

Our Ref: PW/jd

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By e-mail:

Alan Bloom, Joint Trust Special Administrator
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Administrator
Mid Staffordshire NHS Foundation Trust

23 July 2013

Dear Alan and Hugo

I am writing on behalf of NHS England in response to your letter dated 19 July to David Bennett where you request an NHS England perspective on the TSA proposal for Mid-Staffordshire

The TSA has carried out extensive work to identify a service proposal that is designed to meet the twin requirements of clinical and financial sustainability. In doing so, the current service proposal moves well beyond the LSS defined by local CCGs and envisages a much wider range of services being maintained on both the Stafford and Cannock sites. This has been proposed in order to mitigate the impact on other hospitals of implementing the original LSS and because a networked service model has been developed to overcome the clinical staffing challenges of maintaining A&E and acute medicine on the Stafford site.

We would support the clinical model and the intent to maintain a wider range of services in the Stafford and Cannock sites, subject to further assurance that financial sustainability can be secured without a tariff premium for commissioners. The high level financial assumptions that have led to the conclusions that this would be the more financially attractive option have been shared with us, but not at a level of detail that would allow us to provide independent assurance. We would like to discuss these assumptions with you in more detail in parallel with the consultation process.

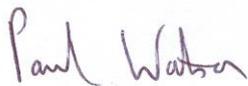
We note that the TSA has evaluated the residual gap to be £5.4m and a number of options are presented to resolve this including further CIP, downward pressure on Capex and demand management. Whilst we would accept that there has been insufficient time for a full solution to this gap to be described, we would note that it has yet to be demonstrated exactly how this remaining gap will be bridged. We would encourage the TSA to carry out further work on this during the consultation. We are assuming that the detailed solution will not include a tariff premium for commissioners.

The implementation costs of the proposal are significant. Again, the high level financial assumptions have been shared with us but not at a level of detail that would allow us to give independent assurance. We understand from Monitor that these transitional costs would need to be funded directly from the Department of Health and would not be a call on NHS England or CCG funds. Our support for the TSA proposal is based on the assumption that transitional costs will be treated in this way.

The TSA proposal envisages the removal of emergency surgery, in-patient paediatrics and obstetrics from the Stafford site. Whilst we can see the clinical arguments for doing this, we would encourage you to ensure that the consultation document sets out very clearly why the networked assumption being proposed for A&E and general medicine cannot be applied to these services. Likewise, it would also be helpful if the rationale for excluding a midwife-led delivery unit is clearly set out.

In summary, the TSA has tackled a very difficult service issue and has worked constructively with partners on developing these proposals. With the provisos set out above, we would support the current proposals being put forward for public consultation.

Yours sincerely

A handwritten signature in purple ink that reads "Paul Watson".

Dr. Paul Watson
Regional Director (Midlands and East)