

South London Healthcare NHS Trust: Notice of Decision by Secretary of State

Presented to Parliament pursuant to section 65K of the National Health Service
Act 2006

This is my notice of decision in relation to South London Healthcare Trust.

The NHS exists to provide patients with the highest levels of care and compassion - comprehensive care, free at the point of need. To be true to those values, different parts of the NHS need to be financially sustainable. Financial problems left unaddressed become clinical problems, not least because money used to fund deficits cannot be used for patient care.

The South London Healthcare NHS Trust is the most financially challenged in the country with a deficit of £65 million per annum. Repeated local attempts to resolve the financial crisis at the Trust have failed. So, after consulting with the Trust, its commissioners and the London Strategic Health Authority, my predecessor as Health Secretary, my Hon Friend the Leader of the House, instituted the special administration process. Matthew Kershaw was appointed as the Trust Special Administrator in July 2012. Following an intense statutory timetable, I received his recommendations on 7 January 2013.

Six of his seven recommendations were as follows:

1. That over the next three years, all three hospitals within the Trust – Queen Elizabeth Hospital in Woolwich, Queen Mary’s in Sidcup and the Princess Royal in Bromley – make the full £74.9 million of efficiencies he has identified.
2. That Queen Mary’s in Sidcup be transferred to Oxleas NHS Foundation Trust and developed into a ‘hub’ for the provision of health and social care in Bexley.
3. That all vacant or poorly utilised premises be vacated, and sold where possible.
4. That the Department of Health pay the additional annual funds to cover the excess costs of the PFI buildings at the Queen Elizabeth and Princess Royal hospitals.
5. That the South London Healthcare Trust be dissolved, with each of its hospitals taken over by neighbouring NHS and Foundation Trusts.
6. To aid implementation, he further recommended:
 - That the Department of Health write off the accumulated debt of the Trust so as not to set the new Trust up to fail,
 - that the Department of Health provide additional funds to cover the implementation of his recommendations, and
 - that a Programme Board be appointed under an independent Chair, reporting to Sir David Nicholson as Chief Executive of the NHS Commissioning Board, to ensure the changes are effectively delivered.

I have accepted each of these recommendations in full.

As a consequence he also recommended that services be reconfigured beyond the confines of South London NHS Trust, across all of South East London. To summarise, the main points include:

- reducing the number of A&E departments across the area from 5 to 4, replacing the A&E department at University Hospital Lewisham with a non-admitting Urgent Care Centre;
- reducing the number of obstetrician-led maternity units from 5 to 4, down-grading the current obstetrician-led maternity unit at University Hospital Lewisham to a stand alone midwife-led birthing centre. Each obstetrician-led maternity units would also have a midwife-led birthing centre.
- co-locating paediatric emergency and inpatient services with the 4 A&E units, with paediatric urgent care provided at Lewisham, Guy's and Queen Mary's hospitals; and
- that University Hospital Lewisham should become a centre for non-complex elective procedures, such as hip and knee replacements, to serve the entire population of south east London.

The public campaign surrounding services at Lewisham Hospital has highlighted just how important it is to the local community. I respect and recognise the sense of unfairness that people feel because their hospital has been caught up in the financial problems of its neighbour. I also understand the very real concerns about how any changes could affect access to vital health services. These concerns are echoed by Lewisham CCG and also many clinicians at Lewisham Hospital.

For this reason, I asked the NHS Medical Director, Professor Sir Bruce Keogh, to review the recommendations and to consider three things:

- whether there was sufficient clinical input into the development of the recommendations,
- whether there is a strong case that the recommendations will lead to improved patient care in the local area, and
- whether they are underpinned by a clear clinical evidence base, as set out in the third of the four tests for reconfigurations.

In summary:

- Sir Bruce was satisfied that there had indeed been sufficient clinical input;
- the recommendations provide for the adoption of standards that define the best available clinical practice, and Sir Bruce agreed this required a reduction in the number of sites delivering acute inpatient care, to enable necessary concentration of resources and senior clinical staff. He felt that there should be no impact on the quality of care from the small increase in travel time;
- on the issue of maternity services, the Expert Clinical Panel advising the TSA was not willing to support the increased risk to patients of having an obstetrician-led unit at Lewisham without intensive care services. As achieving the London wide clinical standards will only be possible with the consolidation of the number of sites with these facilities, Sir Bruce supports the proposal for this unit to be replaced with a free-standing midwife-led unit at Lewisham hospital. This will continue to deal with 10% of existing activity. £36m of additional investment has been earmarked to ensure there is sufficient capacity at the other sites; and
- on the emergency care proposals, Sir Bruce was concerned that the recommendation for a non-admitting Urgent Care Centre at Lewisham may not lead, in all cases, to improved patient care. While those with serious injury or

illness would be better served by a concentration of specialist A&E services, this would not be the case for those patients requiring short, relatively uncomplicated treatments or a temporary period of supervision. To better serve these patients, who would often be frail and elderly and arrive by non-blue light ambulances, Sir Bruce recommends that Lewisham hospital should retain a smaller A&E service with 24/7 senior emergency medical cover. With these additional clinical safeguards, and the impact that this is likely to have on patient and clinician behaviour, Sir Bruce estimates that the new service could continue to see up to three quarters of those currently attending the Lewisham A&E. Allowing Lewisham to retain its A&E would help to reduce the level of increased demand at hospitals with larger A&E services, while an additional £37m of investment will further expand services at these hospitals for more serious conditions. Sir Bruce advised that patients with those more serious conditions should now be taken to Kings, Queen Elizabeth, Bromley or St Thomas's not for financial reasons but to increase their chances of survival.

On the issue of paediatric care, Sir Bruce recognised the high quality paediatric services at Lewisham and that any replacement would have to offer even better clinical outcomes and patient experience. His opinion is that this is possible but dependent on very clear protocols for primary ambulance conveyance, a walk-in paediatric urgent care service at Lewisham and rapid transfer protocols for any sick children who would be better treated elsewhere. He is clear that this will require careful pathway planning and need to be a key focus of implementation.

With these caveats, Sir Bruce was content to assert that there is a strong case that the recommendations are likely to lead to improved care for the residents of south east London and that they are underpinned by clear clinical evidence. He believes that overall these proposals, as amended could save up to 100 lives every year. through higher clinical standards.

Yesterday, 30 January, as no viable alternative plan has been put forward, and in light of Sir Bruce's opinion, I decided to accept the recommendations of the Trust Special Administrator, subject to the amendments suggested by Sir Bruce.

It is important to be clear that my acceptance of these recommendations is conditional on Monitor approving the proposals relating to foundation trusts and on my Department negotiating an appropriate level of transitional funding with organisations such as Kings Partners.

Due to the size of the task, there is a significant level of risk associated with achieving the identified savings. I recognise that the additional clinical safeguards I have put in place will marginally increase these financial risks but on balance, I have made the judgement that this is worth it if it means local patients are reassured they will gain from an additional better service, rather than losing their A&E.

I believe the amended proposals meet the four tests required for local reconfigurations and I am therefore content for the process to now proceed to implementation and I expect the South London Healthcare NHS Trust to be dissolved by no later than 1 October 2013.

A handwritten signature in black ink, appearing to read "Jeremy Hunt", with a short horizontal line underneath.

Signed

Date 31 January 2013

The Rt Hon Jeremy Hunt MP
Secretary of State for Health