COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

MINUTES of the meeting of Health Scrutiny Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Tuesday, 5th September, 2006 at 2.30 p.m.

Present: **Councillor W.J.S. Thomas (Chairman)**
Councillor T.M. James (Vice-Chairman)

Councillors: Mrs. W.U. Attfield, G.W. Davis, J.G. Jarvis, Brig. P. Jones CBE, G. Lucas and J.B. Williams

In attendance: **Mrs A. Stoakes, Vice-Chairman of the Primary Care Trust Patient and Public Involvement Forum**.

57. APOLOGIES FOR ABSENCE

Apologies were received from Councillor R. Mills and Ms G.A. Powell. Apologies were also received from Mr J. Wilkinson, Chairman of the Primary Care Trust Patient and Public Involvement Forum.

58. NAMED SUBSTITUTES

There were no named substitutes.

59. DECLARATIONS OF INTEREST

There were no declarations of interest.

60. MINUTES

RESOLVED: That the Minutes of the meeting held on 15th June be confirmed as a correct record and signed by the Chairman.

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

There were no suggestions.

62. HEREFORD HOSPITALS NHS TRUST - FOUNDATION TRUST STATUS

The Committee received a presentation from the Chief Executive of the Hereford Hospitals NHS Trust on the consultation exercise which had been launched inviting views on the Hospitals Trust seeking Foundation Trust Status.

Mr Rose had briefed the Committee in June on the consideration being given to an application for Foundation Trust Status as part of his presentation on the work of the Trust in the preceding year and future plans and thoughts.

Copies of the published consultation document, “Your hospital in your hands” and the published summary were circulated at the meeting.

Principal issues raised in Mr Rose's presentation were as follows:

- **The Trust's Track Record.** Mr Rose commented that it was the Trust's track record which enabled it to consider applying for Foundation Trust status. It was one of the best performing Acute Trusts in relation to improvements to access and treatment times in the West Midlands. It was a national exemplar site for Cancer Services, had established a much needed unit for stroke patients and had a dedicated workforce focused on the needs of the patients. The Trust had also balanced its books in the last two financial years.

- **The key features of being a Foundation Trust.** The Foundation Trust would be a not for profit hospital business providing care mostly to the NHS. It was accountable to staff and local people who could become members or governors of the Foundation Trust. It was free from Central Government Control and the Strategic Health Authority, being answerable instead to the Independent Regulator of Foundation Trusts (Monitor). It was not required to break even each year but had to be financially viable. There was a potential advantage in being able to retain any surpluses (a surplus of £2,000 had remained in 2005/06) and borrow money. The Trust would be independent, making it much more difficult for it to be taken over. It would need to understand what people wanted and work with Commissioners of services to ensure that it could stay in business.

- **The reasons why the Trust wanted to become a Foundation Trust**. The vision in five years time was that of a strong, independent hospital, accountable to the local community not Government Ministers. The Trust would provide the best hospital experience for patients, make decisions locally benefiting from strong partnerships with GPs and others, use funding flexibly to improve services, be paid for the patients it treated under legally binding contracts and be the hospital of choice.

- **The risks of becoming a Foundation Trust.** The Government's expectation was that all Trusts would eventually become Foundation Trusts, but with the possibility of larger Trusts being formed. However, there was the danger if Hereford did not seek Foundation Trust Status that it could be taken over by a neighbouring FoundationTrust were one to be established. On the other hand if patients did not choose the County Hospital, a particular risk if GPs did not recommend it, the Foundation Trust could struggle to survive. There were also risks in the requirement to meet legally binding contracts, particularly in some smaller specialities. The Foundation Trust would lose its licence if it were unsuccessful which could include going bust. If this were to occur the Foundation Trust would be taken back into NHS ownership or taken over by another Trust.

- **Governance Structures.** Mr Rose explained the proposed governance arrangements comprising the members of the Foundation Trust (public, stakeholders and staff), the Council of Governors and the Board of Directors, how they would be elected and their respective roles (as described in the consultation document). He particularly invited the Committee's views on the proposed number of Governors and the proposal that there should be a minimum age limit of being a member of the Foundation Trust of fourteen years old. He noted that responses to date showed 50% in favour of a minimum age limit of fourteen, with 48% against and 2% undecided.

- The consultation process was outlined and the feedback to date which indicated 86% support for a Trust. This was complemented by an indication that 93% would choose Hereford hospital if they required treatment (the recommendation

of the GP being an important aspect in this thinking).

In conclusion Mr Rose drew attention to the role of the Independent Regulator in determining whether the Hospital Trust's application for Foundation Trust status was viable. The Trust's current view was that further work needed to be undertaken with social care and health partners if an application were to be successful.

A number of questions were asked and a number of points made. These are summarised below.

- A question was asked about whether, as a small Trust, the Trust's senior management costs were disproportionately high and a burden on the Trust's finances. Mr Rose replied that the Trust had balanced its budget for the last 5-6 years, even though as a PFI hospital there were some higher costs to be met for some services compared with other NHS hospitals. Action had been taken to achieve a lean management structure, although there was a concern that it was now almost too lean to deliver all that was now being demanded of it. A leadership programme had been developed for the top 40 managers in the Trust to grow capacity locally, because the Trust could not rely on being able to recruit externally. Management costs were, however, a potential risk to the finances of a Foundation Trust.

- Mr Rose acknowledged that, unlike a university teaching hospital, Hereford Hospital was reliant for all its income on patients choosing to use the hospital. There was a possibility that even if there was public support for an application for Foundation Trust status the Hospital Trust Board may consider it too much of a risk to proceed at this time. He reiterated that the Independent Regulator made a rigorous assessment of applications.

- The question of the costs associated with running PFI hospitals was raised. Mr Rose stated that the Government had issued national guidance on where the level of costs might become problematic. Hereford Hospital's financial commitments under the PFI scheme were below the thresholds the Government had identified. He added that, whatever happened, £1 million a month for 26 years had to be paid to the run the site whether it was used or not. This was a strong argument for the site's future as an acute hospital.

- In relation to the flow of Welsh patients to Hereford hospital he said that he thought it unlikely that a new hospital would be built in Powys. Provision at Abergavenney was being moved to the South West of the area. It therefore appeared that there might potentially be an opportunity to increase the numbers choosing Hereford hospital.

- Asked about the impact of the scope for GPs to use alternative providers Mr Rose said that the Trust wanted to demonstrate that it could remain viable if it lost some referrals. Discussions were taking places with GPs explaining the importance of patients being referred to the hospital if it were to succeed.

- Mr Rose confirmed that, although independent of the NHS, Foundation Trusts were still subject to the NHS's clinical standards.

- Concern was expressed about the proposed governance arrangements. It was suggested these would reduce the level of public accountability. The level of representation from Powys was also questioned. It was also argued that the minimum age for being a member of the Foundation Trust should be 18 at which age people were legally accountable for advice and decisions.

- The question was raised as to how much worse off the Trust would be if it did nothing, whilst recognising that the current Government policy was that Foundation Trust status should be sought. An assurance was sought that if the Trust Board decided not to make an application pressure to take a different course would be resisted. In reply Mr Rose said he was happy to give that assurance, referring again to the role of the Independent Regulator and the stringent tests to which applications were subjected, noting that of the 40 applications made to date 20 had already been rejected.

- The extent to which a Foundation Trust would be truly independent of the Government was questioned.

The Committee noted the current position and that it would wish to consider developments before formulating its formal response to the consultation exercise.

63. SPECIALIST CHILDREN'S SERVICES DEVELOPMENT

The Committee considered a draft consultation document on the possibility of developing a central building for specialist community services for children with developmental problems/disabilities.

Mr Euan McPherson, Patient Advice and Liaison Service co-ordinator, informed the Committee that the Primary Care Trust would welcome its comments on the content of the draft consultation document, a copy of which was appended to the report, the proposed consultation process and the timescale. He gave a presentation setting out the key aspects of the consultation document.

It was noted that a 13 week consultation period was proposed, running from 25th September, 2006 until 22nd December, 2006.

The following principal points were made in the ensuing discussion:

- The Primary Care Trust's Director of Corporate Services advised that the proposed Centre would not be a panacea but would help to deliver better co-ordinated services.

- The Committee welcomed the opportunity to comment on the draft documentation. It was suggested the consultation document needed to set out clearly what services were provided, the numbers of children involved and the costs of the relevant services.

- It was also suggested that a summary of the consultation document would be helpful. In response it was noted that a draft summary had been prepared and would be circulated to the Committee for comment. It was proposed that to expedite matters Members would be invited to submit any further comments to the Chairman so that these could be forwarded to the Primary Care Trust.

RESOLVED:

That (a) the summary of the consultation document be circulated to Members of the Committee and it be requested that comments be submitted to the Chairman by a specified date so that the Primary Care Trust could be advised accordingly;

and

(b) that the proposed timescale for the consultation be endorsed.

64. "A STRONGER LOCAL VOICE"

The Committee considered a response to the Department of Health Consultation document: "A Stronger Local Voice – A Framework for Creating a Stronger Local Voice in the Development of Health and Social Care Services."

The report explained the Department of Health's (DH's) proposal to replace the Patient and Public Involvement Forums with Local Involvement Networks (LINKs). It summarised the purpose of the consultation document, the questions set out in the document to which responses were specifically invited and a suggested response.

The response of the Primary Care Trust's Patient and Public Involvement Forum (PCT PPIF) had been circulated separately to the Committee.

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

- The Chairman remarked on the valuable work undertaken by the Primary Care Trust's Patient and Public Involvement Forum and the importance of retaining the skills and knowledge which had been developed.

- It was noted that the PCT PPIF was particularly concerned that the current rights to visit and inspect NHS premises would be lost. It would also like support for the LINk to be arranged by the Local Authority.

- The Director of Adult and Community Services observed that the consultation document stated that each local authority with social services responsibilities would be appropriately funded to carry out a new statutory duty to make arrangements providing for the establishment of a LINk in its area. The suggestion was that the local authorities themselves would tender for a host organisation to run the LINk.

- The Committee acknowledged the concerns that the rights for visiting and inspection of NHS premises may disappear were noted. It was stated that it was important that these rights were preserved under any new system.

- That if the new arrangements were to succeed it was essential that the Government funding provided was sufficient for the purpose and that the amount allocated to each authority was clearly identified and ring-fenced.

RESOLVED:

THAT (a) the proposed response to the DoH's document, 'A Stronger Local Voice' as set out in the report be approved with the addition of the Committee's concerns about the need for clarity of the funding of the new arrangements and the preservation of the existing rights held by Forums to visit and inspect NHS premises;

and

(b) a further report be presented to a future meeting once the related legislation has been passed.

(Councillor T.M. James Vice-Chairman in the Chair)

65. SCRUTINY REVIEW OF COMMMUNICATION IN THE LOCAL HEALTH SERVICE

The Committee considered the findings of the Communication Review Group following its review of the Local Health Service's communications strategy and procedures.

The Chairman of the Review Group, Councillor Brigadier P. Jones C.B.E., presented the report summarising the work undertaken and the key findings.

The Chief Executive of Hereford Hospitals Trust confirmed that he accepted the findings and would take action accordingly.

RESOLVED:

That (a) the findings of the Review of Communication be approved for recommendation to the Primary Care Trust and the Hospitals Trust;

and

(b) **the response of Primary Care Trust and the Hospitals Trust to the Review be reported to the first available meeting of the Committee after the Trust has approved its response, with consideration then being given to the need for any further reports to be made.**

(Councillor W.J.S. Thomas, Chairman in the Chair)

66. SCRUTINY REVIEW OF GP OUT OF HOURS SERVICES

The Committee considered the findings of the GP Out of Hours Service Review Group following its review of the GP Out of Hours Service.

The Chairman of the Review Group, Councillor W.J.S. Thomas presented the report summarising the work undertaken and the key findings.

The Deputy Chief Executive of the Primary Care Trust, Mr Simon Hairsnape, was invited to comment. He informed the Committee of the progress which he considered had been made during the three years in which the PCT had been working with Primecare. He considered the arrangements were now working quite well and meeting the needs of local people if not necessarily all their wants. Primecare, the out of hours provider, had shown a readiness to learn and improve.

It was suggested at the meeting that there was still a perception that the out of hours service was not performing as well as it might and some specific examples were given of where it had not done so. It was noted that there were potential implications for the Accident and Emergency Department if the view were to prevail that the simplest course of action if care was needed out of hours was to attend A&E. It was also important that appropriate use was made of the minor injury units.

In response Mr Hairsnape reiterated that he considered that the service had improved but there was the potential for confusion and room for further improvement remained. Nonetheless the out of hours service in Herefordshire compared very well with the best. At a recent conference hosted by the Department of Health and the National Audit Office (NAO), following the publication of the NAO report: "The Provision of out of Hours Care in England", Herefordshire had been held up as an example of good practice.

He added that the current use of some of the Minor Injury Units out of hours was relatively small which could lead to a future debate about how the service was delivered in the out of hours period. However, the PCT believed that the MIUs were important and was committed to them. The key was to make the MIUs and A&E work together to ensure that both worked well.

He concluded by saying that he considered the report and its recommendations to be fair and that the Trust would respond as requested.

RESOLVED:

That (a) the findings of the review of the GP Out Of Hours Service be approved for recommendation to the Primary Care Trust;

and

(b) **the Primary Care Trust's response to the Review be reported to the first available meeting of the Committee after the Trust has approved its response, with consideration then being given to the need for any further reports to be made.**

The meeting ended at 4.35 p.m. **CHAIRMAN**