

## Councillor representatives on the Joint Health Overview Scrutiny Committee, SE London

Dear Councillor

### **Our concerns about the South East London Sustainability and Transformation Plan (SEL STP)**

We set out our strong concerns about the content and process of this STP in a letter of 25 September to Mark Easton, the Programme Director for OHSEL. We were invited to meet him and several of his colleagues on 30 September to hear OHSEL's response.

I'm attaching a copy of our letter and will set out below why we were not reassured by the response from the OHSEL team under each of the headings.

As you may know, two councils have refused to sign up to the STP for their footprint: Hammersmith & Fulham and Ealing. **We are concerned that all six councils have all signed up to the SE London STP without having seen the completed plan** (submitted to NHS England end June 2016), without raising concerns with the Government about the total inadequacy of the funding of the NHS and consequently dangerous financial shortfall in SE London and without consulting your local electors.

We would ask you all, as elected Members, to give serious consideration to the concerns we set out in our letter and which have not been addressed.

### **NHS Underfunding**

The OHSEL team would not discuss this with us and Mark Easton gave the following reason:

*"Clearly resources for the NHS in total are subject to parliamentary scrutiny and approval, and while we as individuals might agree that the NHS would benefit from additional resources, our role as public servants is to make the best use of the resources made available to us."*

We ask you to note the extraordinarily challenging financial context, both for the NHS and for Social Care, in which the OHSEL plan, the SE London STP, has been drawn up.

### **'Provider Collaboration'**

In response to our concern, OHSEL did not deny that there was a real risk of double counting of savings estimated to result from the different tranches: 'business as usual efficiencies' of at least 1.6% per year ongoing, collaboration between NHS providers and between health and social care, clinical pathway changes, savings in specialised commissioning and 'consolidating' back room functions. OHSEL confirm that the **calculations of these savings are at a very early stage** with the implication that they could not be relied on. **OHSEL recognise but have not yet factored into planning the impact of the 'financial challenge' of £242m (30%) reduction in required funding annually in adult social care by 2020/21.** (The current yearly spend on adult social care across the 6 boroughs is £576m.) For these reasons we believe you should be very concerned about the financial basis of the whole STP.

### **Estimated savings in different clinical areas**

OHSEL confirmed that significant corrections are having to be made in the financial detail. For example, they withdrew a target of £6m savings from a total budget of £5m annually in paediatrics at Queen Elizabeth Hospital! However, the STP submitted to NHS England 30 June, a copy of which we were given at the meeting, still shows a target net saving of £11.5m in children's services **which**

**lacks evidence and is totally unrealistic.** We have agreed to a meeting with OHSEL's finance team to discuss these serious financial questions. We hope you too will be concerned.

### **Community based and primary care**

We have asked the OHSEL team for evidence to support their thesis that community based care can increase productivity to the extent that the predicted huge increase in demand on hospital care by 2020 will be managed in the community setting. We presented the evidence from the Southwark and Lambeth Integrated Care (SLIC) research which demonstrated that Community Based Care (CBC) did not make the planned cost savings or achieve the planned reduction in hospital admissions in the short term. OHSEL simply said that "the evidence is mixed". We did not receive reassurance as to how clinical staff under intense pressure would be capable of innovative ways of working. Our concerns remain unanswered as to how CBC could be improved to the expected extent in the context of the severe current nursing and GP shortage, without hospital nurses simply moving from hospital into community nursing leaving difficulties of recruitment to essential posts in the acute hospital setting (as has happened in Lewisham & Greenwich).

When asked what would happen if the CBC plan to avoid the need for 700 additional hospital beds – the equivalent of a new hospital – did not work, OHSEL's response was that the STP was not guaranteed to succeed and if it were to fail, then "your guess is as good as mine". We did not find reassurance in the comment that the difference between us is that "We [OHSEL] are optimistic and you are pessimistic".

### **Risk of GP Federations becoming Multidisciplinary Community Providers (MCPs)**

We have concerns that the formation of MCPs will facilitate private companies' takeover of these structures and that moves to this kind of new care model would take much longer than the anticipated five years and would not release the anticipated savings. We were not reassured by the response.

### **Elective care**

The OHSEL team was very clear that it would be recommending the two centre option for Elective Orthopaedic Centres despite the fact that there had not yet been any consultation on the option of the enhanced status quo [improving clinical outcomes through investment in current provision, thus avoiding the risks of private finance-funded new build and of destabilising local providers]. The analysis of this had not even been started – they have the data but have not analysed it. We still feel that an explanation is needed on why elective care was considered a priority for this expense and risk compared with the pressures in A&E, primary care, mental health and elderly care. Nor did OHSEL reassure us that the two centres proposed would not have a disruptive effect on the financial and clinical stability of Lewisham & Greenwich Trust.

OHSEL confirmed that there was no capital funding for the proposed new centres and that finance would have to come from private sources – our fears for the expensive involvement of private finance are thus wholly justified. [Please see separate email and briefing update.]

### **Consultation and governance**

We heard OHSEL's view that formal consultation would only be required on the two elective care centres and possibly on changes in some specialist services. Apart from this there would be no consultation on the overall plans for CBC, despite its high risk, or on the plans to make savings/cuts

of over £1bn by 2020/1. Local changes to services may require formal consultation, we were told, but the overall plan will not directly be consulted on.

Your Committee can refer the matter to the Secretary of State if you consider that the consultation has been inadequate. Please consider this option very carefully.

Our concerns remain about the unaccountable governance of the STP, because it is not a statutory body and has inadequate patient input and no staff/union representation.

### **Capital funding**

We remain concerned that capital resources are required for transformation but Government and NHSE have confirmed that this funding is not available. Capital costs involved in implementing the STP will have to come from within existing local funding streams, private finance or selling NHS estate. Health services in SE London already carry a heavy financial burden of PFI debt and the lack of any capital resources is bound to increase the reliance on private finance.

We note that OHSEL shared our concern that you may need to transform first in order to be financially sustainable, prompting our response that NHS England had got the process back to front. By insisting that providers cope with swingeing reductions in required funding (in social care too), NHSE undermines any chance of clinically safe and sustainable transformation

**We urge you to use your powers of scrutiny on each of our concerns and ask you to allow us opportunity to participate in discussion at your Committee on 11 October.**

Yours sincerely

Jan O'Malley

Lambeth Keep Our NHS Public

Dr Tony O'Sullivan

Save Lewisham Hospital Campaign