

**Minutes of the Hinchingsbrooke Next Steps public meeting**

**4 March 2010, 6pm**

South Cambridgeshire District Council offices, Cambourne

| Item | Description   | Action |
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| 1.   | <p><b>Welcome</b><br/>David Monks welcomed everyone to the meeting.</p> <p>Mike Evans of Ramsay Health Care and Rufus Helm from Circle Health declared an interest.</p>   |        |
| 2.   | <p><b>Overview and update on the Hinchingsbrooke Next Steps project</b><br/>Dr Stephen Dunn (SD) made a detailed presentation on the Hinchingsbrooke Next Steps project (now available online at <a href="http://www.strategicprojectseoe.co.uk/index.php?id_sec=98">http://www.strategicprojectseoe.co.uk/index.php?id_sec=98</a>), after which David Monks invited questions.</p> <p>Q2.1. Phil Green asked whether the franchisee would be paying a fee or whether there would be a subsidy.<br/>A2.1. SD stressed that Hinchingsbrooke's debt was substantial and needed to be addressed and that the assumption is that the new operating partner will contribute towards repaying the debt. He reiterated that the partner would be paid on NHS prices, and on NHS terms and conditions. However, if bidders felt that it was not possible to make Hinchingsbrooke sustainable without a subsidy, then it would be considered. SD stressed that all options needed to be 'kept on the table' as part of the ITPD (invitation to participate in dialogue) discussions, but there was no fixed commitment to a subsidy. He stressed that early indications were that real innovation is coming through from bidders, leading him to believe that partial repayment of the debt will be possible, although the ITPD dialogue is still underway. He reported being very encouraged by the ideas being presented by potential bidders.</p> <p>Q2.2. Tony Durcan asked why two years passed, following the outcome of the 2007 consultation, before the franchise opportunity was promoted.<br/>A2.2. SD responded that, since 2007, NHS East of England, NHS Cambridgeshire and Hinchingsbrooke Health Care NHS Trust had conducted further work on the options and awaited Treasury approval which was received in July 2009. Every effort had been made to publicise thinking and consciously involve the Overview and Scrutiny Committee and public at every stage.</p> <p>Q2.3. Tony Durcan said that there was currently local accountability through non-executives on the board. How would the HNS project board ensure that this voice continues to be heard?<br/>A2.3. SD replied that the proposed intervention order would set up a</p> |        |

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|    | <p>reconstituted Trust board, although likely to be smaller than the current board. This board would have non-executives on it, so they can continue to monitor activity at the hospital. NHS Cambridgeshire would also remain accountable, to ensure the public received its services.</p> <p>Q2.4. Clive Quick asked if there was some “secret money” set aside should the private bidders need it.<br/>A2.4. SD answered that there was “no hidden agenda and we are not selling the family silver”. He said that funds were extremely limited within the NHS and there is no “secret money” set aside for bidders.</p> <p>Q2.5. A member of the public asked how a private bidder might run the hospital more effectively than a public one<br/>A2.5. SD replied that the franchise opportunity had been open to the NHS too, and some NHS organisations were still involved as potential partners to the independent sector bidders. He added that the successful franchisee will have to operate on the same terms as anyone else providing equivalent NHS services. However, when a new management is brought into any business, they bring with them a new and different perspective.</p> <p>The new franchisee may well identify scope for improving efficiency and performance. It could be, for example, that they see service hours in the hospital being extended. This is just a supposition; it will be up to the individual bidders to show how they would make the management of Hinchingsbrooke hospital sustainable.</p> <p>Q2.6. Bobbie Heather suggested that offering a subsidy could set a dangerous precedent, and was this franchise offer just an experiment?<br/>A2.6. SD restated that there was no firm commitment to offering a subsidy. He said that while the Hinchingsbrooke Next Steps project was unique in the east of England, there were examples of similar franchise opportunities in other countries, including Spain, Australia and Germany.</p> <p>Q2.7. Martin Booth suggested that the franchise opportunity could have been better publicised to encourage more NHS bidders.<br/>A2.7. SD stated that the opportunity had been publicised well, and in accordance with European guidance. He stated that there had been strong initial interest from the public sector and while none remained as direct bidders, it is anticipated that they will be partnering with independent sector bidders.</p> |  |
| 3. | <p><b>How it feels from a Hinchingsbrooke perspective</b><br/>Mark Millar (MM) said that he would be talking about his personal view of Hinchingsbrooke Next Steps, that of the Trust’s board and what he believes to be the view of his staff.</p> <p>He told the audience that he is an NHS East of England employee, and that his secondment at Hinchingsbrooke was coming to an end. From the outset he had not committed to repaying off the debt, but instead to stabilise and move the hospital forward. He said that the debt couldn’t be</p>   |  |

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|    | <p>ignored and that NHS East of England is right to be maximising its chances to get a repayment of the money owed. He didn't believe that, under current restraints, that the repayment was achievable, but if other potential partners felt that they could, then they should be given the opportunity to do so.</p> <p>MM stated that he hadn't seen any of the bids, and noted that the public had not been invited to do so either, but acknowledged that it was not possible, giving the commercial and in confidence nature of the bidding process. He agreed that there is a very robust evaluation process in place, although he was not part of it.</p> <p>MM described how a Trust comparator is being devised, which is the Trust's financial proposal for what they would do if they weren't to enter into a franchise arrangement. It is being independently evaluated, against the bidders' ITPD submissions.</p> <p>He explained that while the comparator would be a useful 'bar' against which to measure the bids received, it will not be providing the long term answer for Hinchingsbrooke's ongoing sustainability. He pointed to the £100m gap in NHS Cambridgeshire's future budget and acknowledged that there would have to be changes at Hinchingsbrooke, whether under the NHS or being run by the independent sector.</p> <p>David Monks thanked MM for his presentation.</p> |  |
| 4. | <p><b>Question and answer session</b></p> <p>Q4.1. Tony Baker asked if the hospital was running at a profit and whether it was paying interest on the debt.<br/>A4.1. MM said that the hospital was breaking even but was not paying interest on the debt.</p> <p>Q4.2 Tony Baker asked how much the operating franchise process was costing<br/>A4.2. Andrew MacPherson said that the process is costing less than 2% of one year's turnover, or less than 0.2% of the value of the total transaction.</p> <p>Q4.3. Ellen Kemp asked what services were going to be "inside the envelope".<br/>A4.3. MM replied that those currently being offered by the Trust were being included in the operating franchise offer. The other services on the site, not run by the Trust, were excluded. He said that he got the impression that many members of the public were ambivalent about who managed Hinchingsbrooke as long as the services remained of high quality.</p> <p>Q4.4. Clive Quick asked how quality of service would be ensured.<br/>A4.4 SD said that the NHS quality regulatory framework would still have to be adhered to.</p>  |  |

Q4.5. Ruth Clapham asked if the audience could have examples of the bidders' experience of running similar services elsewhere.  
A4.5. SD said that some of the bidders had run similar services elsewhere in the world and were involved in current NHS contracts. SD added that he couldn't go into detail, at the moment, as the ITPD discussions were still under way, and the information was considered commercial and in confidence. He wanted to reassure the public that, as part of the assessment process, bidders would have to demonstrate their skills and experience, and if they didn't match what was needed at Hinchingbrooke, then they wouldn't progress to further stages.

Q4.6 Tony Durcan asked what was going to happen when MM leaves his post as Hinchingbrooke's Chief Executive.

A4.6. MM said that he knew of the candidates being considered for his replacement and that he had every confidence in them helping to find the right solution for Hinchingbrooke. He said that he had offered to stay in post until his replacement is in post.

Q4.7. Phil Green asked why NHS Cambridgeshire wasn't present.

A4.7. SD said that Dr Paul Zollinger-Read was a practising GP and had a surgery that evening.

Q4.8 A member of the public asked what would happen if the successful franchisee wanted to make people redundant.

A4.8. SD said there wouldn't be a worsening of staff terms and conditions, and David Monks stated that the staff weren't being TUPE'd, but would remain within the NHS. If significant changes did have to be made, then it would have to follow an extensive staff consultation. As MM pointed out "I could do that too, if I stayed in post."

Q4.9. A member of the public asked what would happen if none of the bidders passed the assessment process.

A4.9. SD said that if that scenario did occur, then the Hinchingbrooke Next Steps board would need to look at what other options are available. He said, however, that there were various checks and balances built into the process, so there would be plenty of notice if this looked likely, and he was encouraged so far.

Q4.10. Ellen Kemp said, as a patient, she didn't mind who was providing the service and, as a taxpayer, she wanted value for money. She queried the slide in SD's presentation about how the debt had been accumulated.

A4.10. SD said that only the primary causes of the debt had been included in the slide, and there were other factors which had contributed to the debt. MM said that much of the debt resulted in the transition to Payment by Results (PbR), during which time the Trust invested considerably in staff. The treatment centre was also built on the agreements with the old PCTs, but the shift to PbR terminated those arrangements, leaving the hospital with not enough patients to fill the new centre.

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|  | <p>Q4.11. A member of the public said “wouldn’t the money being spent on this exercise be better spent at Hinchingsbrooke”?<br/> A4.11. SD said a team of experienced professionals had been brought in to drive the process, and acknowledged that this costs money. He said that it was necessary to invest in these capabilities to ensure the best option is arrived at for patients of Hinchingsbrooke. He wanted to reassure, however, that he appreciated that it was public money, and expenditure was being closely monitored.</p> <p>Q4.12 A member of the public asked what would happen if the franchisee had to pull out of the contract, leaving a debt.<br/> A4.12. SD said that there would be robust performance mechanisms in place and action taken if performance dips. A bond was also being considered.</p> <p>Q.4.13. Alan Marnes asked MM whether, when he took over Hinchingsbrooke’s finances, he believed that the debt was “real” or “engineered”.<br/> A4.13. MM said that the debt was not “engineered” but could not be considered a “trading debt” as the hospital wasn’t mis-spending.</p> <p>Q4.14. Ruth Clapham asked whether an explanation of the debt could be written down.<br/> A4.14. MM said he would provide a paragraph or two describing how the debt had been reached and Andrew MacPherson said he would make that available on the SPT’s website. MM pointed out that there was a danger in concentrating on the debt, because it was there, “whether we like it or not, and the SHA has an absolute right to see if it can recoup it”. He added that “this is an opportunity to look forward, not back”.</p> <p>Q4.15. Ellen Kemp said that she hadn’t seen any evidence of the public meetings being displayed in her local library.<br/> Q4.15. SD said that extensive publicity had surrounded the meeting, and that libraries had been sent two public engagement posters for display. An advertisement had also been placed in the Hunts Post.</p> <p>Q4.16. Tony Baker said “we don’t believe you about the debt”<br/> A4.16. Andrew MacPherson said that it was a matter of public record, and could be evidenced.</p> <p>Q4.17. Alan Marnes asked if there was a list of stakeholders available.<br/> A4.17. Andrew MacPherson said that it was on the website, and that a copy could be emailed to Alan Marnes.</p> <p>Q4.18. Alan Marnes asked if more information could be put in District Wide magazine<br/> A4.18. Heather Gilling said that a piece had appeared in the previous edition, another was due in the forthcoming one, and she was happy to keep raising the project’s profile in the magazine.</p> <p>Andrew MacPherson reiterated that the public was welcome to get in</p> | <p>MM<br/> SS</p> <p>SS</p> <p>HG</p> |
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|    | touch, and John Hadley said "I don't think you could have done better at promoting the event".   |  |
| 5. | <b>Dates of next meetings</b><br>David Monks drew the audience's attention to the back of the agenda which contained a list of future public and stakeholder meetings. |  |
| 6. | <b>Closing remarks</b><br>David Monks closed the meeting and thanked everyone for their constructive participation in the meeting.                                     |  |

**Hinchingsbrooke Next Steps public meeting  
4 March 2010  
Apologies and attendees**

Apologies:

| <b>Name</b>       | <b>Organisation</b>                                   |
|-------------------|---|
| Cllr Jeff Dutton  | Huntingdonshire District Council                      |
| June Griffin      | Friends of Hinchingsbrooke hospital                   |
| David Howarth MP  |   |
| Jackie Stanbridge | Clerk to Offord Cluny and Offord Darcy Parish Council |
| Patrick Hall MP   |   |

Attendees:

| <b>Name</b>                 | <b>Organisation</b>                   |
|-----------------------------|---------------------------------------|
| Tony Baker                  | Member of the public                  |
| Martin Booth                | Member of the public                  |
| Ruth Clapham                | Cambridgeshire LINK                   |
| Dr Stephen Dunn             | NHS East of England                   |
| Tony Durcan                 | Royal College of Nursing              |
| Mike Evans                  | Ramsay Health Care                    |
| Heather Gilling             | Huntingdonshire District Council      |
| Phil Green                  | UNISON                                |
| <i>Unreadable signature</i> | Member of the public                  |
| <i>Unreadable signature</i> | Member of the public                  |
| John Hadley                 | LINK                                  |
| Bobbie Heather              | LINK                                  |
| Rufus Helm                  | Circle Health                         |
| <i>Unreadable signature</i> | Cambs Community Service               |
| Ellen Kemp                  | Member of the public                  |
| Andrea Lucken               | Huntingdonshire District Council      |
| Andrew MacPherson           | NHS East of England                   |
| Alan Marnes                 | Southoe & Midloe Parish Council       |
| Mark Millar                 | Hinchingsbrooke Health Care NHS Trust |
| David Monks                 | Huntingdonshire District Council      |
| Alan Parsons                | Southoe & Midloe Parish Council       |
| Clive Quick                 | Hinchingsbrooke hospital              |
| Samantha Sherratt           | NHS East of England                   |
| <i>Unreadable signature</i> | Member of the public                  |
| <i>Unreadable signature</i> | Member of the public                  |
| Matthew Winn                | Cambridgeshire Community Services     |