

<b>Bath &amp; North East Somerset Council</b>	
MEETING:	Wellbeing policy and development scrutiny panel
MEETING DATE:	March 22 <sup>nd</sup> 2013
TITLE:	The Future of the Neuro Rehabilitation Services at the Royal National Hospital for Rheumatic Diseases
WARD:	ALL
<b>AN OPEN PUBLIC ITEM</b>	

## **1 THE ISSUE**

The Royal National Hospital for Rheumatic Diseases NHS Foundation Trust (RNHRD) took the decision in the November 2012 Board meeting to announce a “preference to close the neuro rehabilitation service subject to the necessary consultation”. In December 2012 the Board, in public session, agreed that the “in-patient Neuro Rehabilitation service at the Royal National Hospital for Rheumatic Diseases NHS Foundation Trust should cease being provided from 31st March 2013”. In January 2013 the Board, in public session, agreed “that the Outpatient Neuro Rehabilitation service should cease being provided from 31st March 2013.” Services will cease as of March 31<sup>st</sup> 2013. Commissioners are now consulting on where the specialist and non-specialist services will be re-provided.

## **2. RECOMMENDATION**

Members are asked to note the information presented within the report as background and preparation to a following paper presented by the Specialised Commissioning Group and Primary Care Trusts on the future provision of services.

## **3. THE REPORT**

### **3.1 Background**

A Neuro Rehabilitation service has been provided as a national and specialist service at the RNHRD for many years. Over the past three years there has been a significant change in referral patterns as increasingly patients from outside the area who require less complex care are being treated closer to home. This change has led to a 50% reduction in income for this service over the last two years which has had a critical impact on the ability of the service to continue.

It is important to emphasise that there have been no concerns about the quality or safety of what has always been a well-regarded service. The position has arisen due to the recognition that the service is not financially viable now or in the future given the future intentions of commissioners.

RNHRD thoroughly evaluated potential responses to the financial challenge and continuously reviewed options for mitigating the financial risks to the service. In response significant changes in operational delivery were made but these changes were not able to improve the financial position and ensure a service that is financially viable.

### **3.2 Financial Position**

The extent and reality of the financial position and the urgency to take action is highlighted through the financial reporting which indicated that the service was making a loss of on average £430k per annum.

This means that the service was not covering its direct costs (ie its staff and consumables) or making a contribution towards the costs of the estate and infrastructure that supports it. To recover this position, the service would need to be making a surplus of approximately £590k per annum.

These immediate service losses are in the context of the RNHRDs overall financial challenge where the organisation is currently losing £10k a day.

### **3.3 The Decision to Close**

In taking its decision to close the service the RNHRD Board took account of these financial pressures and the necessity of responding to a financial position that has resulted in the organisation being found by Monitor to be in significant breach of one of its terms of authorisation. The Board also considered the described current South West Specialised Commissioning Teams intentions for in-patient neuro rehabilitation services at the RNHRD for 2013/14 which would have been based on this year's outturn, indications at the time were that this would have been unlikely to be higher than 8 beds based on activity to date. The Board has previously acknowledged that at this level of occupancy the service cannot be clinically or economically viable.

### **3.4 Engagement**

RNHRD undertook an engagement exercise during November and December 2012. Comments were received from clinician's professional bodies, MPs and members of the public. These comments were taken into account in reaching the decision. An equalities impact assessment was also completed and taken into account. Supporting Board papers are available to view at <http://www.rnhrd.nhs.uk/about-us/trust-documents>.

### **3.5 Communications and Consultation**

The RNHRD has communicated the service change widely with stakeholders and has collaborated closely with commissioners on the current consultation process. Work has taken place with all staff affected by the change, assisting individuals and seeking redeployment for as many people as possible. To date RNHRD has found alternative employment for 22 of the 64 employees placed at risk.

RNHRD has written to all patients informing them of the change in service and advising that further information will be provided on the re-provision of service as soon as this is clarified. All current patients have been reviewed and information will be sent to patient's GPs.

The commissioners are now consulting on the options for new provision for the specialist and non-specialist elements and the RNHRD is collaborating with this process as needed.

#### **4. RISK MANAGEMENT**

The change programme has been subject to a continuous risk evaluation process. Controls have been applied and risks managed through the RNHRD executive team and partner agencies.

#### **5. EQUALITIES**

An equalities impact assessment formed part of the process of evaluation and was taken into account in the decision making process.

#### **6. CONSULTATION**

An engagement was completed by RNHRD as described above. The engagement was internal for staff and external for public, patients, clinicians and stakeholders. Public consultation on re-provision is now being undertaken by the commissioners.

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<b>Background papers</b>	
<b>Please contact the report author if you need to access this report in an alternative format</b>	