

TRAFFORD COUNCIL

Report to: Health Scrutiny Committee
Date: 24 July 2019
Report for: Information
Report of: Martyn Pritchard, Accountable Officer, Trafford CCG

Report Title

The Altrincham Hub Development

Summary

This paper sets out:

- the background to the Altrincham Hub development
- the independent review of the Hub commissioned by the Greater Manchester Health and Social Care Partnership
- The CCG's response to this review
- The future use of the building

Recommendation(s)

That the report be noted.

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1. Background

- 1.1 The concept of the Altrincham Hub was first discussed by the CCG in September 2014 as a multi-agency health, social care and advisory services development.
- 1.2 A Full Business Case was approved by the CCG Governing Body in May 2015 for the Hub to be located on the site of the former Altrincham Hospital which was owned by a local developer.
- 1.3 The Hub was completed by the developer in October 2018 and handed over to NHS Property Services (NHSPS).
- 1.4 The Hub is covered by two head leases:

- A lease for the Library, pharmacy and a café
 - A lease for the remainder of the space, known as the “medical suite”
- 1.5 Though the lease for the medical suite is with NHSPS the CCG retain the financial risk as it agreed an indemnity deed for it in January 2016.
- 1.6 Although tenants for most of the medical suite had been identified as part of the Full Business Case, contracts had not been signed. Between the agreement of the Indemnity Deed and the handover of the building it became clear that none of the potential tenants were in agreement to move into the Hub.
- 1.7 In light of the concern and issues surrounding the development, the Greater Manchester Health and Social Care Partnership (GMHSCP) commissioned an independent review of the leadership and decision making of the Trafford CCG in relation to the Altrincham Hub in August 2018.
- 1.8 The review covered the period from the inception of the project through to November 2018 and included an assessment of the decision-making processes and associated governance, the financial arrangements, risk sharing arrangements and any issues of probity.

2. Outcome of the Independent Review of the Altrincham Hub Development

- 2.1 The report was undertaken by Ernst and Young (EY) and the fieldwork for the review took place between August and November 2018. The review was informed by over 100 documents and 32 interviews.
- 2.2 The report was published by GMHSCP on 6 March 2019 and is attached as Appendix A.
- 2.3 The summary of the report and its conclusions were as follows:
- That there were failures in the governance processes of the CCG from 2014 to 2018.
 - The Outline and Full Business Cases were not sufficiently robust for a scheme of this size and scale.
 - There was poor management of the scheme between 2016 and 2018 with little evidence of proactive efforts to secure tenants to mitigate the financial risks to the CCG.
 - There was limited challenge and risk management by the Governing Body of the CCG.
- 2.4 Ultimately the report finds that the situation was avoidable and that appropriate challenge would have prevented the expending of funds and resources on the project.

- 2.5 Whilst it recognised that many of the issues in the report relate to historic governance processes and that these have been updated, the report contained nine recommendations for the CCG

3. The CCG's Response to the Report

- 3.1 Following publication of the Report it was reviewed by the CCG's Senior Leadership Team (SLT) on 11 April 2019, the Audit Committee on 16 April 2019, and the Altrincham Hub Programme Board on 29 April and 20 May 2019.
- 3.2 The responses to the recommendations were set out in a report to the GB on 23 May 2019. These are set out in Appendix B.
- 3.3 Furthermore, the Governing Body (GB) set up a "Task and Finish Group" (a short term sub-group) to review these actions and report back to the whole GB. This group met on 16 April 2019 to discuss the issues and subsequently reported back to the whole GB. In this report the sub-group provided further scrutiny of the responses to the nine recommendations and focused on some of the wider issues in the review. These were:
- Appropriate governance arrangements
 - Culture
 - The ability of management to deliver agreed actions

Appropriate Governance Arrangements

- 3.4 An underlying issue in the EY review was that the GB did not exercise appropriate governance during the key decision making processes.
- 3.5 During 2019 the CCG has embarked on a three stage review of its governance. Phase one (which is now complete) was the revision of the constitution and schemes of delegation. Phase two, which is due for completion in September 2019, is the review of all aspects of sub-committees. Phase three, is the review of the policies and procedures of the CCG and is ongoing.

Culture

- 3.6 Although not focused on in the EY review, issues of organizational culture were felt to be central to the issues highlighted in the report. In particular a culture where appropriate challenge was encouraged and supported was felt to be lacking in the past and vital to the future. The GB now has an Organisational Development (OD) programme designed to build a high performing Board, which will be undertaken throughout the rest of 2019.

The Ability of Management to Deliver Agreed Actions

- 3.7 As well as the decision making of the GB the review sets out that once those decision were made there were failures in execution by management.
- 3.8 The recent developments and improvements of the Board Assurance Framework (BAF) and the Corporate Risk Register (CRR), along with the review of the sub-committees of the GB are key to the ability of the GB to hold management to account for delivery.

External Scrutiny to the Responses of the CCG

- 3.9 These responses were reviewed by the GMHSCP at the Quarterly Assurance meeting with the CCG on 9 May 2019. As a result of which the GMHSCP have confirmed that they are satisfied with the response to date and require no additional actions.

4. The Future Use of the Altrincham Hub

- 4.1 At its meeting on 5 March 2019 the Governing Body considered and agreed its future strategy for the use of the Altrincham Hub.
- 4.2 The Governing Body reviewed the original assumptions of the 2015 Full Business Case (FBC) in light of the CCGs current commissioning priorities and discussed five options for the future use of the building.
- 4.3 In light of this the Governing Body agreed a strategy of using the building for health and social care purposes as envisaged in the original FBC, but with commercial tenants sought for the third floor of the building in order to mitigate some of the costs.
- 4.4 Since this date the CCG and its partners have continued to work closely with NHSPS to identify future tenants.
- 4.5 The CCG has agreed with two local GP practices, St. John's and Barrington Road that they will move from their existing buildings into the Hub providing primary care services for over 24,000 local residents. This move is planned to take place in the early autumn of 2019.
- 4.6 With this agreement NHSPS are now able to progress with the location of a pharmacy service in the building and an announcement on this is expected shortly.
- 4.7 The CCG is, with partners, developing a Long Term Plan for Trafford. This includes how we will be developing place based responses to local need. The Hub will be part of the future offer for the South neighborhood in terms of estate. Now we have secured key tenants with two local GP practices we will need to work with local communities to ensure that the building can become a local asset that is widely used.

5. Conclusion

- 5.1 The Governing Body and the wider management team of the CCG have fully accepted the independent report into the Altrincham Hub and continue to work on the specific recommendations and the wider issues of governance, leadership and management that led to an avoidable situation arising.
- 5.2 The Programme Board continue to work to identify tenants for the building in line with the approach agreed by the Governing Body.

Appendices:

Appendix A: Trafford CCG Independent Review of the Altrincham Hub Development, 6 March 2019

Appendix B: Summary of Recommendations in the Report and Actions Taken.