



TRUST BOARD REPORT

Meeting Date:

Title:

Strategic Outline Case for the development of the Midlands and East 2 (ME2) Pathology Network

Action Requested:

Author(s):

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Public or Private:

Public

Introduction:

The Midlands and East 2 (ME2) Pathology Network's Strategic Outline Case (SOC) is the Network's response to NHS Improvement's expectation that further consolidation of pathology services, as heralded in the Carter Review of 2006, and later in the NHS Long Term Plan would take place across the NHS. NHSEI's expectations were communicated to NHS providers of pathology services in September 2017. The NHS Long Term Plan committed the NHS to establishing Pathology networks across England by December 2021 and most recently reiterated in a letter to ICS and Trust Executive Teams in April 2022 which outlines target milestones for network development in line with NHSEI's Pathology Network Maturity Matrix. The Midlands and East 2 (ME2) Pathology Network is 1 of 29 within England, where the size and scope has already been agreed.

Realising the benefits of a Pathology Network will take time and, as networks adapt to the new way of working to deliver the expected transformation of Pathology services, they will need to progress along the maturity curve. To assist Networks, regions and the national team with this progression, the Pathology Network Maturity Matrix Tool was introduced as a means of objectively assessing maturity aligned to five progression stages; Pre-emerging, Emerging, Developing, Maturing and Thriving. The Midlands and East 2 (ME2) Pathology Network was placed within the 'Emerging' stage with an initial NHSEI challenge to achieve 'Developing' by the end of March 2022 and 'Maturing' by March 2023. Trusts were notified by NHSEI in April 2022 that these timescales have now been revised. The revised challenge is to achieve 'Developing' status no later than December 2022 and 'Maturing' by the end of 2024.

The Midlands and East 2 (ME2) Pathology Network Implementation Board, has been meeting regularly since January 2019 to discuss the opportunities that could be realised by creating a pathology network from the nine Trust services that are currently operating. Whilst all members understand and acknowledge the concern caused by large scale change, there has been a consistent and firm view that the creation of a collaborative service offers a real opportunity to address some of the critical challenges that are being faced by pathology services across the NHS. Foremost amongst these are recruitment and retention of key staff, and the ability to maintain and develop quality of service in the face of financial constraints.

While the Strategic Outline Case (SOC) concentrates, quite rightly, on the available options and governance structure in place, it is important to view this process as one aimed at creating a service that is strong and sustainable, focused on quality, and fit for the future. It must be a service that is attractive to high quality staff, fully integrated with all other clinical services across the locality, and set fair to move quickly to implement new scientific developments as they become available.

The success of any pathology service is dependent on the expertise and commitment of the staff, who provide far more than a simple technical 'results' function. Pathology is an integral part of all patient-facing clinical services and this close relationship must be maintained if the proposed network optimisation is to be successful. Accordingly, we are proposing that:

- The next stage (production of Outline Business Case (OBC) and Target Operating Model (TOM)) includes considerable staff and stakeholder involvement as the detail of network is developed and agreed.
- A medically led clinical reference group remains in place to oversee service quality
- The governance arrangements facilitate equitable input from all Trusts.

Strategic Outline Case (SOC)

The purpose of this Strategic Outline Case (SOC) is to secure organisational Board support for the next steps in considering the optimisation of pathology services across the Midlands and East 2 (ME2) Pathology Network. It has been developed with the full support and input of the member organisations (and their stakeholders).

Midlands and East 2 (ME2) pathology network partners have been working collaboratively under a Memorandum of Understanding since 2019.

Network discussions resulted in the generation of five options, it is now proposed that three of those options are taken forward for further development and appraisal culminating in the production of an Outline Business Case (OBC). Those three options are;

- Joint Venture
- A Hosted Organisation
- Provider Collaborative

Tight timelines prescribed in the NHSEI Network Maturity Matrix mean the network leadership team seeks a level of delegated authority to develop the network on Trust member organisations behalf through their nominated representatives via the ME2 Executive Steering Group. In co-ordinating the programme of work, the network leadership team are conscious of striking a balance between updating member organisation boards and a level of devolved autonomy to allow the network to progress its implementation plan. The network seeks support in allowing this level of autonomy. Examples of delegated authority in practice may include;

- Co-ordination of network level Cost Improvement Programmes (e.g. Procurement)
- Optimisation of referred test work stream

The detailed proposal for network delegated authority will be provided as part of the Outline Business Case (OBC) when the Target Operating Model (TOM) and final preferred network development option will be provided.

Currently many of the network leadership roles are covered on a voluntary basis, where existing senior leaders within the pathology network are undertaking multiple roles that is not sustainable long term. The resources outlined below represent the Year 1 resources that are required in order to support development of the options appraisal in the form of the outline business case and to progress development of the network in order to adhere to the timescales set by NHSEI in terms of progress against the network maturity curve.

Maturity Matrix Domain	Roles	Estimated Cost (£)	20% add on costs (£)
Leadership Team	Senior Responsible Officer (0.2 WTE)	25 - 30	5 - 6
	Programme Manager 8C (1 WTE)	66	13.2
	Programme Officer 6 (1 WTE)	35	7
	Network Operational Lead 8C/D (1 WTE)	66 – 90	13.2 – 18
	Clinical/Medical Director	2 – 6 PAs	4 – 12
	Communications Lead 8B (0.5 WTE)	32	6.4
	Finance Lead 8C/D (1 WTE)	66 – 90	13.2 – 18
	Information Analyst 7 (1 WTE)	41	8.2
Supply chain	Procurement Manager 8B (1 WTE)	64	12.8
	Category Manager 7 (1 WTE)	41	8.2
	Admin Support 4 (1 WTE)	23	4.6
Workforce	Project Manager 7 (1 WTE)	41	8.2
Total		£613k	£123k

It is proposed that rewards generated from efficiency savings produced by network activities are split as per Trust contribution for recurrent resource investment based on Pay/Non Pay costings.

It is not envisaged that all recurrent resources outline in section 9 will be required in year 1, as such the Year 1 contribution split is offered below;

Trust	Split (%)	Cost (£)
Leicester	19%	116,470
UHDB	15.5%	95,015
Kettering	6.5%	39,845
Northampton	8.5%	52,105
Chesterfield	4.8%	29,424
Nottingham	21.5%	131,795
Sherwood	7%	42,910
Path Links: ULHT NLAG	17.2%	105,436

A £1,000,000 investment in the Midlands and East 2 Pathology Network represents a 0.5% cost improvement target for the network in order for partner organisations to realise a return on their investment.

Risks

The risks associated with not supporting this proposal are;

- An inability to achieve the benefits and network development in a timeframe that is congruent with the requirements of NHSEIs Maturity Matrix
- The risk of not securing network resources resulting in failure to realise the benefits and savings potential that network development will bring.

Decisions Required

The Boards are asked to consider the Strategic Outline Case, and approve the recommendations to;

- Produce a detailed Outline Business Case (OBC) developing the three shortlisted options of; Joint Venture, Hosted Organisation and Provider Collaborative that will be completed in time for consideration at Trust Board meetings in Q3 2022.
- Begin process of recruiting ME2 leadership and Clinical roles that will drive this work forward.
- Commit to enabling expenditure for next period of activity as defined in attached summary.

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May 2022*