

SHERWOOD FOREST HOSPITALS NHS FOUNDATION TRUST
BOARD OF DIRECTORS THURSDAY 27TH NOVEMBER 2014
WESTERN HUB PATHOLOGY PROPOSAL

1) Introduction

There have now been a series of five meetings in the format of a “Shadow Board” exploring the approach to working differently across the three hospitals designated as the “Western Hub”. Sherwood Forest, Chesterfield and Derby all agree to continue the work on provider collaboration, following the abortive work by the CCGs to tender for all of the East Midlands GP pathology services. The members of the “Shadow Board” are;

- Roger Start, Divisional Director, Clinical Specialist Services, Chesterfield RH NHS FT
- Shrikant Ambalkar, Pathology Lead Consultant, Sherwood Forest Hospitals NHS FT
- Gerhard Van Schalkwyk, Clinical Director, Derby Hospitals NHS FT
- Tony Campbell, Director of Strategy & Performance, Chesterfield RH NHS FT
- Lee Outhwaite, Director of Finance & Performance, Derby NHS FT
- Peter Wozencroft, Director of Strategic Planning, Sherwood Forest Hospitals NHS FT

2) Work Completed to date and Next Steps

This group have agreed that it should be possible to arrange a provider collaboration which will be able to accrue significant benefits if the three Trusts work together on delivering a shared pathology service. A number of key action have been undertaken which are beginning to develop a clear plan of action for this work:

1. A **‘Memorandum of Understanding’** governing the work has been accepted. The MoU notes that the three organisations see three phases of the benefits that such an approach could bring:
 - I. This first will look at ensuring we can deliver the most clinically and cost effective model for the current pathology provision, by harnessing the best approach to working across the three sites, and by leveraging a better approach with suppliers for pathology supplies and expertise.
 - II. The second will review how we ensure pathology is offering the maximum level of benefit to patient pathways by ensuring all testing for secondary and primary care is offered with the right clinical advice and support, maximising the opportunities for pathology to contribute to improved patient care and by minimising any duplication of, or unnecessary, testing.
 - III. The third will address the future of pathology, and could begin to see radical changes in the way services are provided. The three organisations wish to ensure that they have right scale to maximise the benefits, working alongside other partners in the East Midlands pathology community, to ensure we maximise the

benefits from emergent technology, including improved pathology testing and improved clinical decision support.

2. Also the **'scope' of services** affected by the shared approach has been agreed. There was relatively little contention is this proposition which would see the following pathology services covered by the joint work.

- I. Blood Sciences including Transfusion Services
- II. Immunology/Serology
- III. Microbiology Laboratory Services
- IV. Virology
- V. Transport and IT

3. A key potential area of financial and service improvement surrounds the **procurement of a new blood sciences platform at Chesterfield and Sherwood Forest**. An approach to this has now been agreed which should lead to significant benefits. On the Chesterfield and Sherwood Forest blood science platform procurement we have agreed for that they will approach the market via a new managed service framework agreement, for a managed blood science service. The two Trusts will make their decision on who to choose based on this framework. This will be the quickest way to legally select a preferred supplier. Then it is proposed to add a second phase to the procurement dialogue. So the process is described as;

- Approach the market via Framework Agreement
- Make decision on preferred supplier solely based on Framework Agreement Process
- Note as an a second step beyond this decision making process, we would then wish to hear about innovative approaches to blood sciences supply to the Trusts, noting that Sherwood Forest, Chesterfield and Derby are discussing how they can best deliver pathology services across the three sites, and that we would be keen to hear from suppliers beyond the initial selection process how they would propose contributing to this discussion.

4. **Organisational form** has also been discussed and six outline options for the venture have been described;

- Hosted service operating under SLA with staff not TUPE transferred
- Hosted service operating under SLA with staff TUPE transferred
- Three way Joint Venture operating under contract, with staff transferred to host NHS employer
- Three way Joint Venture operating under contract, with staff transferred to the Joint Venture
- Four way Joint Venture with staff transferred to host NHS employer, where fourth partner is a private sector pathology supplier
- Four way Joint Venture with staff transferred to the Joint Venture, where fourth partner is a private sector pathology supplier

5. **Project Support** is needed to add pace to the process. It has been agreed we need to securing resources to manage the project on our behalf. The principle of three equal shares, collectively contributing circa £100k in total for a Project Manager were agreed. A job description has been developed by Sherwood Forest and will shortly be ready to advertise subject to the relevant approvals. The SFH contribution will be funded from a central reserve identified through budget setting for this purpose.
6. A key potential limiting factor for the redesign work is **IT connectivity between the three sites**. An agreement on the nature of the IT connectivity is now in place and each site is in the process of procuring the required IT integration.
7. An area of quick wins for benefits surrounds bringing some of the **outsourced testing from Chesterfield and Sherwood Forest to in-house**. Derby is currently reviewing testing that could be provided from Derby.

3) Conclusions and Recommendations

A good deal of preparatory work has been completed creating clinical and managerial alignment around the goals and objective of a pathology collaboration between the three sites. The appointment of a project manager to lead the detail of the work should now add some pace, and the nature of the initial benefits that can be accrued will be forthcoming from the procurement work described above.

The Board of Directors is asked to;

- Note the report and the status of the Western Pathology Hub Project;
- Agree that the MoU between the three sites now be signed;
- Discuss the potential options around organisational form, although more detailed work is about to be commenced in this area before a formal recommendation is made.