

Title	Pathology network development
Accountable Director	Director of Strategy
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Purpose	Update the INEL/ONEL Joint Overview and Scrutiny Committee (JOSC) board on the development of a pathology network with neighbouring NHS providers

Executive summary

Barts Health NHS Trust, Lewisham and Greenwich NHS Trust, and Homerton University NHS Foundation Trust hospitals are working to develop a joint NHS pathology network in order to improve the quality, efficiency and sustainability of pathology services. The three trusts have agreed an Outline Business Case for the formation of a pathology network and work is underway on a Full Business Case and associated arrangements. The development of network offers significant opportunities for all three organisations to improve pathology services, however the formation of a network would not have a significant impact on the current organisation of clinical services or pathology services across the Barts Health hospitals. Barts Health is the proposed host for the network and the Royal London site is the proposed location for the 'hub' laboratory.

Legal implications/ regulatory requirements	None at this stage
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Action required

Network partners to provide update to the INEL/ONEL Joint Overview and Scrutiny Committee (JOSC)

PATHOLOGY NETWORK DEVELOPMENT

INTRODUCTION

1. This paper describes the plans and progress for the development of a pathology partnership between, Barts Health NHS Trust (BH), Homerton University NHS Foundation Trust (HUH), and Lewisham and Greenwich NHS Trust (LGT).
2. The three Trusts came together out of recognition of common aims and in particular a shared ambition for an NHS partnership rather than an arrangement with a commercial pathology provider.
3. The Outline Business Case for the partnership has now been approved by all three trust boards through November and December 2019. Work has now commenced on the Full Business Case to be completed by end of March 2020.

PROPOSED CLINICAL MODEL AND BENEFITS

4. This is a critical time for NHS pathology services both nationally and locally. The changing needs of an ageing population combined with the emergence of new diagnostic tests and techniques are driving an increase in demand in an environment where critical resources are in short supply. There is therefore a clear expectation to realise the following benefits over time, which are in line with a well-established national evidence base for the benefits of pathology networks:
 - Improved quality through concentration of expertise, opportunities for shared learning and encouragement of innovation.
 - Faster response times and higher efficiency across the network resulting in cost savings for all parties.
 - Reduced variation in standards across the network.
 - Improvements in training opportunities and working conditions for staff across the network.
 - Increased strategic alignment between partners, supporting exploration of other opportunities for partnership.
 - Increased resilience and business continuity resulting from the greater scale of the network.
 - Realisation of national policy objectives through the formation of a network.
5. The overarching clinical model is based on the creation of a network of laboratories, centralising laboratory testing where clinically appropriate. It has been agreed that the central hub laboratory would be at the Royal London

Hospital, which already acts as the hub laboratory for the four Barts Health hospitals. All hospitals in the network will retain a 24/7 on site laboratory service to ensure all urgent testing needs can be met.

6. Lewisham, Whipps Cross, Newham and St. Bartholomew's hospitals already operate local Essential Service Laboratories so there are no significant changes for these hospitals in the proposed clinical model.

Partnership arrangements

7. It is proposed that the partnership will take the form of an 'arms-length hosted organisation' with Barts Health acting as the host organisation. This means the partnership will be fully within the NHS and is a well-established model for pathology networks across the country. The partnership will be governed by a joint board with representation from the three trusts and an independent chair.
8. The commercial terms include three key mechanisms by which each Trust will continue to maintain control, creating in effect a "triple lock" on the future running of the partnership:
 - One of the agreed commercial principles is that each Trust will have equal voting rights with respect to the matters delegated to the partnership board.
 - Each Trust will be able to specify a list of 'Reserved Matters' these will be issues where a trust want to reserve a right of veto over partnership decisions, or to assert that for a specific issue they have sole decision making authority. It should be possible to identify most of these areas of concern prior to creation of the partnership agreement. There will also be a mechanism for additional reserved matters to be added at a later date.
9. The partnership will produce an annual business plan detailing the plans for the coming year. All three Trusts will agree this plan thus defining the specific parameters for the partnership for the year.

Financial Case

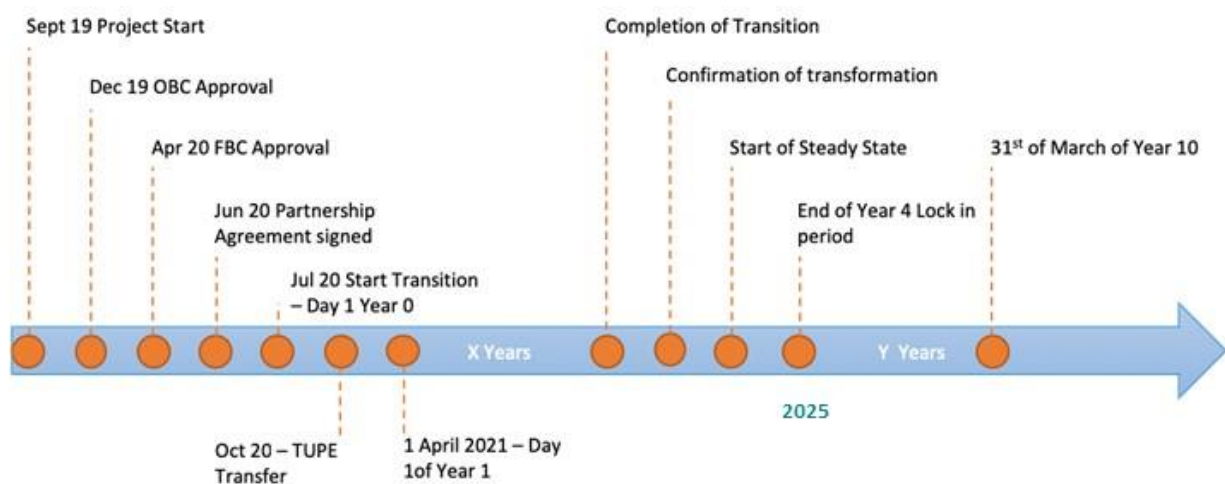
10. The formation of the partnership offers the potential to increase efficiency and realise financial savings which can be shared between the partners. The preferred option offers the potential for steady state annual savings of up to £8.7m following the completion of the transition period.
11. The total investment required in capital and transition costs to establish the partnership and realise these savings has been estimated at £10.7m, a significant amount of which will be attributed to the establishment of a new laboratory at Homerton University Hospital. This funding will be refined and finalised during the next stage of business case development.

Management Case

12. The decision on the development of preferred model up to FBC standard requires a clear governance structure and commitment by the teams. The management case provides details on how this would develop and sets the expectations for key members of the team that will be required to support the next phase, FBC and implementation / transition.
13. In addition to supporting these key posts, another important input during FBC development and beyond will be a robust communications plans that ensures a clear and consistent message is shared with all stakeholders. Such a programme, which will evolve during development of the FBC, will include commitments to maintaining quality and a strict commitment that service changes will depend on quality gateways being achieved prior to any transition.

Programme Plan / Next Steps

14. In relation to the timeline for the completion of the FBC, it is expected that this would be completed by the end of March 2020. At which point the final approvals and transition period will start. The Management case provides a detailed Gantt chart with all the key actions required, however, the key milestones are:



15. In parallel, the OBC and FBC will require approval from NHSI/E and support from the wider health system. Further updates will be communicated to the trust boards prior to finalising the FBC regarding the detailed partnership arrangements, including the specific arrangements for each of the trusts.