

**REPORT OF THE WHOLE COMMITTEE SCRUTINY OF HERTS VALLEYS  
CLINICAL COMMISSIONING GROUP'S DECISION ON THE CONTINUED  
FUNDING OF CARE SERVICES FOR THE FINANCIAL YEAR 2017/18**

Report of the Director of Resources

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**1.0 Purpose of Report**

- 1.1 This is the report of the Whole Committee Scrutiny of Herts Valleys Clinical Commissioning Group (HVCCG)'s decision on the continued funding of care services for the financial year 2017/18. The Committee met on 9 March 2017 and addressed the following questions:

1.1.1 Why did HVCCG rescind its decision of the 1 December 2016?

1.1.2 What additional evidence will HVCCG consider when reaching its 9 March 2017 Decision?

- 1.2 [Special scrutiny of Health Scrutiny Committee 9 March 2017](#)

**2. Summary**

- 2.1 As a result of its considerations, the Committee unanimously agreed:-

*"That the Committee, after considering all the reports submitted, the evidence presented by all witnesses and representations made by HVCCG, and noting that a final decision on the provision of funding of £8.5m for care services will be made at the HVCCG Board, which is to take place during the afternoon of 9 March 2017:*

- (i) welcomes the decision of HVCCG to rescind its decision of the 1 December 2016;*
- (ii) is concerned that the report to the HVCCG board is limited, does not include a detailed analysis of impacts, does not refer to papers that have been presented in evidence to this Committee, and does not acknowledge that all requested information from HCC has been provided;*
- (iii) requires the Accountable Officer of HVCCG, or her nominee, to attend the next meeting of the Committee on 16 March 2017 to*

*confirm the HVCCG Board's decision with regard to the £8.5m funding for social care 2017/18 and to answer any further questions from the Committee;*

- (iv) *will, following the meeting on 16 March 2017, make recommendations to Council on whether it should report to the Secretary of State in accordance with its powers under the Local Authority (Public Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 ("the Regulations"), which Council will consider at its meeting on 21 March 2017."*

### **3. Recommendations**

- 3.1 The Committee's recommendations to Council will be circulated to Members following the Committee's meeting on 16 March 2017 at which meeting the decision reached by HVCCG with regard to the £8.5m funding for social care will be considered.

### **4. Background**

- 4.1 The Committee held a special scrutiny on the 8 February. The questions asked of HVCCG at this meeting can be found in the link above. At the Committee's conclusion a motion was passed to request that full Council make a referral to the Secretary of State on the grounds

*(a) that the Council is not satisfied that there was any consultation in relation to the decision;*

*(b) that the Council considers that the decision would not be in the interests of the health service in Hertfordshire;*

- 4.2 Full Council met on the 21 February. Immediately prior to the debate of this item members received a copy of a letter from HVCCG's accountable officer. The letter stated that "the CCG has decided to rescind that decision so that it can address the issues in the Council's letter. The CCG Investment Committee will meet again on 2 March 2017 at which point it will consider whether the CCG should continue to make an additional contribution to support social care in the financial year 2017/18."

- 4.3 Members then put forward and unanimously agreed the following motion:

*"That Council:*

- (1) Having noted the recommendation of the Special Meeting of Health Scrutiny Committee held on 8 February 2017;*

- (2) *Having further noted the position as set out in the letter from Mr C Ward dated 20 February 2017 that the decision of the Herts Valleys Clinical Commissioning Group (“HVCCG”) Investment Committee (“the Investment Committee”) of 1 December 2016 has been rescinded, and that the Investment Committee is to meet on 2 March 2017 to consider continued funding for care services for the financial year 2017/18 (“the Decision”);*
- (3) *Requests Health Scrutiny Committee to convene a Special Meeting as soon as reasonably practicable after 2 March 2017 to consider the Decision and requires the Accountable Officer of HVCCG and relevant officers from the HVCCG attend the Special Meeting;*
- (4) *Considers a recommendation from the Health Scrutiny Committee at the Council’s meeting on 21 March 2017 on whether Council should report to the Secretary of State in accordance with its powers under the Local Authority (Public Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 (“the Regulations”);*
- (5) *Authorises the Chief Legal Officer to notify HVCCG, in accordance with the Regulations, that the Council proposes to decide whether to exercise its power to report to the Secretary of State at its meeting on 21 March 2017.”*
- 4.4. HVCCG was informed that the special meeting of the Health Scrutiny Committee would be taking place on the morning of the 9 March and that the Accountable Officer’s attendance was required. HVCCG made contact at the same time notifying the County Council that the decision would no longer be reviewed at the Investment Committee on the 2 March but instead at HVCCG’s Board meeting on the afternoon of the 9 March.
- 4.5. The HVCCG Board paper for contributions for adult social care was shared with the Committee. This outlined the recommendation that the Board should decide whether to make a further payment of £8.5m in 2017/18 on a non-recurrent basis and that, if the Board decided not to do so, whether to phase the withdrawal of funding by making a contribution of £4.5m in 2017/18 with the full withdrawal taking effect in 2018/19.
- 4.6. HVCCG confirmed to the Committee that the Board believed this decision was of such importance that it was right and proper it be made in public by the whole board. The Accountable Officer stated that it was unfortunate that the next available meeting of the Board was in the afternoon of the 9 March, after the Health Scrutiny Committee meeting.
- 4.7. The Committee was notified that the Accountable Officer had had lengthy discussions with the County Council’s Chief Executive and the Director of Health and Community Services (HCS) about a proposed

recommendation that the CCG Board provide £4.5m to the County for 2017/18.

- 4.8. The Accountable Officer also stated that this discussion with the Council's Chief Executive, Director of Health and Community Services opened the possibility of further exploration of other funding such as the Better Care Fund (BCF). The CCG maintains that there were a number of BCF indicators not being delivered. A review of funding going forward would be helpful in clarifying agreed outcomes to all partners. Such a review and discussion would provide an opportunity to address the underlying issues that had emerged following the HVCCG initial decision to withdraw funding. This should strengthen relationships going forward as all parties would be clear regarding outcomes and ways of working.
- 4.9. When responding to the question of why the decision had been rescinded, the Accountable Officer stated that the HVCCG Board believed it was better to rescind the decision rather than amend it, so that full and proper discussion could be undertaken by the Board. Members were advised that the CCG Board will be basing its decision on the report and equality impact assessment papers (Appendix A).
- 4.10. The HVCCG Accountable Officer stated to the Committee that in an ideal world it would continue the funding, and potentially increase it relevant to the needs of the population.
- 4.11. The Director for Health and Community Services confirmed that he, the Executive Member for Adult Care and Health and a principal solicitor would be attending the HVCCG Board on the afternoon of the 9 March.
- 4.12. The Committee was also advised that the Director for Health and Community Services and the Chief Executive of the Council had recently met the Regional Director for NHS England, who sits above the CCGs in Hertfordshire, to discuss the funding decisions being made by HVCCG and to establish whether there was any scope to achieve a different outcome. Following that discussion the HVCCG Accountable Officer contacted the Council which resulted in an offer of £4.5m for the coming year 2017/18.
- 4.13. The paper being presented to the HVCCG Board stated that the Board should decide whether to make a further payment of £8.5m in 2017/18 on a non-recurrent basis and that, if the Board decided not to do so, whether to phase the withdrawal of funding by making a contribution of £4.5m in 2017/18 with the full withdrawal taking effect in 2018/19. Also identified in this paper is that the Board will discuss future grants with the Council.
- 4.14. It was highlighted that the Board paper does accept that payments were made in previous years in recognition of HCS's worsening financial position. The Accountable Officer also agreed that no

conditions or outcomes had been attached to this funding. HCS has since written to HVCCG to confirm what investments and spending is made with this funding and this was acknowledged by the Accountable Officer.

Members were informed the possibility of a reduced amount of £4.5m had been discussed with senior commissioning managers in the Council. While this does have an impact on the quality and provision of care, they are working on how service adjustments would be managed to cause minimal impact on users.

- 4.15. Officers stated that for future arrangements it will pursue and mutually agree tighter governance going forward to protect funding agreements. This was supported by Members who maintain that more needed to be done to establish improved notice periods and better engagement should similar circumstances be encountered in the future.
- 4.16. The Committee heard from Hertfordshire Community Trust (HCT) on how HVCCG savings proposals for future years have impacted on the Trust.
- 4.17. HCT is commissioned by HVCCG to provide services in west Hertfordshire. On the 22 February the Health Scrutiny Committee was informed of HCT's plans for service changes in west Hertfordshire. These service changes had been brought about by HVCCG cutting the Trust's funding for 2017/18 and, as a consequence, HCT has planned service changes in the west of the county. HCT put forward a proposal on the closure of its transition bed service in St Albans City Hospital (SACH) with a view to increase the number of beds at Langley House in Watford; use of a ward at Hemel Hempstead Hospital (the Trust is in discussion with West Herts Hospital Trust (WHHT) in relation to the latter) and an increase of services delivered in the home. However, there is concern around its ability to deliver these services. The sustainability of these changes relies on the recruitment and upskilling of an increased number of care staff and on the ability of WHHT to support this initiative. This is an issue as the recent Care Quality Commission (CQC) re-inspection, moved the trust from "inadequate" to "requires improvement".
- 4.18. St Albans City & District Council passed a motion at its full Council meeting (22 February 2017) noting its dismay regarding "the decision of the Herts Valleys Clinical Commissioning Group to cut funding from the Hertfordshire Community NHS Trust." Subsequently the Chairman of the Health Scrutiny Committee and St Albans members discussed this matter and the Chairman has determined that this is relevant to the main item of the Committee's business and HCT was invited to this meeting of the Committee meeting in a witness capacity.
- 4.19. HCT highlighted that it feels closer partnership working is the only way services could continue to deliver what was required. HCT confirmed

that it is looking to optimise working with the voluntary and third sector and with social care. The HCT representative wanted to reassure the Committee that there is effective working with all partners, while recognising difficult situations that are likely become more challenging.

## **5. Conclusions**

- 5.1. The Committee expressed its concern about the quality of the report to the HVCCG board, in that, in the Committee's view, it was limited, does not include a detailed analysis of impacts, does not refer to papers that have been presented in evidence to this Committee, and does not acknowledge that all requested information from the Council has been provided.
- 5.2. With regard to the Equality Impact Assessment, the lack of numerical data and specific response to the protected characteristics did not give members confidence that the HVCCG Board had the level of information to take the decisions before it. Additionally, it is difficult for members to understand how the Board could be confident that the Impact Assessment provides enough information as to the impact of reduced or no funding on patients and the health service.
- 5.3. The Committee was disappointed that HVCCG had not been able to agree the full £8.5m funding for 2017/18. Members believe that the amount being recommended (£4.5m) to HVCCG Board for year 2017/18 should be committed for a longer time than a single year. . Members encouraged officers from HCS and HVCCG to discuss this further to clarify whether funding at this level past 2017/18 could be agreed. The Committee agreed that a final recommendation to Council would be deferred to the Health Scrutiny Committee meeting of the 16 March pending the final decision by the HVCCG Board.
- 5.4. The Accountable Officer confirmed that, at the Board meeting on the afternoon of the 9 March, he would inform the Board that although the paper suggests insufficient information has been shared with HVCCG from the Council, this is not the case and all information has been delivered. The Accountable Officer also confirmed that the information presented at the special scrutiny undertaken by the Committee on 8 February 2017 would be shared with the Board prior to them making a decision.

### **Background Information**

Report to Health Scrutiny Committee, 9 March 2017 [HSC 9/3/17](#)  
Report & Minutes, County Council, 21 February 2017 [Council Meeting 21/2/17](#)  
Report & Minutes, Health Scrutiny Committee, 8 February 2017 [HSC 8/2/17](#)  
Report & Minutes, Health Scrutiny Committee, 19 January 2017 [HSC 19/1/17](#)  
Minutes, Health Scrutiny Committee, 15 December 2016 [HSC 15/12/16](#)