

Future Arrangements for Hospital and Community Services in Calderdale and Huddersfield Progress Report for the Minister of State for Health September 2019

1. Purpose

The purpose of this report is to provide you with a summary of the progress that has been made since January 2019 in relation to the future arrangements for hospital and community services in Calderdale and Huddersfield. This report includes updates on:

- the Strategic Outline Case;
- the development of digital technology to support delivery of the future model of care;
- capital investment planning;
- stakeholder and public involvement;
- care closer to home / out of hospital capacity;
- financial plans and future impact to deliver recurrent system revenue savings;
- next steps and timeline for moving forward.

2. Background

Calderdale and Huddersfield NHS Foundation Trust (CHFT) has two District General Hospital (DGH) sites, Huddersfield Royal Infirmary (HRI) and Calderdale Royal Hospital (CRH), located 5 miles apart in Huddersfield and Halifax. There is a compelling quality and financial case for change in the local health system. Work to develop the model of hospital and community services in Calderdale and Huddersfield has been underway since July 2012. Formal public consultation on future arrangements took place in 2016. The Calderdale and Kirklees Joint Health Scrutiny Committee referred the proposals to the Secretary of State for Health and Social Care in 2017 and his recommendations and the advice of the Independent Reconfiguration Panel (IRP) were published in May 2018. During 2018 local NHS organisations working with NHS England and NHS Improvement engaged the Chairs of the Joint Health Scrutiny Committee, Health and Wellbeing Boards, and the Local Medical Committees to develop a revised proposal to address the issues identified by the Independent Reconfiguration Panel.

A progress report describing the revised service model was sent to the Secretary of State for Health and Social Care in August 2018. The revised model will support and enable delivery of the vision and ambitions described in the NHS Long Term Plan. Digital technology will have a central role in transforming services to support more people to have care at, or closer to, home. This will be complemented by a hospital model that provides essential clinical adjacencies and the critical mass required to sustain staff recruitment and retention, ensure quality and deliver revenue savings.

On 10th September 2018 the Secretary of State confirmed that he was pleased that rapid progress had been made with the active involvement of stakeholders and requested a further update on local discussions and progress by the end of January 2019.

In December 2018 the Department of Health and Social Care (DHSC) confirmed that capital funding of £196.5m had been allocated to support implementation of the revised service model and that to take this forward

approval of a Strategic Outline Case (SOC), Outline Business Case (OBC) and Full Business Case (FBC) by NHSI, DHSC, Ministers and HM Treasury would be required.

In January 2019 a second progress report was sent to the Secretary of State for Health providing an update on: the development of the service model; capital investment requirements; the development of digital technology; the on-going plans and action to ensure stakeholder and public involvement.

In June 2019 your predecessor as Minister of State for Health replied on behalf of the Secretary of State and advised that he was “pleased to hear that continued progress has been made on implementing the IRP recommendations, developing the out of hospital and digital models and engagement with local stakeholders”. The Minister also advised he welcomed “the plan for Calderdale and Huddersfield NHS Foundation Trust to continue to work and engage commissioners to develop a Strategic Outline Case”. A further update on progress was requested by early September 2019.

3. The Strategic Outline Case (SOC)

The Strategic Outline Case was approved by Calderdale and Huddersfield NHS Foundation Trust Board in April 2019 and published on the Trust website. The SOC builds on significant public, stakeholder and clinical engagement since 2012 and is informed by the formal public consultation undertaken in 2016 and the recommendations of the Independent Reconfiguration Panel.

Letters of support for the SOC have been provided by Calderdale CCG and Greater Huddersfield CCG confirming: the proposals described in the SOC will improve clinical care and outcomes for the Calderdale and Greater Huddersfield population; the proposals are affordable to commissioners, and; the proposals will improve and achieve the financial sustainability of the Calderdale and Huddersfield system of care. The West Yorkshire and Harrogate Health and Care Partnership (the Integrated Care System - ICS) has agreed the proposals described in the SOC as their top priority confirming that the Partnership is confident the proposals fit with the overall strategy for the development of better health and social care services for West Yorkshire and Harrogate as a whole.

The Trust submitted the SOC to NHS England and NHS Improvement in April 2019. Following a detailed review of the business case, NHS England and NHS Improvement’s regional team confirmed that all the requirements had been met at this stage and it was satisfied that Calderdale & Huddersfield NHS Foundation Trust has subjected the business case to an appropriate governance and clinical engagement process, and that the proposed investment is affordable and represents good value for money to the taxpayer.

On this basis the regional team has recommended that NHS England and NHS Improvement’s Chief Financial Officer and Investment and Resources Group and the NHS Delivery, Quality and Performance Committee approve the SOC for capital expenditure of £196.5 million. The recommendation for approval identifies several actions that will need to be completed during development of the Outline Business Case (OBC). It is expected that national formal approval of the SOC will be concluded by the end of November 2019.

4. Development of Digital Technology

The progress report provided in January 2019 described the significant development of digital technology in Calderdale and Huddersfield. CHFT is one of the most digitally advanced Trusts in the country currently ranking top of the national Clinical Digital Maturity Index. The developments in Calderdale and Huddersfield are fully

aligned with the work of the Yorkshire and Humber Local Health Care Record Exemplar (LHCRE) project. Digital technology is a key enabler that will amplify the benefits associated with the service reconfiguration described in the SOC. Digital developments that have been implemented include:

- the Cerner Electronic Patient Record;
- the K2 Athena Maternity Patient Record;
- the Allocate system to enable e-job planning and e-rostering of doctors and nurses;
- digital inter-operability to enable sharing of 'real-time' patient information across GP and hospital services – all GP practices in Calderdale and Huddersfield can view the hospital electronic patient record in their system of choice and hospital clinicians can view GP patient records. Work is currently on-going to enable the sharing of information in the same way with social care and mental health providers;
- the digital Electrocardiogram (ECG) management system that means ECG carts are fully integrated with the electronic patient record. This improves the efficiency of requesting ECGs and enables immediate availability of ECG results in the electronic patient record;
- the AGFA picture archiving and communication system (PACs) that improves access to images and more efficient storage;
- Nervecentre – that enables remote monitoring and alerting to patient's vital signs;
- a digital blood tracking system that means all blood products are barcoded and identifiable. This improves patient safety and will enable remote vending of blood products;
- the Patient Portal to enable patients to access letters, test results and appointment details;
- the provision of virtual out-patient clinics that means patients don't have unnecessary visits to hospital. This will improve the efficiency of care provided and patient experience. Calderdale and Kirklees Healthwatch are working with the Trust to involve people protected under the Equality Act to ensure their needs are understood and any necessary adaptations made.

Since January 2019 work has continued to optimise the benefits of the digital technology now available. Some examples of progress are provided below.

Hospital and primary care interoperability has been available for around 8 months and work continues to progress in terms of awareness and engagement through 'One View'. Workshops involving CHFT clinicians, medical secretaries, GPs and practice managers from across the local healthcare community have been held to understand and agree the fields of information that are the most beneficial to share across primary and secondary care to deliver improved pathways of care.

The Trust has continued to work with Calderdale Council to gain accreditation for the social care Client Information System (CIS) to connect to the Medical Interoperability Gateway (MIG). This will enable a two-way 'real-time' sharing of information between the hospital electronic patient record and social care information systems. It is expected that this will have progressed to the stage of user acceptance testing by late October 2019.

The YourEPR patient portal has been introduced to help patients manage their health and there are now over ten thousand registered active users of the patient portal. YourEPR lets patients view selected pieces of their hospital record, including test results, patient education leaflets and GP copy letters. Patients can complete first stage registration at any outpatient reception. The Trust has also implemented digital appointment letters whereby patients can use a personal code to open digital letters on any internet enabled device. Approximately 60% of CHFT patients are choosing to access letters digitally and this is higher than

most other Trusts. Digital letters have many enhanced features such as, a direct link to google maps and the ability to download appointments to online calendars. Social inclusion is also enhanced as the letter can be translated into around 100 languages and using the browse aloud function the letter can also be read aloud in the same languages making information more accessible than it has ever been.

In August 2019 the Government announced that the West Yorkshire and Harrogate Health and Care Partnership will receive £12 million of NHS funding to implement a single, shared Laboratory Information Management System (LIMS) for the area. This will be used to enable a single, system-wide approach for pathology across West Yorkshire and Harrogate acute hospitals and once in place the system will mean test requests can be ordered, tracked and results reported electronically to clinical services across West Yorkshire and Harrogate. Duplication in test requests will be reduced as it will be possible to check whether a patient has already received a test prior to requesting, the system will also mean testing processes and systems will be standardised across West Yorkshire and Harrogate. This development will support and enhance the benefits of service reconfiguration in Calderdale and Huddersfield.

5. Capital Investment Planning

HRI is an aging 1960s DGH with significant estate maintenance challenges. The Trust carries a very high risk in terms of the condition and reliability of its buildings at HRI. CRH opened in 2001. It was built using private finance (PFI) funding and remains a DGH suitable for modern models of healthcare provision.

A total capital investment requirement of £196.5m has been identified to enable service reconfiguration. This investment will be used for:

- £20m investment at HRI to enable adaptation of existing buildings and to address the most critical maintenance requirements that will enable the continued use of some of the HRI existing site thereby deferring new build at this site for at least 10 years. Key areas of investment will include the upgrade of A&E resuscitation, ward areas, windows, stone cladding, air handling, pipe work, fire safety, drains and asbestos removal.
- £176.5m for the expansion and new build at CRH. This estate cost is based on work undertaken in 2017 by professional estate advisors and healthcare planners that provided the Trust with a Feasibility Cost Model of the expected build costs for the future development of the CRH site to provide additional wards, theatres and expansion of A&E areas.

Since January 2019 further work has been undertaken to inform the capital investment plans for HRI and CRH. This includes:

- Huddersfield Royal Infirmary - An updated 6-Facet estate survey of HRI has been undertaken to assess the condition categories of buildings on this site. This has identified that the remedial costs to bring each facet up to a safe and sound condition is £84m (excluding the cost of enabling work to remove asbestos). Priority areas within the £84m backlog cost have been identified based on a risk rating. External technical support has been commissioned to inform the development of an overall Estates Strategy for HRI to address the high priority areas. A detailed investment plan for HRI will be completed by November 2019. This will confirm the specific use of the £20m capital funding that is available for investment at this site.
- Calderdale Royal Hospital - External technical support has been commissioned to inform the development of a design brief for the expansion of the CRH site. This work will be completed by the end of January 2020. The work will involve clinical staff and stakeholders and will provide a document describing the key design considerations that will be important in the future development of the CRH site. This document will enable

the Trust to engage a design team to support development of the Outline Business Case during 2020. An important aspect of the design brief development will be to ensure the future building design at CRH is based on the optimal use of digital technology in healthcare delivery and broadening the scope of reference to learn from wider best practice.

6. Stakeholder and Public Involvement

Planning is underway to ensure local people, key stakeholders and the Joint Health Scrutiny Committee continue to be fully involved in the next steps to deliver the proposed future model for hospital services across Calderdale and Greater Huddersfield. The timeline for development of the business cases and implementation of the service reconfiguration extends to 2025 and public involvement will be scheduled over this time-period.

In February 2019 an overarching 'Engagement, Equality and Communication plan' was presented to the Calderdale and Kirklees Joint Health Scrutiny Committee. This set out an approach to engaging local people, staff and partner organisations.

In June 2019 a Stakeholder Involvement event was held and approximately 100 people attended. The findings from this event and an independent report on the event prepared by Healthwatch Calderdale and Kirklees have both helped to shape the next phase of work.

In July the Strategic Outline Case was presented at a formal public meeting of the Calderdale and Kirklees Joint Health Scrutiny Committee. The Committee requested that the evaluation and feedback from the stakeholder event held in June should be used to inform the development of a plan for future involvement of the public and stakeholders and this should be presented at a future meeting.

The involvement plan will be presented at a public meeting of the Joint Health Scrutiny Committee in October 2019. The plan includes that stakeholders and members of the public will be invited to discussion groups with CHFT and building design professionals (e.g. architects and healthcare planners) to inform development of the design brief for CRH to ensure this considers the views of patients, families and carers in relation to the physical environment, facilities and amenities of the new developments.

7. Care Closer to Home / Out-of-Hospital Capacity

Calderdale and Greater Huddersfield CCGs are continuing to work closely with Kirklees and Calderdale Health and Wellbeing Boards and local stakeholders to progress the plans for development of care closer to home and to develop Calderdale and Kirklees-based integrated community and social care plans that reflect the important information provided by the detailed capacity modelling work that was produced with support from the West Yorkshire and Harrogate ICS and the publication of the five year framework for GP contract reform.

The current plans, and those of the wider system, for out-of-hospital care, could reduce acute hospital bed days by 10% over five years, if they reach their full potential. This would more than absorb the forecast 5% increase in hospital usage from demographic growth. The modelling work presented evidence that the best integrated care systems in both England and internationally have 20-40% fewer non-elective bed days per head of population than Calderdale and Greater Huddersfield CCGs. The CCGs have therefore set an aspiration to reduce non-elective bed days for the population by 30% over 5 years. This would make Calderdale and Greater Huddersfield CCGs some of the best-performing areas in the UK for this measure. This modelling, the NHS Long Term Plan Implementation Framework and the five-year framework for GP contract reform are

informing CCG investment decisions in primary and community services to address demand pressures, enable workforce expansion, and develop new services to meet the needs of the population.

The Strategic Outline Case confirms that the total number of hospital beds will continue to remain broadly as they are now whilst integrated services are developed in the community and demonstrate a sustainable reduction in the demand for in-patient hospital care.

Since the previous progress report provided in January 2019 the developments described below have been progressed.

Both CCGs have established Primary Care Networks, agreed the membership, completed Network Contract DES registration requirements and appointed Clinical Directors.

In Calderdale, following the launch of the Care Close to Home prospectus in late 2018, an alliance has been established between key community providers, including CHFT and general practice with the principle aim of managing patients out of hospital. Design principles and outcomes have been agreed and the scope of services to be included has been established. It is expected that there will be a signed alliance agreement by December 2019 for core providers. There will be new investment in primary care and additional investment in community services in line with the annual increase in allocations. In parallel, a community Dermatology service has been commissioned moving provision from acute to community settings and a population health management approach is being piloted in one of the GP Practices.

Greater Huddersfield is also focusing on developing a community model in line with the detailed capacity modelling work. The CCG has acquired the skills to enable local resource to extend the activity modelling that was completed on a hospital (acute) footprint so that it covers the Kirklees (community) footprint. Work on the model is continuing with Greater Huddersfield and North Kirklees CCGs' clinicians and with the Kirklees Integrated Provider Board, which comprises all providers. The development of the community model forms part of an overall Kirklees Health and Wellbeing plan and is supported by the inclusion of a continued increased funding, over and above national requirements, for the development of the out of hospital care models within Greater Huddersfield CCG's 5 year plan.

A new model for intermediate care services that aligns staff across health and social care is being piloted in Kirklees. The service includes: crisis response; reablement services provided at home; and multi-disciplinary intermediate care provision at home or in a care home. By enabling people to maximise their independence, the intent is to prevent unnecessary hospital admission, facilitation of timely discharge from hospital or the prevention of premature admission to long term care, enabling people to remain in their own home for as long as possible.

Both CCGs have met planning requirements for 19/20 around primary care and mental health investment.

8. Financial Plans and Future Impact

The Trust's planned turnover for 2019/20 is £379m with a deficit control total compliant plan of £(38.0) m exclusive of Marginal Rate Emergency Tariff (MRET) £6.2m, Provider Sustainability Fund (PSF) £7.3m and Financial Recovery Fund (FRF) £14.8m. The net deficit plan inclusive of the above support funding is £(9.7m). The Trust has an underlying deficit of approximately £(37.0m) which is showing an improving trend from recent years.

Financial modelling of the future model of care provided in the Strategic Outline Case demonstrates the Trust returning to financial surplus in FY22 however the Trust remains reliant on Financial Recovery Fund (FRF) until FY26. The Trust returns to a financial surplus on a recurrent basis in FY27 as the benefits of reconfiguration are realised and the Trust delivers CIP recurrently. The Trust has strong governance processes for the planning, monitoring and delivery of CIP and a track record of achievement. This was confirmed by NHSI following their CIP 'deep-dive' visit to the Trust in June 2017 and Use of Resources assessment in March 2018.

The Trust and CCG activity and finance plans align. The activity growth assumptions are in line with the CCGs aspirations and the income assumptions are deemed to be realistic and affordable. The reconfiguration will improve the overall financial position of the system. Both CCGs are projecting to continue a break-even position and CHFT is projecting to breakeven without national support in 2026/27. The reconfiguration will help towards the removal of reliance on central support from NHS funds.

9. Next Steps and Timeline for Moving Forward

The next steps for this project require approval of the Strategic Outline Case (SOC) the Outline Business Case (OBC) and Full Business Case (FBC) by NHS England and Improvement, the Department of Health and Social Care, Ministers and HM Treasury.

Work on the Outline Business Case has commenced. This will build on the plans described in the SOC and provide detailed specification of the capital investment work to further confirm affordability, value for money and deliverability. The Full Business Case will involve the procurement of the estate solution and contract negotiation for delivery. The indicative timeline is:

- Strategic Outline Case – November 2019
- Outline Business Case – December 2020
- Full Business Case – December 2022
- Completion of the new build and service reconfiguration implemented 2025