Lewisham and Greenwich NHS
NHS Trust

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Councillor Alan Hall
Chair Overview and Scrutiny Committee
Lewisham

Councillor John Muldoon
Chair Healthier Communities Select Committee
Lewisham

28 November 2016

Dear Councillor Hall and Councillor Muldoon

I write in response to your letter of 25 November regarding the consultation on elective orthopaedic services, inviting the views of Lewisham and Greenwich NHS Trust (LGT) on the proposals.

I have responded to your specific questions in turn below:

Whether any of the options proposed have the potential to destabilise Lewisham Hospital, or affect the functioning of its A&E department?
A quality impact assessment has not yet been conducted as part of this programme by the programme team, however Lewisham and Greenwich NHS Trust (LGT) has concerns that the options that involve University Hospital Lewisham (UHL) not hosting elective orthopaedics risk destabilising services at the Trust.

You will be aware that LGT submitted a bid for Lewisham to be one of the elective orthopaedic centres. As part of this bid, we outlined the likely negative impact if Lewisham is not chosen as a centre, stating:

"*Orthopaedics is one of our core services, accounting for up to 30% of theatre capacity and 40% of elective inpatient NHS income. As a district general hospital (DGH), orthopaedic resources contribute a large proportion of the Trust's critical mass for both the operational delivery of emergency and elective services as well as the financial sustainability for the organisation.*

"As we are a DGH and Trauma Unit the staff who support inpatient elective orthopaedic surgery (medical, ward, theatre, therapy) form part of the critical mass of workforce who deliver emergency services at both LGT sites and theatres.""

The Trust is concerned that changes in how we run our rota will result in difficulties providing orthopaedic on call (particularly at Lewisham Hospital) required to support the trauma service. If the Trust cannot deliver a compliant on call rota, then the Trust risks its status as a trauma unit and the A&E is likely to be downgraded to a minor injury unit.

Whether the options proposed are affordable and will have a positive financial impact on the Lewisham and Greenwich NHS Trust and wider services across south east London?

The financial modelling carried out by the programme team as part of the evaluation that underpins each option has only recently been released and so we are still validating the numbers. However, the modelling suggests that the options including LGT are the least expensive options, offering cheaper running costs and the largest reduction in cost per case. The table below is from the OHSEL business case and summarises the costs for each option:

Metric	Option 0	Option 1	Option 2	Option 3
Configuration option	Base case	EOC located at UHL and Guy's Hospital	EOC located at Guy's Hospital and Orpington Hospital	EOC located at Orpington Hospital and UHL
Five year total cost	£323.5m	£330.5m	£335.8m	£333.7m
FY21 recurrent cost	£57.3m	£48.0m	£54.9m	£52.1m
Payback period	N/A	6 years	10 years	7 years
20 year NPV (NPV)	£823.0m	£722.5m	£809.3m	£766.3m
20 year Internal Rate of Return (IRR)	N/A	29%	12%	24%
5 year Return on Investment (ROI)	NA	£0.44	-£5.13	£0.11
20 year Return on Investment (ROI)	NA	£14.34	£14.94	£9.40
FY21 reduction in cost per spell vs base case	0.0%	-16.0%	-4.1%	-8.8%
Five year total capital expenditure	£2.1m	£14.3m	£4.1m	£13.3m
Five year total non-recurrent expenditure	-	£0.3m	-	£0.3m

Ref: OHSEL Elective orthopaedic pre-consultation business case, page 73

The financial analysis was originally going to form part of the evaluation weighting for identifying the options. However it was decided mid process that the focus should be on the qualitative benefits therefore only non-financial evaluation scoring have been produced.

The cost difference is sizable so the Trust is keen to understand if the qualitative benefits will be equally as great to justify the additional cost to the system.

Additionally, if the Trust is not chosen to be one of the elective orthopaedics centres, it has identified c.£4m of costs per year that it cannot absorb. Although one of the aims of the STP is to balance the system benefit and impact on individual organisations, these plans are not yet known and LGT has fewer established inpatient surgical specialties that could fill the void of orthopaedics.

What the benefits of having one of the two proposed centre at Lewisham Hospital would be for people in south east London?

If commissioners believe that developing elective orthopaedic centres is best for south east London, then having an elective orthopaedic centre at Lewisham fits with our plans. It would enable us to build on what we currently do, including development of two more theatres at Lewisham.

The information published by OHSEL shows that having a centre at Lewisham would be the most affordable option for south east London. It has also highlighted that

there are benefits in terms of travel times for patients as more patients would have to travel further if there is not a centre at Lewisham.

The qualitative analysis has also highlighted that LGT has improved against the "Getting it Right First" indicators and was now equalling the other providers. It highlights that there is "significant room for improvement in all 3 providers". Therefore making it clear that there is minimal qualitative benefit, if any, by an alternative provider.

The OHSEL analysis therefore supports LGT's belief that hosting one of the elective orthopaedic centres at Lewisham will deliver the balance of best value for money with a service that delivers the "Getting it Right First time" recommendations for a quality, effective service.

Whether you consider changes to elective orthopaedic services to be a priority – and if not, what would you consider to be the prioritise for Lewisham and south east London?

The proposals for elective orthopaedics were drawn up under the "Our Healthier South East London" (OHSEL) programme, and then become part of the local Sustainability and Transformation Plan (STP).

The Trust has queried whether elective orthopaedic centres should be our priority given that the number one issue in south east London is managing pressures across the emergency pathway.

There is limited money for large developments in the NHS and south east London is no different. At the start of the OHSEL programme, providers were led to believe that capital money would be available to support this development. However, during the process, it has been made clear that there is no capital available. The Trust is unsure why we are making plans reliant upon capital expenditure when there is no capital available.

The Trust has also queried why we are pursuing a plan that invests in hospital care rather than investing in out of hospital provision as outlined as a primary objective of the STP.

How the proposed options for consolidating services compare to an "enhanced status quo" option – where service would remain at the existing sites?

We believe that an "enhanced status quo" option should be considered and evaluated against the same criteria as the other provider options. Providers already have plans to deliver the "Getting it Right First Time" (GIRFT) recommendations and provide additional capacity to meet growing demand.

At Lewisham, the Trust has made significant steps towards delivering the GIRFT recommendations, as well as reducing surgery waiting times. We will also have a brand new theatre by April 2017 to help us meet the GIRFT requirements and the 18 week standard.

The option of working together as a clinical network (without establishing new centres) should also be considered. Clinical networks are sighted in the GIRFT report as a logical way for achieving the recommendations without consolidation of services.

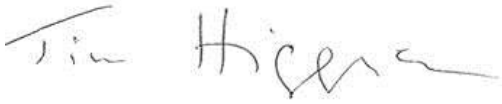
In summary, while the Trust is committed to improving orthopaedic care for local patients, we are concerned that this this approach is not the most sensible for south

east London given the other pressures in the system and the limited benefits that could be yielded from two elective orthopaedic centres.

In addition to the questions that you have raised, I think it is also worth highlighting that the process itself has proved challenging to work with. We have felt at times that providers are being included as an after-thought, with meetings set up at very short notice and documents being shared for ratification after they have been circulated to the other committees. As the Chief Executive of a key provider in south east London, I do not feel l have been sufficiently consulted on throughout this programme and our clinicians have also felt uncomfortable with the haste and limited engagement in being part of these developments.

I hope that this provides you with useful context from LGT's perspective on the proposals.

Yours sincerely



Tim Higginson
Chief executive