

Hinchingbrooke Next Steps Project (HNS)

PRELIMINARY BUSINESS MEETING FOR STAKEHOLDER PANEL

Wednesday 2 September 2009 at Hinchingbrooke House, Huntingdon

Minutes Attachment

**Questions, answers and comments
from members of the Stakeholder Panel and observers**

Q 1: The reason we're in this room is debt management. Will the franchise manage the debt? Is it the assumption that it will pay off the debt? One concern is – is it going to be profit before patients? How will that work? How will the new company use the buildings and people? (Tony Durcan, Royal College of Nurses)

Stephen Dunn, Director of Strategy, NHS East of England:

We're committed to the services currently being provided. This opportunity is to find out what it costs to provide these services. Other providers feel they may be able to make partial repayment of the debt. We think it's very unlikely that we will get anyone who will pay off the entire debt.

It's also possible that a subsidy to provide services might be required. If all say they can't provide services at those prices, we might have to pay a subsidy. The objective is, we will get a partial repayment of the debt. It could go a variety of different ways.

Whoever bids to run Hinchingbrooke will be paid at the NHS Tariff. Foundation Trusts and the independent sector will want to make a surplus, as they will want to invest in services and staff. We're trying to identify the criteria so we can search for the very best proposal. We're keen to find out the best partners.

Regarding the use of buildings and people, we want to understand what's happened in other areas.

Andrew Macpherson, Director of Strategic Projects, NHS East of England:

It's about getting the best possible outcome.

Q 2: Are we going to have some meetings in other areas? (Ann Seeds, Chair of Hinchingbrooke Hospital Trust Staff Council)

David Monks, CEO Hunts DC and Stakeholder Panel Chair;

We will have meetings in other places. It's important to be seen to give everyone a chance to give their comments. I would like to see more members of the public at these meetings.

Q 3: What is the role of the stakeholder panel? Are we here to represent ourselves, or others? (*Stakeholder Panel member*)

Stephen Dunn, Director of Strategy, NHS East of England:

It's important to realise that each Panel member has been invited to represent the views of their organisation or – in the case of Councillors and MPs, the views of their constituents. We want to hear the views of people affected by this process. We would encourage all Panel members to be active in gaining these views throughout this process.

Q 4: We're only contributing to the process, not determining it. How does the Stakeholder Panel fit in with that and how much can we actually know? Are we actually just more of a talking shop? (*Phil Green, UNISON*)

Andrew Macpherson, Director of Strategic Projects, NHS East of England:

We have a clear obligation to take on the views expressed by this Panel. It's also about making sure there's a level playing field.

Stephen Dunn, Director of Strategy, NHS East of England:

I'm committed to this not being a talking shop. We need to get your help in selecting the criteria. What we want is quality of comments. I don't think the SHA has a monopoly on wisdom and wit. What we're looking for is quality inputs so we can have a great hospital for the future. The role of the Stakeholder Panel is to represent the local communities' voices. We trust you and believe you will bring valuable inputs into this process.

Mark Millar, CEO, Hinchingsbrooke Health Care NHS Trust:

There is a Project Board with full responsibility for the project. This Panel is about making sure it's not seen as taking place behind closed doors. Is this being done properly and have the people doing it been following their own rules?

How do we demonstrate that it's not profit before patients? One of the key objectives for the Panel is to discuss what this means. The people who are chief executives or other executive members of staff are not members of the Stakeholder Panel.

Q 5: We need some better information about the Outline Business Case. I'm aware that there might be some sensitive information in it, but it's important that we try to do the best we can. (*Tony Durcan, Royal College of Nurses*)

Stephen Dunn, Director of Strategy, NHS East of England:

We will look into that.

Q 6: There have been changes since the Consultation document was published in 2007. The original Option 2 didn't happen, so how will you do that going forward? (*HuntsComm (Practice-based GP Commissioning Consortium)*)

Stephen Dunn, Director of Strategy, NHS East of England:

We're committed to the future of Hinchingsbrooke. Aspects of the original consultation are still in progress.

CB: We have a procurement process which is trying to find the best offer for a growing concern, so we need to reflect on the fact that life does change. There will be changes over the next five years. I would expect that we would want some flexibility built in to any agreement.

Mark Millar, CEO, Hinchingsbrooke Health Care NHS Trust:

We have been looking at doing a review on the Option 2 project; it's more or less ready and could be brought to the next meeting.

Q 7: How does the franchise fit in with Practice Based Commissioning? (*HuntsComm (Practice-based GP Commissioning Consortium)*)

Stephen Dunn, Director of Strategy, NHS East of England:

Through the NHS constitution, patient choice will be a right. We will be quite clear that Hinchingsbrooke will be able to take advantage of that.

Q 8: What's the past experience of the types of organisations who have done this before? (*Huntingdon Town Council*)

Stephen Dunn, Director of Strategy, NHS East of England:

This is the first time that this has been done in this way in the NHS. There have been management franchises, that experience was an expensive management contract with one CEO who didn't really bring an NHS way of doing things. Through this process we will search for the best provider overall. Many NHS organisations will find a real opportunity to demonstrate their excellence services. There are other potential partners who would like that opportunity too.

Q 9: Will you be offering a subsidy? (*Unidentified Questioner*)

Stephen Dunn, Director of Strategy, NHS East of England:

We are committed to providing value for money services and we're keen to identify what is the best price is for them. We don't envisage a subsidy. A lot of detail needs to be worked through.

The assumption is that this will be paid as an NHS tariff. A subsidy would be paid if we are going to go above that national tariff and the provider can't deliver quality at this price. We don't see the possibility of a full repayment of the historical debt.

We should be looking at how other organisations providing public services are managing this sort of situation. Not just looking at health, but other areas of public service.

Q 10: Seven years isn't a very long time for a contract. Will there continue to be maintenance and investment? How will it be built into the contract? (Catherine Hubbard, Chair Medical Advisory Committee, Hinchingsbrooke)

Andrew Macpherson, Director of Strategic Projects, NHS East of England:
It's a franchise, so the responsibility will lie with the franchisee, the detail of this will be outlined in the contract,

Stephen Dunn, Director of Strategy, NHS East of England:
The treasury wouldn't want to go beyond seven years. That is enough time for a new provider to come in and make a difference to the organisation. There could be extensions to the contract, depending on performance.

Q 11: What about volunteers? How can that be built into a newly managed Hinchingsbrooke, which might be outside the NHS? (Catherine Hubbard, Chair Medical Advisory Committee, Hinchingsbrooke)

Stephen Dunn, Director of Strategy, NHS East of England:
We need to clearly address how bidders aim to improve services over time. These are the types of issues that we need to explain and look at during the process.

Q 12 What will be the relationship with staff be once the franchisee takes over? (Unidentified questioner)

Stephen Dunn, Director of Strategy, NHS East of England:
Current thinking is that there will be a change in governance structure. There will be a modified Trust that holds staff within the franchise agreement. Then there's a service contract.

Q 13: Will there be a future period of consultation? What's left to consult on? (*Unidentified questioner*)

Stephen Dunn, Director of Strategy, NHS East of England:

I keep being asked why we are not consulting. There's no legal need to consult again after the 2007 full public consultation, but there might be a clear need to do so. Keeping people engaged throughout the process via this Stakeholder Panel is a way of consulting as we progress throughout the project.

Q 14: It seems to me that this isn't to do with Hinchingsbrooke, it's a part of a project to look at different management structures. You said about the hospital's debt situation that it would be unfair to other parts of the NHS not to pay it back. It's unfair to Hinchingsbrooke not to pay it back. This money was taken off the hospital to pay to other people. I don't like hearing it's unfair to the NHS. It's the other way around.

We will need to address the debt issue anyway. There will still be debt. Clearly you have looked at the business model and outlined what you expect. What's your success criteria and exit strategy? You have said services will be charged at the same rates and you will maintain equivalent levels of investment? Yet this will also generate a surplus and generate future money for cash repayments? That would seem to suggest that the SHA and DH believe that NHS management could be improved across the board. (*Patient*)

Stephen Dunn, Director of Strategy, NHS East of England:

This is about looking at what are the opportunities. There are management teams who have said they can provide services in innovative ways. There is a policy of free choice. There are opportunities to attract more patients. We know there's a range of other providers who are experiencing demand.

Regarding success criteria and exit strategy you are right, there needs to be one. What happens if the provider doesn't deliver? I hear those concerns and where they come from. There are national rules. We are searching out the best way of addressing the debt. We have been following best practice all the way along the process and will continue to do so.

Q 15: I hope that who ever comes in is qualified to run a hospital. (*Patient*)

Andrew Macpherson, Director of Strategic Projects, NHS East of England:

This is very new, but Foundation Trusts are already managing their own financial affairs, as well as some of the largest and most successful hospitals in the country. There are also private sector groups that run hospitals, not only in this country but across the world. The selection and evaluation process will be very robust.

Q 16: I'm very keen that services remain the same. You said that you wouldn't be putting profits before patients. What's the difference between surplus and profit? (Patient)

Stephen Dunn, Director of Strategy, NHS East of England:

The franchise partner will be paid at the national tariff. If there's a subsidy required then there'll be a different measurement for that. We will allow a variety of partner bodies to work with us to look at how they will deliver quality, safety etc. All the bidders will want to make a surplus. Some will call it a profit to shareholders; others will describe it as a surplus for reinvestment.

Q 17: Can you reassure us that the debt will not be greater than £39.8m? Hunts hasn't been treated fairly by the SHA. There was no transparency. (Patient)

Stephen Dunn, Director of Strategy, NHS East of England:

The SHA reorganised boundaries in 2006. There's an issue about what technically happens to the debt. Hinchingsbrooke will continue, with our commitment to services. The debt will be fixed and will not be transferred to the partner organisation. But they will have the opportunity to partly repay.

Mark Millar, CEO, Hinchingsbrooke Health Care NHS Trust:

I'm charged with continuing the provided services in the meantime. Could stakeholders take away the message that this is not about services and please support Hinchingsbrooke staff who are trying to deliver their services while living in this uncertainty.