

REPORT OF THE HEALTH SCRUTINY COMMITTEE

WHOLE COMMITTEE SCRUTINY OF HERTS VALLEYS CLINICAL COMMISSIONING GROUP'S WITHDRAWAL OF FUNDING FOR CARE AND THE IMPACT ON HEALTH PROVISION IN WEST HERTFORDSHIRE

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1.0 Purpose of Report

1.1 This is the report of the Health Scrutiny Committee's Whole Committee Scrutiny of Herts Valleys Clinical Commissioning Group's decision to withdraw £8.5m of funding from the County Council for the provision of care. The Committee addressed the following questions:

1.1.1 What consultation was undertaken before this decision was made?

1.1.2 What are the implications for peoples' care?

1.1.3 What are the implications on wider services including hospitals, community, mental health, general practice and the ambulance service?

1.1.4 How does the decision fit with Your Care, Your Future strategy and integrated working?

1.2 A Special Meeting of the Committee was held on 8 February 2017. The agenda papers for that meeting can be viewed here [Special meeting of Health Scrutiny Committee 8th Feb 2017](#)

2.0 Recommendations

2.1 The Committee's recommendations to Council are as set out in paragraph 3.1 of the covering report.

3.0 Background

3.1 In April 2014 the 'Better Care Fund' (BCF), initiative was launched. The aim of the BCF is to integrate health and social care funding and services for local communities, with a particular focus on services for older people. It pools resources drawn from the NHS and Hertfordshire County Council (HCC). The Health and Community Services (HCS) Department contributes £120m as do the two primary Clinical Commissioning Groups (CCGs) serving Hertfordshire residents (£120m split between the two CCGs).

- 3.2 In November 2014 discussions took place between HCS and the CCGs which resulted in the agreement from the CCGs of the need to maintain levels of care funding in 2015/16; with Herts Valleys Clinical Commissioning Group (HVCCG) and East and North Herts Clinical Commissioning Group (ENHCCG) each agreeing to contribute a further £5m. This meant that the BCF for 2015/16 comprised of an NHS contribution of £130m and an HCS contribution of £110m.
- 3.3 In November 2015 a similar discussion was held about the need to maintain current levels of care provision. A report was presented to HVCCG's Governing Body which argued the importance for health services of protecting the level at which care was provided to adults in the County. It was highlighted that a reduction in provision of care, and specifically care for older people at home, would cause system performance and cost pressures in hospitals and the wider NHS. HVCCG subsequently enhanced its contribution to the BCF to £8.5m for 2016/17. This sum formed a permanent part of the Council's expected income and base budget for social care.

4.0 Evidence

Explanation of the proposal of HVCCG to withdraw funding

- 4.1 Members heard from the HVCCG's Accountable Officer that as a result of being in formal 'financial turnaround' HVCCG had appointed a turnaround director to support it to achieve financial targets and manage expenditure. HVCCG is in 'financial turnaround' due to non-delivery of its financial savings targets, higher than predicted acute hospital activity and an overspend against Continuing Healthcare budgets.
- 4.2 HVCCG has recently established an investment committee with delegated authority to review current and future investments. The investment committee, made up of 6 board members (of a total of 22) including local GPs, examines evidence around value for money and the return on investment.
- 4.3 This review covers all areas including acute hospitals, mental health services, primary care and community. There is a statutory duty on all CCGs to achieve financial balance.
- 4.4 HVCCG continues to contribute £9.5m annually to HCC as part of the Better Care Fund. It was stated that there is no permanent arrangement in place for HVCCG to provide HCC with additional monies. The additional £8.5m is regarded as discretionary and requests are to be agreed on an annual basis.
- 4.5 HCC's Director of Health and Community Services and Director of Public Health challenged the decision HVCCG had made on the grounds that reasons for the additional funding, i.e. to protect adult

social care, remained. Further reductions would have an impact on the County Council's ability to support HVCCG in providing care closer to home, preventing hospital admission and facilitating timely discharge.

- 4.6 HVCCG's accountable officer stated that he will be making a recommendation to the next accountable officer to not make any additional contributions to social care in the future. (Submissions to the Special Scrutiny 8 February 2017 can be accessed via the link above).

Evidence relating to: *consultation*

- 4.7 In early October 2016 NHS' Sustainability and Transformation Plan (STP) stated that all CCGs would achieve financial balance and the modelling included a continuation of the £8.5m funding to the County Council from HVCCG.
- 4.8 In late October 2016, HVCCG flagged unspecified financial concerns to all partners. The complete financial pressures were not shared and the County Council was not advised that the £8.5m was at risk of withdrawal.
- 4.9 On 22 November 2016, the County Council and Essex County Council gave a presentation to NHS Chief Executives including HVCCG on the financial pressures facing local councils and the importance of adult social care in the wider health and care system. No indication was given by HVCCG at that time that withdrawal of the £8.5m contribution was being considered.
- 4.10 On 28 November 2016 a report was requested on the funding from the County Council, to be submitted to the then recently formed HVCCG Investment Committee, with a deadline of the following working day. The Investment Committee met on 1 December 2016 and decided to withdraw the funding. The County Council was not invited to attend this meeting.
- 4.11 On 2 December 2016 HVCCG advised the Council of its decision to withdraw the £8.5m funding and reported that this was due to it being in a position of 'financial turnaround' and required to balance its budget in 2017/18.

Evidence relating to: *What are the implications for peoples' care?*

- 4.12 HVCCG confirmed that it had requested information from HCS about the exact areas that the £8.5m would be spent on. HCS sent information to HVCCG on 1 February and this was acknowledged by HVCCG.
- 4.13 The Director of Health and Community Services believed that he had complied with all requests but accepted that the email of 1 February did not provide a specific breakdown of how the £8.5m would be spent as

opposed to adult social care generally. Further information would be provided should the CCG request it.

4.14 The Director of Health and Community Services stated that the Council's services support elderly people with long term conditions that require long term care packages (commonly 18 months to 2 years), compared to relatively shorter terms spent in hospitals. It was highlighted that being given 3 months' notice is not sufficient to reconfigure such services. The chief executive of HCT stated that the health service does also operate with long term services in certain instances; however, members were clear a short notice decision can have an impact on a service and the recipients of those services. HVCCG accepted that there will be a health impact.

4.15 Included in the papers was a letter sent to the HVCCG accountable officer in 2014/15 highlighting the need provide further funding over and above £9.5m mandated, which was acknowledged and resulted in further funding being made available:

All short-term transitional pathways funded solely by the Council would be closed to new service users with immediate effect. These would include Home from Hospital capacity, Quantum Care Enhance Beds, Simply Together Pathway directed at HCT patients funded by HCC, Delirium Pathway Beds and Discharge to Assess Beds. (Pathways funded via jointly agreed BCF monies would of course continue). The Council would have to change its prioritisation policy for newly available homecare packages to exit people from these closing pathways, leaving people in acute or community hospitals to rehabilitate in those settings until packages become available.

4.16 The Committee was also made aware that in February 2016, at the time of further discussions for the funding provided for 2016/17, HCC highlighted that not providing any funds would result in a series of actions having to be taken by HCC in reducing the service provision and these actions would save the council £1.5m, but would result in an estimated a cost to the NHS of up to £9m. In response to this HVCCG provided the further funding to prevent any service reduction and mitigate the impact on health services.

4.17 The Chairman of HSC expressed a view that patients presenting at health services are seen as a consequence of long term care packages and impact on one another. The Committee agreed with this statement and believed that HVCCG had not considered the implications of this and should have undertaken a long term impact assessment.

4.18 The Committee was informed by the Director of HCS that the HVCCG Accountable Officer had asked all partners in June 2016 to sign a memorandum of understanding to deliver care in people's homes, work together to deliver coherent plans for West Herts health and social

care, not taking unilateral action that will impact heavily on any one or number of organisations in the partnership.

- 4.19 Members judged that there are implications for people's care as a result of this decision.

Evidence relating to: *What are the implications on wider services including hospitals, community, mental health, general practice and the ambulance service?*

- 4.20 In response to this question HVCCG acknowledged that there will be impacts on the health care for Hertfordshire residents. Although they were unable to specify what these would be.
- 4.21 Members heard from Hertfordshire health providers about the implications on wider services. It was highlighted in particular that there are currently pressures on delayed transfers of care (DTC). Members were informed that there are currently 300-400 patients "stranded" (as stated by the chief executive of HCT) in hospital that need to be elsewhere with consequent impacts such risk of harm or fall or reduction in physical functions, particularly for the elderly. Any disruption to services, such as the ability to move patients out of hospital, will cause large delays and result in a reduction of patient safety. This view was supported by the Royal College of Nursing.
- 4.22 West Herts Hospital Trust (WHHT) emphasised that it had lost 1000 days in November 2016 due to DTC and that the decision by HVCCG has the potential to further jeopardise its work. WHHT stated that if this were to continue it would be damaging to the care the Trust is trying to provide.
- 4.23 The deputy Police and Crime Commissioner (PCC) highlighted that the decision by HVCCG could have an impact on the police and the criminal safety and justice plans. This may be an indirect impact however, depending on what further decisions were made as a result of the withdrawal of funds, this impact could be significant. Whilst the deputy PCC did confirm that the impact was not quantifiable, the Committee heard that already a large amount of police time is taken by dealing with lost elderly people and people with mental health issues, and supporting and detaining vulnerable people in a place of safety.
- 4.24 The Committee judged that if there was no change to the HVCCG decision then the position highlighted by WHHT can only worsen with patients remaining in hospital.

Evidence relating to: *How does the decision fit with Your Care, Your Future strategy and integrated working?*

- 4.25 Members heard that HVCCG considered *Your Care, Your Future* (YCYF) as fundamental to improve the health of the local population. A

large amount of work has been done related to YCYF and HVCCG will continue to operate on this strategy going forward. YCYF was said to be the primary concern of HVCCG and the strategy specifically focuses on the provision and support of health services.

- 4.26 HVCCG stated that integrated working is essential for the benefit of all. A number of witnesses and members emphasised that integration is the only way to make efficiencies and improvements to care services. HVCCG sought to reassure the Committee that its decision would not impede close working with colleagues in HCC and providers in Hertfordshire. Members and witnesses believe that this decision has had a negative impact on partnership working. However, all parties present wanted to continue to work towards integration going forward.
- 4.27 The Chairman quoted the most recent HVCCG newsletter which states that YCYF relies heavily on the Sustainability and Transformation Plan (STP) for Hertfordshire and west Essex, A Healthier Future. Local priorities identified by the Plan include increasing local care to reduce demand on hospitals and increasing efficiency by improving the way that health and social care services work together. This did not seem to be consistent with the decision made by HVCCG with regard to the £8.5m
- 4.28 Members agreed with a statement that health and social care impact on one another and that integration of services is the only way to make efficiencies and improvements for residents across the whole of Hertfordshire.
- 4.29 The chief executive of HCT expressed great concern on the impact on working relationships and wants to refocus on improving that going forward.
- 4.30 HVCCG will not be re-visiting a payment to social care in the future, but will look at impacts and in addressing partnership working. HVCCG explained that it has a duty to focus on health, but did accept that this is short sighted.
- 4.31 The Committee believes that the decision made by the HVCCG is in contradiction to the YCYF strategy and integrated working.
- 4.32 HVCCG confirmed that it does not regard the decision to withdraw funding as one requiring consultation as they do not perceive it to be a commissioning decision. The accountable officer stated that, in hindsight, HVCCG could have done things differently but did not clarify what those actions might have been. In the future HVCCG stated that it wanted to work more closely with partners to gain the greatest investment return. HVCCG acknowledged that it needed to be clearer about its financial spend and budgetary allocations in the future. Further to this, HVCCG have also made a decision to disinvest in a number of other areas not specified to the Committee.

- 4.33 The financial pressures were initially identified but not the extent. Subsequently to this it was clarified that the agreement is made annually and that at the time the HVCCG Investment Committee made the decision no information had been received from HCS relating to how the £8.5m would be used. HVCCG also stated that it was considering best use of the remainder of this financial year's funds.
- 4.34 The Health Scrutiny Committee (HSC) Chairman and Vice Chairman were informed of this decision by the Director of HCS rather than HVCCG directly. The Health Concordat created jointly by all health organisations and signed by all, states that in the event of any 'substantial variation' the Scrutiny Committee must be consulted. A substantial variation is determined by the Committee. The Chairman highlighted point two of the Concordat which states that there should be 'no surprises' and the Committee agreed that notice of a decision after it has been made was a surprise. Members believe that HVCCG have ignored the Concordat.
- 4.35 Members expressed concern that HVCCG as a statutory member of the Health and Wellbeing Board should have also informed that board of any decision, which it did not.
- 4.36 When HVCCG were challenged on time frames in notifying HCC and the HSC of any decision the Accountable Officer responded that he would have preferred to have given longer periods of notice but was not in a position to do so. HVCCG re-confirmed that if it had not made this decision, clinical services would be affected.
- 4.37 While general discussions on the financial implications on funding had been carried out there was no specific indication that the £8.5m would not be committed to the 2017/18 financial year. The Committee does not believe that consultation was undertaken by HVCCG.

Evidence on: *potential effect of sustainability of the health service*

- 4.38 Concerns were raised around the impact of reducing the spend on adult social care. Members were anxious that this would cause instability in the whole care system by reducing the amount of care available and the ability to move patients through the discharge process, out of hospital into transition, community and home care services.
- 4.39 One of the key plans that all care partners in Hertfordshire and West Essex agreed and have signed up to is the Sustainability Transformation Plan. The local priorities identified in the Plan include: increasing local care to reduce demand on hospitals and increasing efficiency by improving the way that health and social care services work together.

- 4.40 The NHS Constitution specifically highlights that all NHS organisations work across organisational boundaries; that organisations commit to working jointly with local authority services to provide and deliver improvement in health and wellbeing.
- 4.41 West Hertfordshire Hospitals Trust identified serious pressures at this time and should services not be provided by HCC this will have a serious and immediate impact on patient care and safety. The Committee was made aware that compounded capacity issues resulting in lengthened stays could see patients staying on trolleys in corridors, observation bays or wards where the speciality does not match the patient need.
- 4.42 Hertfordshire Community Trust highlighted the need to reduce the amount of time people spend in hospital and when this does not happen there are risks for all patients.

5.0 Conclusions

- 5.1 The Committee heard evidence from HVCCG, Health Providers, HCC, the Deputy PCC and the RCN. The Committee is satisfied that this decision amounts to a substantial variation of the provision of the health service in Hertfordshire, because of the evidence identified above. The Committee maintains that:
- there will be a significant impact on the ability of the County Council to assess need and to arrange for discharge of patients to community settings
 - as a result there will be a significant increase in the number of delayed transfers of care from acute services
 - such delays will inevitably mean an increase in patients not being able to access hospital beds, resulting in treatment taking place on trolleys, in corridors, observation bays, or wards without the appropriate specialism
 - there will be an impact on and damage to the provision of community based services leaving patients stranded in hospital
 - there will be an increase in delays in ambulance transfers at Watford General Hospital impacting on the efficiency and availability of the ambulance service
- 5.2 The Committee agreed that, based on the evidence heard relating to the decision of HVCCG,:
- no consultation had taken place before the decision was made.
 - that this decision is not in the interests of the health service in Hertfordshire.
- 5.3 The Committee's recommendations are set out in paragraph 3.1 of the covering report.

6.0 Members and Witnesses

Members of the Committee

J R Barfoot, R H Beeching, E M Gordon, D Hart, D J Hewitt, S L C Johnston, A Joynes, S Quilty (Chairman), R G Tindall , A S B Walkington, A Alder, S Deakin Davies, B Gibbard, J Maddern, K Hastrick, D Lambert, M McKay, G Nicholson, A Scarth, F Thomson

Other Members in Attendance

D Andrews, N Bell, F Button, TL F Douris, T C Heritage, F R G Hill, T W Hone, T Hunter, T R Hutchings, P A Ruffles, I M Reay, L F Reeve, R Sangster, R H Smith, A Stevenson, J D Williams, C B Wyatt-Lowe

Healthwatch

M Downing

Witnesses

Cameron Ward	HVCCG Accountable Officer
Caroline Hall	Chief Financial Officer
Richard Pile	GP, HVCCG
Juliet Rodgers	Associate Director of Communications and Engagement
Iain MacBeath	Director of Health and Community Services
Jim McManus	Director of Public Health
David Law	Chief Executive, Herts Community Trust
Louise Halfpenny	Director of Communications West Herts Hospital Trust
Paul Meaton	RCN Officer
David Gibson	Deputy Police and Crime Commissioner

Officers

Charles Lambert	Scrutiny Officer
Luis Andrade	Principal Solicitor
Elaine Shell	Democratic Services Manager
Elaine Manzi	Democratic Services Officer

Glossary

BCF	Better Care Fund
EEAST	Easy of England Ambulance Trust
HCC	Hertfordshire County Council
HCS	Health and Community Services
HCT	Hertfordshire Community Trust
HPFT	Hertfordshire Partnership Foundation University Trust
HVCCG	Herts Valleys Clinical Commissioning Group
PCC	Police and Crime Commissioner
PH	Public Health
RCN	Royal College of Nursing
WHHT	West Hertfordshire Hospitals Trust
YCYF	Your Care, Your Future