

CITY OF PLYMOUTH

Subject: Demerger of the Peninsula College of Medicine and Dentistry

Committee: City Council

Date: 16 April 2012

Cabinet Member:

CMT Member: Chief Executive

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Ref:

Key Decision: No

Part: I

Executive Summary:

The Adult Health and Social Care Overview and Scrutiny Panel met on the 4 April 2012 to discuss the demerger of the Peninsula College of Medicine and Dentistry announced by the University of Exeter and Plymouth University in January 2012.

The panel had requested specific assurances that –

- that there had been sufficient dialogue with key stakeholders prior to the decision to demerge the College
- the long term viability of two separate schools of medicine could be assured
- the reputational value of the existing College amongst potential students would be maintained under proposed new arrangements
- the proposed demerger best fulfils the regional and national ambitions of the city

The panel were not assured that the potential demerger of the College would provide the best outcomes for Plymouth and the peninsula and although it was acknowledged that there had been inadequate consultation surrounding this issue neither University proposed steps to address this major oversight. The panel has recommended to the Vice- Chancellors of both Universities that –

1. there is an immediate pause in the process of demerging the Peninsula College of Medicine and Dentistry;
2. a 12 week consultation exercise is undertaken, in line with the Government's published code of practice for consultation;
3. an options appraisal detailing alternatives to the demerging of PCMD is made available during the consultation period;
4. no further action is taken until the outcomes of the consultation process are known.

Council is requested to support the recommendations as set out in the attached minute, and in the event that recommendations are not actioned, delegate authority to the Head of Paid Service in consultation with the Leader and Leader of the opposition to refer the matter to the Secretary of State for Health and the Secretary of State for Business, Innovation and Skills for review.

Corporate Plan 2012 - 2015:

Achievement of the following city priorities could be significantly hindered by the proposed demerger.

Deliver growth

Develop Plymouth as a thriving growth centre by creating the conditions for investment in quality homes, jobs and infrastructure.

Reduce inequality

Reduce the inequality gap, particularly in health, between communities.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

None directly arising from this report.

Other Implications: e.g. Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion

None.

Recommendations & Reasons for recommended action

That Council -

- I. supports the decision of the Health and Adult Social Care Overview and Scrutiny Panel as follows -
 - to recommend to the University of Exeter and Plymouth University that –
 - there is an immediate pause in the process of demerging the Peninsula College of Medicine and Dentistry;
 - a 12 week consultation exercise is undertaken, in line with the Government's published code of practice for consultation;
 - an options appraisal detailing alternatives to the demerging of PCMD is made available during the consultation period;
 - no further action is taken until the outcomes of the consultation process are known.

2. in the event that recommendations are not actioned, delegate authority to the Head of Paid Service in consultation with the Leader and Leader of the opposition to refer the matter to the Secretary of State for Health and the Secretary of State for Business, Innovation and Skills for review.

Reasons for recommendation:

The demerger of the successful medical school poses a significant risk to the achievement of city priorities.

Alternative options considered and reasons for recommended action:

To do nothing would prevent the council commenting on proposals which could pose a significant risk to the achievement of city priorities.

Background papers:

- Minutes 73 and 74 4 April 2012 – Health and Adult Social Care Overview and Scrutiny Panel (draft)
 - Health and Adult Social Care Overview and Scrutiny Panel Briefing Document on the Demerger of the Peninsula College of Medicine and Dentistry.
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Sign off:

Fin	DJNI 213.0 01	Leg	I4520/DV S	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member : Giles Perritt											

Health and Adult Social Care Overview and Scrutiny Panel

4 April 2012

Minute 73 and 74

73a **VICE-CHANCELLOR PROFESSOR WENDY PURCELL, UNIVERSITY OF PLYMOUTH**

The Chair invited Vice-Chancellor Professor Wendy Purcell to address the panel, it was reported that –

- (a) the opportunity to address the panel was welcomed. Plymouth University hoped to continue to work closely with the city council;
- (b) the Peninsula College of Medicine and Dentistry (PCMD) would provide a successful legacy, it was viewed as one of the top ten medical schools in the country and received high scores for satisfaction for courses and teaching;
- (c) PCMD was the first medical school established in England for 30 years and its students treated up to 500 patients a day;
- (d) the ethos of the school was to provide a socially inclusive approach to recruiting medical trainees and addressing health inequalities experienced on the peninsula, which reflected Plymouth University's alignment with city priorities;
- (e) in 2011, the new Dean and the PCMD Executive wrote to the two Vice-Chancellors of Plymouth and Exeter to express their concerns regarding the governance arrangements and requested that universities revisit the PCMD governance structures;
- (f) it was felt that PCMD in its current format had outgrown current governance and partnership arrangements, the ability of PCMD to react to the changing higher education and health environment had been hindered by those arrangements;
- (g) both universities announced in January intent to move forward with independent missions, with Plymouth becoming a regional centre for dental research. The resulting two schools would build on the success of PCMD;
- (h) the current position would be that 86 medical students would remain in Plymouth along with 64 dentistry students;
- (i) the university had recently announced investment in health research and the new Institute of Translational and Stratified Medicine would ensure patients benefited from research findings through tailored treatment plans in a "bench to bedside" approach. There would also be a rolling PhD programme and further investment in state-of-the-art research laboratories and equipment.

In response to questions from the panel, it was further reported that –

- (j) Plymouth University was involved in delivering the city priorities, an example of which included the partnership work at the Tamar Science Park. The University had a good understanding of the aspirations Plymouth City Council had set for an ambitious city.
- (k) an active Public Health Masters programme would continue and the Director of Public Health for Plymouth was involved;
- (l) PCMD had delivered on providing an inclusive approach to medical trainee recruitment, and frontline services were being provided where needed, such as the School of Dentistry in Devonport. The location of services and training provided by the future school in Plymouth would be aligned to reflect the health inequalities in the city;
- (m) both Alison Seabeck MP and Oliver Colville MP were consulted, both raised concerns regarding the possible loss of dental school and were assured that the dental school would be an essential component of the future medical school. They had also expressed a sense of loss and asked why the demerger was necessary;
- (n) there had been “retrospective consultation” and there would be a change in the local workforce;
- (o) there had been insufficient engagement with health colleagues, although views from the Devon Local Medical Committee and Derriford Hospital Medical Committee had been considered and further correspondence had taken place. The NHS would continue to have a right to engage on any curriculum content, there would also be assurances on placements and there would be no changes to Service Increment for Teaching;
- (p) a medical school with 86 students would not be the smallest in the UK, the proposed numbers would be more than originally bid for.

The Chair thanked Professor Wendy Purcell and her team for their time.

73b **VICE-CHANCELLOR PROFESSOR SIR STEVE SMITH, UNIVERSITY OF EXETER**

The Chair invited Professor Sir Steve Smith to address the panel, it was reported that –

- (a) Professor Sir Steve Smith was in agreement with the comments made by Professor Purcell. This was not a “conventional divorce” and was a result of the change of funding structures in higher education;
- (b) the demerger of PCMD would be the best outcome for Plymouth and reflected the recommendations of the Sainsbury Review of Science and Innovation (2007).

In response to questions from the panel it was reported that –

- (c) Plymouth would benefit from the demerger as, when including the school of dentistry, more students would remain in the city;
- (d) back office costs for the delivery of both medicine and dentistry programmes were shared;

- (e) there was no need to change placements. The Acute Trusts wanted students from both proposed institutions, there would be no changes to SIFT and there was an agreement between the Universities to run a similar curriculum over the transition. Acute Trusts would have the option to choose where their students came from.
- (f) the University of Exeter's research area has driven membership of the Russell Group;
- (g) the University of Exeter had consulted widely locally, PCMD could not be resurrected;
- (h) both schools would be economically and educationally viable, there would be a small economic loss to Exeter rather than Plymouth. The University of Exeter had been in touch with all key stakeholders since the announcement in January;
- (i) following a meeting with Professor Purcell on the 11 November the Universities moved forward with Heads of Terms. A communications strategy was developed and it was agreed that each institution would speak to their stakeholders locally;
- (j) the University of Exeter had received letters from Cornwall Council and Devon County Council which were supportive of the proposals. Key consultations with funders had led to a statement that both funders were in agreement;
- (k) following consultation there had been changes to the numbers of students and some aspects of the education programmes;
- (l) following legal advice the proposals were viewed as a "Done Deal".

The Chair thanked Professor Sir Steve Smith and his team for their time.

73c **BARRY KEEL, CHIEF EXECUTIVE, PLYMOUTH CITY COUNCIL**

The Chair invited Barry Keel to address the panel. Answering questions from the Panel it was reported that –

- (a) this was a very important issue for the city. The consultation with funders was important but the University and future of PCMD was key for the city and consultation should have included those affected by the proposals;
- (b) the Chief Executive was not aware of the statement of intent and was not aware of proposals until shortly before they were announced in January. The Chief Executive was made aware of the proposals by a local government contact and subsequently approached the Vice-Chancellors;
- (c) the consultation approach did not align with Plymouth City Council's partnership arrangements and the position of local Members of Parliament could be at odds with what was reported by Vice-Chancellors, it was hoped that all partners would take lessons from the process as carried out so far;

- (d) the Chief Executive did not know the details of the governance surrounding the PCMD arrangement, but in the world of Local Government, a successful service would not be dismantled based only on ineffective governance arrangements as these could be changed;
- (e) the public sector was changing rapidly and the viability of two smaller medical schools was questioned. Areas of the medical sector were merging and becoming more specialised and the demerger of a successful medical school seemed at odds with the changing landscape, particularly as the numbers of students was expected to go down;
- (f) the reason for having two medical schools in the south west 40 miles from each other should be questioned. A similar decision which led to Exeter Airport becoming a regional hub sounded the death knell for Plymouth City Airport;
- (g) the city's links to the medical sector were essential for ongoing growth. The medical sector accounted for 21,000 jobs and grew four percent in the city between 2008 and 2010 during the recession;
- (h) PCMD was established within a city health environment, Plymouth was the 15th largest city in the UK and there were concerns that changing PCMD would damage the healthcare community in the city;
- (i) the advantages of the "divorce" had not been clearly communicated to stakeholders;
- (j) the panel could make recommendations to include a 12 weeks consultation period and an options appraisal, guarantees around numbers of students, the viability and longevity of proposed schools and links to Acute Trusts.

The Chair thanked the Mr Keel for his time.

73d **HELEN O'SHEA, INTERIM CHIEF EXECUTIVE, PLYMOUTH HOSPITALS NHS TRUST**

The Chair invited Helen O'Shea, Interim Chief Executive Plymouth Hospitals NHS Trust, to address the panel. Answering questions from the Panel it was reported that –

- (a) the number of medical students within care settings should remain the same and there should not be a service impact, but there were concerns over the continuing viability of two smaller medical schools;
- (b) PHNT were not consulted during the development of proposals, but have been involved since two weeks before the announcement.
- (c) the process could have been better, if consulted sooner PHNT would have been more able to support the feelings and emotions of the consultant body within the Acute Trust;
- (d) PCMD was a successful school and there was disappointment that there were proposals to demerge. PHNT have been assured there is a common agreement regarding placements, however concerns remain on the viability of two medical schools;

(e) the preference of PHNT would be to retain a single peninsula medical school.

The Chair thanked Ms O'Shea for her time.

74. **PANEL RECOMMENDATIONS**

Following the submissions from witnesses the panel considered making recommendations, during discussion it was commented that -

- (a) there had been insufficient dialogue with stakeholders;
- (b) the panel had not been assured of the viability of the two schools;
- (c) the reputational value of the college would not be maintained;
- (d) the panel was not assured that the proposed demergers best fulfilled the regional and national ambitions of the city;
- (e) although it was acknowledged by both universities that consultation had been inadequate neither university had offered to address this issue.

The panel agreed to recommend to the University of Exeter and Plymouth University that –

- 5. there is an immediate pause in the process of demerging the Peninsula College of Medicine and Dentistry;
- 6. a 12 week consultation exercise is undertaken, in line with the Government's published code of practice for consultation;
- 7. an options appraisal detailing alternatives to the demerging of PCMD is made available during the consultation period;
- 8. no further action is taken until the outcomes of the consultation process are known.

Peninsula College of Medicine and Dentistry

Overview and Scrutiny Briefing

Background to the Peninsula College of Medicine and Dentistry

1 The Peninsula College of Medicine and Dentistry (PCMD) was established in August 2000, as part of a national expansion of medical student numbers in the UK. It is a joint venture between the Universities of Exeter and Plymouth; based at both those campuses and at the main hospitals in Exeter, Plymouth and Truro. Collaboration with stakeholders is seen as essential and a strong ingredient of the College's success. The PCMD is seen as one of the top UK institutions for training tomorrow's doctors and according to league tables has consistently outperformed other 'new' institutions and proven highly competitive against established medical schools.

2 There are currently 200 medical students and 64 dental students per annum at the college, undertaking courses that last five and four years respectively. At any one time there are, therefore, 1,256 students at PCMD, allocated equally to the two universities.

Proposal to split the School

3 In January 2012 the two founding members of PCMD outlined their plans to expand independently and grow the success of this now nationally recognised provider. With an equitable split of total student numbers, Exeter intends to create a new Medical School (University of Exeter Medical School), while Plymouth will create a new Medical and Dental School (Plymouth University Peninsula Schools of Medicine and Dentistry). Existing students, including those entering the college's programmes in 2012, will be taught under the terms of the current joint arrangements and will graduate with joint degrees of the two universities. New students entering from 2013 will study for University of Exeter or Plymouth University degrees. The intention to split is clearly stated on PCMD's website.

4 The equitable breakdown of students would mean in practice that Exeter would take 125 medical students per annum over the five year duration, with Plymouth getting 75 – though the latter body would have all the 64 dental students annually over a four year duration. This equates to 625 students at Exeter and 631 at Plymouth. There would, however, be a significant difference in the medical enrolment – 625 against 375 over five years – and this is now subject to debate. *

** At the meeting of the Health and Adult Social Care Overview and Scrutiny Panel held on the 4 April 2012, the panel was informed that following a meeting with NHS South and the Higher Education Funding Council the number of students allocated to Plymouth University was currently at 86 students.*

5 As part of the plan to disengage, Heads of Terms were signed by the two universities on 8 January 2012. Heads of Terms are a basis for negotiating to reach a legally binding agreement and are not an agreement in a contractual sense. The current Heads of Terms extends to 30 April 2012. Any agreement to set up separate schools would have to be approved by the General Dental Council, General Medical Council, NHS and the Higher Education Funding Council for England. Although the views of various stakeholders are now feeding into this process, there is a feeling that this is more by accident than design and that it is a bit of a fait accompli. The deal is not, however, formally a done deal yet and differences appear to be arising between the universities.

Initial reaction

6 Initial reaction to the proposal has tended to be negative. In addition to feelings of exclusion from the process, stakeholders have struggled to understand the reasons behind the proposal. For example, Plymouth Hospitals NHS Trust (PHNT) has expressed concern at the lack of meaningful engagement and the viability of the medical element of the school that would remain with Plymouth, given its size (quality issues at Swansea medical school last year were partly attributed to its small size). PHNT also states it cannot understand the explanations for the split and has concerns about teaching across two medical school curricula and for the welfare of existing students caught up in any change. A recent survey of students at PCMD showed 75% of the 596 respondents opposed to the proposal, only 1% supporting it and 21% willing to accept it. A letter from the Devon Local Medical Committee called the move a "disaster".

Reasons for the proposal

7 The reasoning behind the proposal seems to be that in the changing higher education and wider health economy environment, PCMD's success has outgrown the current partnership arrangements and that a split would bring new opportunities to build on the previous success. There is disquiet about the current governance arrangement, which have been described as cumbersome. A split would allow both universities to invest in their medical and medical/dental schools. The original Memorandum of Agreement between the two universities was also amended in 2009 to reflect Exeter's growing research ambitions and its strategic intent to become a member of the Russell Group of universities. It may be that differences in research interests are at the route of the proposed split, though it is not clear why these cannot be resolved within a partnership context and in a way that would not impact on Russell Group membership.

Other factors to consider

8 The NHS paper Innovation Health and Wellbeing (2011) outlines the need to establish a number of Academic Science Networks (AHSNs) across the country. These will align education, clinical research, informatics (academic term), innovation training and education and health care delivery. Collaboration between stakeholders will be critical to meeting the criteria for an AHSN on the Peninsula. It is not clear how the proposal to split PCMD will strengthen the Peninsula's involvement in a potential AHSN.

9 The development of medical sciences and the growth of the university and the major training hospital at Derriford (the 4th biggest training hospital in Europe) are key elements of the city's growth agenda and critical to the wider development of the region. An important factor in assessing the proposal must be its potential impact on Plymouth as a growth hub and cluster area for advancing the medical sciences and consequent investment and job growth.

10 An important reason for establishing the College at Plymouth was the city's comparatively poor record on health outcomes compared to the rest of the region and the high incidence of health inequality. The city is also a relatively cheap area within which to study. This link between teaching, qualifications, practice and proximity to health outcomes needs to be considered when assessing the impact of any proposed changes, particularly on future service delivery.