

PROCESS TO REVIEW THE ACCIDENT AND EMERGENCY SERVICES IN LANARKSHIRE AND AYRSHIRE

PURPOSE AND SCOPE

1. The purpose of this paper is to describe a process and timetable for undertaking the review of A&E services in Lanarkshire and Ayrshire and Arran, in light of the Government's decision to ensure that A&E services continue at the main hospital sites in both areas.
2. The review in both areas involves a complex set of issues, all of which need proper consideration in pursuit of the best outcome for patients. The principal parties intend to work together to that aim within the agreed process described in outline in this paper. Acknowledging that it may be necessary to alter some aspects of the process as it proceeds, this paper has been discussed with, and agreed by, the principal parties: the Independent Scrutiny Panel; the Scottish Executive; both NHS Boards (subject to agreement at Board meetings); and Price Waterhouse Coopers, who will provide independent challenge and assurance throughout the process.
3. The Health Boards' process of review will engage widely with local clinicians, managers and representatives of their patient partnership fora, while the Independent Scrutiny Panel will engage more widely with public and community interests. At the point of determining a recommendation, the Health Boards will require assurance that stakeholders have been appropriately involved in the option appraisal.

STAGES IN SUMMARY

4. There are seven main stages in this process, common to the reviews relating to both Health Board areas and these are summarised in brief in this section and explored in further detail beyond:

STAGE 1 (June - August)

HBs responsible

Option Generation and Gathering the Evidence

- clarifying the process
- identifying options
- gathering evidence, drawing on internal and external advice
- identifying base data
- prioritising wider developments
- developing quantifiable costs and benefits for each option, underpinned by robust evidence

STAGE 2 (September)

HBs responsible

Analysing the Options

- discuss draft options, evidence pack and search strategy with ISP
- identifying capital and logistical implications
- identifying workforce implications
- identifying opportunity and other costs
- agreeing benefits criteria definitions
- discussing the process for criteria weightings with ISP
- carrying out initial analysis of the options against criteria
- making formal submission of options, initial analysis and evidence to Boards, then to ISP

STAGE 3 (September-November)

ISP responsible

Commenting/Engaging

- commenting on options in line with Cabinet Secretary's criteria
- commenting on evidence in line with Cabinet Secretary's criteria
- commenting on proposed approach to option appraisal
- if content with all of the above, undertaking public engagement
- publishing interim report
- agreeing with the Health Boards nominations for the scoring events

STAGE 4 (October/November/December)

HBs responsible

Scoring the Options

- agreeing the pre(scoring)event analysis plan with ISP
- finalising and issuing evidence pack in light of ISP's interim report
- arranging and undertaking benefits scoring event
- identifying cost-benefit analysis
- generating option appraisal report, including sensitivity analysis
- submit report to ISP

STAGE 5 (December/January)

ISP responsible

Scrutiny and Reporting

- receiving the option appraisal report
- completing the scrutiny process by commenting on whether the analysis is robust and the process has been carried out appropriately and consistent with approach considered at Stage 3
- publishing final report

STAGE 6 (January)

HBs responsible

Recommendation

- considering the option appraisal report
- considering the Independent Scrutiny Panel's report
- Health Boards determine a recommendation for submission to Cabinet Secretary

STAGE 7 (February)

SE responsible

Ministerial Decision

- receiving the Independent Scrutiny Panel's report
- receiving the option appraisal report
- receiving the Health Boards' recommendations
- Cabinet Secretary makes final decision
- Health Boards and other stakeholders notified

Key Principles

5. The extent and pace of the review process needs to be such as to avoid unnecessary delay in progressing with the modernisation of services, whilst at the same time being able to demonstrate rigour in arriving at the right outcome. A number of standards apply to elements of this process (albeit it is unprecedented in its scope).
6. The approach of the NHS Boards to the reviews must be consistent with due process, including consideration of affordability and governance, with an onus to demonstrate that they have met the fundamental approach outlined in HM Treasury Green Book: effective option appraisal combined with robust cost benefit analysis. The Independent Scrutiny Panel must fulfil the task set by the Cabinet Secretary, within their terms of reference. These criteria will have an effect on the process, its order and its timing, and are necessary in order to ensure that the eventual outcomes are in the best interests of local patients and the public.

THE OPTION APPRAISAL PROCESS

7. The term 'option appraisal' has distinct meaning to planners, health economists and in guidance issued by Government Departments. It encompasses various stages from describing the problem, identifying options, the benefits criteria, the weightings and the evidence all of which enable stakeholders to allocate a benefits score to each option. Costs are then set against each option and a cost-benefit analysis undertaken to generate a preferred option. This preferred option is then taken into consideration as part of the overall decision making process.

8. Given the significant investment of public funds involved in the options, Health Boards will need to undertake an option appraisal and refer to it in their broader decision making process, in order to demonstrate compliance with government guidance (principally the Treasury Green Book).

GENERATING THE OPTIONS

9. The Cabinet Secretary announced on 6 June that she was reversing the decision taken by the previous administration in relation to the A&E Departments at Ayr and Monklands Hospitals. Ms Sturgeon charged the two NHS Boards with producing revised options that would ensure the continued provision of A&E services at both main hospital sites in Ayrshire, and at the 3 main hospital sites in Lanarkshire; whilst maintaining as many as possible of the other planned service developments under NHS Ayrshire & Arran's *Review of Services*, and NHS Lanarkshire's *A Picture of Health*. How that is to be brought about, what range of services, at what cost and with what wider implications are the subjects of what this paper describes as the option appraisal.
10. The Health Boards expect to complete the initial stage of generating a shortlist of options by early September, through a stakeholder engagement process mainly confined to its internal structures (i.e. clinical and professional groups, managers and representatives of their patient partnership fora). These options will be shared with the Chair of the Independent Scrutiny Panel (ISP) in draft form during August for initial informal comment in relation to comprehensiveness and appropriateness.
11. Under the remit put in place by the Cabinet Secretary, the ISP will also look at whether all viable service options have been considered, and – through liaison with the Scottish Health Council – will undertake public engagement with local communities. This will be essential to enable the Health Boards to demonstrate that wide ranging engagement has taken place.

IDENTIFYING THE EVIDENCE

12. The two Health Boards have jointly commissioned internal and external advice to build up a comprehensive portfolio of evidence relating to the subjects under consideration. The evidence search will seek to distinguish between different grades of evidence. This will draw on clinical, public health, financial, logistical and health economic expertise. This will also be shared with the ISP informally prior to its formal submission at the end of September.

BENEFITS CRITERIA

13. The Cabinet Secretary determined the criteria against which the options should be judged in the ISP's terms of reference. These are wide ranging and include:

- Safe
- Sustainable
- High Quality*
- Patient-centred
- Value for Money**
- Consistent with National policy
- Consistent with Clinical Best Practice

Associated factors set out in the ISP's terms of reference will also be taken into account in the process: that the proposals must be robust; that they take account of local circumstances and the views of individuals and communities affected; and that all viable service options have been considered.

*'High Quality' was not technically part of the ISP's terms of reference though the Cabinet Secretary was clear that this was an important criterion in her statement to Parliament on 6 June – and all parties are agreed that it should be part of the core criteria.

**'Value for Money' will be determined once the costs are applied to the aggregated scores as part of the cost-benefit analysis. The analysis will identify preferred option(s).

14. The Boards' proposed approach, together with the specific proposals, will be confirmed as part of the end-September submission to the ISP. The ISP will comment on the appropriateness of the Boards' proposed options (against the criteria put in place by the Cabinet Secretary, noted in paragraph 13) and appraisal process. Should the ISP be content that the proposed options and appraisal process are appropriate, the Panel will acknowledge this in a brief published commentary before undertaking public engagement.

STAKEHOLDER ENGAGEMENT

15. To ensure the robustness of the process, agreement to the list of options, criteria weightings and benefits scoring should be the result of engagement with a wide a range of stakeholders. As noted above, while the Boards can engage directly with clinical, professional and managerial interests, the ISP has the responsibility in this instance for engaging appropriately with the public. The Health Boards and the ISP will be required to agree a list of nominees to participate in the scoring events, balancing public, professional and geographical interests.

SCORING THE OPTIONS

16. The proposition is that two formal scoring events are held before the middle of November; one as part of the appraisal of options relating to Monklands and the other for Ayr. Both NHS Boards will first undertake a weighting exercise involving all stakeholders (nominations to be agreed with ISP) for use in the option appraisals. This element of the exercise will be incorporated within the final report to the ISP by the beginning of December.
17. These events will be independently facilitated, involving stakeholders nominated by the Health Boards and, particularly in the case of patient and public interests, nominated or agreed by the ISP. Because of the potential impact of options on other services and developments throughout each Health Board area, interested stakeholders will reflect the Health Board areas, rather than simply be confined to the Monklands and Ayr localities.

A PREFERRED OPTION

18. The report of the option appraisal including the outcome of the scoring event and cost-benefit analysis will be prepared and submitted to the ISP by the end of the first week in December. The ISP will comment on whether the weighting and scoring events were carried out appropriately, consistent with the plans the Boards had previously submitted to the ISP for scrutiny. Should the ISP be content with the process, they would then move to publish their final report. The Boards would then consider the ISP and option appraisal reports in coming to a decision on a recommendation to put to the Cabinet Secretary – at Board meetings in January.

FINANCIAL ANALYSIS

19. The financial analysis which each Health Board will complete in September will contain a number of elements, mainly relating to costing and affordability. As far as possible and consistent with the stage of planning, quantifiable costs and benefits for each option should be identified – with the evidence that underpins them – at this time. The level of detail underpinning these costs should be appropriate to the planning stage and will need to be refined as the process continues.
20. In relation to whole life costing, the direct reconfiguration costs of each option will be identified. This will contain capital costs, the revenue costs of that capital and the service costs relating to workforce and other changes.
21. In relation to affordability there are a further two streams to be considered. The first relates to the knock-on impact of the various options on the remainder of the Health Boards' development programmes. The Health Boards' process for determining the opportunity costs of each option, including the prioritisation methodology, will be fully articulated in its submission to the ISP at the end of September.

22. The second determinant of affordability relates to the level of annual revenue inflationary uplift assumed in the Health Board's financial plan (in addition to rising capital inflation), e.g. at the time of original approval of 'A Picture of Health' for Lanarkshire the financial plan agreed between the Health Board and the Scottish Executive assumed annual allocation uplift of 5.5%(inclusive of Arbutnott gain under the existing formula). More recent expectations of the Government's Comprehensive Spending Review indicate a lower uplift. Whilst not directly related to the choice of which A&E option should be selected - and acknowledging that this would have been as relevant in considering any affect on the original proposals by each Board - this level of uplift will be crucial in determining the extent to which the Health Boards can remain able to afford their previously planned development aspirations in forthcoming years. The level of uplift for the Boards in subsequent years will not be known at the time of the Boards' submission to the ISP and may not be known in sufficient detail by the time of the Boards' recommendations to the Cabinet Secretary in January. A range of possible uplift values and their consequences will therefore be included in the Boards' analysis.

DECISION PROCESS

23. In their formal submissions to the ISP following their meetings at the end of September, the Health Boards will include a robust analysis of the options and supporting evidence, including quantifiable details on the costs and benefits of each option. No recommendation can be made at that time since the scoring by stakeholders will not have been completed to allow a preferred option from that part of the exercise to be identified and considered. However, the Boards will at this time confirm their planned approach to option appraisal, for the ISP's formal consideration and comment.
24. The ISP will consider and comment on the Boards' proposed options (and the evidence supporting these) in terms of the criteria put in place by the Cabinet Secretary, and the proposed option appraisal process. Should the ISP be content with the proposed options and process, it will acknowledge this in a brief published commentary before undertaking public engagement. Following this, the Panel will publish its interim report.
25. As informed by the ISP's interim report, the Boards will then hold scoring events which will be independently facilitated. The outcome of each of the scoring events and the subsequent cost-benefit analysis will be the identification of a preferred option. The Boards will submit a report on this to the ISP in December. The ISP will comment on whether the process has been carried out appropriately, consistent with the plans the Boards had previously submitted to the ISP for scrutiny. Should the ISP be content with the process, they would then move to publish their final report. The Boards would then consider the final ISP and option appraisal reports in coming to a decision on a recommendation – at Board meetings in January 2008. This would then be submitted to the Cabinet Secretary for a final decision – to be announced in February 2008.

26. The following diary of events relating to decision making is proposed:-

End September 2007	Formal submission of options, evidence, analyses, and proposed option appraisal process by Health boards to ISP
October (first half)	ISP considers evidence: content with options and supporting material (in terms of Cab Sec's criteria) and approach to option appraisal?
Mid-October	If content (as above), ISP publicly acknowledges this and undertakes public engagement
Late October/Early November	ISP publishes interim report
Mid-November	Option scoring events held
Early December	Final option appraisal report submitted to ISP
December	ISP considers whether process has been carried out appropriately
Early January 2008	ISP publishes final report
Late January 2008	Health Boards determine recommendation, in light of final ISP and option appraisal reports, and make submission to Cabinet Secretary
February	Cabinet Secretary makes final decision and informs Health Boards accordingly

27. In accordance with best practice, a detailed Project Plan will be prepared to deliver this Agreement and to act as a basis for future evaluation of the A&E Review process.

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