COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

MINUTES of the meeting of Health Scrutiny Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Thursday, 15th June, 2006 at 10.00 a.m.

Present: **Councillor W.J.S. Thomas (Chairman)**

Councillors: Mrs. W.U. Attfield, G.W. Davis, P.E. Harling, Brig. P. Jones CBE, G. Lucas, R. Mills and Ms. G.A. Powell

In attendance: Councillors Mrs. L.O. Barnett and Mrs. M.D. Lloyd-Hayes

50. APOLOGIES FOR ABSENCE

Apologies were received from Councillors T.M. James and J.B. Williams. Mrs A. Stoakes of the Primary Care Trust Patient and Public Involvement Forum also submitted her apologies.

51. NAMED SUBSTITUTES

There were no named substitutes.

52. DECLARATIONS OF INTEREST

There were no declarations of interest.

53. MINUTES

RESOLVED: That the Minutes of the meeting held on 23rd March, 2006 be confirmed as a correct record and signed by the Chairman

54. SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY

There were no suggestions.

55. PRESENTATIONS ON BEHALF OF THE HEREFORDSHIRE PRIMARY CARE TRUST AND THE HEREFORD HOSPITALS NHS TRUST

The Committee received presentations from Mr David Rose, Chief Executive of the Hereford Hospitals NHS Trust, and Mr Simon Hairsnape, Deputy Chief Executive of the Herefordshire Primary Care Trust (PCT) on the work of the Trusts in the preceding year and future plans and thoughts and a statement by the Cabinet Member (Social Care Adults and Health.)

Presentation by Mr Rose

The presentation covered performance for 2005/06, key developments and issues for 2006/07 and the intention to seek to become a Foundation Trust.

Key points of the presentation were:

- Key Operational Successes 2005/06: Mr Rose informed the Committee that Hereford Hospital was the strongest performing hospital in the West Midlands (South) area. He highlighted success in achieving the standard that over 98% of patients waited under four hours for treatment in the Accident and Emergency Unit; that no patient waited for more than 11 weeks for an outpatient appointment and the hospital was close to achieving a maximum wait of 8 weeks, ahead of the Government target; there was a maximum 6 month wait for elective surgery: all patients booked appointments were fulfilled; cancer wait targets had been achieved; and a stroke unit with dedicated staff had been created.

- That financial balance had been achieved and all financial responsibilities met. It was particularly important, as a small hospital, that debt was not accumulated.

- That the hospital had met all except one of the national standards for better health. The one not met was standard C7c relating to undertaking systematic risk assessment and risk management. An action plan had been agreed with the internal auditors which would ensure compliance by the end of July 2006.

- Key developments and issues for 2006/07 included a move towards 18 week waits, with maximum waiting targets of 11 weeks for outpatients and 20 weeks for in-patients; maintaining performance on A&E and cancer waiting times; achieving a 90% target on choose and book appointments, a focus on improving theatre efficiency and utilisation; development of orthopaedic, gastroenterology, paediatric and diabetes services, noting the ongoing efforts to recruit 2 orthopaedic Consultants, and the recruitment of 2 paediatric consultants which it was hoped would secure the future of the service in Hereford; a focus on reducing the length of stay for emergency patients noting that this was both good for patients and would also allow the hospital to consider whether it could reduce the number of beds, so helping it meet its financial obligations; improving access to diagnostic services noting that if waiting times for diagnostic services were low this might encourage patients to choose to be diagnosed at Hereford making it likely that they would also then opt for treatment at the hospital, development of the Macmillan Renton Cancer Unit which would offer the best standards for patients, and the intention to bid to provide radiotherapy services.

- The financial outlook for 2006/07 was difficult. There was a financial deficit of £4.6 million to resolve, representing 5% of the budget. Mr Rose commented on the pressure caused by pay awards under the national contracts and other cost pressures. He expressed regret that the hospital had enjoyed its most successful year but yet had to consider how to address a deficit. The hospital had to avoid debt to ensure that its future was secure. The Trust Board would need to consider the options open to it at its next meeting.

- Action taken to tackle an increase in MRSA cases returning the hospital to the best performing group of hospitals in this respect was described.

- Action taken to address a strain of Clostridium Difficile detected in February 2006 and resulting in a reduction of cases in April and May 2006 was also described.

- The rationale for seeking foundation trust status was discussed. Mr Rose said that he believed that becoming a Foundation Trust (FT) was a way of ensuring that there was a locally governed hospital for Herefordshire and part of Wales.

He explained that an FT was a not for profit hospital business that provided care mostly to the NHS and was unable to dramatically grow private business. It was accountable to staff and local people who could become members or governors of the Trust. An FT hospital would be free from the control of the Government and the Strategic Health Authority, although required to meet national standards. Whilst not required to break even each year it had to be financially viable and achieve balance over a 5 year period. This provided greater flexibility than the current arrangements.

- Becoming an FT would provide the hospital with control over its own destiny, with freedom to make local choices, more control over its strategy and able to respond more effectively to local needs making required improvements to services. Legal contracts would ensure it got paid appropriately for the work that it did, noting that at the moment the hospital was underpaid by the Welsh Assembly by £1.4 million. It would be able to form joint ventures. Through Governors and Members of the Trust it would reflect local priorities.

In response to questions Mr Rose commented as follows:

- The hospital had been working with the Ambulance Trust and the Strategic Health Authority on schemes which reduced emergency admissions to hospital but more work needed to be done.

- New parking arrangements at the hospital were to be implemented in July which it was expected would improve the situation.

- He confirmed that the waiting time for hearing aids was 18 months because the hospital remained unable to recruit a specialist.

- He clarified the improvements necessary to ensure that the hospital's risk management processes met the national standard.

- He noted support for the provision of radiotherapy services at Hereford and commented further on some of the issues which would need to be addressed if the hospital's bid to the Three Counties Cancer Network was to succeed.

- He confirmed that as a financial control measure recruitment was being managed and vacancies, mainly in nursing staff, were not being filled.

- He acknowledged the role of the Community Hospitals in providing healthcare in Herefordshire and advised that the Hospital Trust was working closely with the Primary Care Trust, who managed the community hospitals on this aspect of provision.

- In response to a question about suspended appointments Mr Rose said this matter was audited independently and there was no indication that this happened routinely. He requested that if anyone was aware of examples of this happening that they bring them to his attention.

- He confirmed that as a Foundation Trust hospital the hospital would need to continue to work closely with partners.

The Chairman congratulated Mr Rose on the Trust's performance and acknowledged the rationale behind the Trust seeking to become a Foundation Trust. He expressed regret at the pressure the Trust faced in addressing its financial deficit given that in the national context it was a relatively modest sum.

He added that the Trust would need to discuss the Committee's role in relation to the Foundation Trust proposal with the Committee.

Presentation by Mr Hairsnape

Mr Hairsnape's presentation covered the Trust's objectives for 2005/06, its achievements for 2005/06 and its 2006/07 objectives.

Key points of his presentation were:

- The key issues identified in the 2005/06 Local Delivery Plan had been: improving access targets; improving NHS dentistry; developing public health; improving choice; developing cancer services; developing stroke services; supporting people with long term conditions through ever closer partnership working; developing practice based commissioning; being recognised as a high performing PCT and achieving financial breakeven. Three things in particular upon which the PCT had wished to make progress had been waiting times, where the Trust had now been successful in achieving the lowest waiting times ever; dental services, where whilst there was still a shortfall provision had now been made for the vast majority of patients; and supporting people with long term conditions through ever closer partnership working.

- The achievements listed in 2005/06 were summarised as follows:

  - Improving access: delivered 6 months and 13 weeks, waiting list targets achieved, target for patients waiting at the Accident and Emergency Unit Met and 31 and 62 day cancer target achieved. Mr Hairsnape commented on the very good performance of the Hospital Trust in this regard and expressed the view that it was well positioned to seek Foundation Trust status.

  - Dental Services: over 10,000 new NHS dental places created, a new dental contract in place, new out of hours GP arrangements in place, agreement on a site for a new dental surgery in Leominster.

  - Long Term Conditions: development of seven clinical networks and related projects, development of community matron role and case management, with District Nurses focusing on patients who had had a number of readmissions to hospital and the roll out of the expert patient programme.

  - Partnership Working: early work on the development of a Herefordshire Public Service Trust and the retention of a Herefordshire PCT the 21st smallest of the 150 PCTs.

  - Patient and Public Involvement: an adult mental health carers group established and a good working relationship with the Patient and Public Involvement Forum with the Patient Advice and Liaison Service winning the national NHS Alliance award for the second year running).

  - Improving Cancer Services: development of the Integrated Cancer Care programme, a national pilot, achievement of the 31 day and 62 day target, active debate on radiotherapy services with a strong local campaign for services to be delivered in Herefordshire and continued development of local chemotherapy services to meet a doubling in demand in recent years.

  - Choice: 100% coverage of practice based commissioning providing an incentive to innovate with all practices in the County signed up (one of the few PCTs in the Country to have achieved this), and choice of at least four providers being offered for all new hospital treatment (although it was hoped that most would choose the high quality local provider: Hereford Hospital Trust.)

  - Developing Stroke Services: this had been a area of concern in recent years and was being addressed by the provision of a new stroke unit at Hereford Hospital and agreed plans for a new community facility at Hillside.

  - Performance: whilst the Trust had been disappointed to be awarded a two star rating in 2004/05, having previously held a three star rating, there was optimism about the outcome of the new Healthcare Commission ratings which would be available in October 2006.

  - Finance: the PCT had been one of only 10 PCTs in the Country to break even.

- Objectives for 2006/07 included: developing Herefordshire PCT as part of a Public Service Trust, something which the Trust considered would have a lasting impact on local people; fitness for purpose of services provided by the PCT and the need to have a strategic view on their provision; reduced waiting times (meeting the new targets); Improved cancer services - Meeting the demanding 31 day and 62 day targets; reduced MRSA rates; improved sexual health and GUM services; a reduction in the number of adults who smoke; meeting the A&E waiting time target; managing unscheduled emergency care (a critical issue because between one quarter and one-third of cases did not need to be admitted); improved dental services; and achieving financial balance.

In conclusion he said that 2005/06 had been a good year for the PCT. It had achieved most targets including all of the critical ones and made progress towards other more aspirational targets. Whilst 2006/07 was likely to be a challenging year financially, a reduction of £6 million would have some impact, however much the PCT sought to minimise the effect. Nevertheless there was a determination to move forward and the creation of a Public Service Trust and Foundation Trust status for Hereford Hospital Trust were significant steps with long-term implications for Herefordshire.

It was asked why it had been decided to provide 12,000 additional dental places in Leominster, rather than elsewhere in the County. In reply Mr Hairsnape said that registration was low in the Leominster area, that need appeared greater in the North of the County than in Hereford and the South and an opportunity had arisen to make the provision.

The Chairman endorsed the conclusion that the PCT had had a good year.

Statement by Cabinet Member (Adult Social Care and Health)

A report by Councillor Mrs L.O. Barnett, Cabinet Member (Adult Social Care and Health) on progress in both Adult Social Care and Strategic Housing in 2005/06 and future challenges had been circulated separately to Members of the Committee recognising how the Council's work in these areas and more generally contributed to the health of people in Herefordshire.

She commented briefly on each section of her report highlighting the extent of joint

working between the Health Service and the Council. She noted in particular the development of the integrated stroke service at Hillside and her view that whilst this was to be welcomed it was important that there was careful monitoring of the changes. She also emphasised how important it was that the Public Service Trust was successful and the need for all parties to ensure that they worked together effectively to realise its potential.

The Committee noted that it would need to give careful consideration to the development of the Public Service Trust.

56. COST SAVING PROPOSALS - PROVIDER ARM OF HEREFORDSHIRE PRIMARY CARE TRUST

The Committee considered cost saving proposals by the provider arm of the Primary Care Trust.

Mr Mike Thomas, Director of Operations at the Primary Care Trust had submitted a briefing paper setting out proposals to achieve cost savings in 2006/07.

Mr Simon Hairsnape, Deputy Chief Executive of the Primary Care Trust introduced the briefing paper, explaining that as a consequence of the financial pressure on the NHS nationally the PCT was required to save £6.6 million of its 2006/07 budget (3.3%). The savings made were to be contributed to a national NHS bank to fund NHS bodies in most difficulty. This was a challenge. However, the PCT was determined to act quickly in the belief that this would enable it to minimise the impact. It was proposed that one-third of the money would be saved in Commissioning by focusing on value for money and managing emergency admissions (not to the detriment of services), one-third in Primary Care (a contractual matter with the GPs and consequently not a matter for the Committee), and one-third on Services provided directly by the PCT as described in the briefing paper. Whilst the PCT maintained that the proposed savings on directly provided services did not have a significant impact on services it had been thought appropriate for the Committee to consider the matter. However, he cautioned that if the Committee was minded to require a consultation exercise on the proposals the consequent delay in implementing reductions could mean tougher decisions would be needed later in the year.

Mr Thomas then presented the briefing paper he had submitted, commenting on each of the proposed reductions. The paper noted that the proposals listed left a £350,000 shortfall in the savings target and that a range of other areas where savings could be made were being explored, again with the intention of not impacting on service provision. It was also noted that an additional saving requirement, failure to achieve the savings as proposed or deterioration in the financial position could lead to a harsher saving proposal.

Mr Thomas emphasised in conclusion that the aim had been to avoid reductions in services or redundancies and that it was intended that the reductions would be temporary and that the services would be developed further in the future.

Mr Hairsnape added that the financial pressure on the NHS should only affect the current financial year. He reiterated that the proposals were considered to be the best package that could be put forward to allow the PCT to break even and minimise the effect on services.

A question was asked about the decision to postpone the introduction of two new consultant posts in the Mental Health Service. In reply it was stated that this did not impact on the current service but represented a future development opportunity.

It was noted that the proposals had been discussed with the Patient and Public Involvement Forum and were supported by them.

The Committee's view was that the proposals could not be considered to represent a substantial variation, noting the assurances that the effect on services had been minimised and the importance of the Trust implementing measures as soon as possible.

RESOLVED: That the cost saving proposals by the provider arm of the Primary Care Trust as set out in the briefing paper be endorsed to enable the Trust to proceed with their implementation at the earliest opportunity.

The meeting ended at 12.04 p.m. **CHAIRMAN**