

## **CENTRAL MANCHESTER UNIVERSITY HOSPITALS/UNIVERSITY HOSPITAL OF SOUTH MANCHESTER MERGER INQUIRY**

### **Summary of hearing with the Greater Manchester Health and Social Care Partnership on 13 April 2017**

#### **Healthcare governance in Greater Manchester**

1. The Greater Manchester Health and Social Care Partnership (GMHSCP) said that it was created as part of the process of devolution in Greater Manchester, following the publication of a memorandum of understanding between Greater Manchester health organisations, NHS England and the Department of Health, which set out how responsibility for healthcare in Greater Manchester would be devolved. This involved the derogation of relevant powers to Jon Rouse (an employee of NHS England) as Chief Officer for GMHSCP in April 2016, who is accountable to the Greater Manchester Health and Social Care Strategic Partnership Board (GMHSCSPB). There may be further devolution of powers to the Greater Manchester Combined Authority of the Mayor of Greater Manchester, but there are no plans to transfer these powers in the near future.
2. GMHSCP said that commissioning decisions in Greater Manchester are made by several different bodies. Most healthcare commissioning decisions (accounting for approximately five sixths of the Greater Manchester healthcare budget) continue to be taken locally by clinical commissioning groups (CCGs) working jointly with social care and public health commissioners in local government. CCGs work to operating plans that are effectively signed off by GMHSCP, which controls the allocation of transformation funds amounting to £450 million over four years. GMHSCP has delegated responsibility for commissioning tier 1 specialised services. NHS England itself commissions tiers 2, 3 and 4 specialised services, which cover wider geographical areas than Greater Manchester, and a small number of direct services such as Armed Forces healthcare in Greater Manchester.
3. GMHSCP said that Central Manchester University Hospitals NHS Foundation Trust (CMFT) and University Hospitals of South Manchester NHS Foundation Trust (UHSM) are members of GMHSCP, which sit as two of the 37 members of the GMHSCSPB, which also includes local authorities, CCGs and providers, and which oversees the implementation of the strategic plan for healthcare in Greater Manchester. CMFT and UHSM are also members of the

Provider Federation Board. A separate Joint Commissioning Board, which has no accountability to the GMHSCSPB, makes commissioning decisions.

### **GMHSCP's plans**

4. GMHSCP said that their aim is to improve outcomes for patients in Greater Manchester, and to address the difficult financial context. One way in which they are doing this is by standardising acute healthcare in Greater Manchester. GMHSCP also aims to create single services in Greater Manchester which can provide integrated care through multiple collaborating organisations. To establish accountability, this involves a designated supporting provider. GMHSCP aims to encourage more out-of-hospital care to reduce emergency admissions. GMHSCP expects some hospitals to become more involved in running community services, to reduce demand for some non-elective services, and to change the contractual arrangements for providing acute services to provide the appropriate incentives.
5. GMHSCP said that it has already begun to make improvements, projecting a £183 million surplus across commissioners and providers for 2016/17 and having overseen a reduction in non-elective admissions. This has been achieved by investing transformation fund resources and by collaborating with local authorities, commissioners and providers.
6. GMHSCP said that NHS Improvement retains responsibility for overseeing Trusts' financial performance in Greater Manchester. However, GMHSCP and NHS Improvement present a shared face in financial discussions with Trusts facing difficulties in Greater Manchester, and to support this GMHSCP has a shared director with NHS Improvement. GMHSCP does not use transformation funding to shore up providers in financial difficulties, but transformation funding which has been awarded to improve a service can also help providers to achieve financial sustainability.

### **The merger between CMFT and UHSM**

7. GMHSCP said that the decision for the merger between CMFT and UHSM was driven by the geographical proximity of the merging parties, the duplication of care between these organisations, the opportunity to improve outcomes through standardising clinical practice to best evidence and commissioners' dissatisfaction with the result of competition between the two Trusts. Competition between the merging parties had been unhealthy because it had prevented collaboration to improve services and made recruitment more difficult. Commissioners also desired a larger organisation which could compete better for research, innovation and talent at the national

and global levels, and which could achieve the critical mass to better provide specialised services. Following the reconfiguration decisions made under the auspices of the Healthier Together programme, the merging parties are also expected to provide complementary services going forward.

8. GMHSCP said that if the merger were not to go ahead there would be a risk of delay or challenge to the Greater Manchester-wide reconfigurations which are currently underway. UHSM's financial situation means that it is obliged to compete for what income it can obtain. Obtaining collaboration between institutions, especially when this involves consolidation or the transfer of services, is very difficult.
9. GMHSCP said that in the absence of a merger commissioners would try to contractually organise a single hospital service. However, this would be complicated and very uncertain, and it would involve transactional costs and greater risk. Commissioners (including GMHSCP) would have to rethink their plans if it did not go ahead, and do not have an alternative plan prepared.
10. GMHSCP said that the merger would allow GMHSCP to deliver its clinical services strategy on time, with major delays otherwise. GMHSCP would expect the merged organisation to be able to provide a broader teaching experience, and to provide a more comprehensive combination of services, which would improve its attractiveness as a research organisation. The merging parties would also be better placed to meet the seven-day clinical standards by combining their workforces.