

# Report to Calderdale and Kirklees Joint Health Scrutiny Committee

<b>Meeting Date</b>	26 October 2022
<b>Subject</b>	Report Back on Workshop on the Outline Business Case
<b>Report of</b>	Senior Scrutiny Officer, Calderdale Council

## Why is it coming here?

An informal workshop to discuss the Outline Business Case that relates to the plans to develop the sites at Calderdale Royal Hospital and Huddersfield Royal Infirmary was held on 22 June 2022. This report gives a summary of the issues discussed and sets out next steps for the work of Calderdale and Kirklees Joint Health Scrutiny Committee in ensuring that the implementation of the proposals is consistent with the requirements made by the then Secretary of State for Health Jeremy Hunt in 2018, when he responded to the referral to him of the reconfiguration proposals by the Joint Health Scrutiny Committee.

## What are the key points?

The report reminds the Joint Scrutiny Committee of the three areas for review identified by the Secretary of State for Health in 2018 and proposes that the future work of the Scrutiny Committee should include a focus on those three issues raised by the Secretary of State.

## Possible courses of action

It is recommended that the Joint Health Scrutiny Committee continue to review the revised reconfiguration proposals of the West Yorkshire ICB and Calderdale and Huddersfield NHS Foundation Trust.

## Contact Officer

Mike Lodge, Senior Scrutiny Officer, Calderdale Council

## Should this report be exempt?

No

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## 1. Background

Calderdale and Huddersfield NHS Foundation Trust (CHFT) have prepared an Outline Business Case (OBC) for the developments of Calderdale Royal Hospital and Huddersfield Royal Infirmary.

The OBC includes some information that is extremely commercially sensitive. Only the co-chairs (Councillor Hutchinson and Councillor Smaje) have had access to the whole document.

A workshop was held on 22 June 2022 when colleagues from CHFT gave a detailed briefing to all members of the Joint Health Scrutiny Committee (JHSC), including an overview of the confidential information.

The JHSC's revised terms of reference outlines the role and function of the Joint Committee that includes confirmation that it will review the revised reconfiguration proposals to include reviewing the Strategic Outline Case, Outline Business Case, Full Business Case and assess the clinical and financial sustainability of the proposals.

The JHSC will also continue to take account of the three areas of concern (outlined below) identified by the Secretary of State for Health in his response to the referral from the JHSC.

The Secretary of State concluded:

"The IRP points to failings ranging from a lack of consistency with the original proposals and scepticism about whether proposals of the scale and complexity are actually deliverable. In particular, there is concern about the delivery of out of hospital care and whether the reduction in hospital beds as a result of changing hospital services could be justified. It is also not clear that capital financing of this scale for a project of this type would be available. Further work focussing on out of hospital care, hospital capacity and availability of capital is required for the NHS before a conclusion is reached. In short, the proposals are not in the best interests of the people of Calderdale and Greater Huddersfield, and I would ask the NHS locally and nationally to reconsider".

## 2. Availability of Capital

£197 million of capital has been allocated for the reconfiguration of Calderdale Royal Hospital and Huddersfield Royal Infirmary. This figure has not changed since it was announced in 2019, and there have been significant changes in the economic picture since then. The West Yorkshire Integrated Care Board has identified the reconfiguration proposals for Calderdale Royal Hospital and Huddersfield Royal Infirmary as its highest priority for capital expenditure.

Building work has begun at Huddersfield Royal Infirmary and will begin in the near future at Calderdale Royal Hospital. The Joint Committee will wish to monitor progress on the building works and budget spend on both sites.

At the workshop, Members expressed concerns that high levels of inflation, in particular for construction materials such as steel, would result in significant budget pressures and wish to ensure that this does not result in any scaling down of the proposals or “value engineering”. Members require ongoing assurance that the resulting buildings will be able to deliver efficiently the services that the local population require.

Members sought explanation of the way in which the new, publicly funded buildings on the Calderdale Royal Hospital site would operate alongside the Private Finance Initiative assets which comprise the majority of buildings.

Members will continue to express concern at the assumptions underlying the workforce model, particularly for clinical staff, in the light of national workforce and financial pressures.

Members would also want to ensure that all aspects of the new hospital buildings and the way that they will operate take account of the climate emergency that has been declared by both Calderdale Council and Kirklees Council. The Joint Committee will consider this aspect of the project and travel plans at a future meeting.

### **3. Capacity in the Hospitals**

Hospital capacity was one of the key issues raised by the Secretary of State for Health in 2018 when he asked the Clinical Commissioning Groups to reconsider their proposals. The proposals at that time were to reduce the number of hospital beds by around 100 across both sites. The revised proposals from the CCGs reinstated those beds, so that number of beds is not reduced in the current proposals, but the distribution of beds across the two sites changes. Members continue to require evidence that the plan for maintaining the current broad number of beds is adequate for the long-term nature of the reconfiguration project.

Members are very conscious that this position is not static and that the populations of both Calderdale and Greater Huddersfield are growing and are predicted to continue growing and that the age-profile of the population continues to change.

Members expressed concern whether the modelling underlying the Strategic Outline Case, particularly the activity growth assumptions, was still applicable and the difficulty in separating the impact of the pandemic response from the long-term capacity requirements of the local population. They will continue to scrutinise available sources of evidence.

Members are also aware that lessons learnt during the pandemic have meant that the design plans for both hospitals have changed including improving ventilation, building more single rooms, better designed waiting areas etc.

Most significantly Members recognise that the capacity in hospitals is not just a factor of the physical design of buildings but also of having sufficient staff with the right qualifications to care for patients and that the planned increase in the proportion of single rooms has an impact on safe staffing levels.

Demand for hospital care will be suppressed by effective preventive actions, which are outside the scope of the work of this Joint Committee. However, the need for hospital care can be reduced by a good supply of community services, both community health services, social care services organised by the local authorities, and services provided by voluntary and community organisations. Delayed transfer of care because of a shortage of social care to support people

on discharge from hospital inevitably increases the occupancy levels of acute hospitals, reducing its capacity to treat the acutely ill and deliver planned care.

#### **4. Community Services**

Community health services are commissioned locally and provided by Locala in Kirklees and by Calderdale and Huddersfield NHS Foundation Trust in Calderdale. Scrutiny of the performance of community health services is therefore undertaken predominantly by the local scrutiny committees in each of the Council areas. However, the impact of community health services on suppressing demand for acute hospital care was one of the three key issues that the Secretary of State for Health raised with the CCGs in 2018 so the Joint Committee reserves the right to consider the adequacy of community services in the planning of hospital provision, while relying on each local Health Overview and Scrutiny Committee, in both Calderdale and Kirklees Councils, to examine the evidence and report their findings.

#### **5. Appendices & Background Documents**

*Please list any supporting documents and reference where they can be found or requested from.*

Appendix 1 – CHFT workshop slides

Appendix 2 - Letter from Jeremy Hunt

Appendix 3 - Letter from the Independent Reconfiguration Panel