

AGENDA

Overview and Scrutiny Committee

Date: **Friday 17 February 2012**

Time: **10.00 am**

Place: **The Council Chamber, Brockington, 35 Hafod Road,
Hereford**

Notes: Please note the **time, date** and **venue** of the meeting.

For any further information please contact:

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Agenda for the Meeting of the Overview and Scrutiny Committee

Membership

| | |
|----------------------|------------------------------------|
| Chairman | Councillor A Seldon |
| Vice-Chairman | Councillor JW Millar |
| | Councillor AM Atkinson |
| | Councillor PL Bettington |
| | Councillor WLS Bowen |
| | Councillor MJK Cooper |
| | Councillor PGH Cutter |
| | Councillor EPJ Harvey |
| | Councillor MAF Hubbard |
| | Councillor RC Hunt |
| | Councillor TM James |
| | Councillor Brig P Jones CBE |
| | Councillor JLV Kenyon |
| | Councillor R Preece |
| | Councillor SJ Robertson |
| | Councillor P Rone |
| | Councillor PJ Watts |

Statutory Co-optees

Mr P Burbidge - Roman Catholic Church
Miss E Lowenstein – Secondary School Parent Governor
Mr T Plumer – Primary School Parent Governor
Mr P Sell – Church of England

GUIDANCE ON DECLARING PERSONAL AND PREJUDICIAL INTERESTS AT MEETINGS

What is a personal interest?

You have a personal interest in a matter if that matter affects the well-being or financial position of you, your relatives or people with whom you have a close personal association more than it would affect the majority of other people in the ward(s) to which the matter relates.

A personal interest can affect you, your relatives or people with whom you have a close personal association positively or negatively. If you or they would stand to lose by the decision, you should also declare it.

You also have a personal interest in a matter if it relates to any interests, which you must register.

What do I need to do if I have a personal interest?

You must declare it when you get to the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you. You may still speak and vote unless it is a prejudicial interest.

If a matter affects a body to which you have been appointed by the authority, or a body exercising functions of a public nature, you only need declare the interest if you are going to speak on the matter.

What is a prejudicial interest?

You have a prejudicial interest in a matter if;

- a) a member of the public, who knows the relevant facts, would reasonably think your personal interest is so significant that it is likely to prejudice your judgment of the public interest; and
- b) the matter affects your financial interests or relates to a licensing or regulatory matter; and
- c) the interest does not fall within one of the exempt categories at paragraph 10(2)(c) of the Code of Conduct.

What do I need to do if I have a prejudicial interest?

If you have a prejudicial interest you must withdraw from the meeting. However, under paragraph 12(2) of the Code of Conduct, if members of the public are allowed to make representations, give evidence or answer questions about that matter, you may also make representations as if you were a member of the public. However, you must withdraw from the meeting once you have made your representations and before any debate starts.

AGENDA

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| 1. | <p>APOLOGIES FOR ABSENCE</p> <p>To receive apologies for absence.</p> | |
| 2. | <p>NAMED SUBSTITUTES (IF ANY)</p> <p>To receive details of any Member nominated to attend the meeting in place of a Member of the Committee.</p> | |
| 3. | <p>DECLARATIONS OF INTEREST</p> <p>To receive any declarations of interest by Members in respect of items on the Agenda.</p> | |
| 4. | <p>MINUTES</p> <p>To approve and sign the Minutes of the meetings held on the 16th and 18th January 2012.</p> | 1 - 14 |
| 5. | <p>SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY</p> <p>To consider suggestions from members of the public on issues the Committee could scrutinise in the future.</p> <p><i>(There will be no discussion of the issue at the time when the matter is raised. Consideration will be given to whether it should form part of the Committee's work programme when compared with other competing priorities.)</i></p> | |
| 6. | <p>QUESTIONS FROM THE PUBLIC</p> <p>To note questions received from the public and the items to which they relate.</p> <p><i>(Questions are welcomed for consideration at a Scrutiny Committee meeting so long as the question is directly related to an item listed on the agenda. If you have a question you would like to ask then please submit it no later than two working days before the meeting to the Committee Officer. This will help to ensure that an answer can be provided at the meeting).</i></p> | |
| 7. | <p>MENTAL HEALTH SERVICES FOR HEREFORDSHIRE - 2GETHER NHS TRUST</p> <p>To receive a presentation on the work of the 2gether NHS Trust over the previous year, and an overview of its future plans.</p> | |
| 8. | <p>THE MIDLANDS & EAST SPECIALISED COMMISSIONING GROUP</p> <p>To receive a presentation on the work of the Midlands & East Specialised Commissioning Group together with an overview of the Groups current plans.</p> | |

PUBLIC INFORMATION

Public Involvement at Scrutiny Committee Meetings

You can contact Councillors and Officers at any time about Scrutiny Committee matters and issues which you would like the Scrutiny Committee to investigate.

There are also two other ways in which you can directly contribute at Herefordshire Council's Scrutiny Committee meetings.

1. Identifying Areas for Scrutiny

At the meeting the Chairman will ask the members of the public present if they have any issues which they would like the Scrutiny Committee to investigate, however, there will be no discussion of the issue at the time when the matter is raised. Councillors will research the issue and consider whether it should form part of the Committee's work programme when compared with other competing priorities.

2. Questions from Members of the Public for Consideration at Scrutiny Committee Meetings and Participation at Meetings

You can submit a question for consideration at a Scrutiny Committee meeting so long as the question you are asking is directly related to an item listed on the agenda. If you have a question you would like to ask then please submit it **no later than two working days before the meeting** to the Committee Officer. This will help to ensure that an answer can be provided at the meeting. Contact details for the Committee Officer can be found on the front page of this agenda.

Generally, members of the public will also be able to contribute to the discussion at the meeting. This will be at the Chairman's discretion.

(Please note that the Scrutiny Committee is not able to discuss questions relating to personal or confidential issues.)

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- Attend all Council, Cabinet, Committee and Sub-Committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting.
- Inspect minutes of the Council and all Committees and Sub-Committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
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- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
- Copy any of the documents mentioned above to which you have a right of access, subject to a reasonable charge (20p per sheet subject to a maximum of £5.00 per agenda plus a nominal fee of £1.50 for postage).
- Access to this summary of your rights as members of the public to attend meetings of the Council, Cabinet, Committees and Sub-Committees and to inspect and copy documents.

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HEREFORDSHIRE COUNCIL

BROCKINGTON, 35 HAFOD ROAD, HEREFORD.

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HEREFORDSHIRE COUNCIL

MINUTES of the meeting of Overview and Scrutiny Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday 16 January 2012 at 10.00 am

Present: Councillor A Seldon (Chairman)
Councillor JW Millar (Deputy Chairman)

Councillors: AM Atkinson, PL Bettington, WLS Bowen, MJK Cooper, EPJ Harvey, MAF Hubbard, RC Hunt, TM James, Brig P Jones CBE, JLV Kenyon, R Preece, SJ Robertson, P Rone and PJ Watts

In attendance: Councillors JG Jarvis, MD Lloyd-Hayes and C Nicholls.

Officers: D Taylor (Deputy Chief Executive and Director of Corporate Services), R Ball (Assistant Director – Place Based Commissioning), C Hall (Head of Highways and Community Services), J Jones (Head of Governance), D Powell (Chief Officer – Finance and Commercial Services); and T Brown (Democratic Services).

46. APOLOGIES FOR ABSENCE

Apologies were received from Councillor PGH Cutter, Miss E Lowenstein and Mr P Sell.

47. NAMED SUBSTITUTES

There were none.

48. DECLARATIONS OF INTEREST

There were none.

49. MINUTES

It was agreed that the names of officers present at meetings and their titles should be recorded in the Minutes as a matter of course.

RESOLVED: That the Minutes of the meeting held on 9 December 2011 be approved as a correct record and signed by the Chairman.

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

There were no suggestions from the public.

51. QUESTIONS FROM THE PUBLIC

A number of questions had been received from Mrs E Morawiecka relating to agenda item 8: Budget Update.

It was reported that it was intended to provide a written answer. Members requested and were provided with copies of the questions.

The questions and written answers are appended to the Minutes.

52. KEY MECHANISMS FOR THE MANAGEMENT OF PERFORMANCE IN THE CONTRACT WITH AMEY HEREFORDSHIRE

The Committee considered a report on the key contractual mechanisms currently in place to manage performance within the contracts with Amey Herefordshire.

The Assistant Director – Place Based Commissioning (ADPBC) reminded the Committee that negotiations on a contract extension with Amey Herefordshire were ongoing. It was intended to send supplementary information to Members on current performance. The performance of the service areas delivered through Amey were reported through the Council's Integrated Corporate Performance Report. He confirmed that the performance measures included measures from the former Best Value Performance Indicators set, where these were considered to be relevant.

The Head of Highways and Community Services (HHCS) presented the report. He commented on the current performance framework and the development of a future framework.

In discussion the following principal points were made:

- Some concern was expressed that the report did not provide the Committee with the information necessary to assess and test performance and the assurance that there was a sufficient level of independent challenge to performance.
- The HHCS gave an example of how there had been a significant improvement in performance in the management of highway defects since the introduction of the Managing Agent Contract, driven by challenge from the Council as client, through the mechanisms established in the contract. The ADPBC assured the Committee that in his opinion strong mechanisms were in place to manage performance. The HHCS commented that whilst Amey was required to manage its own performance additional checks were provided by the Client Management Team. He described the work of the team and how it audited works and sought to achieve performance improvement.
- In response to questions about the stated savings achieved under the contract it was confirmed that the Council's service budgets were reduced to account for the guaranteed annual saving delivered through the contract. Further cashable savings were driven by the client team and had resulted in managed reductions in the budgets allocated to Amey Herefordshire for the delivery of services. Directorates had been required to make significant savings over the past year. Whenever they had been generated from a service area delivered through Amey Herefordshire these savings had also been taken into account in the budgets allocated to Amey.
- In response to a question about the fact that no dividend had been paid to the Council as a shareholder in Amey Wye Valley Ltd, the Leader of the Council commented that when Amey had taken over the contract a deficit had had to be repaid. He was mindful of the need to ensure that the Council received its fair share of any future profits. In response to further questions about the transparency of arrangements and the closeness of the relationship between the contractor and the Council under the current contract the Leader commented that he was seeking assurance that the current contractual model was to the Council's benefit.
- Members expressed a number of concerns about whether the contract represented value for money. In response to a specific concern about the cost of work sub-contracted by Amey the HHCS stated that each job was costed on the basis of established rates and payment mechanisms. The price the Council paid was the

same whether Amey undertook the work itself or not. The proportion of any management fee to Amey that was then paid to sub-contractors for individual works was a matter between Amey and its sub-contractors.

- The ADPBC commented that value for money was a key aspect of the current negotiations. It was emphasised that the Committee would wish to consider the content of new contractual proposals prior to the decision on whether or not to offer Amey a contract extension.
- It was noted that the Managing Agent Contract, negotiated in 2009, governed highway services whilst property services continued to be delivered under the former contractual arrangements which were viewed as less effective.
- It was suggested that a Task and Finish Group should be established to look into the issues and that questionnaires should be sent to all Members to seek evidence.
- It was confirmed that some authorities did retain their own Direct Labour force to carry out the sorts of works provided under the Amey contract. The ADPBC added that authorities generally were considering service delivery options and the Council continued to receive a number of enquiries about its approach.

RESOLVED:

That (a) the report be noted.

(b) a supplementary report be circulated to Members of the Committee providing the historical background to the Amey contract and the financial and performance management provisions within it; and

(c) consideration be given to when the Committee could most effectively consider the content of new contractual proposals prior to the decision on whether or not to offer Amey a contract extension.

53. BUDGET UPDATE 2012/13 (Pages 1 - 2)

The Committee was asked for its views on the budget for 2012/13 and the principles underlying the Medium Term Financial Strategy.

The report to Cabinet on 19 January had been circulated separately to the Committee.

The Leader of the Council introduced the report highlighting the following issues:

- That the provisional Local Government Settlement for 2012/13 meant a £5.7m reduction in formula grant for the Council.
- The Government's payment of a grant to authorities who agreed to freeze their Council tax for 2012/13 equated to a 2.5% increase in Council Tax but was for one year only.
- The budget proposals involved savings of £9.3m in 2012/13. This followed on from savings of £10.3m in 2011/12.
- A reduction in some services was inevitable but the Council had sought to maintain frontline services.
- The Council was increasingly a commissioning organisation transferring service delivery to other organisations.

- The funding picture after 2012/13 was unclear. There were a number of significant changes ahead.

The Chief Officer – Finance and Commercial Services (CFO) highlighted the following additional points:

- He emphasised that for 2011/12 the Government had offered a grant to those who froze Council tax for four years up to and including 2014/15. A further council tax freeze grant was now being offered for 2012/13 only. It was proposed to use this one-off sum for transformation (£1.2m) and budget contingency (£1m).
- Additional funding for social care within the formula grant was proposed to be passported to that service area. A sum of £2.3m was also to be transferred from the NHS to support social care.
- He also noted provision for a 1% increase in pay from 2013/14; income proposals; the provision of £1m for a change management reserve; savings proposals for directorates as set out in the appendix to the report; the capital programme; and the implications of the transfer of public health responsibilities to local authorities.

In the course of discussion the following principal points were made:

- Paragraph 5.2.3 of Section 5 of the Medium Term Financial Strategy on the Council's financial context noted the extent to which the Council's funding settlement from the Government was below average. The CFO commented that the national funding formula was complex and not transparent so the reasons why the authority fared so poorly were difficult to establish. Members considered that Cabinet should be encouraged, with the Committee's support to make representations to the Government to seek to address the apparent unfairness of the Council's settlement.
- The CFO informed the Committee of the Council's investment policy and provided assurance on the arrangements in place to manage risk to the Council's resources.
- The relationship between NHS and Council funding for social care was discussed. The CFO commented that joint arrangements were in place and national incentives encouraged an appropriate use of funds.
- A Member sought clarification on the proposed use of the council tax freeze grant of £2.2m for 2012/13. It was noted that the Cabinet decision in December had been that the sum would be used for transformation measures. The report before the Committee suggested it was proposed to use £1.2m of this sum for transformation with the remaining £1m being set aside as a budget contingency. The Leader accepted that this point required clarification and that he would request that this be provided.
- In response to questions, the CFO agreed to provide a briefing note showing movements on the Council's general and specific reserves, a breakdown of management fees paid by the Council and a breakdown of PFI funded schemes.
- A Member questioned the inclusion of provision of funding in the capital programme for Hereford Futures. It was asked whether this was in effect subsidising the development of the retail quarter when initially it had been stated that all infrastructure would be provided by the developer.

- It was requested that the wording of paragraph 3.6.2 of the Medium Term Financial Strategy relating to developer contributions should be checked to ensure that it accurately reflected the position.
- The proposed provision of an archives facility was noted. Attention was drawn to West Mercia Police Service's recent construction of such a building. It was suggested this might be a useful model to draw on and might be able to provide the Council with some cost-efficient interim storage.
- The significant pressures on the budget for adult social care services was discussed. It was noted, in addition, that care packages for some individuals with special and/or serious needs could be extremely expensive. The Leader indicated that he would welcome the Committee's assistance as proposals to transform provision were developed. A Member questioned the delay over a number of years in tackling this issue. It was suggested, however, that the graph in the MTFS at page 37 of the agenda papers extrapolating costs up to 2026 at some £160m per annum was unrealistic and therefore unhelpful.
- The Committee was invited to comment on the underlying assumptions underpinning the budget, and whether it reflected the Council's priorities and risk management. Members did not propose any different approaches. Some Members did, however, express dissatisfaction with the Government's decision that the council tax freeze grant was only for 2012/13, mindful of the consequences for council tax and budgets in future years, considering local authorities generally were being manoeuvred into taking a course that would not be in their financial interests in the longer term.

RESOLVED:

- That (a) Cabinet be encouraged, with the Committee's support, to make representations to the Government to seek to address the apparent unfairness of the Council's settlement;**
- (b) it was important that the financial reporting was transparent and clear and gave the historical context;**
- (c) a briefing note be produced showing movements on the Council's general and specific reserves, a breakdown of management fees paid by the Council and a breakdown of PFI funded schemes; and**
- (d) the Committee's considerations as recorded in the Minutes be made available to Cabinet.**

54. WORK PROGRAMME

The Committee considered its work programme.

A range of concerns were expressed about the work programme, including the balance of items within it; whether all relevant aspects of the Council's work were being scrutinised; the extent to which all eligible Councillors were engaged within scrutiny since the implementation of the new scrutiny model; the scale of the current programme and the need to focus effort and set priorities within it; and the format in which the programme was presented. The Chairman invited Members to write to him with any observations they had on the operation of the current scrutiny model.

The following proposed additions to the programme were discussed in detail:

- Provision of ICT Services – It was noted that a review of ICT Strategy was to be undertaken and suggested that the most effective work the Committee could undertake would be to contribute to work on the development of that Strategy.
- Legal Services – It was noted that an Improvement Plan for the Service was being prepared and suggested that the Committee might usefully consider progress with implementation within 6-9 months.
- Performance Monitoring of Amey, Hoople and Waste contracts – It was suggested that as there were contract monitoring arrangements in place the Committee might add more value by testing the effectiveness of the arrangements rather than seeking to undertake detailed monitoring itself.

It was noted that the Chairman and Vice-Chairman would give informal consideration to prioritising

RESOLVED:

That (a) the following additions to the Work Programme be added to the Work Programme, details and timing to be confirmed:

- **ICT Strategy**
- **Performance Reports on Amey, Hoople and Waste Management.**
- **Legal Services Improvement Plan Monitoring**
- **Operation of Hereford Futures**

(b) the Local Development Framework and Local Transport Plan should be the subject of separate scrutiny exercises.

The meeting ended at 12.45 pm

CHAIRMAN

Questions to Overview and Scrutiny Committee
Meeting Monday 16th Jan 2012

Question 1.

The last report to Herefordshire Council on the private company Hereford Futures Ltd was made as a verbal report in March 2011 to the Community Services Scrutiny Committee whose role has now been subsumed by the Overview and scrutiny Committee. When will a proper written report, including financial figures and delivery performance arising from the use of public funds, be provided to Herefordshire Council and the providers of this money, namely the residents of Herefordshire?

This will be a matter for discussion covering any future work programme

Question 2.

What public assets or funds have been transferred to Hereford Futures Ltd in the last 2 financial years and how has this money been used to achieve value for money of the people of Herefordshire?

The council's accounts show that payments to Hereford Futures /ESG were £586,000 in 2010/11 and £700,000 in 2009/10.

A number of properties are ring fenced receipts under the agreement.

Question 3.

(i) With regard to the Herefordshire Council Core Principle "*Valued Services – focusing on our priorities & what matters to people, stopping things we don't need to do*" what is the benefit of the £27million link road and the expensive improvements planned for Broad Street included in the Proposed Capital Programme.

(ii) Bearing in mind the very poor state of many of our roads and the many other transport projects in the current local transport strategy that have been cancelled, are these works essential?

(iii) When the Usuable Capital Receipts Reserve is estimated to stand at just £3.55m (one fifth of what it was 3 years ago) is this the best use of nearly £30 million of taxpayers money at a time of financial rationing?

The following points formed part of the Link Road business case;

1. Provides access to a development of up to 800 new homes within the Urban Village
2. Allows the creation of up to 1400 new jobs resulting from development realised through delivery of the link road.
3. Reduces peak traffic usage on the inner ring road (Blueschool Street & New Market Street) by up to 50%

4. Significantly contributes to the regeneration of Hereford, one of 10 priorities within the current Economic Development Strategy

Question 4.

Hereford Futures Ltd state on their website that they calculate the link road will cost £30 million. On page 11 para 67 Herefordshire Council state "*The estimated cost of the overall scheme will be £27million*" for which the Council are seeking to secure borrowing in 2012. From a FOI request (002456) of Herefordshire Council a response dated 6th Dec 2011 states that the only funding in place for the Hereford Link road is "*£220K approved by HF Board on 14th November 2011 for advanced works, studies, etc*".

The figure of £30m was an initial estimate and the latest estimate for the construction of the road including land purchases is £27m

- (i) If the link road project was not to go ahead would this deliver a saving in 2012/13 of £220,000 in costs "approved by HF board"?

The £220k is coming from capital receipts reserve funding, if this was not spent the reserve would not be reduced and the funding resource would be carried forward to fund capital costs only.

- (ii) Would there be any additional payroll costs in HF that could be saved as a result of cancelling this project?

The Hereford Futures project team has been significantly reduced as part of the places and communities budget saving plan. These savings have occurred over the last two years.

- (iii) What is the risk of the project costing more than the £27m estimated by Herefordshire Council and probably coming in more than 10% higher as predicted by Hereford Futures Ltd?

The figure of £27m is an estimate but represents a figure within which the project will be delivered. It should be noted that if phase 2 of the development proceeds there is likely to be a developers contribution which will reduce the overall borrowing.

MINUTES of the meeting of Overview and Scrutiny Committee held at Council Chamber - Brockington on Wednesday 18 January 2012 at 2.00 pm

Present: Councillor A Seldon (Chairman)
Councillor JW Millar (Vice Chairman)

Councillors: AM Atkinson, WLS Bowen, EPJ Harvey, AJ Hempton-Smith, MAF Hubbard, RC Hunt, TM James, Brig P Jones CBE, SJ Robertson and PJ Watts

In attendance: Officers: M Woodford (Chief Executive, Wye Valley NHS Trust); T Tomlinson (Director of Service Delivery, Wye Valley NHS Trust); S Collings (Associate Director of Information, Herefordshire PCT); J Jones (Head of Governance) and DJ Penrose (Democratic Services).

55. APOLOGIES FOR ABSENCE

Apologies were received from Councillor PGH Cutter, JLV Kenyon, Miss E Lowenstein Councillor R Preece and Mr P Sell.

56. NAMED SUBSTITUTES (IF ANY)

Councillor AJ Hempton-Smith for Councillor JLV Kenyon.

57. DECLARATIONS OF INTEREST

There were none.

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

There were none.

59. QUESTIONS FROM THE PUBLIC

There were none.

60. WYE VALLEY NHS TRUST (Pages 1 - 26)

The Chairman welcomed the Chief Executive, Wye Valley NHS Trust (WVT) and the Director of Service Delivery, Wye Valley NHS Trust (WVT) to the meeting.

The Chief Executive provided the Committee with a presentation on the Trust (a copy of the presentation has been placed on the Minute Book as Appendix 1). In the ensuing discussion, the following points were made:

- The Director of Service Delivery reported that the key to the model was to ensure that care was provided for patients closer to the home and to reduce the numbers of patients admitted to the acute hospital. In reply to questions he went on to say that:

- There was a target to discharge the elderly sooner from hospital in order to allow them to recuperate in their own homes. This would allow patients to have greater independence.
- the Wye Valley Trust didn't have control over the provision of warden's in sheltered housing, and did not manage Ledbury Community Hospital. There was a focus on changing this into a resource centre for the community, with the intention of reducing the number of admissions to the acute hospital. These facilities were factored into any considerations of bed numbers in the County.
- aspects of Adult Social Care had been seconded to the Wye Valley Trust, but that the delivery mechanism remained the same. There was a great deal of management of the process, which was co-ordinated by the Health and Wellbeing Board, the Clinical Commissioning Group and Adult Social Care.
- whilst no-one was turned away from A&E, there was a need to educate the population as to how the service should be used most correctly. Non-attendance rates at clinics had been reduced from 10% to 5% by sending reminder letters, but further savings could be made in this area.

The Director of Service Delivery reported that there were issues associated with patients leaving hospital, and the discharge planning process was now designed to ensure that prescriptions were written the day before the planned patient discharge.

The Chief Executive went on to say that a great deal of work had been undertaken with the practitioner led Service Units as it was important to instil the right ethos into the organisation. In a similar fashion, the staff had been consulted widely on the values of the Trust, and the behaviour that underpinned these values. The Service offering had been designed to ensure that the Trust was a population based service provider and was not concentrating solely on acute care. Neighbourhood Teams were working with GPs to devolve care to the patient's home wherever possible.

In reply to a question, he said that there were alternative models that the Trust had learnt from, a particular example being Torbay, who were prominent in providing zoning teams for their area, which had seen a reduction in A&E admission rates.

He added that it was clear that greater development of community services was important, and an increase in the resourcing of Neighbourhood Teams was being considered. The Community Hospitals would not be closing, but changing their roles to that of a resource centre. This would provide an opportunity to promote home based care and extend healthcare with concomitant savings. If the changes were focussed and clinically sustainable then the bed base number would reduce as a result.

In reply to a comment that in an apparent desire to free beds within the Hospital elderly patients were being discharged late at night, the Chief Executive said that such practice did not accord with the Trust's own policy and best practice, and should not occur.

The Chief Executive went on to say that additional short stay surgery could now be undertaken in line with requests from Commissioners, and private healthcare facilities were being looked at to complement the work of the Trust.

The Committee noted the key performance indicators that were highlighted by the Chief Executive. He reported that the summary hospital-level mortality indicator (SHMI) for the hospital was at 108, when the national average was 100 and that there had been no MRSA infections for over a year. There had been a CDiff outbreak in the spring last year, and the action plan that had resulted had been delivered against.

Material improvements had been made in stroke services, and they were well above the benchmark in this area. The Chief Executive concurred with a comment from the vice-chairman that this was a challenging area for a rural county.

In reply to a question regarding access targets, the director of service delivery said that there were a number of reasons why these figures had fallen slightly. Clinical urgency meant that a high volume of cases were being seen quickly and he wouldn't have expected to see a lower figure. In reply to a further question, he said that the action plan that was in place would deliver by the 31 March 2012. All available capacity had now been identified, and there was sufficient capacity within the system to accommodate patients. Risks that mitigated against a successful outcome for the plan included a bout of severe winter weather or an outbreak of influenza.

61. CLINICAL COMMISSIONING GROUP

The Committee received a presentation from the Associate Director of Information, Herefordshire PCT (a copy of the presentation has been placed on the Minute Book as Appendix 2).

the Associate Director of Information, Herefordshire PCT added that the examples of patient safety and treatment that had been mentioned in the meeting highlighted the need for a clear structure in community integrated care organisations.

He went on to say that the walk in centre that had been constructed in an area of deprivation in Hereford had provided a service to the wider community and had provided for a subsequent reduction in A&E admissions. GPs were also engaging with the issue of A&E attendance, and were taking care to review patients who attended A&E regularly.

The financial position of the Wye Valley Trust should be taken within the context of the wider health care economy in Herefordshire. Collaborative working had been very successful in cutting costs, and one-off efficiencies would be brought forward. It should be noted, however, that the County had the lowest per capita spend on health care in the West Midlands. He undertook to provide the Committee with a briefing note on per capita spend on health care in the County.

He went on to say that Herefordshire Health Care Commissioners (HHCC) was established in shadow form as the Clinical Commissioning Group for Herefordshire in April 2011. HHCC was then established as a sub-committee of the NHS Herefordshire (PCT) Board with delegated responsibility for the main elements of health care commissioning in Herefordshire. The HHCC group was led by clinicians and supported by corporate PCT Staff.

From July 2012 HHCC would begin the Department of Health CCG authorisation process which would enable it to be established as a statutory organisation, subject to the enactment of the new Health and Social Care Bill, by April 2013.

He went on to say that in 2011/12 NHS Herefordshire developed a Quality, Innovation, Productivity and Prevention (QIPP) plan that focused on transforming the way health care was delivered in Herefordshire whilst providing £10.8m in savings for reinvestment in frontline services. By December 2011 £7.8m of savings had been delivered which

was a 99.5% achievement against plan. In 2012/13 Herefordshire would need to deliver an additional £11m in QIPP savings in order to ensure the future sustainability of the Health Economy. Seventy additional suggested opportunities had been put forward to provide input to the plan, of which forty five had been taken up. High impact changes had been flagged up under the twin topics of community services and dementia care. These would be provided by the community services team and the neighbourhood teams. He was confident that should these two areas be delivered, then the rest of the QIPP plan would be delivered.

The Associate Director went on to report on the structure of the Herefordshire Health Care Commissioners. The structure had been seen at a national level, and the work with GPs had been held up as an example of best practice. He said that the authorisation process consisted of 6 domains wherein competency had to be demonstrated, together with a number of case studies that showed where an impact had been made on the health economy. It was important that those outside the County that HHCC should be in apposition to demonstrate an understanding of all aspects of commissioning.

In the ensuing discussion the following points were made:

- That the Herefordshire Health Care Commissioners was led by clinicians and the views of the local population by way of consultation.
- That of the 94 competencies that were required for the Department of Health authorisation to establish HHCC as a statutory organisation, there were 61 longer term measures and 58 key lines that were emerging around the QIPP plan. It was expected that these areas would be considered on a quarterly basis.
- A Member said that there was concern regarding the way in which the performance of the Ambulance Service was judged, as the present system meant that the service was liable to concentrate its effort on response times in urban areas, where distances were shorter. The Ambulance Trust needed to be more engaged in the County as there were real concerns as to how standards of response times could be raised in rural areas.

In reply to a question, the Associate Director said that there was evidence that access to services in areas of deprivation in the County could be improved. A public patient engagement meeting was set up to explore the issues, especially concerning children, young people, and white working class males, but the audience had been made up of those involved in the public sector.

The Associate Director said that there was an over medicalisation of births in the County as the average cost of a birth in the West Midlands was £678, whilst in Herefordshire it was £1,500. This pathway would be looked at to find ways of reducing costs.

He concurred with the suggestion from a Member that more use should be made of the Third Sector, and said that some of the services that had to be delivered by HHCC could be provided more efficiently by that sector. Personal budgets would help support these organisations. The HHCC commissioned large medical pathways, and consideration would be given as to how these could be reduced into smaller units that would enable third sector organisations to bid for them.

In reply to a further question, the Associate Director said that management reductions were being achieved by mapping staff to alternative organisations. The Clinical Commissioning Group would not have more than thirty staff once it was in place. He went on to say that the GP Parliament was elected by the 24 practices in the County and

it had four representatives on the Herefordshire Health Care Commissioning Board who were elected by specialist field.

He added that when the PCT ceased to exist, responsibility for the health of the population of the County would fall to the Council, not the Clinical Commissioning Group. He concurred with comments that public engagement with public health service was important, especially in areas such as South Wye and Leominster.

The meeting ended at 16:15

CHAIRMAN

