

**Minutes of the meeting of Adults and wellbeing scrutiny committee held at The Council Chamber, Shire Hall, St. Peter's Square, Hereford, HR1 2HX on Monday 24 June 2019 at 2.30 pm**

**Present:** Councillor Elissa Swinglehurst (chairperson)  
Councillor Jenny Bartlett (vice-chairperson)

**Councillors:** Jennie Hewitt, Helen I'Anson, Kevin Tillett and William Wilding

**In attendance:** Councillors Pauline Crockett, Carole Gandy, Kath Hey, Phillip Howells, Jim Kenyon, Felicity Norman and Diana Toynbee

**Officers:** S Vickers – director for adults and communities, A Pitt – head of partnerships and integration, P Smith – assistant director all ages commissioning, K Wright – director of public health, J Coleman – statutory scrutiny officer.

Herefordshire Clinical Commissioning Group:  
Dr A Talbot-Smith Director of Strategy and Transformation (Herefordshire CCG and One Herefordshire), Joint Programme Director (Herefordshire and Worcestershire Sustainability and Transformation Partnership – STP), Dr I Tait – Chairman of NHS Herefordshire Clinical Commissioning Group, and Mr S Trickett (Accountable Officer for the NHS Clinical Commissioning Groups in Herefordshire and Worcestershire).

**1. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Bowen and Summers.

**2. NAMED SUBSTITUTES**

Councillor Hewitt substituted for Councillor Bowen.

**3. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**4. MINUTES**

**RESOLVED:** That the minutes of the meeting held on 5 March 2019 be confirmed as a correct record and signed by the chairperson.

**5. QUESTIONS FROM MEMBERS OF THE PUBLIC**

There were no questions from members of the public.

**6. QUESTIONS FROM COUNCILLORS**

There were no questions from councillors.

## 7. THE FUTURE OF THE HEREFORDSHIRE AND WORCESTERSHIRE NHS CLINICAL COMMISSIONING GROUPS (CCG) CONSULTATION

The committee considered proposals, by Herefordshire and Worcestershire CCGs to merge the existing four NHS CCGs (in Herefordshire, Redditch and Bromsgrove, South Worcestershire and Wyre Forest) to form a single CCG footprint for the whole of Herefordshire and Worcestershire by April 2021, with the (preferred) option to undertake this change earlier, by April 2020.

Given the nature of the business to be discussed members of the children and young people scrutiny committee had been invited to attend and contribute to the meeting.

Dr Talbot-Smith gave a presentation to the committee. The slides had been circulated as a supplement to the agenda papers.

The chairperson invited comments and questions. The principal points included:

- In relation to consultation on the proposal, Mr Trickett commented that the proposal was a back office, administrative reorganisation that did not involve service change. It was change to services or access to services that legally required consultation to be undertaken. NHS England should have run any consultation on the current proposal because it would ultimately be their decision. They had decided that as a matter of national policy CCGs would become bigger and merge. However, the CCGs wanted to maintain good relations with stakeholders and welcomed their views hence the current consultation exercise.
- The four CCGs had been working together closely for some years on the Sustainability and Transformation Partnership. Local authorities had been closely engaged in this process seeking to achieve a local answer to the challenges faced.
- The proposal would reduce the number of commissioning manager posts. He himself was already the sole accountable officer for all four CCGs. This reduction in duplication and cost was a big contribution to achieving the 20% saving in running costs by March 2020 that all CCGs were being required to make under national policy.
- The timing of the current consultation had been constrained by the local government elections. He outlined the consultation process.
- Given the national policy meant that merger would take place, one question was over the timing of any merger. He noted that delaying merger for one year to March 2021 would mean finding a way to achieve the required savings to which merger was expected to contribute.
- He considered that it would be most productive if the committee were to focus on what type of larger organisation was formed, what worked as a place based service for Herefordshire, and how to protect a constructive working relationship.
- He believed that there would always be an office presence in Herefordshire. There would also be a managing director working in the County whose main job would be to build relationships with the local authority. There would always be separate S75 legal agreements for the two counties because there were different things the CCGs wanted to do, different ambitions and different ways of achieving those ambitions.
- Dr Tait commented that clinicians were keen to see services as close to the user as possible. Instead of funding administration some of the required saving would allow additional expenditure on frontline services. Most GPs saw the merger as an opportunity to achieve this aim of bringing services closer to the user, removing some pressure from GPs and practice nurses and district nurses. He gave a number of examples.

- It was questioned whether pooling the funding available to the four CCGs would result in a reduction in the resource available to Herefordshire which currently had a higher per capita funding level than the other three CCG areas.
- In response it was acknowledged that the four CCGs had different levels of per capita allocation. Herefordshire was the highest. It was funded at about the right level having regard to the national funding formula. Each of the three Worcestershire CCGs was about 5% below the funding level the formula said they needed. No CCG could be funded at more than 5% below the formula. The biggest increases in funding on the base level that had been set would be directed to those CCGs furthest away from the target. This meant that whilst growth in the funding of the three Worcestershire CCGs was at a higher level than the growth in funding for Herefordshire the new CCG as a whole would be below the formula level. This meant that the area as a whole could expect a higher level of funding growth. He clarified that if the merger application was accepted a formula funding calculation would be made for the new area as a whole. Whilst the CCGs could not lobby for additional money, in discussions, for example with local MPs, efforts were made to try to ensure that the funding formula took full account of rurality and demography. It was recognised that transparency of local finances was important and the new body would continue to calculate and report individually on the finances of the four CCG areas. He would expect expenditure from 1 April 2020 would continue as current per capita levels given the level of assessed need would not have changed simply as a result of organisational change.
- It was noted that Herefordshire CCG was facing an £8m deficit at the year end. All the Worcestershire CCGs were looking to break even. One of the three Worcestershire CCGs had a cumulative deficit the other two had a cumulative surplus.
- The NHS guidance for CCG mergers stated that consultation with local authorities was required and prescribed various actions that had to be taken. It was questioned whether the consultation had been conducted in accordance with the guidance and sufficient time allowed.
- A comparison was also drawn between the information that had been provided to Worcestershire Health Overview and Scrutiny Committee and that provided to Herefordshire scrutiny committees and reference made to attendance of the accountable officer, based in Worcestershire, at meetings of the Worcestershire Committee but not at the relevant Herefordshire committees.
- It was asked how options had been selected from an original list of possibilities and why the option of retaining a CCG for Herefordshire had not been included in the consultation.

Mr Trickett replied that the options had been considered by the CCG Governing bodies. The possibility of having separate CCGs for Herefordshire and Worcestershire had been considered. NHS advice was that an application that was not based on the formation of a single CCG would not be acceptable. The CCG's view had been that engaging in a lengthy process seeking to pursue two CCGs in the light of that advice would have been unproductive.

Account also had to be taken of the national requirement to reduce running costs by 20% by 1 April 2020. In Herefordshire this amounted to some £600k. He did not consider that the CCG could fulfil its statutory duties if reductions to what was a small team in Herefordshire were to be attempted. Across the four CCGs the saving was £2m. The way in which CCGs were funded with a specific budget for staff meant that funding from other budgets could not be used to support staffing costs. The national policy therefore compelled CCGs to become bigger and was the biggest determinant in the proposed merger.

- In relation to Shropshire and Telford and Wrekin CCGs he commented that the proposal was for the two of them to merge. Although the population the merged body would serve would be comparatively small the current STP encompassed both areas and part of the national policy was that CCGs would match the STP footprint. The Herefordshire and Worcestershire merger would similarly align with the STP area.
- The consultation document stated that it was not imagined that the current CCG office presence would change over the next few years. In terms of a continued presence in Herefordshire Mr Trickett commented that the current office in Herefordshire was held on a long lease and was the cheapest of the three offices and probably the best accommodation. Bearing in mind the travel distances involved in serving the two counties he could not see how the CCG could work effectively without an office base in Hereford.
- Dr Tait commented that he considered the focus should be on what best met Herefordshire's requirements under a merged CCG. He wanted a strong relationship with the local authority to help remove barriers between health and social care and outlined other areas for development that he would like to see.
- Dr Talbot-Smith commented on the development of the STP and the partnership working that was taking place across the county with the local authority and others.
- It was noted that the deadline for submission of an application to merge had been extended by the NHS and was now mid-August. This allowed time for consideration to be given to the outcome of the consultation exercise.
- In terms of protecting Herefordshire's distinctiveness and a voice for Herefordshire Mr Trickett commented that there would still be a clinical leader for Herefordshire, and a managing director for Herefordshire to maintain a focus on Herefordshire and the relationship with the local authority and other partners.
- Regarding the required savings Mr Trickett indicated that he wished to avoid staff redundancies. Currently when vacancies arose the aim had been to allocate those duties to current staff with the appropriate skills, recognising that this would require them to prioritise their work. The merger would generate savings by removing some of the duplication arising from the bureaucracy required to support the interrelationship between the existing four CCGs. He hoped that the majority of the remainder of the savings could come from a reduction in senior level posts. There was currently a lack of transformation and programme management resource in Herefordshire. He hoped the proposal would increase that capacity
- He acknowledged concerns expressed about how the interests of the two counties could be balanced given the larger population of Worcestershire.
- Dr Tait was invited to comment on the Joint Commissioning Committee that had already been in place for some 2 years. He commented that proposals had been modified in response to comments made by Herefordshire representatives. In addition to a clinical lead for Herefordshire he understood work was ongoing to obtain lay member representation as part of the future arrangements. Support for securing that representation would be welcome. Lessons could be learned from previous and existing working arrangements between the two counties.
- In terms of evidence as to the effectiveness of such mergers in practice Mr Trickett noted that Members could seek feedback from the merger of Birmingham and Solihull CCGs if they wished, noting that whilst an urban context, the strong sense of identity in Solihull may provide some insight. He emphasised the challenge to financial resilience that small CCGs faced. He noted the significant costs continuing healthcare packages could generate and the ability of a larger organisation with a bigger budget to absorb these unpredictable costs. There were also potential benefits in primary care commissioning drawing on the experience of South

Worcestershire CCG that had taken on a delegated role as commissioners of primary care for 4 years developing a sophistication of approach leading to allocation of resources to primary care. Herefordshire had taken up the same delegated power about a year ago.

- Regarding the timing of the proposed merger Mr Trickett commented that the CCGs wish to transfer by April 2020 in preference to 2021 was governed in particular by the fact that on 1 April 2020 the four CCGs would have 20% less funding and that the process was unsettling for staff, stakeholders and partners. The longer the uncertainty the greater the risk of losing key people. He believed that there was an opportunity to conclude the process and return to the focus on services. He acknowledged that working to the shorter timescale did, however, involve challenges. He did not consider that operating in a shadow form from April 2020 would be of benefit. In effect a shadow approach had been in operation for the past year. A number of senior appointments had been made working across all four CCGs. Governing body meetings were being held in common. The STP work was being run jointly.
- It was suggested that it would be important to have performance and quality measures in place to assess whether services in Herefordshire improved as a result of the merger alongside shorter term measures during implementation. Mr Trickett commented that he considered it would take some years to make a full assessment of the outcome of the change. Dr Tait added that he understood there would be quality reports by area.
- It was asked how the new arrangements would take account of projected population growth in the county and the demographic with an increasingly larger proportion of older people in the population. Mr Trickett commented that predicting health needs formed part of service planning. He outlined additional provision that was already being made in Hereford City. The benefit of the merger was the greater financial resilience that it provided to meet additional emerging costs. Health care integration would be an important part of meeting demographic pressures.
- Mr Trickett commented on how savings would be made in addition to reduced staff costs. As an example he noted that securing a combined contract for support services for all 4 CCGs had secured an annual saving of £600k.
- In terms of possible risks and downsides he was concerned about ensuring promises in terms of local place based commissioning, for example, were met. Unproductive travel time was a concern he had in this regard. Efforts were being made to use technology in place of face to face meetings where practicable. He was also concerned about losing good staff while uncertainty persisted.
- It was noted that Hereford GP practices would be asked to vote on the proposal. The feedback to date had been positive with interest in more sophisticated primary care commissioning. Concerns which had been raised reflected those raised in the committee's discussion.

**RESOLVED: That**

- a) The committee would like to see benchmarking and performance/delivery data (as set out in the Draft Operational Plan 2019/20) brought back to this committee in 12 months' time; exploring current and future commissioning outcomes, including tracking of the amount and spend in each of the four CCG footprint areas;**
- b) The committee recommends that the CCG are invited back in April 2020 to outline their detailed funding and implementation plans for the proposed new CCG footprint;**

- c) **The committee would like to see built in to the new arrangements the commitment to keep a Herefordshire office presence in the new future single footprint area;**
- d) **The committee welcomes and would expect to see Herefordshire place based clinical and lay representation at the appropriate level within the new CCG administration; and**
- e) **The committee recommends that when there are significant variations of service delivery, including significant financial changes, the appropriate scrutiny committee is consulted and given adequate time to review these changes.**

*(The meeting adjourned between 16:35 and 16:50)*

## **8. ONE HEREFORDSHIRE AND INTEGRATION BRIEFING**

The agenda provided for the committee to receive an updated overview of the Sustainability and Transformation Programme (STP), One Herefordshire and Integration agenda for health and social care.

Given the detailed consideration given to the previous item and the importance of the subject the Chairperson suggested that the best course would be to receive a brief overview of the issues and the matter then be brought back to the next meeting.

Dr Talbot-Smith gave a short presentation highlighting selected slides from the presentation circulated with the agenda papers.

In addition to considering the issue in detail at the next meeting, it was suggested that in discussing the work programme consideration might usefully be given to the five year Place Based Integration Plan at a future meeting.

**RESOLVED: That consideration of the matter be deferred until the next meeting.**

## **9. COMMITTEE WORK PROGRAMME**

The committee considered its work programme.

It had been suggested during the consideration of the previous item that consideration might usefully be given to the five year Place Based Integration Plan at a future meeting.

A representative from Healthwatch requested that consideration be given to the sexual health service that had recently been recommissioned. The chairperson indicated that consideration would be given to including this in the work programme once further information on the matter had been provided and considered.

**RESOLVED: That: the draft work programme (appendix 1 to the report) as amended to include consideration of the five year Place Based Integration Plan be approved, and consideration be given at the next meeting to whether to include discussion of the sexual health service within the work programme.**

## **10. DATE OF NEXT MEETING**

Noted.