Monitor
Making the health sector work for patients

Clinical pressures and £12 million gap mean tough choices for King's Lynn and West Norfolk commissioners

Monitor, the health sector regulator, has accepted the findings of an independent report identifying clinical pressures and a future gap of about £12 million a year in health and care services across King's Lynn and West Norfolk. The conclusion of the experts, who were asked to examine options to address the long-term challenges faced by the local health system, is that local health leaders might have to decide how to radically change services to plug the quality and finance gaps unless additional funding can be found. The report by the contingency planning team recognises the positive way in which local healthcare leaders are working together but comments on the scale of the challenge when stating, "…it will require significant and purposeful leadership across both commissioners and providers to deliver the scale of change required".

West Norfolk is one of the most challenged local health systems in the country. The challenges facing the NHS in West Norfolk are similar to those in many other parts of the country. However, there are some factors which limit the range of options available to address those challenges. In particular, the local hospital serves a relatively isolated small town in a sparsely populated rural area, where the prevalence of long-term medical conditions and the proportion of frail elderly people are well above average. Indeed, 25% of the population are over the age of 65.

The foundation trust that runs the only acute hospital within a 38-mile radius has been subject to regulatory intervention for more than three years to address operational, clinical and financial concerns, although the trust is now coming out of special measures following improved performance identified in its most recent inspection.

In July 2014 Monitor appointed a contingency planning team to safeguard patients' interests by developing a plan to put the hospital's services on a sustainable footing. Local health leaders will now take forward these recommendations in an implementation plan, published on their websites, which sets out a commitment by local healthcare partners to deliver necessary improvements while exploring additional options for change.

In recognition of the lessons learned through an earlier contingency planning exercise at Mid Staffordshire NHS Foundation Trust, the team of experts appointed

for King's Lynn were specifically tasked to work with commissioners and other local providers to find a solution that worked for the whole health economy of West Norfolk.

This 'whole systems' approach is not unique to King's Lynn, and has been a guiding factor in other projects, such as Milton Keynes and Bedfordshire, and Cambridge and Peterborough. It aims to support local health and care systems to find solutions to the short and long-term challenges they face, and challenges NHS organisations to put aside their institutional interests in favour of the collective interests of patients.

The team of experts sent into King's Lynn and West Norfolk reviewed all the available evidence and concluded that neither the foundation trust nor the local health system is clinically or financially sustainable in its current form. As highlighted in the Case for Change document published in May 2015 and developed with the support of the contingency planning team, the local health economy faces many of the same challenges that are leading to the adoption of new models of care across the NHS, in line with the Five Year Forward View. However, the team also identified significant scope for greater efficiencies that can and should be achieved today.

The Queen Elizabeth Hospital King’s Lynn NHS Foundation Trust (QEH) is predicted to be almost £15 million short this year, and if it continued to provide care in the same way, would result in a deficit of almost £40 million over three years. Over the same period, without significant demand-management initiatives to minimise unnecessary hospital stays, NHS West Norfolk Clinical Commissioning Group and Wisbech Local Commissioning Group, whose population of 31,000 also use QEH, would have a combined deficit of £41 million on present trends.

The report of the contingency planning team makes clear that QEH could make operational improvements to cut its deficit in the short term. However, although this would help stabilise the trust’s long-term future it also needs to change the way care is provided to balance the books.

The challenges of long-term health conditions, an ageing population, geographical isolation and a small population, plus the move towards making services available 24/7 and more stringent national clinical standards, all mean that some clinical services will be difficult to maintain within current budgets at QEH. Because of these problems, more radical solutions are required to maintain the range and quality of services for patients in the longer term, including greater and new forms of collaboration between providers of primary, community, social care and acute hospital services.

The analysis found some interesting facts:

- Of the 200,000 people who live in King’s Lynn, West Norfolk and Wisbech and use QEH as their local hospital, 20% use 71% of health and social care spending. This is partly due to the large number of older people who tend to have multiple complex conditions.

- The district of King's Lynn and West Norfolk ranks 300th out of 326 for population density, making it one of the most sparsely populated districts in England.
- The quality of primary care varies across the local area.
- The closest alternative acute hospitals are over 38 miles from King's Lynn with mostly single carriage road access, meaning the length of time it would take for patients to travel elsewhere – up to an hour, even by blue light ambulance at night – is regarded by commissioners and clinicians as prohibitive for many key services.
- There is unlikely to be enough work to maintain the skills and expertise of the consultants required to staff a 24/7 rota in key areas like maternity, inpatient paediatrics, emergency surgery and some cancer procedures. Some of these challenges can be overcome by developing working relationships with other providers of similar services across the region.
- The quality of maternity services was not as good as it could be.

The contingency planning team identified 14 areas where the hospital and local GP commissioners could make changes together to help protect services for patients. Part of reducing operational costs at QEH includes, "delivering outpatient consultations more efficiently by deploying technology (eg Skype)" and holding joint appointments for people with long-term conditions. Joint appointments with clinicians working across multiple sites, or moving services to where medics can see the right number of patients, can produce better outcomes for patients and makes sure clinicians maintain their skills.

These are all in line with the direction of travel in the NHS Five Year Forward View, and consist of a mixture of efficiency savings and new ways of working, including encouraging individual hospitals to team up to provide patients with access to high quality services that single hospitals would struggle to provide. In response, the trust and the clinical commissioning group have drawn up a joint implementation plan to put many of the recommendations into practice. When reviewing other options for change, commissioners and clinicians are not prepared at this stage to undertake any reconfiguration of services, which would involve the transfer of patients to other hospitals. The report states, "… the commissioners do not believe it is achievable or desirable given the remoteness of the area".

The commissioners therefore want to undertake more work, and obtain more evidence, to enable them to safeguard the long-term future of key services like A&E or maternity care. Working with the trust, they have established a transformation board to oversee the implementation of this work.

The practical difficulty highlighted by the contingency planning team's report is that without radical change the local health economy will by 2018/19 be £12 million short of the total funds required to balance the books every year. Some of this shortfall

could sit with the trust, which may then need additional levels of funding if it faces higher costs to deliver services required by commissioners. However, this approach pushes the funding gap back on to the CCG rather than solving the problem.

If the work undertaken by the transformation board doesn't come up with additional savings, the commissioners will have to apply for additional funding from NHS England or identify how to fund services from their existing budget. An independent chair is being appointed to lead the transformation board and Monitor has signed a joint working agreement with NHS England to unblock any potential barriers and ensure sufficient progress towards a solution. QEH has agreed binding undertakings with Monitor to design services in partnership with commissioners.

Monitor has a duty to protect and promote the interests of patients. Where the local health system has a large and growing financial deficit it is clear that, if left unchecked, it is likely the quality and continuation of health services will suffer and patients will be disadvantaged. It is for this reason Monitor takes on the task of making the health system work for patients, reaching beyond our regulatory role of focusing solely on foundation trusts to working with local commissioners and other providers.

The project undertaken in King's Lynn and West Norfolk has made clear that certain decisions taken by the local commissioners to reduce their deficit would make the existing financial situation at the trust worse. Conversely, simply improving the financial situation at the trust through raising income from additional activity would make the commissioners' financial situation worse. For this reason the commissioners and the trust need to work together to change the way health services are delivered.

In some challenged health economies, however, local health and care institutions are sometimes unable to agree the right way forward. The political environment is a consideration, with local leaders playing an important part in promoting what they believe is best for their populations. Finally, the local commissioners have to make a decision about the best way forward, based on their understanding of their population. This can lead to many different interpretations of how to solve the problem.

A whole-system approach creates a regulatory problem for the national NHS bodies because although they work closely together, they still have different approaches and priorities based on the fact they are regulating different parts of the system. It is for this reason Monitor and NHS England, for the first time, have signed a landmark joint working agreement on King's Lynn that will provide a co-ordinated approach to regulating the local health and care system and promote a successful outcome for the people of King's Lynn and West Norfolk.

Additionally, in June this year, national NHS bodies launched the Success Regime – a new approach to fixing the problems of wider health and care systems. Under the

Success Regime the national partners will work in unison with the local providers and commissioners of healthcare, including local authorities.

Ultimately it is the local commissioners who will consult with their population and decide on any changes to how health and care services are delivered.