy Hunt. His verdict is expected soon and if he gives the word, George Eliot will place an advertisement in the Official Journal of the European Union to

begin the tendering process.

Other confirmed suitors are Burton Hospitals Foundation Trust, the Dudley Group of Hospitals Foundation Trust, and South Warwickshire Foundation Trust.

Although at first glance the move towards a merger or franchise might be seen as a bid to fix one unviable trust, closer inspection of the local health economy reveals that the fortunes of three local acute providers are closely linked.

The most recent illustration of this was last month's decision to redesign paediatric inpatient services in the Arden area. The move was provoked by concerns over safety – but the solution was not a simple lift and shift from one trust into another.

While the majority of services will now be provided by University Hospitals Coventry and Warwickshire, a new short-stay paediatric assessment unit will be established at George Eliot – with the consultants running that service employed by South Warwickshire Foundation Trust. The Arden health

economy is too tight-knit for a decision affecting one trust not to affect all.

Arden primary care trust cluster

Based in Nuneaton, in north Warwickshire, George Eliot Trust is one of the smallest non-specialist acute trusts in the country, with a turnover of £117m in 2011-12. That places it well below the threshold of £200m widely held to be the lower limit of viability for a general acute trust.

Its size is the root of its decision not to proceed towards foundation status alone. The trust believes it might just be able to make it through the foundation trust pipeline, but over the longer term, with constant, year on year efficiency gains needed, there is not thought to be enough slack in the system to sustain the business in its current form.

Financial troubles are already upon the trust. At the end of August it was £2.5m in the red – £2.2m worse than planned. The trust's own performance and finance report said the position demonstrated its need to find a partner organisation. There was also an "extreme" risk that the trust would be unable to agree its cost improvement plan for 2012-13.

The trust's most striking performance issue is a persistently high death rate. It reported a standardised hospital mortality index of 1.214 in October 2011 (the national average figure is 1). In March a report by the Arden PCT cluster identified a need for staff to be to ensure high quality care, and said the trust would have to address issues of culture.

However the rate climbed to 1.23 in April, remaining static in July – meaning the number of deaths were 23 per cent higher than expected for the trust.

However the trust did recently

report strong figures on emergency performance and an "outstanding turnaround" in stroke care. It also scored perfect marks on its annual patient environmental action team (PEAT) survey.

University Hospitals Coventry and Warwickshire's turnover, at £485m, makes it by far the largest organisation on the patch, with its major acute site on the edge of the urban centre of Coventry, in the middle of the county, and a smaller outpost in Rugby. It is planning to submit its bid to become a foundation trust next summer.

South Warwickshire Foundation Trust is small. Its annual income of £205m comes from acute services supplied out of a single site in Warwick, and community services, which it provides for the whole of Warwickshire. The trust has recently entered into an alliance with Serco in a move that both sides hope will boost its chances of securing the George Eliot partnership deal. Although this doesn't guarantee a joint bid, it does mean that if either side wins it will at the very least draw on the expertise of the other in running George Eliot.

Options for George Eliot

Opinions differ on the best solution for George Eliot. More than one local source described an eagerness in the Midlands and East strategic health authority cluster to implement another private sector franchise deal, similar to Hinchingsbrooke. George Eliot has been working with legal advisors from the Department of Health and SHA on how the tender advertisement will be phrased.

The trust insists it is in control of the process, and intends to phrase its OJEU advertisement as neutrally as possible. However, outsiders believe that for any future decision by the George Eliot board, "the SHA will be marking their homework".

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South Warwickshire Foundation Trust would ideally like to merge with George Eliot. Such a move would create a single, and possibly more stable, large trust. This could possibly make South Warwickshire's long term survival more likely, and enable it to join up acute and community services across the county. The trust's alignment with Serco can be seen as an attempt to tick the "private sector" box, and in the event of a Serco win, ensure that it will still be able to become more involved in the north of Warwickshire.

The trust's integrated approach is bearing some fruit in South Warwickshire. South Warwickshire is implementing a range of measures including front-door assessment for older patients. Meanwhile, an expanded acute physician service has led to improvements in the flow of older patients with complex needs, and a community emergency response team has improved flows among older patients.

Overall, 41.5 per cent of acute admissions were discharged within two days in June – beating the average of 38.8 per cent since 2007. Discharges within seven days averaged at 72.1 per cent, better than the average of 70.3 over the same period. The improvement is giving the trust some crucial headroom to deal with rising demand – activity levels are up about 11.5 per cent in the south of the county and above plan in all local trusts.

South Warwickshire argues there is an opportunity to repeat the trick at George Eliot. As the trust currently provides community services across the whole of Warwickshire, it could effectively run two vertically integrated systems at either end of the county. South Warwickshire sources hope that, assuming the tender process gets the go-ahead from the Department of Health that

their bid would be formally supported by Coventry and Warwickshire as it would enhance existing local partnership working.

Others point out that South Warwickshire has no automatic right to provide community services for the whole county. Its community services contract is only for three years, and has been running for 18 months already. If Mr Hunt gives the nod to begin tendering, and that process takes a year, that will leave the contract with six months to run, at most.

The local clinical commissioning groups may wish to re-tender community services – in that scenario, the South Warwickshire offer looks less inevitable. George Eliot is known to be interested in running community services in north Warwickshire. It is possible to imagine George Eliot securing a long term franchise partner, and bidding to take over community services in the north of the county.

Local sources praise the George Eliot board for admitting that its future will not be as a standalone foundation trust. In the light of that, it is hoped that the board will continue to put self interest aside and consider each application on its merits. However, there are some concerns that a merger or takeover with an NHS trust would spell the end of an independent George Eliot board, while a franchise option could preserve executive jobs.

There is some excitement locally about the possibility of a hybrid solution, where a foundation trust runs George Eliot as a franchise, without taking it over. However, South Warwickshire is known to be sceptical about that approach, as they do not want to get tangled up in a contract which could effectively make George Eliot Hospital a fixed point in the local health economy.

Size, safety and sustainability

The subtext to all of this is that any future partner for George Eliot Trust will need to be aware that the organisation it is partnering will not remain the trust it is today. The solution will not simply be to make the trust viable by allowing someone else to run the services that have long been on that site.

This is because just as George Eliot's small size makes it unable to deal with year on year tariff squeezes, it also means it is not able to safely operate some specialties – remember its high death rates and the issues around inpatient paediatrics.

A takeover or franchise is a politically and commercially interesting issue for anyone following the development of NHS provision, but more profound local changes will be brought about by the impact the trust's size has on clinical safety.

Networking

Local trusts have been working with commissioners to assess acute services in the Arden area and decide how to make them viable for the long term. Networking already happens in the area – for instance in pathology services and trauma services. Hyper acute stroke services are already provided in Coventry on behalf of the others. Now, a "sustainable specialties and frail older people's programme" is exploring how services can best be provided across the patch as a whole.

The programme was set up in April with the aim of establishing a clinical consensus on the service standards needed to provide safe care. It will then undertake a "gap analysis" of shortfalls in quality and safety, and develop local action plans to drive up standards.

The programme has initially been

looking at four specialties: chronic obstructive pulmonary disease; emergency general surgery, end of life care; and non-hyper acute stroke. The Arden clinical commissioning group federation has agreed that each of the three local CCGs should identify an overall clinical transformation lead to link into the programme.

On stroke, the programme is following standards set out by a review currently under way across the Midlands and East region. That review says the a hyper acute unit needs 600 admissions a year to be safe.

Coventry and Warwickshire currently has 750 ambulance conveyances a year, while South Warwickshire gets 200 and George Eliot gets 150. There is an expectation that acute stroke will be networked on a similar basis to hyper acute services, leaving the other hospitals with a role around rehabilitation.

Although trust feedback has revealed a desire for the continuation of acute stroke and transient ischaemic attack services on all sites, "considerable gaps" were spotted in the provision of "early supported discharge" and rehabilitation services. The local cardiovascular network highlighted the need to address rehabilitation and long term care, and to "rebalance" capacity in order to centralise acute and hyper acute services.

The sustainable specialties' team's early findings on emergency general surgery demonstrate a wide variation among local hospitals in death rates for major and complex general surgery – mortality rates vary from 7.6 per cent to 13 per cent, and between 7.4 per cent to 16.4 per cent at weekends, although these are not adjusted for age or co-morbidity.

An Arden cluster board report on the sustainable specialties

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programme says: "There is an impending consultant workforce problem in covering emergency general surgery on all three sites, and consideration should be given to the option of providing emergency general surgery on fewer sites either on two sites or one."

A local commissioner told HSJ that a "very strong argument" was emerging for an emergency surgery network with "a single site offering 24-7 acute care".

Another senior source told HSJ that, one specialty at a time, the programme leads towards an increasing centralisation of services on Coventry. The source expects that the removal of emergency surgery from at least one site will lead people to question whether that site should also have an accident and emergency unit.

"Coventry is the major trauma centre, and is taking on paediatric surgery," the source said. "If you look at the extension of that, how much longer is the whole of paediatrics and obstetrics viable at George Eliot? I think there are tipping points that are in touching distance... it needs some brave discussions to go on." Even executives at George Eliot privately rule nothing out.

The sustainable specialties programme is set to expand, and examine geriatric medicine, dementia, and diabetes services.

The future for Coventry and Warwickshire

All this fits quite neatly with University Hospitals Coventry and Warwickshire's long term vision, which is to become the major tertiary provider for the area. The trust is not interested in becoming a vertically integrated provider, and sees its future as being a hub of a local network of NHS services, and the centre for acute specialties.

This, it hopes, will mean that the smaller providers can focus on providing more routine services for patients with chronic long term conditions – the kind which need good vertical integration. This does not depend on any particular outcome of the George Eliot tender – a private sector partner, a newly vertically integrated trust in the north of Warwickshire or a takeover by South Warwickshire could all work in that context.

University Hospital Coventry also has a £410m private finance initiative hospital, which eats up about 16 per cent of its annual turnover. A Coventry source points out: "Irrelevant to who manages this place, there's are two things you can forecast between now and 2042, which is that this place will be here and the PFI provider will be paid".

It is helpful, then, that the clinical, financial and geographical arguments all lead towards it becoming the fulcrum of the local health economy.

Interestingly, commissioners refuse to treat centralisation as a done deal. HSJ heard that the key is not to frighten patients and local staff by blundering into an aggressive, fast reconfiguration. Instead, clinical cases will be built gradually, service by service. "You're more likely to create resistance by pushing faster", one well placed figure said. Steamrolling towards a pre-decided end state will not build the trust between clinicians across the system.

However others remain concerned by safety, and ask, how long unsafe specialties can be tolerated. With persistently high death rates and a year to go before George Eliot's partner in place, one source expressed fears that "the longer this goes on, the more likely the sky falls in at some point". The source added: "Good people leave... I'd rather we

get on with things than allow them to get worse between now and whenever."