Agenda

AGENDA for a meeting of the HEALTH SCRUTINY COMMITTEE In the COUNCIL CHAMBER, COUNTY HALL, HERTFORD on TUESDAY 12 DECEMBER 2017 AT 10.00AM

MEMBERS OF THE COMMITTEE (20) - QUORUM 7

COUNTY COUNCILLORS (10)
S Brown; E H Buckmaster; M A Eames-Petersen; F Guest; D Hart; M S Hearn; D J Hewitt; S Quilty *(Chairman);* R G Tindall; C J White *(Vice Chairman);*

DISTRICT/BOROUGH COUNCILLORS (10)
J Birnie (Dacorum); B Gibbard (St Albans); K Hastrick (Watford); J Green (North Herts); D Lambert (Hertsmere); M McKay (Stevenage); G Nicholson (Broxbourne); A Scarth (3 Rivers); N Symonds (East Herts); F Thomson (Welwyn Hatfield)

Meetings of the Scrutiny Committee are open to the public (this includes the press) and attendance is welcomed. However, there may be occasions when the public are excluded from the meeting for particular items of business. Any such items are taken at the end of the public part of the meeting and are listed under "Part II ('closed') agenda".

The Council Chamber is fitted with an audio system to assist those with hearing impairment. Anyone who wishes to use this should contact main (front) reception.

Members are reminded that:

(1) if they consider that they have a Disclosable Pecuniary Interest in any matter to be considered at the meeting they must declare that interest and must not participate in or vote on that matter unless a dispensation has been granted by the Standards Committee;
(2) if they consider that they have a Declarable Interest (as defined in paragraph 5.3 of the Code of Conduct for Members) in any matter to be considered at the meeting they must declare the existence and nature of that interest but they can speak and vote on the matter

PART I (PUBLIC) AGENDA

1. MINUTES [SC.8]

10.00am To confirm the Minutes of the meeting held on 5 October 2017.

2. PUBLIC PETITIONS [SC.11]

The opportunity for any member of the public, being resident in Hertfordshire, to present a petition relating to a matter with which the Council is concerned, which is relevant to the remit of this Committee and which contains signatories who are either resident in or who work in Hertfordshire.

Members of the public who are considering raising an issue of concern via a petition are advised to contact their local member of the Council. The Council's criterion and arrangements for the receipt of petitions are set out in Annex 22 - Petitions Scheme of the Constitution.

If you have any queries about the petitions procedure for this meeting please contact Elaine Manzi, by telephone on (01992) 588062 or by e-mail to elaine.manzi@hertfordshire.gov.uk.

At the time of the publication of this agenda no notices of petitions have been received.

3. INTRODUCTION TO FINANCE SCRUTINY
Report of the Head of Scrutiny

10.05am

4. HERTFORDSHIRE PARTNERSHIP UNIVERSITY FOUNDATION NHS TRUST (HPFT) FINANCE SCRUTINY

10.15am *Reports of the Head of Scrutiny & HPFT*

5. WEST HERTFORDSHIRE HOSPITALS NHS TRUST (WHHT) FINANCE SCRUTINY

10.45am *Report of the Head of Scrutiny & WHHT*

6. PRINCESS ALEXANDRA HOSPITAL NHS TRUST (PAH) FINANCE SCRUTINY

11.15am *Report of the Head of Scrutiny & PAH*

7. MORNING SUMMARY

11.45am

8. SCRUTINY WORK PROGRAMME REPORT

Reports of the Head of Scrutiny

12.15pm

- Overview & Scrutiny Committee & Health Scrutiny Committee Work Programme
- Nascot Lawn Respite Centre Update
- Child & Adolescent Mental Health Service (CAMHS) Topic Group Scope
- Impact of Scrutiny Sub-Committee verbal update (ISSC)

9. HERTFORDSHIRE HEALTH CONCORDAT UPDATE

12.25pm *Report of the Head of Scrutiny*

LUNCH

12.30pm

10. HERTFORDSHIRE COMMUNITY NHS TRUST (HCT) FINANCE SCRUTINY

1.30pm *Report of the Head of Scrutiny & HCT*

11. EAST & NORTH HERTS NHS TRUST (ENHT) FINANCE SCRUTINY

Report of the Head of Scrutiny & ENHT

2.00pm

12. EAST OF ENGLAND AMBULANCE SERVICE NHS TRUST (EEAST) FINANCE SCRUTINY

2.30pm *Report of the Head of Scrutiny & EEAST*

13. AFTERNOON SUMMARY

3.00pm

14. OTHER PART I BUSINESS

Such Part I (public) business which, if the Chairman agrees, is of sufficient urgency to warrant consideration.

15. ITEMS FOR REPORT TO THE COUNTY COUNCIL (Standing Order SC. 7(2))

To agree items for inclusion in the Committee's report to County Council. In the absence of a decision, a summary of all items will be reported

PART II ('CLOSED') AGENDA
EXCLUSION OF PRESS AND PUBLIC

There are no items of Part II (Confidential) business on this agenda. If items are notified the Chairman will move:

"That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph … of Part 1 of Schedule 12A to the said Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information."

If you require a copy of any of the reports mentioned above or require further information about this agenda please contact Elaine Manzi, Democratic Services Manager, Legal, Democratic and Statutory Services, on telephone no. 01992 588062 or email elaine.manzi@hertfordshire.gov.uk

Agenda documents are also available on the internet at

http://cmis.hertfordshire.gov.uk/hertfordshire/CabinetandCommittees.aspx

KATHRYN PETTITT
CHIEF LEGAL OFFICER

Minutes

To:	All Members of the Health Scrutiny Committee, Chief Executive, Chief Officers, All officers named for 'actions'	From:	Legal, Democratic & Statutory Services
		Ask for:	Elaine Manzi
		Ext:	28062

HEALTH SCRUTINY COMMITTEE
5 OCTOBER 2017

M I N U T E S

ATTENDANCE

MEMBERS OF THE COMMITTEE (20) - QUORUM 7

COUNTY COUNCILLORS (10)
F Button *(substituting for F Guest)*; M A Eames-Petersen; D Hart: D J Hewitt; S Quilty *(Chairman);* R G Tindall; C J White *(Vice Chairman)*

DISTRICT COUNCILLORS (10)
J Birnie (Dacorum); B Gibbard (St Albans); K Hastrick (Watford); J Green (North Herts); M McKay (Stevenage); G Nicholson (Broxbourne); A Scarth (3 Rivers) N Symonds (East Herts); F Thomson (Welwyn Hatfield)

OTHER MEMBERS IN ATTENDANCE
D Andrews; R C Deering; G McAndrew; M B J Mills-Bishop; C B Wyatt-Lowe

Upon consideration of the agenda for the Health Scrutiny Committee meeting on Thursday 5 October 2017 as circulated, copy annexed, conclusions were reached and are recorded below.

Note: No conflicts of interest were declared by any member of the Committee in relation to the matters on which conclusions were reached at this meeting.

PART 1 ('OPEN') BUSINESS

1. MINUTES

1.1 The minutes of the meeting of the 19 July 2017 were agreed and signed by the Chairman.

CHAIRMAN'S INITIALS

……

1.2 The Committee confirmed the receipt of the interim report update from the CCG's on the 'A Healthier Future' consultation.

1.3 The Chairman conveyed his thanks to all Members who participated in the Nascot Lawn Topic Group on the 6 September 2017. Members noted that responses from organisations to the published report were due to be received later in the month, and Committee would receive a full report on the Topic Group at the next meeting of the Health Scrutiny Committee on 12 December 2017. — Natalie Rotherham

1.4 The Chairman explained to Members that the situation with the Judicial Review relating Nascot Lawn continued to evolve and as such he would ask the Head of Scrutiny to request an update from Legal Services with regards to the current position, which would be circulated to Members. — Natalie Rotherham

1.5 Members expressed concern regarding the fact that staff are leaving or have already left Nascot Lawn due to the risk of closure, and as such this was already having an impact on service delivery within the centre.

2. PUBLIC PETITIONS

2.1 None received.

3. SUSTAINABILITY & TRANSFORMATION PARTNERSHIP (STP) UPDATE

Officer Contact: Natalie Rotherham, Head of Scrutiny, Hertfordshire County Council (Tel: 01992 588485)

Tom Cahill (STP Lead) (Tel: 01707 253900)

3.1 Tom Cahill, STP Lead for Hertfordshire & west Essex provided the committee with an update of the work of the Sustainability & Transformation Partnership (STP).

3.2 The update detailed for the Committee the aims, challenges and priorities for the STP nationally, as well as explaining the governance structure as outlined in the report.

3.3 It was noted that there are 44 STPS across the country. Hertfordshire & west Essex STP is currently ranked as 'making progress'.

3.4

CHAIRMAN'S INITIALS

……

The Committee noted that one of the biggest challenges and risks for the Hertfordshire and west Essex STP was the overall financial position due to a significant overspend within the NHS (£90m), which would only increase without interventionary transformation resolution measures. The STP are expected to deliver an agreed £40m total control. It was noted that in terms of local challenges, within this STP region, both the Princess Alexandra NHS Trust and the West Herts Hospital Trust are both currently in special measures.

3.5 The Committee was advised that it was widely acknowledged that transformation of services was a long and complex journey, and that the forthcoming winter would provide its own challenges to the NHS, but the STP were committed to deliver the changes needed.

3.6 Members were reminded that part of the transformation was to explore the possibilities of a new architecture for health and social services through Accountable Care Systems and Accountable Care Organisations which would potentially mean a reduction in contractual and commissioning issues, although it was stressed that this was by no means set in stone at this stage.

3.7 The Chairman thanked the STP Lead for his report, and before taking Member questions asked whether Mr Cahill in his other capacity as Chief Executive of the Hertfordshire Partnership Foundation Trust (HPFT), to share his initial thoughts on the Government announcement regarding a review of the Mental Health Act. The Chairman stressed that the Committee would not be permitted to ask further questions on this at this stage.

3.8 The Committee was advised that whilst it was too soon to make any detailed analysis, it had been recognised within mental health services for a considerable time that too many people were being sectioned and that in particular, too many people from black and minority ethnic (BME) backgrounds were being sectioned, therefore a review was welcomed. From a personal perspective, Mr Cahill stated that the review of mental health home care was of particular interest to him.

3.9 The Chairman then invited the Committee to ask questions regarding the STP update.

3.10 In response to a Member concern regarding the fact that the STP region did not just cover Hertfordshire but also included west Essex, it was noted that 40% of patients who attend the Princess Alexandra Hospital are from Hertfordshire, so it was a

CHAIRMAN'S INITIALS

……

logistical decision that the regional STP should also cover this area as challenges overlap geographical boundaries.

3.11 Members acknowledged that prevention was also key to achieving the transformation challenges and that the Director for Public Health within the council was leading on this workstream**.** It was noted that work had already commenced with District Councils to explore how this could be achieved.

3.12 It was established that in addition, ongoing work was being undertaken to encourage increased public engagement with pharmacies and expanding the use of technology including text reminders for preventative measures such as 'flu jabs.

3.13 In response to Member questions regarding discharge of care and CAMHS referrals, although it was noted that these were areas that the STP were considering, the Head of Scrutiny assured Members that these were areas that were on the workplan for the Health Scrutiny Committee and that topic groups would be convened in due course to examine these areas in more detail. The CAMHS Topic group scope had been drafted and would be shared with Members as soon as it had been approved.

3.14 Further to Member concern regarding the mixed success of the Better Care Fund, Mr Cahill stated that he felt that on balance, the success of the Better Care Fund within the region had been good**.**

3.15 Members received assurance that although the name of the STP had changed from Sustainability Transformation Plan to Sustainability Transformation Partnership, this did not mean that the level of accountability or monitoring had decreased, the change merely strengthened the emphasis on partnership working which was key to the success of plans that had initially been drawn up at the start of the directive.

3.16 Members received further assurance that consideration was also being given to the balance between social and NHS care need and the STP were very supportive to changes within social care practice and delivery and were working closely with social care colleagues to achieve the common goal of better outcomes.

3.17 Members acknowledged that there was currently no specific timeline to the STP developments outlined and that the speed and success of these was fully dependent on the full collaboration of partner organisations. Members learnt that as

CHAIRMAN'S INITIALS

……

an entity the STP has no authority to force organisations to implement change, but it does work to encourage, support and nurture organisations to undertake the change, and be open about the challenges faced.

3.18 In response to a Member question, it was noted that the review of the back office staff would not include consideration of the executive as the STP does not have that authority

3.19 The Chairman thanked Mr Cahill for his responses and requested that the Committee be kept informed through briefings or further attendance at Committee with any future significant developments to the STP.

3.20 CONCLUSION:

The Committee noted the STP Update Report.

4. NATIONAL AMBULANCE RESPONSE PROGRAMME (ARP)

[Officer Contact: Natalie Rotherham, Head of Scrutiny
Hertfordshire County Council
(Tel: 01992 588485)

Dave Fountain, Deputy Director of Service Delivery for the West Locality (Tel: 07767 342602)

4.1 Dave Fountain, Deputy Director of Service Delivery for the West Locality for the East of England Ambulance Service (EEAST) introduced the committee to the item on National Ambulance Response Programme (ARP).

4.2 Darren Meads, Head of Performance (EEAST), provided the Committee with the detail to the report, and explained that the programme was being rolled out nationally with the introduction in Hertfordshire's region taking place on 18 October 2017.

4.3 The Committee learnt that the main outcome of the programme, as detailed in the report, was that the number of categories of call was to be reduced from six to four with the introduction of new pre-triage questions.

4.4 It was noted that the main aim of the programme was to reduce the number of vehicles used to respond to non-emergency call outs.

CHAIRMAN'S INITIALS

……

4.5 Members noted and broadly welcomed the programme, but expressed concern regarding delayed transfers of care. The Head of Scrutiny reiterated her earlier point that Delayed Transfers of Care was to be scrutinised through a topic group in due course, of which EEAST would be one of the key organisations involved. EEAST officers acknowledged that delayed Transfers of Care was a concern in the west of the county, but the Lister Hospital in the east had a particularly good system, which considered a discharge plan almost at the point of admission.

4.6 In response to Member questions as to how the Committee would receive updates on the success of the programme, it was agreed that EEAST representatives would return to a future meeting to provide this, and would also provide a couple of update briefings in the interim.

4.7 Further to Committee concerns regarding the cost and number of private ambulances being utilised, it was acknowledged that at present, due to vacancies, there was still some reliance on the use of private ambulances to cover the shortfall and meet demand however this number has declined from 64 to around eight per day across Hertfordshire and Bedfordshire

4.8 During discussion, it was noted that at the meeting of the Overview & Scrutiny Committee (OSC) on 29 September 2017, OSC Members had received a paper detailing the use and work of Fire & Rescue Co-Responders. It was agreed that the paper on Fire & Rescue Co-Responders would be circulated to HSC Members. It was noted that although this pilot scheme had initially included collaboration from colleagues from Bedfordshire Fire and Rescue Service, this was now only taking place within Hertfordshire. Natalie Rotherham

4.9 Members learnt, that as with every winter, this winter would put extra strain on the Ambulance Service, along with other NHS services. Planning and contingency had been put in place to mitigate the impacts, although there could be no full guarantee that this demand would not affect performance.

4.10 In response to a Member question, assurance received that internal monitoring of the ambulance service does take place and incidents of delayed or failed response are investigated.

4.11 Members attention was drawn to point 3.7 of the report from EEAST which detailed the invitation for Members to site visits to stations in the east and the west of the county to facilitate a

CHAIRMAN'S INITIALS

……

	greater understanding of the work of the service. Members were advised that the invitation would also be extended to visiting the call centre for the region in Bedfordshire. Full details of the visits would be circulated in due course and Members were encouraged to attend these where possible.	All Members/Natalie Rotherham
4.12	The Chairman thanked the EEAST officers for their contribution to the meeting regarding the ARP. He then invited them to provide an update on a development that had occurred earlier in the week with regards to the Private Ambulance Service, a non-emergency transport service contracted within the region, going into liquidation, and the stopping of services occurring with immediate effect.	
4.13	Members learnt that since the notification, EEAST had worked with voluntary services such as St John Ambulance and the Red Cross to ensure that any patient who was most in need of the service (i.e. needing to receive a service such as chemotherapy or dialysis) had been transported to their appointment.	
4.14	Members expressed their disappointment at the fact that the Private Ambulance Service had provided no indication that this event was likely and thanked EEAST and the voluntary sector for assisting patients at this difficult time.	
4.15	It was agreed that updates on the future developments for the non-emergency ambulance service wold be brought back/circulated to Committee as applicable.	Natalie Rotherham
4.16	**CONCLUSION:** The Committee noted the report on the National Ambulance Response Programme (ARP).	
5	**HEALTH SCRUTINY COMMITTEE WORK PROGRAMME**	
5a	**PROPOSED ANNUAL SCRUTINY OF HEALTH PROVIDERS FINANCES 2018/2019** Officer Contact: Natalie Rotherham, Head of Scrutiny Hertfordshire County Council (Tel: 01992 588485)	

CHAIRMAN'S INITIALS

……

5a.1 The Committee was presented with the proposed outline of the Annual Finance Scrutiny for Health Providers, scheduled to take place at the December meeting of the Health Scrutiny Committee.

5a.2 The Head of Scrutiny explained that it was proposed to separate the scrutiny of finances and the quality accounts scrutiny, traditionally both held in March, as feedback from both members and health organisations had highlighted the difficulty of satisfactorily scrutinising both at the same event. Undertaking separate scrutinies would enable a more detailed analysis in each area to take place.

5a.3 Members heard that the questions contained within the report had been written in conjunction with health providers, Healthwatch and finance colleagues to ensure that they were as relevant, accurate and contemporary as possible, and would also allow capacity for Members to ask supplementary questions if and when required.

Natalie Rotherham

5a.4 Members learnt that the scrutiny would take place entirely in the Council Chamber, under a timed agenda, thus enabling all Members to hear details from all providers. Members would be split into groups prior to the meeting; each assigned to one health provider, and that the lead member for each group be expected to consult with group members in advance of the meeting to agree what supplementary questions of their allocated provider would be relevant to be asked. Further details on the logistics of the meeting were still being developed and would be circulated to Members in due course.

5a.5 In response to Member concerns regarding the amount of paperwork this would entail, it was noted that providers would be guided to complete responses to questions on a specific number of pages and this would be checked by Scrutiny and Finance Officers prior to being circulated to Members to ensure that this provided enough detail, but was also succinct.

5a.6 It was clarified that the Clinical Commissioning Groups (CCGs) were not on the list of health providers to be scrutinised. The CCGs regularly attend Health Scrutiny Committee and had already undergone varying analysis of respective finances during the year, however, it was agreed in principal that they would be called for a full finance scrutiny in 2018.

CHAIRMAN'S INITIALS

……

5a.7	In response to a Member request, it was agreed to add the word outturn to question 2 of the questions, so the question would read as follows: 'Please set out your current 2017/18 **outturn** forecast position and any key risks to delivery'.	Natalie Rotherham
5a.8	Members were encouraged to read the 'Glossary for NHS Finance and Governance' to assist them with the Scrutiny.	
5a.9	During discussion the question was raised as to whether Members would receive any support from graduate trainees for the Scrutiny of Provider Finances, as it was noted that they had proved to be an invaluable assistance in previous traditional scrutinies. Officers would ask whether this would be a possible.	Natalie Rotherham
	CONCLUSION:	
5a.10	The Committee agreed to the proposed plan for the Scrutiny of Health Provider Finances.	
5a.11	The Committee agreed to the questions to be asked of health providers in the Scrutiny of Health Provider Finances, subject to the minor amendment as outlined in 5a.7.	
5b	**PROPOSED ANNUAL SCRUTINY OF HEALTH PROVIDER QUALITY ACCOUNTS 2017/18- 2018/2019**	
	Officer Contact: Natalie Rotherham, Head of Scrutiny Hertfordshire County Council (Tel: 01992 588485)	
5b.1	The Committee was presented with the proposed outline and questions for the Annual Quality Accounts Scrutiny for Health Providers, scheduled to take place during the March meetings of the Health Scrutiny Committee.	
5b.2	Members noted that as discussed in Agenda Item 5a, the Scrutiny would now be separated from the Scrutiny of Health Provider Finances in order to increase clarity and ability to analyse in more detail for Members.	
5b.3	The Committee learnt that aside from the separation of finances and quality accounts, the format for the scrutiny would be the same as previous years, with Members being split into groups in break out rooms on Day 1 of the Scrutiny, and assigned to analyse the priorities proposed by an organisation	Natalie Rotherham

CHAIRMAN'S INITIALS

……

	for its quality account of one allocated health provider with the view to providing feedback on this to the Committee on Day 2. Further details on this would be provided to Members in due course.	
5b.4	It was established that the questions contained within the report had been written in conjunction with health providers and Healthwatch colleagues to ensure that they were as relevant, accurate and contemporary, as possible, and would also allow capacity for Members to ask supplementary questions if and when required	
5b.5	In response to a Member request, it was agreed to incorporate 'lessons learnt' to one of the questions detailed within the report.	Natalie Rotherham
5b.6	The Committee agreed to the proposed plan for the Scrutiny of Health Provider Quality Accounts.	
5b.7	The Committee agreed to the questions to be asked of health providers in the Scrutiny of Health Provider Quality Accounts, subject to the minor amendment as outlined in 5b.5	
6.	**OTHER PART I BUSINESS** Such Part I (public) business which, if the Chairman agrees, is of sufficient urgency to warrant consideration.	
6.1	No other Part I business was recorded.	
7	**ITEMS FOR REPORT TO THE COUNTY COUNCIL** **(STANDING ORDER SC7(2))**	
7.1	A summary of these items will be reported to County Council.	
7.2	Further to a request from the Vice-Chairman, it was agreed that the issue regarding the cancellation of the non-emergency ambulance contract should be a separate item within the report to County Council.	Elaine Manzi

CHAIRMAN'S INITIALS

……

KATHRYN PETTITT
CHIEF LEGAL OFFICER

CHAIRMAN……

CHAIRMAN'S INITIALS

…….

HERTFORDSHIRE COUNTY COUNCIL

HEALTH SCRUTINY COMMITTEE
TUESDAY 12 DECEMBER 2017 AT 10.00AM

Agenda Item No.

3

FINANCE SCRUTINY INTRODUCTION

Report of the Head of Scrutiny

Author: Elaine Manzi, Democratic Services Officer (Tel: 01992 588062)

1. Purpose of report

1.1 To provide Health Scrutiny Committee with an introduction to, and background information for, the Health Scrutiny Committee health provider finance scrutiny.

2. Summary

2.1 The Head of Scrutiny will provide a verbal introduction to the health provider finance scrutiny.

2.2 A glossary of health provider acronyms used within their reports is attached as Appendix 1 to this report.

2.3 A glossary for NHS and Local Government Finance & Governance can be found here: http://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/684/Committee/12/Default.aspx

2.4 As agreed at Health Scrutiny Committee on 5 October 2017, Members will be separated into three groups, and each group will be allocated two health providers to scrutinise, one in the morning and one in the afternoon. Details of Member allocations are contained as Appendix 2 to this report.

3. Recommendation

3.1 That the Committee notes the reports attached as Appendices 1 and 2 to this report.

Finance Glossary
(with notes)

ABBREVIATION	IN FULL
ABI	Acquired Brain Injury
Acute Trust (or hospital)	Run secondary and emergency care, and can provide very specialist care e.g. specialist trauma centres.
ARP	Ambulance Response Programme - taking time to work out the best transport for the patient, prioritising patients
Biosimilar	Also known as follow-on biologic or subsequent entry biologic. A biosimilar is a biologic medical product which is almost an identical copy of an original product that is manufactured by a different company.
CAMHS	Child and Adolescent Mental Health Services includes all services that work with children and young people who have difficulties with their emotional or behavioural wellbeing.
CCG	Clinical Commissioning Group is clinically-led statutory NHS bodies responsible for the planning and commissioning of health care services for their local area.
CIP	Cost Improvement Plans
COMMISSIONER / COMMISSIONING	See **CCG**
CQC	Care Quality Commission is a department of the Department of Health. It was established to regulate and inspect health and social care services in England (**website**)
CQUIN	Commissioning for Quality and Innovation was introduced in 2009 to make a proportion of healthcare providers' income conditional on demonstrating improvements in quality and innovation in specified areas of patient care.
CRES	Cash Releasing Efficiency Savings
ED	Emergency Department
EEAST	East of England Ambulance Service Trust is the authority responsible for providing National Health Service (NHS) ambulance services in the counties of Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk, in the East of England region. These consist of 5.8 million people and 7,500 square miles. (**website**)
ENHCCG	East & North CCG (see **CCG**). Commissions services for the east and north of Herts. (**website**)
ENHT	East & North Herts NHS Trust provides a range of general and specialist services at

	• Hertford County Hospital, Hertford • The Lister Hospital, Stevenage • Mount Vernon Cancer Centre, Northwood • QEII Hospital, Welwyn Garden City (**website**)
eObs	Electronic observation packages
GP	General Practitioner. There are 166 GP practices in Herts. They provide primary care for their patients and outside emergencies act as the gateway to acute and other care
HCT	Hertfordshire Community NHS Trust provides a range of health services for adults and children who live across the county (**website**)
Healthwatch England	Umbrella organisation for Healthwatch Hertfordshire (see **HWH**)
HPFT	Hertfordshire Partnership University NHS Foundation Trust provides mental health and learning difficulty services in Hertfordshire, England and neighbouring areas. It was granted University Trust Status in January 2013 (**website**)
HVCCG	Herts Valleys CCG (see **CCG**). Commissions services for the west of Herts. (**website**)
HWB	Health & Wellbeing Board. Established and hosted by local authorities, health and wellbeing boards bring together the NHS, public health, adult social care and children's services, including elected representatives and Local Healthwatch, to plan how best to meet the needs of their local population and tackle local inequalities in health
IAPT	Improving Access to Psychological Therapies
ISR	Independent Service Review (ISR)
JSNA	Joint Strategic Needs Assessment looks at the specific health and wellbeing needs of the local population and points out areas of inequality. It helps public bodies decide what type of local services to commission. Herts JSNA (website)
Keogh reports	A review of the quality of care and treatment being provided by those hospital trusts in England that have had higher than average mortality rates
LD	A learning disability is a reduced intellectual ability and difficulty with everyday activities – for example household tasks, socialising or managing money – which affects someone for their whole life.
LTFM	Long Term Financial Model
Lord Carter Review	Lord Carter chaired a review of the operational efficiency in acute hospitals. He is leading a programme with NHSI on productivity and efficiency and remove hospital variances. It estimated that a 1% improvement in staff productivity would save the

	NHS £280 million a year. It benchmarked all NHS organisations. Lord Carter looking to develop "the model hospital"
Lorenzo	Lorenzo is a patient administration system (PAS) with additional clinical information systems functionality. Went live at ENHT in September.
Member Lord Carter MH Cohort	The NHSI team are looking to develop a similar approach for Mental Health and Community Trusts. Lord Carter visited us about 12 months ago and we were invited to join a cohort of MH and community Trusts to develop the programme and areas for focus to be rolled out nationally. That work is underway.
MH	Mental health
MHSOP	Mental Health Services for Older People
Model hospital	*See Lord Carter*
MVCC	Mount Vernon Cancer Centre (managed by ENHT)
NHSE	NHS England oversees the budget, planning, delivery and day-to-day operation of the commissioning side of the NHS in England. It holds the contracts for GPs and NHS dentists. (**website**)
NHSI	NHS Improvement's focus is to ensure that patients receive consistently safe, high quality, compassionate care within local health systems that are financially sustainable. It includes the functions previously carried out by Monitor. (**website**)
NHSP	NHS Professional is a recruitment agency for temp workers
PAH	Princess Alexandra Hospital (Harlow). Used by residents from Herts. (**website**)
PAS	Patient Administration System
Lorenzo	Lorenzo is a type of PAS
PLICS	Patient Level Costing
PICU	Psychiatric Intensive Care Unit an inpatient facility for users who are too ill to be safely looked after on an acute psychiatry ward.
PMO	Project Management Office
PROVIDER	Delivers services e.g. mental health services
QIPP	Quality, Innovation, Productivity and Prevention intended to achieve savings within the NHS.
QSDS	Quality and Service Development Strategy
SOC	Strategic Outline Case
SOF	Single Oversight Framework
Special Measures	Following a CQC inspection if a health organisation is deemed to be providing inadequate care it is placed in special measures. This is a process designed to ensure there is a timely and coordinated response where the standard of care is judged to be inadequate.
SPPQRG	Service Performance Quality Review Group

Francis Report (Staffordshire report)	This was prompted by the avoidable deaths that occurred at the Stafford Hospital.
STF	Sustainability And Transformation Funding
STP	Strategic Transformation Partnership. It is a partnership to improve health and care developed proposals built around the needs of the whole population in the area, not just those of individual organisations. (see link to **Healthier Future)**
TPP	Total Pathology Partnership
TPP - IT System	Total Pathology Partnership IT System
Turnaround	Following a financial audit by NHSE, a **CCG** can be placed in turnaround and an interim director is appointed to oversee this to advise and recommend action on future savings proposals.
VFM	Value for Money
WAU	Weighted Average Unit
WHHT	West Herts Hospital Trust provides a range of general and specialist services at • Watford General Hospital, Watford • St Albans City Hospital, St Albans • Hemel Hempstead Hospital, Hemel Hempstead (**website**)
YCYF	Your Care Your Future is a strategy developed by the NHS organisations in west Herts with HCC. It seeks to address how health and social care services can be provided more effectively in the future and to ensure that local people receive the right care, at the right time and in the right place. (website)
YTD	Year to date

Item 3 – Appendix 2

Finance Scrutiny Groups (as of 23 November 2017)

Group no	Group Chair	Members	Morning Scrutiny	Afternoon Scrutiny
1	Chris White	Margaret Eames-Petersen Dee Hart David Lambert Fiona Thomson Kareen Hastrick	WEST HERTFORDSHIRE HOSPITALS NHS TRUST (WHHT)	HERTFORDSHIRE COMMUNITY NHS TRUST (HCT)
2	Eric Buckmaster	Fiona Guest Norma Symonds/Angela Alder Alison Scarth Ron Tindall Gordon Nicholson	PRINCESS ALEXANDRA HOSPITAL NHS TRUST (PAH)	EAST OF ENGLAND AMBULANCE SERVICE NHS TRUST (EEAST)
3	Dave Hewitt	Brian Gibbard John Birnie Jean Green Maureen McKay Michael Hearn Susan Brown	HERTFORDSHIRE PARTNERSHIP UNIVERSITY FOUNDATION NHS TRUST (HPFT)	EAST & NORTH HERTS NHS TRUST (ENHT) FINANCE SCRUTINY

HERTFORDSHIRE COUNTY COUNCIL

HEALTH SCRUTINY COMMITTEE
TUESDAY 12 DECEMBER 2017 AT 10.00AM

Agenda Item No.

4

HERTFORDSHIRE PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST (HPFT) FINANCE SCRUTINY

Report of the Head of Scrutiny

Author: Elaine Manzi, Democratic Services Officer (Tel: 01992 588062)

1. Purpose of report

1.1 To provide Health Scrutiny Committee with the progress on a page (POP) summary and responses to the finance scrutiny questions from the Hertfordshire Partnership University Foundation NHS Trust (HPFT). These are attached as Appendices 1 and 2 to this report.

2. Summary

2.1 Further to the health provider finance scrutiny questions being agreed at Health Scrutiny Committee on 5 October 2017, the responses from HPFT are attached.

2.2 A glossary of acronyms used within all health providers finance responses can be found at Item 2, Appendix 1.

3. Recommendation

3.1 That the Committee notes the reports attached as Appendices 1 and 2 to this report.

Hertfordshire Partnership University NHS Foundation Trust

Strategic Direction:

To help people of all ages live their lives to their fullest potential by supporting them to keep mentally and physically well.

Key priorities and programmes:

- Delivering consistent timely access to services
- Improve physical care of service users
- Delivery against prevention & wellbeing priorities within the Quality and Service Development Strategy
- Continued improved engagement of our workforce
- Further developing our leadership through our Collective Leadership approach
- Creation of new roles and use of apprenticeship model
- Robust local recruitment and retention plans supporting greater flexible working
- Development of our EPR and business intelligence systems
- Improved data quality and recording
- Successfully embedding innovative and more productive ways of working e.g. using technology more effectively, agile working, back office, valuing service user time
- Role out of Safe Care tool across services
- Successful delivery of key 'integration projects' through work with our partners e.g. Hemel hub
- joint work with GPs resulting in improved referral and discharge pathways
- Continued leadership of key system functions and programmes

Key services provided:

We provide mental health and learning disabilities inpatient care and treatment in the community for young people, adults and older people in Hertfordshire, along with:-

- Learning disability services in Buckinghamshire
- Wellbeing and learning disability services in North Essex
- Forensic and learning disability service in Norfolk

Key risks in achieving budget:

- Increasing demographic, demand and acuity pressures with significant pressure on:
  - access times
  - Secondary commissioning for long-term health placements, social care placements and social care packages
- Increasing acuity
- Recruitment & retention and related pay cost pressures
- Delivery of efficiencies without impacting quality
- Impact of social care reductions
- Enabling appropriate investment to drive key programmes and initiatives

Hertfordshire Partnership University NHS Foundation Trust

Net Revenue Budge [bar chart]:

Key Revenue Pressures:

- Demography, particularly west Herts
- Agency premium
- Recruitment & retention initiatives
- Secondary commissioning demand

Summary Revenue Budget Movements

	2017/18 TOTAL £000s	2018/19 TOTAL £000s	2019/20 TOTAL £000s	2020/21 TOTAL £000s
Technical Adjustment				
Demography				
Legislative				
Other Pressures				
TOTAL PRESSURES				
Existing Efficiencies				
New Efficiencies				
TOTAL SAVINGS				

Key Revenue Savings Proposals:

- Reduction in reliance on temporary staffing
- Reducing demand for beds
- Improved out-of-hours capacity and capability
- Improving acute pathway
- Focus on value adding activities
- Role design and workforce for the future
- Back office consolidation/rationalisation
- Procurement opportunities
- Estates rationalisation

	2017/18 £m	2018/19 £m	2019/20 £m
Capital Programme	11.8	4.8	5.0

Key Capital Schemes:

- Integrated Marlowes Health & Well-being Centre
- Hitchin Hub (Centenary House)
- Logandene Refurbishment
- CAMHS place of Safety (Forest House)

HSC FINANCE SCRUTINY QUESTIONS

1. Please summarise the Trust's 2017/18 financial plan – i.e. your start position, agreed control total, key elements of the plan including STF (sustainability and transformation funding).

The underlying outturn position for FY1617 was a c.£1m surplus (excluding STF) generally in line with the planned control total.

The control total and other related targets for the Trust are set out in a letter from NHSI of September 30th 2016 as follows:

- Increasing control total (surplus) requirement 'as a minimum':
  - 17/18 £786k plus £1.262m STF
  - 18/19 £977k plus £1.262m STF
- No performance 'fines' against national standards if control totals accepted
- Agency expenditure cap held at £8.525m

Planning guidance requires that "*Commissioners must continue to increase investment in mental health services each year at a level which at least matches their overall expenditure increase*". 2017/18 is the second year of three year contract arrangements covering c.90% of Trust income. CCG allocations see both principal commissioners receive allocations at circa 3%. Hertfordshire CCGs account for c.68% of total income and funding negotiations concluded with East & North Herts CCG meeting this commitment in full and Herts Valleys CCG meeting it in part.

Other key elements of the plan are:

- Full year effect of 2016/17 CCG investment is modelled on a neutral basis, identifying quality and access standards for First Episode Psychosis and IAPT as key target areas.
- Where funding for demographic uplift has been made available it is included on a neutral basis.
- Pay includes the amounts for pay incentives and increments. The pay element of Cash Releasing Efficiency Savings (CRES) principally relates to agency savings and reflects plans to achieve the NHSI agency expenditure ceiling as a minimum.
- Other direct costs relate principally to secondary commissioning costs. This is the area where the largest portion of CRES is expected to be delivered.
- Overhead CRES savings are planned within corporate support staff, procurement and estates/facilities through back office consolidation.

2. Please set out your current 2017/18 forecast outturn position and key risks to delivery.

At this point it is expected that the Trust's control total will be met at the end of the year. However it should be noted that there are key headline risks to this:-

- Pay is currently underspent but has increased year to date and the trend is rising.
- Secondary commissioning for long-term health placements, social care placements and social care packages have not yet started to achieve the savings planned for the year and demand is increasing.
- Demand has continued to increase with significant pressure on access times for adult community services

In the last year:

3. Please identify any significant commissioning / contractual issues not yet reflected into the 2017/18 plan (i.e. differences between commissioner and provider positions)

Contractual positions have been agreed and there are no significant outstanding issues for 2017/18.

4. Please summarise your 2017/18 savings plans, current progress and expected impacts / key risks.

The CRES requirement for 2017/18 was set at £5.7m. This included the requirement from Hertfordshire County Council for HPFT to find £1m in savings from its Social Care budget during 2017-18.

Likely recurrent programme delivery is currently forecast at c. £4.2m, which is £1.5m below the overall requirement. Whilst this can be met non-recurrently this year with additional schemes worked which contribute a further c. £0.8m to the position, any shortfall met non-recurrently will impact as an increased requirement in the next period.

- Seeking to build longer term sustainable schemes - Quality & Value
- Current recurrent forecast £4.2m
- Investing in innovation & technology
- Member Lord Carter MH Cohort

CRES Workstream	Overarching Project	Plan 2017/18 £m
Reduction in Pay (Agency)	Balanced Teams	0.8
	Value in Community	0.5
SBU Schemes		
Demand for Beds (placements)	Innovation & Improvement	0.5
Acute Pathway – Red to green		0.8
Increasing Value Added Time		0.5
Workforce for the Future		0.5
Social Care		0.7
Support Services	Back Office Consolidation	0.6
Procurement		0.3
Estates Rationalisation	Modernising our Estate	0.5
	Total	5.7

Assessment of Current Plans and Associated Risks

Social Care

The 2017/18 requirement is £1m (4.3%) against a c.£23m income budget. This level of efficiency is very challenging. Efficiency savings totalling c.£650k have been identified and discussions are progressing with the County Council to meet the available funding envelope.

Agency:

- The trust submitted its agency reduction Plan to NHSI in May. As at month 6 the Trust has spent £4,477k on agency staff (£611k in month) which is £209k above the year to date Plan figure and £214k above the ceiling.
- The trend for actual spend indicates that spend is now relatively static when compared to the reduction plan, particularly for community based services.

Placement/ bed costs

- Overall secondary commissioning costs are above Plan at month 6 with demand pressures for health, social care placements offsetting efficiency gains. The plan also requires maintaining an average of 3-4 PICU and 1-2 Acute external placements for the remainder of the year whilst acuity and bed occupancy remains high, generally over 100%.

Overheads/ Corporate Services

- Corporate Services have underspent by c.£277k YTD and are expected to meet this year's CRES requirement.

Currently the main schemes are;

- The outsourcing of elements of financial services to a Shared Services provider from December 1st.
- Work within Procurement to identify some immediate contract savings whilst working on several major contracts renewals impacting in 2018/19.
- A review of Secure Transport services is being undertaken.
- Bringing together Estates & Facilities functions for HPFT and HCT

5. Please summarise CQUINs that apply to your organisation in 2017/18, financial value and expected outturn position

The 2017-19 CQUIN scheme is intended to deliver clinical quality improvements and drive transformational change. The scheme is designed to support the ambitions of the Five Year Forward View and directly link to the NHS Mandate. The Hertfordshire CQUIN for 2017/18 is a 2 year scheme as set out in the national guidance published in November 2016. Each of the 5 goals have been nationally mandated with no ability to locally negotiate any aspect of the scheme. This has a financial value of £2,103,600.

The 5 goals are:

1. NHS Staff and Wellbeing £421k – on track
    i. Improvement in related staff survey responses
    ii. Reduction of sugary drinks and foods high in fat, sugar and salt available to service users, staff and visitors
    iii. Improving the uptake of flu vaccinations
2. Child and Young Person Mental Health Transition £421k - on track
3. Improving physical healthcare for people with Severe Mental Illness £421k - on track
4. Improving services for people with mental health needs who present to A&E £421k (currently element of risk relating to A&E coding for Mental Health c.£34k)
5. Preventing ill health by risky behaviours – alcohol and tobacco £421k – on track

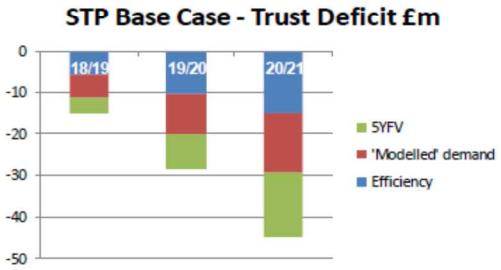
6. Please set out the longer term financial outlook for your organisation and summarise the key elements of your longer term financial sustainability plan

We are developing a culture of continuous learning, improvement and innovation, coupled with a well-established improvement approach. Creativity and innovation are actively encouraged and rewarded so that every person in the organisation routinely and systematically takes actions to improve the delivery of health care for our service users as part of their day to day work.

We have modelled our longer term sustainability in line with the Five Year forward View to 2021, including the impact of efficiency requirements within the national tariff, the impact of demand and the required development of priorities for mental health and learning disability services. The approach mirrors that set out within the STP process to determine the base case through a 'do nothing' scenario. This is described in the slide below:

- Managing demand
  - Inpatient demand & PICU
  - Community demand
  - Secondary Commissioning
- Increasing acuity levels
- Managing finances
  - Efficiency c.£15m
  - 'Modelled' demand c.£14.35m
  - National priorities c.£16m

- Integration
- Workforce
  - Recruitment & retention
  - Agency cap
  - Physical Healthcare
  - Workforce for the future



To address the financial aspects of this and support delivery of our Good to Great Strategy, we are developing a Service Development & Improvement Programme which is focused on customer experience and improvements to services which will also deliver efficiencies. The aim being to deliver efficient and sustainable services.

The programme builds on work undertaken with Mental Health Strategies and focuses on fourteen discrete workstreams which are being scoped and developed. As part of the scoping, appropriate metrics for measuring deliverability and timescales, together with indicative financial efficiency values are being established. The programme includes:

Wave 1	Wave 2
• Placements: Health, Social Care and Personal budgets • Review of Crisis Pathway • E-rostering • Income generation • Workforce • Agile Working	• MHSOP Stranded Patients • Adult Community Services • Rehab Strategy • Secure Rehab Unit • ABI/ Neuro Business Case • CAMHS Transformation • Patient Transport Service • Procurement

7. **How has the Trust reviewed its effectiveness and value for money in delivering service outcomes?**

We are a member of the MH & Community cohort of Trust's working with NHSI's Improvement Team as part of the development of Lord Carter's efficiency programme.The aim is to maximise the learning from our participation to support our Service Development & Improvement Programme. This includes:

- Tighter controls of rostering including the full roll out and utilisation of Safecare
- Participation in Pharmacy and Procurement workstreams
- Development of 'Community Productivity' model
- Participation in 'Back Office' opportunities

Further work with Mental Health Strategies

Capturing the suggested opportunities coming out of the following reviews which are currently taking place and feeding these into the CRES programme:

- IAPT
- CAMHS
- Learning Disabilities
- Organic services

Other opportunities

- Participation in national benchmarking work including additional NHSI exercises held in relation to corporate services
- Development of Service Line Reporting utilising this data to support the national work stream being led by NHSI to look at individual team metrics to identify unexpected variations
- Work within the STP looking at joint procurement opportunities with initial areas looking at a joint payroll and a more integrated bank and agency process
- Closer working with peer Trusts, sharing ideas and methodologies. This network will be sharing the outputs from the national benchmarking of Corporate Services with a view to identifying efficiencies.

Our Quality and Service Development Strategy (QSDS) sets ambitious and achievable goals for outcomes, service user experience and safety clearly establishes the areas that require attention to achieve these by the end of the plan period.

Our work to deliver this strategy will take place over a number of years during a period of unprecedented change in the provision of local health services, a tightening financial framework that requires organisations, as well as the health and social care economy, to continually review and improve the quality of its services. This work will define outcomes for pathways and the associated evidence based interventions to achieve these.

It will cover Efficient Provision of Care including:

- Modelling the capacity of the pathway based on likely demand and the recommended interventions to ensure the solution fits within available resources
- Effective operational processes to ensure a seamless patient journey and the efficient delivery of care
- Information systems (electronic patient record and management information) to support the effective and efficient provision of care
- Amended approaches to training and supervision to support an outcomes focused approach

8. **How is your organisation working in partnership to deliver improved system-wide sustainability?**

HPFT's mission is to **"help people of all ages live their lives to their fullest potential by supporting them to keep mentally and physically well".** We do this by providing consistently high quality, joined up care, support and treatment that:

- Provides the best possible experience

- Keeps people safe from avoidable harm
- Is effective and ensures the very best clinical and individual recovery outcomes
- Empowers individuals to manage their mental and physical health and wellbeing

We do this in partnership with individuals using our services, their families and/or carers, local communities and other providers and agencies. We have been rated by the CQC as "Good" and are now focused on moving from 'Good to Great' putting local communities, service users, their carers and families at the centre of all that we do. Our vision is **"Delivering Great Care, Achieving Great Outcomes - Together"** and delivery on this is supported by three key enabling strands as shown below:

Our work over the coming years to realise our Vision and live up to our Mission will support the Trust's ability to sustain quality services and play its full role in the development of high quality and sustainable services across the local STP footprint.

We play a full part in the Hertfordshire and West Essex STP The STP includes a commitment to ensuring that mental and physical health are given equal priority with a collective ambition framed within the context of the Five Year Forward View for Mental Health and the national Transforming Care agenda and these are mirrored within the Trust's operational plans. Delivery of the STP vision is based on three key programmes of work, all of which also link directly with the priorities we set out in our operational plan:

Prevention

HPFT is the lead co-ordinating partner for the newly launched wellbeing college in Hertfordshire 'New Leaf'. Developing and expanding the college offering is key priority for us over the coming two years. . Increasingly our strategic approach is to work in areas where our intervention can prevent individuals requiring our services, offering access to support in a way that reduces their need for secondary care interventions. Most notably we are doing this in our work with primary care as well as in the identification of 'at risk' mental states for individuals who are developing the early signs of psychosis.

Integrated primary and community services

We have played a leading role in developing the STP footprint's vision for integrated place based networks of care and work closely with Hertfordshire Community NHS Trust (HCT) to deliver on these plans over the period of this plan.

Initiatives include:

- Marlowes Health & Wellbeing centre
- Combined Estates & Facilities functions

- Developing integrated care pathways for older adults and children
- Strengthening our provision of a single point of access for all CAMHS referrals, including those provided by HCT

Acute hospital services

We work in partnership with both acute trusts in Hertfordshire to deliver a highly successful mental health liaison service and are continually looking to develop and improve the service.

We have also developed a highly successful ‘Street Triage’ crisis service in partnership with the police and ambulance services.

HERTFORDSHIRE COUNTY COUNCIL

HEALTH SCRUTINY COMMITTEE
TUESDAY 12 DECEMBER 2017 AT 10.00AM

Agenda Item No.

5

WEST HERTFORDSHIRE HOSPITALS NHS TRUST (WHHT) FINANCE SCRUTINY

Report of the Head of Scrutiny

Author: Elaine Manzi, Democratic Services Officer (Tel: 01992 588062)

1. Purpose of report

1.1 To provide Health Scrutiny Committee with the progress on a page (POP) summary and responses to the finance scrutiny questions from the West Hertfordshire Hospitals NHS Trust (WHHT). These are attached as Appendices 1 and 2 to this report.

2. Summary

2.1 Further to the health provider finance scrutiny questions being agreed at Health Scrutiny Committee on 5 October 2017, the responses from WHHT are attached.

2.2 A glossary of acronyms used within all health providers finance responses can be found at Item 2, Appendix 1.

3. Recommendation

3.1 That the Committee notes the reports attached as Appendices 1 and 2 to this report.

Item 5 Appendix 1

West Hertfordshire Hospitals NHS Trust

Strategic Direction:

The provision of high quality acute healthcare to a population of c500,000 people in line with local commissioner strategies. The Trust's vision is to provide the very best care for every patient, every day.

Key services provided: The Trust operates 3 sites

Watford	St Albans	Hemel Hempstead
•Women's and children's services (includes consultant/ midwife led delivery unit, , antenatal and postnatal clinics, and neonatal critical care. •Emergency care, including A&E and an Acute Admissions Unit •Ambulatory care unit, acute wards, Intensive Care Unit (ICU) and emergency surgery. •Planned care, including outpatients and complex surgery. •Medical care, including cardiology, care of the elderly, dermatology, endocrinology-diabetes, gastroenterology, haematology, neurology, ophthalmology, oral maxiofacial, respiratory, rheumatology and stroke. •Clinical support, including X-ray, CT, MRI, ultrasound, pathology, pharmacy, radiology, physiotherapy, occupational therapy and dietetic services and mortuary.	•Antenatal and community midwifery •Outpatients •Minor Injuries Unit (MIU) •Elective and day case surgery •Clinical support, including X-ray, ultrasound, mammography and blood and specimen collection	•Antenatal and community midwifery •Outpatients •Step-down beds for patients •UCC •Fracture clinic •Medical care, including endoscopy and cardiac lung function testing •Diagnostic support, including X-ray, CT, MRI, ultrasound and non-urgent pathology •Pharmacy •Mortuary

Key priorities and programmes:

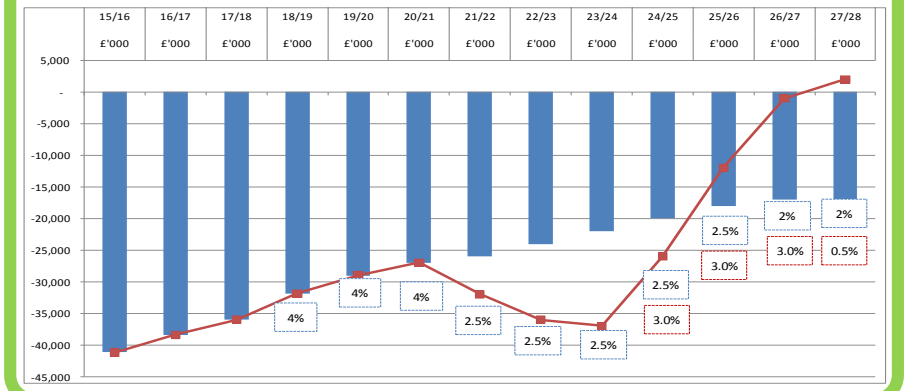
- Achieving a surplus that will enable the Trust to finance all but major capital investments
- Work closely with the STP / CCG to deliver care more locally, reduce demand for expensive acute care, accelerate transfer of care from acute to more appropriate services, coordinate transformational and strategic service changes.
- Work closely with Watford Health Campus to support improved acute services by redeveloping Watford General Hospital and the land adjacent.
- Maximise the use of Hemel Hempstead Hospital to support strategies outlined in Your Care Your Future.
- Restructure the Trust's balance sheet, converting existing loans into non repayable equity or renegotiating the repayment terms to provide more flexibility for the cost of service provision.
- While longer term developments are planned we work on urgently improving the layout of the Emergency Department to improve the patient experience, clinical outcomes and waiting times.
- To improve general operational performance e.g. elective waiting.
- To participate in the Royal Free Hospitals Group model to reduce unwarranted variation in care and improve value for money.
- To improve value and care by minimising the use of temporary staff.
- Improve clinically led decision making by developing Patient Level Costing in conjunction with sophisticated benchmarking.

Key risks in achieving budget:

- Contract challenges issued by CCGs relating to alternative contract clause interpretation.
- The need to achieve efficiencies above 4% of turnover to meet the directed 'Control Total'.
- Responding flexibly to fluctuating demand for emergency services (triangulation with capacity, workforce & finance)
- Delays in the transfer of care to other agencies.
- Current estate infrastructure compromising ability to deliver care efficiently and in a safe environment.
- Poor ICT infrastructure risking business continuity and limiting efficiency improvements.
- Failure to secure sufficient investment funding to support transformation as well as the recurring deficit.

West Herts Hospital NHS Trust

Net (underlying) Revenue Budget :



Summary Revenue Budget Movements

	2017/18 TOTAL £000s	2018/19 TOTAL £000s	2019/20 TOTAL £000s	2020/21 TOTAL £000s
Technical Adjustment (Difference due to Control Totals)	-11,600	-14,700	tba	tba
Demography	0	0	0	0
Legislative	-6,800	-7,007	-7,007	-7,007
Other Pressures	-3,500	-3,500	-3,500	-3,500
TOTAL PRESSURES	**-21,900**	**-25,207**	**-10,507**	**-10,507**
Existing Efficiencies				
New Efficiencies	13,692	13,992	13,992	13,992
TOTAL SAVINGS	**13,692**	**13,992**	**13,992**	**13,992**

	2017/18 £m	2018/19 £m	2019/20 £m
Capital Programme	22,198	42,700	37,300

Key Revenue Pressures:

- Inability to make savings >c£14m (4%). (6.5% needed to meet Control Total).
- Continued reliance on agency staff
- Rapidly ageing population
- Increasing A&E attendance and emergency admission rates. (HVCCG contract penalises c£8.5m due to readmissions and high emergency admissions).
- Issues with Trust's estate to be able to support model of care proposed by YCYF
- High estates/ reactive maintenance works required to maintain business continuity

Key Revenue Savings Proposals:

- Reducing agency spending from £26m to £17m.
- To increase use of benchmarking tools
- To explore the opportunities available for providing back office functions
- Improve model of provision of pathology services
- Leverage benefits identified in NHS Model Hospital.
- Develop PLICS to better understand individual treatment pathways that are expensive and to improve investment decisions.
- Maximise contribution from growth, commercial income
- Cultural change to decision making, improving the business appraisal process and the investment decisions
- To work in close partnership with the CCG/STP and drawing work undertaken by the Royal Free Hospitals Group model to identify and develop services.

Key Capital Schemes:

- Redevelopment of the WGH, SACH and HH estate
- Redevelopment of the Watford Hospital Theatre
- Interim Emergency Department Service Development
- Managing the high risk backlog on the current WHHT site
- Re-locate provision of pathology services
- Development of a multi storey car park at Watford

1. Please summarise the Trust's 2017/18 financial plan – i.e. your start position, agreed control total, key elements of the plan including STF (strategic transformation funding).

The Trust has, for a number of years, operated in deficit. The size of the deficit has increased in recent years, following unfunded investment in quality (responding to risks highlighted by the Mid Staffs reviews and Keogh reports) and creating additional capacity to accommodate increasing number of patients delayed in their transfer of care.

September 2016 – The Trust was notified by NHS Improvement (NHSI) that, if it could develop a plan for a deficit of less than £25.7m, it could access Strategic Transformation Funding (STF) of £10.663m. Access to the funding would require the Trust to set a target deficit of £15.04m for the 2017/18 year.

December 2016 - The Operational Plan – Development of the plan for the year demonstrated that the trust would need to make savings of £21.9m (6.5% of turnover) to meet the targeted £15.04m deficit. The Trust estimated that plans would only deliver savings worth £13.7m (4% of turnover). Under this scenario the STF would not be available and therefore a deficit of £33.9m would result.

March 2017 – Despite not having sufficient plans to deliver £21.9m of savings the Board agreed to accept the challenge of signing up to the control total of £15.04m. This would at least provide the potential to access the STF of £10.663m. However the Trust emphasised the risk of not achieving the level of efficiency (£21.9m) required to meet target. The required saving is £8.2m above the £13.7m (4%) planned and derived from benchmarking Trust costs to current upper quartile performance levels.

The Trust Chairman and Chief Executive wrote to NHSI explaining that achievement of the control total will not be possible without a fundamental change to the environment that the Trust operates within. The formally agreed plan is summarised in the table below.

STATEMENT OF COMPREHENSIVE INCOME	2017/18 Plan
	£000
Clinical Income	292,745
Other operating income (excluding STF)	28,311
Employee expenses	(217,236)
Operating expenses excluding employee expenses	(118,456)
OPERATING SURPLUS / (DEFICIT)	**(14,636)**
Non Operating expenses	
Depreciation	(8,650)
Finance expense / income/ PDC Dividends	(2,417)
Total Non Opearating Expenses	**(11,067)**
SURPLUS/(DEFICIT) FOR THE PERIOD/YEAR before STF Income	**(25,703)**
STF	10,663
SURPLUS/(DEFICIT) FOR THE PERIOD/YEAR	**(15,040)**
Control Total	15,040
Short Fall	**0**

2. Please set out your current 2017/18 forecast outturn position and key risks to delivery.

The Trust (as at November 2017) is in discussion with NHSI regarding a revised control total of £35m. This is after adjusting for the financial effects brought about by:

- Additional savings required to save 6.5% of turnover (£21.9m), £8.2m
- Loss of most STF income as a result of not achieving the control total (£9.3m)
- CQUIN loss & commissioners penalties relating to new changes effected retrospectively (£2.5m).

	M6 position	Forecast 2017/18
	£000s	£000s
Income	159,310	323,846
Pay costs	(115,842)	(227,998)
Other operating expenses	(64,506)	(121,951)
Sub total Operating deficit	(21,038)	(26,103)
Depreciation	(3,658)	(7,671)
Financing costs	(1,333)	(2,536)
Sub total non-operating expenses	(4,991)	(10,207)
Deficit before STF income	(26,029)	(36,310)
STF income	1,360	1,360
Deficit after STF income	**(24,669)**	**(34,950)**

At Month 6, the current improving run rate would lead to a deficit of £42m by the year-end. This is referred to as the Base forecast within trust WHHT Board papers. In order to meet the £35m deficit re-forecast, being discussed with NHSI, we are managing an agreed set of recovery actions. These actions will increase the savings within the base forecast up to the £13.7m originally expected and also reverse projected overspends of c£4m within the £42m base forecast.

The most significant risk however is the extent to which Herts Valleys CCG raises additional challenges to the Trust's patient care invoices. For example the CCG is currently proposing to not pay for treatments considered to be a low priority.

3. Please identify any significant commissioning / contractual issues not yet reflected into the 2017/18 plan (i.e. differences between commissioner and provider positions)

HVCCG have issued a number of contract challenges in 2017/18 which remain in dispute, as follows:-

(a) HVCCG have issued an £876k contract challenge to the Trust in respect of the 2016/17 final contract outturn. This includes a final review of activity levels plus CCG CQUIN achievement assumptions that differ to the Trust's view. The Trust had received confirmation from the CCG Chief Executive in June this year that all issues had been finalised. The Trust is therefore confident in challenging the CCG position but this issue should be considered a risk until such time as it is resolved.

(b) HVCCG issued a contract challenge relating to the late production of month 1 and month 3 finalised activity ('freeze') summaries to the value of £3,088k. In response to the CCG, the Trust has been clear that the reporting timetable for 2017/18 had not been agreed within the contract and as such there was no basis for this challenge.

(c) HVCCG included a reduced ambulatory care tariff as part of their QIPP savings for 2017/18. This proposed tariff change results in a saving to the CCG (and a cost pressure to the Trust) of c£2.4m. Negotiation (including the Trust's offer to re-cost a basket of procedures) failed to result in an agreement and a mediation process jointly led by NHSE and NHSI took place at the beginning of September 2017. A formal decision from this mediation is currently awaited.

(d) HVCCG has deemed that treatment for the following list of procedures should follow a low priority treatment protocol.

Adenoidectomy	Ankyloglossia (Tongue Tie)
Carpal Tunnel	Cataracts
Ganglion	Abdominal Hernia
Trigger Finger	Tonsillectomy
Dupuytren's contracture	Varicose Veins
Myringotomy with/without grommets	Benign Skin Lesions
Hip Replacement	Knee Replacement
Knee Arthroscopy	Facet Joint Injections

Due to the wide coverage of the protocol and the administrative and clinical intervention requirements, the Trust could agree to the implementation of the protocol at the start of the year. For the first three months of the 2017/18 year the CCG is proposing not to pay for £2.5m of patient care.

(e) Please summarise your 2017/18 savings plans, current progress and expected impacts / key risks.

As reported above the Trust has targeted savings plans of £13.7m, or 4% of revenue, for 2017/18.

As at the end of September 2017 £10.3m worth of ideas had been identified, of which £9.7m will deliver in-year.

Pipeline schemes are currently around £2.5m, and the Trust is confident that its £13.7m target will be met.

Executive Lead	CIP Category	Month 6 (M6)			YTD (M1-6)			Full Year (FY FOT)		
		Planned £000	Delivery £000	Variance £000	Planned £000	Delivery £000	Variance £000	Planned £000	Delivery £000	Variance £000
Don Richards	Non-Pay Savings	470	758	288	1,563	1,805	242	3,103	3,321	218
Paul Da Gama	Workforce	186	165	(21)	907	751	(155)	2,464	2,171	(293)
Don Richards	Non SLA Income Generation	55	19	(36)	355	242	(114)	714	547	(167)
Sally Tucker	Service Dev - Med & Unscheduled Care	117	58	(59)	515	525	10	1,386	1,156	(231)
Sally Tucker	Serv Dev - WACS	52	283	231	298	906	608	607	1,475	868
Sally Tucker	Service Dev - Surgery	181	69	(113)	785	308	(477)	2,000	1,047	(953)
	Grand Total	**1,061**	**1,351**	**290**	**4,424**	**4,538**	**114**	**10,274**	**9,717**	**(558)**

The largest savings involve re-negotiations of contract with third party suppliers such as Compass Group and NHS Professionals.

Risks involve the management of inherent conflicts around three factors:

- Ideas generation – transactional versus transformational
- Operational impact – savings result in resource / activity changes
- Sustainability – recurrent versus non-recurrent benefits

While a wide range of all types of scheme are currently in progress, it is expected that there will be a greater need for transformational changes such as treating patients in different settings or in different ways. They will typically require the cooperation and participation of CCGs, and possibly other local stakeholders.

(f) Please summarise CQUINs that apply to your organisation in 2017/18, financial value and expected outturn position

The Trust's 2017/18 plan assumes 100% compliance with CQUIN; a total of £7,033k. £6,763k of this income is linked to CCG schemes, with the remaining £270k relating to NHS England CQUINs. ½% of the 2½% of income linked to CCG CQUINs has been made available to support engagement with STPs with a further ½% being linked to achieving the 2016/17 control total. 2017/18 CQUINs are summarised in Table below.

Table – Summary of 2017/18 CQUIN schemes

CQUIN		Total
Improving Health and Wellbeing	Staff wellbeing	226
	Healthy food	226
	Flu vaccinations	226
	Total	**677**
Sepsis	In emergency departments	169
	In acute inpatient settings	169
	Antibiotic review	169
	Reduction in antibiotic consumption	169
	Total	**675**
Improving services for people with mental health needs		**676**
Improved GP access to consultants to provide advice and guidance		**676**
E-referrals		**676**
Supporting proactive and safe discharge		**676**
Sub-total		**4,057**
Value linked to STP engagement in 2017/18		1,353
Value linked to achievement of 2016/17 control total		1,353
Total (CCG CQUINs)		**6,763**

2) NHSE CQUINs

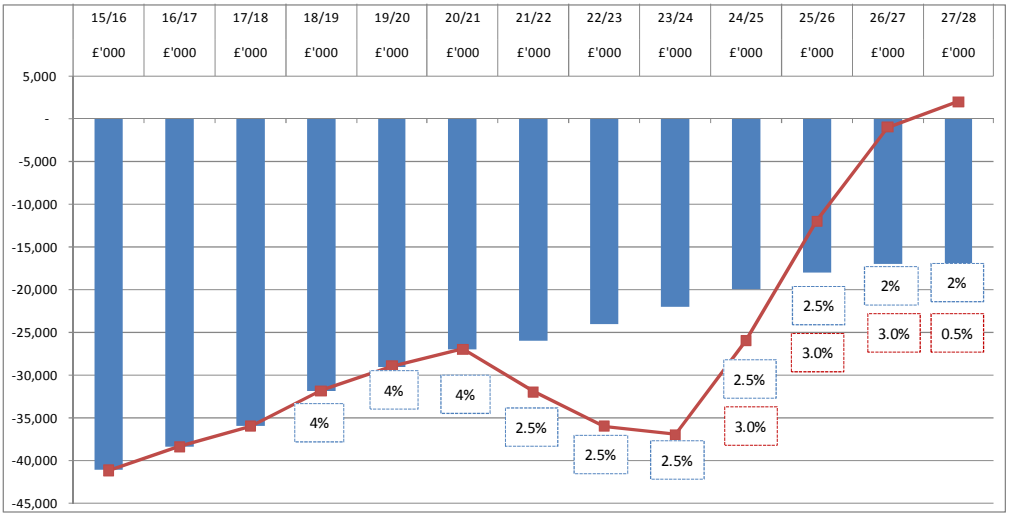
CQUIN	Total
Hospital medicines optimisation	109
National standardised dose banding	109
Improved GP access to consultants to provide advice and guidance	51
Total (NHSE CQUINs)	**270**

Total (all CQUINs)	**7,033**

(g) Please set out the longer term financial outlook for your organisation and summarise the key elements of your longer term financial sustainability plan

Where are we now?	Where do we want to be?	How do we get there?
• Underlying Forecast deficit of £36.3m as at the end of 2017/18 (exclude STF of £1.36m) • Increasing deficits & workforce under pressure	• Achieving a surplus that will enable the Trust to finance all but major capital investments • Strengthen the golden thread between demand and capacity, activity, workforce and finance • Operating within the NHS payment structure, all our services generate a positive contribution • Governance to respond to changing economic climate • Agency staffing no less than 5% of pay • Improve Trust's performance when compared to the 'Best Practice Methodology'	• Incremental steps • Efficiency improvements of 4% or more until 2020/21 • Rationalise & Modernise the Trust's estate to deliver acute services efficiencies in a safe environment • Cultural change to decision making • Team balance of ops/clinical/finance • Simple forward looking information • More radical service change within our control • Transformation of the service model to bridge the gap and achieve recurrent surplus • Robust Costing tool
• Cash support to enable us to pay our staff and bills provided only on condition that we meet loan conditions.	• Sufficient cash to manage working capital risk	• DH cash support • Rigorous management of the cash flow
• The level of debt within our balance sheet is not serviceable • Current capital investment regime is that WHHT is using a major proportion of its internally generated cash to repay existing capital loans and then taking out further distressed capital loans in order to maintain a safe site	• A balance sheet free of debt	• Suspend compounded debt growth and restore reputation • Discussion with DH to write off of debt through radical change following period where reputation restored, or else agreement to address a schedule of loan repayment to the DH
•In addition to internal capital c£80m investment in the next two years is required to provide a window for longer-term infrastructure change.	• Approved source of NHS funding that is affordable	• Use internal capital for critical infrastructure • Complete business case process and funding application for change capital • Careful timing of new borrowing to afford principle repayment
• Our infrastructure is not fit for purpose and requires replacing • High level of backlog maintenance	• Affordable funding agreed • Reorganisation of services on the sites in line with the STP programme / YCYF vision • Create sufficient space to meet activity levels and be able to temporarily close wards while essential backlog maintenance is undertaken	• Demonstrate that radical change supports clinical and financial sustainability • Working with local agencies to develop imaginative solutions • Complete business case for acute transformation required in order to provide acute hospital services to the West Herts population under the future model of care, addressing the issues with the current estate
• Access to DH capital financing is more restricted, hence PDC unlikely to be made available	• To access the commercial approach which provides best value for money	• Use land sales • Engagement with NSHI and DH to understand the likely availability of PDC as well as the budgetary treatment and appetite around PPP/PF2 arrangements and SEPs • Soft market testing with potential funders and developers to test risk appetite

The chart below shows the current long term financial position of the Trust compared to the position after redevelopment. The blue bars show the projected deficits excluding STF income without the acute redevelopment, the red line indicates the expected trajectory for deficits with the new acute redevelopment factored in.



(h) How has the Trust reviewed its effectiveness and value for money in delivering service outcomes?

The Trust benchmarks itself against peers and the wider NHS to support the targeting of improvements.

- **The Model Hospital** (https://model.nhs.uk/) , a "…digital information service provided by NHS Improvement to support the NHS to identify and realise productivity opportunities." This online tool is being used extensively to identify improvement opportunities across the Trust.

  The model highlights areas of potential productivity savings for acute Trusts using the model hospital data. Productivity gains of £23.3m (7.6%) of turnover were identified for WHHT. These findings are not inconsistent with the trust's current underlying deficit of c£37m.

- **GK Transformation** were engaged to provide a detailed department level analysis of non-clinical and clinical costs throughout the year. The analysis was designed to provide tactical savings opportunities while longer term transformations to service design take place. The Model Hospital and GKT results in particular work well together; MH establishes key productivity and performance metrics to guide the Trust towards opportunities while GKT has already identified options at a detailed level, many of which will address the MH points. The Trust is at the early stages of this combined work and will continue with it for the foreseeable future.

- The Trust participates in the **NHS Benchmarking Network**, contributing to data collection exercises and benefitting from access to the output.

- The trust is also making use of additional recommendations of the Carter Review "Unwarranted variation: A review of operational productivity and performance in English NHS acute hospitals", and has active workstreams around (for example):
- Hospital Pharmacy Transformation Plan
- Provision of pathology services across the region
- Utilising existing Herts Procurement Service to share best practice with partner Trusts

- Working with the Trust's outsourced IT provider to look at how best to make use of digital opportunities

The above work is in addition to statutory reviews conducted by external auditors and other agencies.

Trust also continues to develop its Patient Level Costing (PLICS) system to better understand the individual treatment pathways that are unusually expensive. The main outlier for the Trust is the amount it costs to care for elderly patients in comparison to other trusts. The Care of the Elderly specialty is by far the most loss making service that the Trust provides.

(i) How is your organisation working in partnership to deliver improved system-wide sustainability?

The Trust is actively engaged within the Hertfordshire and West Essex Strategic Transformation Partnership (STP) programme. The *Your Care, Your Future* programme, developed with local communities, drives the Trust forward and now forms part of the STP.

It is working in close partnership with the CCG and drawing on work being undertaken by the Royal Free Hospital Group to identify and develop the services required for the local population, within the STP's service, operating and budgetary frameworks. It provides the methodology for managing demand growth both through the planned development of services on the acute sites and the implementation of new care pathways that support the delivery of more preventative primary and community based care. To support this vision the Trust will release Hemel Hempstead Hospital for use as a locality hub. The resultant model is both affordable and sustainable, is matched to the long term needs of the local system and wider STP, and is endorsed by the Trust, CCG and STP Boards.

Primary and Community Care: The Trust is working with Herts Valleys Clinical Commissioning Group (HVCCG) to review options to share risk through new contractual mechanisms. Diabetes, gynaecology, dermatology and musculoskeletal (MSK) pathways have been identified as key priorities.

However the CCG has recently awarded the contract for musculoskeletal services to an independent sector consortium. The Trust and other NHS partners were particularly disappointed as the joint bid was formulated to meet the CCG's targeted cost reduction.

Acute Transformation: The STP also recognises the need for significant transformation of acute care – to support primary and community redesign (e.g. by leveraging secondary care specialist expertise into redesigned pathways), to reduce unwarranted variation within hospital-based care and to substantially reduce 'back room' costs in line with Carter recommendations.

The Trust is working with East & North Herts Trust and Princess Alexandra Hospital on a joint programme to reduce unwarranted variation and has agreed a number of priority pathways for review in 2017/18 (chest pain, community-acquired pneumonia, frailty and End of Life Care). The three Trusts are also working together to identify opportunities to reduce admission rates through the consistent implementation of best practice ambulatory care models and senior specialist clinical review as early as possible in the emergency care pathway.

Royal Free Hospitals Group: The Trust is pursuing a dialogue with the Royal Free Hospitals Foundation Trust on the potential to participate in its RFH Group Model. A core part of the model is the development of a comprehensive, clinically-led programme to redesign care to optimise value for patients and reduce unwarranted clinical variation. In addition, this is likely to be a significant route to the delivery of Carter efficiencies.

Pathology: The Trust is making progress with a review and procurement process to meet the requirement to ensure pathology services are delivered at sufficient scale to maximise value and efficiency. The Trust submitted its Strategic Outline Case to NHSI in November 2017.

Strategic Estate redevelopment: The STP recognises that the current WHHT estate infrastructure is not fit for purpose and requires substantial investment and redevelopment in both the time period of the STP and the longer term. The Trust has set plans for c£80m investment priorities for the next 2 years whilst longer term plans are being formulated. The Trust

has finalised the Strategic Outline Case (SOC) which sets out the case for change and preferred option for long term investment in its estate. This was developed jointly with Herts Valleys CCG and flows directly from the system-wide healthcare strategy *YCYF* is fully aligned with the STP, was approved by the Trust Board in February 2017, and is now waiting for approval by NHSI.

Don Richards
Chief Financial Officer
West Hertfordshire Hospitals NHS Trust
November 2017

HERTFORDSHIRE COUNTY COUNCIL

HEALTH SCRUTINY COMMITTEE
TUESDAY 12 DECEMBER 2017 AT 10.00AM

Agenda Item No.

6

PRINCESS ALEXANDRA HOSPITAL NHS TRUST (PAH) FINANCE SCRUTINY

Report of the Head of Scrutiny

Author: Elaine Manzi, Democratic Services Officer (Tel: 01992 588062)

1. Purpose of report

1.1 To provide Health Scrutiny Committee with the progress on a page (POP) summary and responses to the finance scrutiny questions from the Princess Alexandra Hospital NHS Trust (PAH). These are attached as Appendices 1 and 2 to this report.

2. Summary

2.1 Further to the health provider finance scrutiny questions being agreed at Health Scrutiny Committee on 5 October 2017, the responses from PAH are attached.

2.2 A glossary of acronyms used within all health providers finance responses can be found at Item 2, Appendix 1.

3. Recommendation

3.1 That the Committee notes the reports attached as Appendices 1 and 2 to this report.

Item 6 Appendix 1

The Princess Alexandra Hospital NHS Trust

Strategic Direction:

To develop an Integrated Health and Wellbeing Campus.

Key priorities and programmes:

- To deliver '5 P Plan'

- 'Quality First' programme
- To get out of 'Special Measures'
- To deliver ED performance
- To deliver our financial control target
- To quickly progress our Strategic Outline Business Case

Key services provided:

Portfolio of Services			
Adult Critical Care	Diabetic Medicine	High Dependency Unit	Pathology
Audiology	Dietetics	Intensive Care unit	Pre Op Assessments
Breast Screening	Emergency Department	Interventional Radiology	Radiology
Breast Surgery	Endocrinology	Maternity	Respiratory Medicine
Cardiology	ENT	Medical Oncology	Rheumatology
Chemotherapy	Family Planning	Neonatal Critical Care	Special Care Baby Unit
Child Development Centre	Gastroenterology	Neurology	Trauma and Orthopaedics
Clinical Haematology	General Medicine	Obstetrics	Urology
Clinical Oncology	General Surgery	Ophthalmology	
Community Midwifery	Genito-Urinary Medicine	Oral Surgery	
Day Surgery	Geriatric Medicine	Paediatric Diabetic Medicine	
Dermatology	Gynaecology	Paediatrics	

Key risks in achieving budget:

- Commissioner affordability
- Recovery of full STF funding
- Workforce issues – avoiding agency spend
- Unplanned expenditure – failing estate, winter, special measure and CQC.

The Princess Alexandra Hospital NHS Trust

Net Revenue Budget :

	£m
Income	219.4
Expenditure	-241.0
Planned Deficit	-21.6

Key Revenue Pressures:

- CCG affordability
- Recruitment costs
- Agency costs
- Premises and Estates

Summary Budget Movements

	2015/16 £m Actuals	2016/17 £m Actuals	2017/18 £m Plan	2017/18 £m Forecast	2018/19 £m Plan
Income	196.2	200.0	211.9	211.4	222.4
Sustainability Funding	n/a	10.0[1]	7.5	5.3	7.5
Expenditure	-233.9	-236.7	-241.0	-238.3	-245.4
Deficit	**-37.7**	**-26.7**	**-21.6**	**-21.6**	**-15.5**
Control Target	n/a	-29.7	-21.6	-21.6	-15.5

Key Revenue Savings Proposals:

- Agency reductions
- Direct engagement
- Procurement
- Biosimilars
- Productivity
- Back office and leases
- Commercial Opportunities

	2016/17 £m	2017/18 £m	2018/19 £m
Capital Programme	10.5	11.7	10.5 (exc SOC)

Key Capital Schemes:

- Maternity Theatres
- ED Redevelopment
- Critical Infrastructure
- SOC Development

HSC FINANCE SCRUTINY QUESTIONS

1. Please summarise the Trust's 2017/18 financial plan – i.e. your start position, agreed control total, key elements of the plan including STF (sustainability and transformation funding).

- *The Financial plan for 2017/18 is to deliver a deficit of £21.6m. The Trust Board agreed to this Control Target although recognised it would be a significant challenge.*
- *The opening 2017/18 financial plan included the assumption of receiving £7.5m of STF funds.*
- *The Trust's summary financial results and projections are tabled below.*

Table 1 - Summarised Revenue Position

	2015/16 £m Actuals	2016/17 £m Actuals	2017/18 £m Plan	2017/18 £m Forecast	2018/19 £m Plan
Income	196.2	200.0	211.9	211.4	222.4
Sustainability Funding	n/a	10.0 [1]	7.5	5.3	7.5
Expenditure	-233.9	-236.7	-241.0	-238.3	-245.4
Deficit	**-37.7**	**-26.7**	**-21.6**	**-21.6**	**-15.5**
Control Target	n/a	-29.7	-21.6	-21.6	-15.5

[1] Trust's Sustainabity funding was £7.9m in 2016/17 but was granted £2.1m incentive for over delivery of financial control target

2. Please set out your current 2017/18 forecast outturn position and key risks to delivery.

- *The Trust's current (M7) forecast outturn is to deliver the control target deficit of £21.6m. The main risks to deliver this position are :-*

  (i) Commissioner affordability – The Trust plans to deliver its activity plan in accordance to contract.
  (ii) Recovery of STF funding – reliant on achievement of Emergency Department (ED) and financial performance.
  (iii) Workforce – avoiding agency spend whenever feasible
  (iv) Unplanned expenditure – aging estate, winter, special measure and CQC related costs.

3. Please identify any significant commissioning / contractual issues not yet reflected into the 2017/18 plan (i.e. differences between commissioner and provider positions)

- *Trust and Commissioners currently have a 'Triangulation gap' of £14m. This Trust assumes its activity will be delivered within agreed contract values whereas CCG forecast underperformance on the contract.*
- *CQUIN Reserve (£0.8m). This is a National issue being discussed between NHSI and NHSE.*
- *Payment for Sepsis – National pricing issue.*

4. Please summarise your 2017/18 savings plans, current progress and expected impacts / key risks.

- *Trust's plans include £8.0m delivery of CIPs.*
- *Target savings were 90% relating to cost reduction, efficiency and transformational changes with 10% relating to income schemes.*
- *Year to date the Trust has delivered to plan and is forecasting to deliver the overall plan.*
- *Agency reductions of £1.3m are included in the CIP plan with the Trust having an annual agency target of £13.6m. Trust is currently behind plan on this target but has seen significant recent improvements in reducing medical agency spend and is forecasting to achieve the target.*

5. Please summarise CQUINs that apply to your organisation in 2017/18, financial value and expected outturn position.

- *Within agreed contracts the value of CQUIN funding totals £4.2m equating to 2.5% of the contract values.*
- *1.0% relates to involvement in the STP work and risk reserve and 1.5% relates to the delivery of nationally defined schemes detailed below (by applicable Commissioner).*
- *The Trust's planning assumption is to deliver 80% CQUIN and is on target.*

CCG CQUINs	Summary	CCG	NHSE
Health and Well Being	•Improving staff survey scores on key questions relating to health and wellbeing, MSK and stress •Improving food and drink options for staff, patients and carers such as banning price promotions on sugary drinks and foods high in fat, sugar or salt •Achieving an uptake of flu vaccinations by frontline clinical staff of 70%	✓	
Sepsis / Antimicrobial	•Timely identification/treatment of patients with sepsis in emergency departments & acute inpatient settings •Reduction in antibiotic consumption	✓	
MH services in A&E	•Improving services for people with mental health (MH) needs who present to A&E. Reduce by 20% number of attendances to A&E for those within a selected group of frequent attenders.	✓	
Offering Advice and Guidance	•Set up/operate A&G services for non-urgent GP referrals, allowing GPs to access consultant advice prior to referring patients into secondary care.	✓	
NHS e-referrals	•Availability of services/ appointments on NHS e-Referral Service.	✓	
Proactive and Safe Discharge	•Patients discharged to usual place of residence within 3-7 days of admission	✓	
GE3 Meds Optimisation	•Support procedural/cultural changes required to optimise use of medicines commissioned by specialised services		✓
CA2 SACT	•Standardising chemo doses offers opportunity for achieving improved value with possible wider benefits.		✓

6. Please set out the longer term financial outlook for your organisation and summarise the key elements of your longer term financial sustainability plan

- *A Strategic Outline Business (SOC) case for the development of an integrated health and wellbeing campus to replace the aging PAH hospital estate and transform healthcare services for the people of west Essex and east Hertfordshire has been submitted to the Trust Regulator (NHSI) who have subsequently submitted the case to DH.*
- *The SOC was underpinned by a Long Term Financial Model extending to 2033/34.*
- *Following the development and transformation of schemes the SOC forecasts the Trust deficit is reduced to £2.8m by 2027/28 with subsequent return to financial balance. This compares to a do minimum of £34.5m deficit in 2027/28.*
- *The Trust has received a high level of support from stakeholders and awaits a decision by NHSI to progress to an Outline Business Case stage.*

7. How has the Trust reviewed its effectiveness and value for money in delivering service outcomes?

- *The Trust has a number of indicators to review this including a current Reference Cost Index of 99.2 being better than the 100 index score.*
- *The 'Model Hospital' data from NHSI calculates the Trust's average 'Weighted Average Unit' (WaU) of £3,500 being consistent with the average across all Trust's.*

- *The Trust is actively using the Model Hospital and Lord Carter data to identify and explore further opportunities.*
- *In the Trust's 2015/16 external auditor report the Trust was issued an adverse value for money conclusion. This was based on the financial deficit position and a lack of clear strategic direction recognising these issues were unlikely to be addressed in the short term.*
- *In the 2016/17 external audit report the auditors recognised significant progress in addressing the cost base and controlling costs plus the emergence of a clearer strategic direction. Nonetheless in the 2016/17 external audit report the auditors took a view that the strategic direction had not significantly progressed and therefore continued to issue an adverse VFM conclusion. The recent development and work to progress the SOC will significantly strengthen this position.*
- *The Trust also participates in various benchmarking exercises across the STP or NHSI.*

8. How is your organisation working in partnership to deliver improved system-wide sustainability?

- *The Trust both leads and participates in a number of collaborative and partnerships forums designed to improve system wide working and sustainability. These include :-*

  - *Accountable Care Partnership Board*
  - *STP including clinical (medicines optimisation) and non-clinical (procurement) workstreams*
  - *Health and Social Care working groups*
  - *Pathway redesign forums including pilots on Respiratory services.*
  - *Access Board*
  - *SOC Steering Group*
  - *Service Performance Quality Review Group (SPQRG)*

HERTFORDSHIRE COUNTY COUNCIL

HEALTH SCRUTINY COMMITTEE
TUESDAY, 12 DECEMBER 2017 AT 10.00AM

SCRUTINY WORK PROGRAMME 2017 – 2018

Agenda Item No.

8

Report of the Head of Scrutiny

Author: Elaine Manzi, Democratic Services Officer (Tel: 01992 588062)

1. Purpose of report

1.1 To provide the Committee with an update on the overarching scrutiny work programme for the period 2017/18 alongside the following reports which are attributed to the work programme:

- An update on the Nascot Lawn Respite Centre (to note);
- The Child & Adolescent Mental Health Service (CAMHS) Topic Group Scope (for information);
-Verbal update on the Impact of Scrutiny Sub Committee (ISSC) held on 28 November 2017 (for information);

2. Summary

2.1 The Scrutiny Work Programme

A combined work programme for both Health and Overview and Scrutiny Committees, for the period 2017 – 2018, is attached as Appendix 1 to this report.

2.2 Nascot Lawn Respite Centre

The recommendations from the Nascot Lawn Topic Group held on 6 September 2017 and the subsequent organisation responses are attached as Appendices 2a and 2b to this report.

2.3 The Child and Adolescent Mental Health Service (CAMHS) Topic Group Scope

The Child and Adolescent Mental Health Service (CAMHS) Topic Group Scope is attached for information as Appendix 3 to this report. The Topic Group is scheduled to be held on 12 January 2018 and the outcomes will be reported to a future meeting of the Health Scrutiny Committee.

2.4 Impact of Scrutiny Sub-Committee

The first meeting of the Impact of Scrutiny Sub-Committee was held on 28 November 2017. There were no items attributed to the Health Scrutiny Committee. Any items attributed to the Health Scrutiny

Committee from future meetings of the Impact of Scrutiny Sub-Committee will be reported to future meetings of the Health Scrutiny Committee.

2.5 Scrutiny Requests

No scrutiny requests for Health Scrutiny Committee have been received since the last meeting.

3. Recommendations

3.1 That the Scrutiny Work Programme 2017-2018, attached as Appendix 1 to the report, be approved.

3.2 That the Nascot Lawn Respite Centre update, attached as Appendices 2a and 2b be noted

3.3 That the CAMHS Topic Group Scope, attached as Appendix 3 be noted.

4 Financial Implications

4.1 There are no financial implications arising from this report**.**

Background Information

Overview & Scrutiny Impact of Scrutiny Sub-Committee Agenda 28 November 2017
http://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/796/Committee/122/Default.aspx

ITEM 8 APPENDIX 1:
HERTFORDSHIRE COUNTY COUNCIL JOINT OVERVIEW AND SCRUTINY COMMITTEE AND HEALTH SCRUTINY WORK PROGRAMME 2017- 2018: Updated: 10/11/2017 2017 MD

[Amendments, **new entries & OSC and HSC Meetings** are shown in **bold**]

The Overview and Scrutiny Committee and the Health Scrutiny Committee have responsibility for scrutinising all aspects of County Council and Health Services

OSC MEETINGS AND THEMES

DATE	THEME	LEAD
15 Nov 2017 *Deadline for papers 27 Oct 2017*		
19 Dec 2017 *Deadline for papers 1 Dec 2018*	Pre IP Preparation 1. Director of Resources IP Briefing 2. Finance seminar	1. Owen Mapley, Director of Resources 2. Steven Pilsworth, Assistant Director (Finance) & Lindsey McLeod Head of Accountancy Services
24 Jan & 1 Feb 2018 *Deadline for papers 8 Jan 2018*	IP Scrutiny	
19 April 2018 Deadline for papers 3 April 2018	Outcomes of IP scrutiny 1. Adult Care Services – 15 year plan	1. Iain MacBeath, Director of Adult Care Services
19 June 2018 *Deadline for papers 1 June 2018*	1. Children's Services related issues	2. Jenny Coles, Director of Children's Services

Topic	HSC/ OSC	Type	Date(s)	Scrutiny Lead Officer	DSO Support	Service Lead Officer	Chairman	Member-Ship	Executive Member

HSC MEETINGS AND THEMES

DATE	THEME	NHS LEAD
12 Dec 2017 *Deadline for papers 22 Nov 17*	1. Finance scrutiny 2. Concordat	1. ALL providers
18 Jan 2018 *Deadline for papers 18 Dec 17*	1. Health & Wellbeing Board 2. Quality Accounts seminar 3. WHHT CQC update	1. Iain MacBeath ACS Director 2. CQC tbc 3. Helen Brown WHHT deputy CEO
15 & 29 Mar 2018 *Deadline for papers 19 Feb 18 (Part 1)* *20 March 18 (Part 2)*	Quality Account scrutiny	1. ALL providers
9 May 2018 *Deadline for papers 20 April 2018*	Outcomes of Quality Account scrutiny	

Topic	HSC/ OSC	Type	Date(s)	Scrutiny Lead Officer	DSO Support	Service Lead Officer	Chairman	Member-Ship	Executive Member

3 July 2018 *Deadline for papers 12 June 2018*		

WORK PROGRAMME

Topic	HSC/ OSC	Type	Date(s)	Scrutiny Lead Officer	DSO Support	Service Lead Officer	Chairman	Member-ship	Executive Member
West Herts Hospital Trust	HSC	On going	2017	Charles Lambert	TBC		TBC	TBC	Colette Wyatt-Lowe (Adult Care & Health)
THE FOLLOWING TOPIC GROUPS WILL BE REVIEWED AT THE OSC MEETING IN DECEMBER 2017 AND AT HSC MEETING IN DECEMBER 2017.									
To scrutinise Community Protection's preventative work with Public Health, establishing the effects and benefits	OSC	1 day	8 Nov 2017	Charles Lambert	Stephanie Tarrant	Steve Holton	TBC	TBC	Terry Hone (Community Safety & Waste Management) Richard Roberts (Public Health, Prevention & Performance)
Attainment Gap and Disadvantaged Pupils: Children's Services	OSC	TBC	**March 2018**	Natalie Rotherham	Michelle Diprose	TBC	TBC	TBC	Terry Douris (Education, Libraries & Localism)
Crime & Disorder 2017 Domestic Abuse	OSC	1 day	7 Dec 2017	Charles Lambert	Elaine Manzi	Helen Gledhill/Sar	TBC	TBC	Terry Hone (Community

Topic	HSC/ OSC	Type	Date(s)	Scrutiny Lead Officer	DSO Support	Service Lead Officer	Chairman	Member-Ship	Executive Member
						ah Taylor			Safety & Waste Management)
Children and Adolescent Mental Health (CAMHS)	HSC	1 day	12 Jan 2018	TBC	Stephanie Tarrant	Simon Pattison	J Billing (L)	A Rowlands (LD)	Colette Wyatt-Lowe(Adult Care & Health) Teresa Heritage (Children's Services) Richard Roberts (Public Health, Prevention & Performance)
Resilience	OSC	1 day	21 Dec 2017	Natalie Rotherham	Elaine Manzi	Ian Parkhouse Assistant Chief Fire Officer	TBC	TBC	Terry Hone (Community Safety & Waste Management)
Delayed Transfers Of Care: Admissions and Discharge	HSC	1 day	TBC	Charles Lambert	Theresa Baker	TBC	TBC	TBC	Colette Wyatt-Lowe (Adult Care & Health Richard Roberts (Public Health, Prevention & Performance)

Topic	HSC/ OSC	Type	Date(s)	Scrutiny Lead Officer	DSO Support	Service Lead Officer	Chairman	Member-Ship	Executive Member
To establish how well the two tiers of planning authorities work together specifically regard to **Herts Infrastructure and Planning Partnership**.(HIPP) and **Community Infrastructure Levy** (CIL).	OSC	TBC	**June 2018**	TBC	Michelle Diprose	TBC	TBC	TBC	Derrick Ashley (Environment, Planning & Transport)
To review planning approached to identify and seek damages from individual drivers and organisations causing a hazard or damage to verges and footways in accordance with the Highways Act 1980	OSC	TBC	2018	TBC	TBC	TBC	TBC	TBC	Ralph Sangster (Highways)
0 - 25 Services	OSC	TBC	TBC	TB C	TBC	TBC	TBC	TBC	Theresa Heritage (Children's Services)
Sustainability and Transformation Partnership (STP) to focus on the Prevention strand	HSC	TBC	2018	TBC	TBC	TBC	TBC	TBC	Richard Roberts (Public Health, Prevention & Performance) Terry Hone (Community Safety & Waste Management)
Local Enterprise Partnership (LEP): An analysis of the wider economic environment the LEP and other agencies (including HCC) are working in. *(to be preceded by a lunchtime seminar prior to scrutiny in May 2018*	OSC	TBC	May 2018	TBC	Stephanie Tarrant	TBC	TBC	TBC	David Williams (Resources, Property & The Economy)

Topic	HSC/ OSC	Type	Date(s)	Scrutiny Lead Officer	DSO Support	Service Lead Officer	Chairman	Member-Ship	Executive Member
This Council requests the Highways Cabinet Panel to review the current Highways contracts to ensure they are fit for purpose and to identify changes to improve the performance of the said contractors. (Motion 16A)	OSC	TBC	Autumn 2018	TBC	TBC	TBC	TBC	TBC	Ralph Sangster (Highways)
Children's Centres POSTPONED	OSC	1 DAY	TBC	Natalie Rotherham	TBC	Sally Orr / Simon Newland	TBC	TBC	Teresa Heritage (Children's Services)

Impact of Scrutiny Sub-Committee

Topic	HSC/ OSC	Type	Date(s)	Scrutiny Lead Officer	DSO Support	Service Lead Officer	Chairman	Member-Ship	Executive Member
OSC / HSC Impact of Scrutiny Sub – Committees (ISSC) Reviewing the implementation of both OSC and HSC topic group recommendations.	ISSC (OSC) ISSC (HSC)	Meets quarterly	28 Nov 2017	Natalie Rotherham	Michelle Diprose / Elaine Manzi	N/A	Ian Reay	Kareen Hastrick Joshua Bennett Lovell Jane West Richard Smith	All Executive Members

MEMBER SEMINARS / CONFERENCE

Topic	HSC/ OSC	Type	Date(s)	Scrutiny Lead Officer	DSO Support	Service Lead Officer	Executive Member
Corporate Parenting	OSC	Lunch-time	2017	TBC	Michelle	TBC	Teresa Heritage (Children's

Topic	HSC/ OSC	Type	Date(s)	Scrutiny Lead Officer	DSO Support	Service Lead Officer	Chairman	Member-Ship	Executive Member
		Seminar			Diprose			Services)	
To Outline the work of the Local Enterprise Partnership	OSC	Lunch-time seminar	Jan 2018	TBC	Michelle Diprose	TBC		David Williams (Resources, Property & The Economy)	
Social Services interface with the NHS and options for integration to include input from health bodies	HSC/ OSC	**Conference**	TBC	TBC	Elaine Manzi	TBC		Colette Wyatt- Lowe (Adult Care & Health) Richard Roberts (Public Health, Prevention & Performance)	

OSC BULLETINS / CABINET PANEL REPORTS

Topic	HSC/ OSC	Type	Date(s)	Scrutiny Lead Officer	DSO Support	Service Lead Officer	Chairman	Member-Ship	Executive Member
Potential move of Fire & Rescue to the Police & Crime Commissioner (PCC). 'To consider the impact on Hertfordshire County council and Hertfordshire of the move by Fire & rescue to the PCC considering budget implications, service delivery and partnership working'	HSC	Panel Report	TBC	TBC	TBC	TBC	N/A	N/A	Terry Hone (Community, Safety & Waste Management)

Topic	HSC/ OSC	Type	Date(s)	Scrutiny Lead Officer	DSO Support	Service Lead Officer	Chairman	Member-Ship	Executive Member

SITE VISITS

CHIEF OFFICER ATTENDANCE

NASCOT LAWN TOPIC GROUP

The Recommendations of the Nascot Lawn Topic Group are:

1.0 Recommendations

1.1. That all partners agree and use protocols that are already in place more consistently to ensure effective, timely and thoughtful engagement to both understand the needs of users, stakeholders and partners and how this informs service delivery and development.

1.2. That all partners develop and use mechanisms already in place more consistently to ensure partnership working operates maturely at a time of financial pressure within a challenged system and provide examples of how this will be achieved and measured.

1.3. That services for our most vulnerable residents are commissioned, resourced and provided utilising a sound and authoritative evidence base.

1.4. Using this experience (as outlined in recommendations 1.1, 1.2, 1.3) to inform future working and decision making.

The full report can be viewed at Nascot Lawn Topic Group

RESPONSE FORM

NAME OF TOPIC GROUP: Nascot Lawn Respite Centre

CHAIRMAN: Eric Buckmaster

SCRUTINY OFFICER: Charles Lambert

DATE OF SCRUTINY: 6 September 2017

DATE REPORT PUBLISHED: 20 September 2017

DATE RESPONSE DUE: 18 October 2017

DATE RESPONSE RETURNED: 18 October 2017

Recommendations

2.1 That all partners agree and use protocols that are already in place more consistently to ensure effective, timely and thoughtful engagement to both understand the needs of users, stakeholders and partners and how this informs service delivery and development. (3.10, 3.11, 3.16, 4.1, 4.3, 4.5, 4.6)

Children's Services response

Hertfordshire County Council agrees with the recommendation. There are a number of agreed protocols in place regarding effective commissioning activity and officers are committed to using these protocols, particularly the Underpinning Principles agreed through the Children and Young People's Integrated Commissioning Executive (CYPICE) at the end of 2016:

Underpinning principles: Integration and Partnership

1) Our activity will be child centred and focused on improving outcomes for children, young people and their families and on reducing inequalities. There will be a common purpose and vision towards continuously improving outcomes.

2) Our conversations will be respectful, open and honest and we will support and challenge each other through constructive dialogue, building trust and mutual respect.

3) We will plan and commission against agreed outcomes that are clear and well-articulated within a shared understanding of quality and sustainability.

4) We will make the best use of all our resources including the skills and competencies of our staff. We will ensure services are effective and efficient and delivered within the finances available. Services will meet identified needs through evidence based interventions.

5) Commissioners will have conversations to ensure coherent messages are agreed and delivered and will speak with one voice. Processes for investment and disinvestment will be clearly defined and will be informed by our shared commitment to improve outcomes for

children, young people and their families.

6) Partnerships between commissioners, providers, children, young people and their families will lead to meaningful joint co-production and co-design to inform joint decision making.

7) As a system we will be ambitious and courageous, supporting change and innovation and sharing both risks and rewards

8) We will reduce duplication through the development of joined up pathways, closer team work and streamlined governance and reporting arrangements.

9) We will work collaboratively recognising each other's strengths and challenges and that there are different routes to the same outcome.

Effective implementation of these principles across the children's partnership will address the issues raised by this Scrutiny including effective engagement across the partnership and with service users, evidence based practice and appropriate sharing of resource pressures and decision making.

The pending review of the Special Educational Needs and Disabilities (SEND) Integrated Commissioning Strategy will need to include a reaffirmation of these principles by relevant parties.

East and North Herts Clinical Commissioning Group response

The CCG agree with the recommendation and use protocols and evidence from local needs analysis, to ensure effective, timely and thoughtful engagement to understand the needs of users, and partners, and stakeholders. This evidence is essential to informing service delivery and development, and to inform the impact analysis for any potential transformation or service redesign.

The CCGs uses a range of engagement, involvement, co-production and communication protocols and principles with partners.

Hertfordshire Community Trust response

Hertfordshire Community NHS Trust fully accepts and welcomes this recommendation and will ensure that this enhances the methods already used to ensure service delivery and development benefits from increasingly effective engagement.

The Trust would welcome consideration at an early stage of service sustainability and impacts on staffing as part of engagement in respect of commissioning decisions.

Herts Valleys Clinical Commissioning Group response

Following the decision by the CCG's investment committee in January 2017 to cease discretionary funding for Nascot Lawn, the initial communication between the Chief

Executives of the CCG and HCC took place in early February 2017. At this point, the CCG confirmed its inability to continue funding respite provision. The CCG is disappointed that HCC did not respond with a proposal around more appropriate funding arrangements, and reflective of joint working arrangements at that time or in the many months thereafter, in recognition of its statutory responsibilities around funding respite provision.

The CCG has been at the forefront of engaging with families from the 14th June 2017, when the CCG communicated to parents and carers that it would be ceasing funding of respite provision at Nascot Lawn from the 31st October 2017.

After discussing with HCC and HCT, the CCG took the decision to meet and talk to families face to face as a first step, and this was communicated in our initial letters to families, prioritising our engagement with those affected directly. The CCG have continued to offer face to face meetings with families. We felt it was important and appropriate for families to meet senior representatives of the CCG including, the Chief Executive and Chair, this has continued to be the case, and remains proactively driven by the CCG.

Below is a timeline listing all CCG engagement with families and other organisations:

- 21.06.17 – HVCCG meeting with Carers in Herts
- 23.06.17, 27.06.17 and 28.06.17 – HVCCG meeting families using Nascot Lawn
- 28.06.17 – HVCCG meeting with Hertfordshire Parent Carer Involvement (HPCI)
- 17.07.17 – Healthwatch update
- 07.08.17 – Parent/Carers meeting
- 23.08.17 – Healthwatch update
- 17.09.17 – Parent/Carers meeting
- 05.10.17 – Parent/Carers meeting
- 06.10.17 – Parent/Carers meeting
- 11.10.17 – Parent/Carers meeting
- 12.10.17 – Healthwatch, HPCI and Carers in Herts meeting
- 17.10.17 – Parent/Carers meeting

Following the meetings held in June, a question and answer briefing was produced and circulated to all families. A letter was also sent to HCC following the meeting held on 07th August requesting further information that had been raised by families on social worker assessments, HCC eligibility for respite, occupancy rates at the other respite centres, minimum age requirement and children's safety when attending the centres. On 15th August, HCC confirmed in writing, there will be sufficient capacity within the HCC commissioned respite services to meet the needs of those children and young people with multi and complex health needs. The CCG recognised capacity was a key concern for families.

Throughout our engagement with families the CCG have acknowledged that this is an anxious time for parents and carers and we recognise the strength of feeling that has been expressed. We also acknowledged this in our stakeholder briefing.
The CCG was in attendance at the Full Council meeting on 18th July 2017. The CCG also participated in the Scrutiny information meeting on 19th July 2017 and the subsequent Nascot Lawn Topic Group on 6th September 2017. In all these meetings families' views were expressed and noted by the CCG.

At the meeting on 17th September 2017, attended by the CCG and the County Council family representatives shared a proposal to create a flagship 0 – 25 fully integrated Overnight Short Breaks service in Hertfordshire.

The CCG, as the funding organisation, has always had representation at the Nascot Lawn panel; Children's Continuing care panel and Multiagency panels. The children's health and care needs are discussed at every panel. Some children may be discussed at more than one panel depending on their needs and provision, which meant the children's needs were widely known including in advance of our original decision in January 2017. In addition, the CCG committed to undertake a joint health and social care assessment for each child and family.

The CCG was in attendance at the Full Council meeting on 18 July 2017. In response to the petition entitled 'SAVE NHS Nascot Lawn Children's Respite Services' Hertfordshire County Council elected members discussed funding for the setting at Full Council on 18 July and a motion regarding funding was passed. It was agreed that the funding would be extended until 31 January 2018 and that Hertfordshire County Council, Herts Valleys CCG and East & North Hertfordshire CCG (ENHCCG) would share the cost of this extension. The cost of this extension is £150,000; HVCCG confirmed that it would provide £67,500 towards this.

The CCG also participated in the Scrutiny information meeting on 19th July 2017 and the subsequent Nascot Lawn Topic Group on 6th September 2017. In all these meetings families' views were expressed and noted by the CCG.

We remain keen to understand the ongoing county council engagement process in relation to future models of respite provision, and the CCG will continue to play its part in focussing on meeting the health needs of the children and their families.

In reference to Children and young people's continuing care, all assessments across Hertfordshire are completed using the national Department of Health Framework (2016). Each CCG has a multi agency panel process which is overseen by the same Chair, ensuring consistency.

Discussions with officers continued throughout Purdah.

The CCG did hold informal (in early February CEO to CEO) and formal discussions with HCC and actions should have taken place following this. In line with appropriate contract processes regarding funding positions, formal timeframes of 6 months, for contractual notice periods were followed by the CCG.

The CCG has been assured on a regular basis by HCT that they have robust processes in place to address staffing. The CCG is aware of all communications that have been sent to staff at Nascot Lawn. HCT have confirmed they are now advertising for three registered nurses for the service on a rolling six-month contract as well as continuing to seek bank and agency nurses for the service as an interim measure. If they are able to secure additional staff they will increase the operational capacity of the service.

2.2 That all partners develop and use mechanisms already in place more consistently to ensure partnership working operates maturely at a time of financial pressure within a challenged system and provide examples of how this will be achieved and measured. (3.3, 3.18, 3.19, 3.20, 4.1, 4.3, 4.4, 4.5, 4.6)

Children's Services response

As above, Hertfordshire County Council is committed to working within the Principles above, to collaborating in an open and transparent manner and to leading and participating in partnership working arrangements including the 0 – 25 Programme Board, the SEND Commissioning Programme Board and the SEND Executive, the HVCCG Children, Young People and Maternity Leadership Group and the E&NHCCG Joint Programme Board.

As partners, we are currently reviewing the SEND Integrated Commissioning Strategy and this work is being monitored and reported to the CYPICE in November 2017.

East and North Herts Clinical Commissioning Group response

The CCG will collaborate with partners to review and develop local mechanisms, to ensure partnership working operates maturely at a time of financial pressure within a challenged system.

As partners, we are currently reviewing the SEND Integrated Commissioning intentions and work programme, and Transforming Care for children programme to assess and review the current likely risks and issues for partners. The outcome from this work is being monitored and reported to the Children and Young People's Integrated Commissioning Executive, in November 2017.

Hertfordshire Community Trust response

Hertfordshire Community NHS Trust fully accepts and welcomes this recommendation.

The Trust would:

(i) Welcome early engagement in cases where commissioners may perceive that they do not have a legal duty to provide services or consult, as there can still be impacts to be addressed by the Trust, including staffing, estate, other dependent contracts and the Trust's interface as the service provider with service users.

(ii) Provide any necessary training to support any service changes or transitional arrangements as commissioned to do so.

(iii) Otherwise work with commissioners to provide healthcare input as appropriate.

(iv) Input to and co-operate with, the devising and implementation of any relevant communication plans.

(v) Mitigate impacts on staffing / sustainability / transition within the parameters of the

known level of certainty about the future of a service. (But ensuring the Trust's compliance with employment law requirements and being fair to staff).

Herts Valleys Clinical Commissioning Group response

The CCG has well established partnership working and has remained committed to this throughout the process, and this will continue into the future. This is reflected in changes to the CCG Governance which has meant the County Council is a core member of the CCG board and has been offered a voting right on the board. This means a direct involvement in the decision making processes of the CCG, and is already the case with Healthwatch Hertfordshire. HVCCG have formally communicated with HCC its ongoing commitment to partnership working.

With respect to Nascot Lawn, the CCG did hold informal (in early February CEO to CED) and formal discussions with HCC and all stakeholders, and also in line with appropriate contract processes regarding funding positions.

Discussions with officers were undertaken during Purdah, and the CCG has driven the need for a joint operational process. The CCG is disappointed that HCC did not respond with a proposal around more appropriate funding arrangements, and reflective of joint working arrangements at that time or in the many months thereafter, in recognition of its statutory responsibilities around funding respite provision.

Regarding Nascot Lawn specifically, and following the meeting with families, both strategic and operational groups were established agreed as part of the process with HCC. These meetings included representatives from HVCCG, E and NHCCG, HCC and Hertfordshire Community Trust (HCT).

The CCG completed an EQIA assessment at the time of the funding decision and were sighted on the potential financial implications. The financial position is now clear following our commitment to re assess all the children who use Nascot Lawn jointly with the council regardless of when their last assessment was undertaken.

The CCG has written to HCC on 6th October 2017 and 17th October 2017. Both these letters reiterated the CCGs original suggestion to HCC in July of whether there was a combined decision to consider. In the letter of 17th October 2017 the CCG formally requested whether HCC wishes to put forward a proposal for the future commissioning of services at Nascot Lawn on an appropriate funding basis. The CCG has confirmed it is willing to offer up to £100k towards meeting the ongoing respite needs of children who are eligible for children's continuing care and work towards a joint funding arrangement. The CCG are awaiting a response from HCC.

2.3 That services for our most vulnerable residents are commissioned, resourced and provided utilising a sound and authoritative evidence base. (3.4, 3.7, 3.8, 3.9, 4.1, 4.2, 4.4, 4.6)

Children's Services response

Hertfordshire County Council is committed to commissioning within a best practice framework. Our commissioning is evidence based using data derived from a variety of sources including data derived directly from operational activity, data from the Joint Strategic Needs Assessment (JSNA) and data from national research such as expected prevalence data.

The views of children, young people and their parents/carers routinely inform commissioning activity and we have a close working relationship with Herts Parent Carer Involvement (HPCI), the local parent/carer forum which is part of the national network of parent carer forums. We also have a group of trained and accredited Young Commissioners who have contributed to service development and will continue to do so.

East and North Herts Clinical Commissioning Group response

The CCG is committed to ensuring that services are commissioned, resourced and provided for our most vulnerable residents and our hard to reach residents. The CCG uses a range of sound and authoritative evidence bases, such as Joint Strategic Needs Analysis, Equality Impact Assessments, Health Impact Assessments, local Public Health profiles, financial impact analysis, evidence from independent thematic reviews, and views of experts by experience.

This list is a sample of different evidence bases which the CCG would utilise, with partners, to help inform the development of an inclusive, sound authoritative evidence base.

Hertfordshire Community Trust response

Hertfordshire Community NHS Trust will ensure the delivery of high quality, evidence based care in line with commissioned specifications.

The Trust:

(i) Works with commissioners on the content of specifications and appropriate models of service delivery and skill mix.

(ii) Will mitigate impacts on staffing / sustainability / transition within the parameters of the known level of certainty about the future of a service. (But ensuring the Trust's compliance with employment law requirements and being fair to staff).

Herts Valleys Clinical Commissioning Group response

The CCG, as the funding organisation, has always had representation at the Nascot

Lawn panel; Children's Continuing care panel and Multiagency panels. The children's health and care needs are discussed at every panel. Some children may be discussed at more than one panel depending on their needs and provision, which meant the children's needs were widely known.

The CCG along with Hertfordshire County Council made a commitment to ensuring that all families of children would receive a joint health and social care assessment. After discussing this with families, in July 2017, the CCG appointed an independent nurse assessor in July to complete these assessments. All health assessments for both families accessing overnight and day care provision have now been completed. The assessments identify the children's health needs and this information will be used to plan the future needs of families. Where appropriate, children have been referred for a full Children's Continuing Care assessment. The health assessments will also be used to inform the CCGs new decision. For the majority of children, the assessments show the support required for the children at Nascot Lawn can be provided by trained carers. HCT have a regular programme of training offered to HCC respite staff to ensure they are competent and confident to meet children's need. Training includes management of children with epilepsy and administration of buccal Midazolam, gastrostomy care and feeding, management of medicines, management of anaphylaxis and use of Epi pens. When requested, HCT will also offer bespoke training. 6 children have been referred for a full Children and Young People's continuing care assessment to see if they meet eligibility.

The CCG anticipates making an annual saving of approximately £500k if it ceases funding of respite services at Nascot Lawn. This figure is based on the CCG's current expenditure on Nascot Lawn of £600,000 minus the projected spend to meet the needs of children and young people eligible for continuing care. Concerns have been raised about the financial impact of ceasing funding for Nascot Lawn on other health and social care services. The CCG will continue to fund a range of health services to meet the needs of children, young people and their families, including mental health services, medicines, children's community nursing, palliative care for those with life-limiting conditions, speech and language therapy, physiotherapy and occupational therapy and special school nursing.

The CCG Equality Analysis completed in December 2016 and updated in January 2017 refers to the impact on children, families and other stakeholders. This Equality Analysis clearly recognises that parents will continue to receive overnight respite care for their children and young people via an alternative provider and CYP will continue to enjoy overnight respite with other CYP with similar needs. A new Equality, Health Inequality and Quality assessment will also be completed, following the completion of all assessments and feedback from families and stakeholders.

2.4 Using this experience (as outlined in recommendations 2.1, 2.2, 2.3) to inform future working and decision making. (3.11, 3.17, 3.22, 3.24, 3.25, 3.27, 4.1, 4.2, 4.3, 4.5, 4.6)

Children's Services response

Hertfordshire County Council will ensure that reviewing the Underpinning Principles (above) forms part of the review of the Integrated SEND Commissioning Strategy. We are committed to working within the principles as listed and we will be encouraging partners to reaffirm their own commitment.

East and North Herts Clinical Commissioning Group response

The CCG is keen to use this experience, as outlined in the recommendations, along with our partners, to inform future working and improve decision making.

We are collaborating with partners, as evidenced by work in progress this year. We are currently reviewing the SEND Integrated Commissioning work programme, which includes a refresh of the Joint Strategic Needs Analysis, and Equality Impact Assessment.

The CCG is collaborating with children's and adult health and social care services to improve the joint commissioning arrangements for personalised planning, through transition from children's to adulthood.

Hertfordshire Community Trust response

Hertfordshire Community NHS Trust accepts and welcomes the findings of the Scrutiny Committee and the associated recommendations.

Going forward, the Trust would welcome early involvement in any decision making processes where decisions are likely to impact on the Trust and its ability to sustain services or support any future service models. The Trust will thereby be better placed to be responsive to changes and to support any agreed service transition.

Herts Valleys Clinical Commissioning Group response

Discussions with officers were undertaken during Purdah, and the CCG has driven the need for a joint operational process. The CCG is disappointed that HCC did not respond with a proposal around more appropriate funding arrangements, and reflective of joint working arrangements at that time or in the many months thereafter, in recognition of its statutory responsibilities around funding respite provision.

The CCG has been at the forefront of engaging with families, in July 2017, the CCG appointed an independent nurse assessor in July to complete these assessments. From the outset, there were delays in social workers availability to complete

assessments.

The CCG has driven the establishment and ongoing strategic and operational groups. These meetings include representatives from E and NHCCG, HCC and Hertfordshire Community Trust (HCT). Meetings have been held fortnightly.

All information that has been generated as a result of the recent legal proceedings, joint needs assessments and any matters arising from our discussions with families and stakeholders to date will inform this decision. A new Equality, Health Inequality and Quality assessment will also be completed.

Before making a new decision in respect of the funding of respite services at Nascot Lawn the CCG has contacted all families to invite them to a series of engagement meetings in October. Any matters arising from our discussions with families and other stakeholders to date will feed into our new decision about funding Nascot Lawn. The CCG will also give due regard to all of the information that has been generated as a result of the recent legal proceedings and the joint needs assessments.

Through 'Let's Talk', the CCG has been consulting with stakeholders and the public on the best use of money available so that we can help as many people as possible to live healthier longer lives. The demand for health services is increasing and we therefore have to make difficult decisions about health care services funded by the local NHS.
https://www.healthierfuture.org.uk/publications/2017/august/lets-talk-consultation-document

Any other comments on the report or this scrutiny?

ITEM 8 APPENDIX 3
SCRUTINY REMIT: PORTFOLIO
CAMHS TRANSFORMATION PLAN TOPIC GROUP

DATE DUE AT OSC / HSC: OSC (15 Nov) and HSC (12 Dec)
COMMITTEE APPROVED: HSC: 12 Dec 2017
WORK PROGRAMME: Q4 2017/8

OBJECTIVES:

1. To assess the progress against the Hertfordshire Child & Adolescent Mental Health Service (CAMHS) Transformation plan; and to evaluate the local system's capacity and ability to deliver positive changes in terms of children and young people's mental health

2. To consider whether the Children and Young People's Emotional & Mental Wellbeing Board is sufficiently well sighted on the emerging challenges to address them over the 5 year lifetime of the plan.

BACKGROUND:

A local review of CAMHS was presented to Hertfordshire Health and Wellbeing Board in 2015. This was closely followed by the national government report into CAMHS (Future in Mind) and the announcement of £1.25billion in additional funding for CAMHS over the following five years. The expectation is that this funding would be used to transform CAMHS services across the country.

Hertfordshire's Transformation Plan aims to increase access for children and young people to early intervention and prevention provision across the five years of the programme to 2020. Across the five years of the CAMHS (Child and Adolescent Mental Health Services) Transformation we aim to implement sustainable system wide change. We will shift incrementally towards embedding a countywide, but locally responsive, early intervention (early help) and prevention model. The model will respond in a timely manner to the needs of children, young people and their families. It also focuses on delivering a seven per cent year on year increase of children and young people with a diagnosable mental health condition receiving treatment.

Another priority is to improve support for children and young people who experience a mental health crisis. At times children and young people in a crisis receive treatment in inappropriate locations, such as inpatient beds a long way from Hertfordshire, or stay in hospital A&E departments longer than is necessary.

QUESTIONS TO BE ADDRESSED:

1. How effectively are partners working together to improve outcomes for children and young people experiencing a mental health crisis:
    a. How do you prevent mental health crises in the community where children are at high risk of admission?
    b. How do you ensure that good quality services are provided for children and young people in acute hospitals (i.e. Lister and Watford General)?
    c. How do we ensure that there are good outcomes from admissions to CAMHS

inpatient services?

2. How can the CAMHS partners intervene effectively and appropriately to support children and young people at the early stages of a mental health issue?

OUTCOME:

There is clarity about the local system's capacity and ability to deliver positive changes in terms of children and young people's mental health.

CONSTRAINTS: *the topics that will not be addressed as part of this scrutiny*

The scrutiny will not consider the causes of the perceived increase in mental health issues in Children and Young People over time

RISK & MITIGATION AFFECTING THIS SCRUTINY: i.e. how confident are members that the department/organisation has identified risks, impact to services, the budget proposals and has mitigation in place.

RISK/S:

The academisation of schools has meant less ability to centrally direct school work on emerging mental health issues.

MITIGATION: *e.g. what mitigation does the department/organisation have in place if a partner pulls out?*

EVIDENCE	
Jess Lievesley, HPFT Executive Director Service Delivery & Service User Experience	Carers in Herts for parent views on CAMHS
Jenny Coles / Marion Ingram, Children's Services	
Simon Pattison / Sarvjeet Dosanjh, CAMHS Commissioners (Integrated Health and Care Commissioning Team)	
David Wright, NHS England commissioner of inpatient beds	
Liz Biggs Strategic Lead for CAMHS Transformation (HVCCG)	
Maria Nastri CAMHS Transformation Manager	
Jim McManus / Jen Beer, Public Health	
Liz Lees, Director of Nursing, East and North Herts Hospital Trust	
Kate Barker Strategic Lead for CAMHS (ENHCCG) Transformation	

ITEM 8 APPENDIX 3
SCRUTINY REMIT: PORTFOLIO
CAMHS TRANSFORMATION PLAN TOPIC GROUP

METHOD: 1 day Topic Group **DATE:** 12 Jan 2018
SITE VISIT: Lister Emergency Department **DATE:** tbc
MEMBERSHIP: X7 Judi Billing (chairman); Anthony Rowland;
SUPPORT: **Scrutiny Officer:** Charles Lambert **Lead Officer/s:** Simon Pattison & Marion Ingram **Democratic Services Officer:** Stephanie Tarrant
HCC Priorities for Action: how this item helps deliver the Priorities *delete as appropriate* **1.** Opportunity To Thrive ✓ **2.** Opportunity To Prosper ✓ **3.** Opportunity To Be Healthy And Safe ✓ **4.** Opportunity To Take Part ✓
CfPS ACCOUNTABILITY OBJECTIVES: *delete as appropriate* **1.** Transparent – opening up data, information and governance ✓ **2.** Inclusive – listening, understanding and changing ✓ **3.** Accountable – demonstrating credibility ✓

HERTFORDSHIRE COUNTY COUNCIL

Agenda Item No

9

HEALTH SCRUTINY COMMITTEE
TUESDAY 12 DECEMBER 2017 AT 10.00AM

HERTFORDSHIRE HEALTH CONCORDAT: UPDATE

Report of the Head of Scrutiny

Author: Charles Lambert, Scrutiny Officer (Tel: 01438 843630)

1. Purpose of report

1.1. To provide the Committee with the revised Concordat and an update on the status of the Hertfordshire Health Concordat, the amendments made and sign up by health organisations. The Concordat is attached as Appendix 1 to this report.

2. Summary

2.1. The Health Concordat is a document that governs the way in which health organisations and scrutiny interact. The Concordat emphasises a culture of 'no surprises' and what should take place in the event of a substantial variation. The Concordat was last reviewed in 2013 and was signed by key partners at that date.

2.2. It was considered timely to review the Concordat in light of the election of a new county council and to take into account the increased collaboration between the council and health partners and between health partners. Additionally, the revised Concordat takes in to consideration more recent health legislation.

2.3. The revised Concordat also reflects changes over the last four years to Hertfordshire's health economy. The advent of the Strategic Transformation Partnership (STP), increased pressures on the NHS system and cross organisational working has meant that additions were made to the required signatories. The organisations covered by the revised Concordat are as follows:

- Hertfordshire County Council (HCC) which will act through its Health Scrutiny Committee (HSC)
- Hertfordshire Partnership University NHS Foundation Trust (HPFT)
- East & North Hertfordshire NHS Trust (ENHT)
- West Hertfordshire Hospitals NHS Trust (WHHT)
- East of England Ambulance Service NHS Trust (EEAST)
- Hertfordshire Community NHS Trust (HCT)
- Herts Valleys Clinical Commissioning Group (HVCCG)
- East & North Herts Clinical Commissioning Group (ENHCCG)
- Cambridge & Peterborough Clinical Commissioning Group (C&PCCG)
- Princess Alexandra Hospital, Harlow (PAH)
- Healthwatch Hertfordshire (HWH)

2.4. The STP is currently not an accountable body, but rather a partnership of all the organisations listed above (bar Healthwatch Hertfordshire), therefore it does not have signatory powers. However, with all above organisations signing it confirms the system's collective commitment to follow the Concordat principles for all service changes arising from the STP work plan. This also includes any future developments including the creation of an Accountable Care System or Organisation.

2.5. The Concordat applies to relations between the Health Scrutiny Committee (HSC) and the health bodies serving the population of Hertfordshire. It also covers consultations and engagement carried out by any of the NHS bodies, where HCC is among those formally consulted. The principles outlined apply not only to extensive formal public consultations of the kind required by legislation, but also to developments which will affect smaller numbers of patients, smaller geographical areas or particular services only. The Concordat covers changes resulting from commissioning decisions or service changes.

2.6. The principles that the Concordat are built on underpin the whole relationship between scrutiny and health. For instance the NHS Five Year Froward View states that 'we [the NHS] need to engage with communities and citizens in new ways, involving them directly in decisions about the future of health and care services'

2.7. Given the financial and service landscape it is accepted that changes will have to be made but that they are done so for the best health interests of the population of Hertfordshire and the Hertfordshire and West Essex STP health and social care system. There is also recognition of the aim to balance timely, well informed decision-making with the use of public monies.

2.8. When consultations take place the Concordat highlights the need to consult the relevant stakeholders in the right way using 'digital by default' as per central government consultation principles guidance (2016). While digital contact through social media and webpages should be at the forefront of any consultation, this does not preclude the use of alternative methods to reach all stakeholders. All communications need to have accessible language so that it is clear and allows for responses to be captured resulting in effective reporting, which in turn informs effective decision making.

2.9. Finally the Concordat identifies that ongoing engagement with the population is necessary to create transparency and awareness of the direction of travel for services.

3. Recommendations

3.1. That the Concordat is noted by the Committee

4. Financial Implications

4.1. There are no financial implications arising from this report.

Background Information

Health Scrutiny Committee Minutes – 15 June 2017

http://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/611/Committee/12/Default.aspx

Hertfordshire Health Concordat

between

Hertfordshire County Council

and

Local NHS Organisations

and

HealthWatch Hertfordshire

Dated October 2017

This Concordat is agreed between the following bodies:

1. Hertfordshire County Council (HCC) which will act through its Health Scrutiny Committee (HSC)
2. The Hertfordshire Partnership University NHS Foundation Trust (HPFT)
3. East & North Hertfordshire NHS Trust (ENHT)
4. West Hertfordshire Hospitals NHS Trust (WHHT)
5. East of England Ambulance Service NHS Trust (EEAST)
6. Hertfordshire Community NHS Trust (HCT)
7. Herts Valleys Clinical Commissioning Group (HVCCG)
8. NHS East & North Hertfordshire Clinical Commissioning Group (ENHCCG)
9. Cambridge & Peterborough Clinical Commissioning Group (C&PCCG)
10. Princess Alexandra Hospital, Harlow (PAH)
11. Healthwatch Hertfordshire (HWH)

The signatories attached in Appendix 5 reflect the commitment of all partners involved in the Strategic and Transformation Partnership (STP) to follow the Concordat principles for all service changes arising from the STP work plan. This would also include any future developments including the creation of an Accountable Care System or Organisation.

Supporting documents
Appendix 1 Background to NHS consultation & HSC Concordat
Appendix 2 Consultation Principles 2016
Appendix 3 Substantial Variation
Appendix 4 Checklist
Appendix 5 Signatories

HERTFORDSHIRE HEALTH CONCORDAT

Executive Summary

The Concordat applies to relations between the Health Scrutiny Committee (HSC) and the health bodies serving the population of Hertfordshire. It also covers consultations and engagement carried out by any of the NHS Bodies, where HCC is among those formally consulted. The principles outlined below apply not only to extensive formal public consultations of the kind required by legislation, but also to developments which will affect smaller numbers of patients, smaller geographical areas or particular services only. The Concordat covers changes resulting from commissioning decisions or service changes.

The principles that the Concordat are built on underpin the whole relationship between scrutiny and health. The NHS Five Year Froward View states that 'we need to engage with communities and citizens in new ways, involving them directly in decisions about the future of health and care services'

Given the financial and service landscape it is accepted that changes will have to be made but that they are done so for the best interest of the population of Hertfordshire and the Hertfordshire and West Essex health and social care system. There is also recognition of the aim to balance timely, well informed decision-making with the use of public monies.

The advent of the Sustainability Transformation Partnership (STP) requires local government and health bodies to work together and that discussions around service changes held in the STP forum will be fed back to HSC.

The Concordat facilitates discussion between HSC and partners so that a culture of 'no surprises' is engendered and maintained through regular contact with Head of Scrutiny and the Chairman of the Committee, to develop engagement into agreed approaches to identify substantial variation and more formally structured consultation.

When consultations take place the Concordat highlights the need to consult the relevant stakeholders in the right way using 'digital by default' as per Central Government consultation principles guidance 2016. While digital contact through social media and webpages should be at the forefront of any consultation, this does not preclude the use of alternative methods to reach all stakeholders. All communications need to have accessible language so that it is clear and allows for responses to be captured resulting in effective reporting, which in turn informs effective decision making.

Ongoing engagement with the population is necessary to create transparency and awareness of the direction of travel for services. To further this goal it is anticipated that engagement will be ongoing; and all consultations should allow everyone to see the use of stakeholder feedback in formulating any final strategy.

PRINCIPLES

1. What is consultation?

1.1 Consultation within the Concordat covers commissioning decisions or service changes with stakeholders to communicate any proposals as well as to gain feedback. All proposed changes require informal liaison with Head of Scrutiny and Chairman of HSC at an early stage and prior to a final decision on consultation being taken by the relevant organisation. At this first meeting the proposals will be shared and agreement sought for the required programme of consultation, which will be dependent on the likely impact of the proposals to residents and/or partner organisations.

2. Consulting the HSC on "substantial variations"

2.1 Legislation requires that scrutiny committees must be consulted in the event of a substantial development or variation. A substantial variation is dependent on local circumstances. **The final definition of what constitutes a substantial variation is determined by the HSC.** The Concordat assumes that a substantial variation is defined as a change or augmentation to a service or provisions that will impact on the health of the local or wider population (see App 3). The relevant NHS body must discuss this with the Head of Scrutiny. If it is agreed that the proposed changes are substantial, HSC will require the NHS to undertake a formal consultation process.

2.2 Consultation on substantial variations will extend to an appropriately wide group of stakeholders in addition to the HSC and will conform to the principles outlined in this Concordat. Proposals for substantial variations in NHS services will be the subject of a formal public consultation. It is anticipated that consultation will be undertaken for a proportionate period. This may mean 12 weeks and the Head of Scrutiny must be consulted before any reduction in this timeframe is considered. HSC may decide not to scrutinize the proposal or consultation as detailed at Appendix 3 and agree to a consultation period shorter than 12 weeks.

2.3 It is not the function of HSC to manage the NHS; therefore scrutiny will not consider managerial decisions

2.4 Where there is a national consultation from NHS England, NHS Improvement or other national body, it is agreed that local commissioners

and/or providers will share any national consultations that they are aware of with Head of Scrutiny and Chairman when relevant to Hertfordshire. At this time it should be made clear whether the consultation is taking place nationally or locally. If it is nationally there is an understanding that local commissioners and/or providers will share such information with the Committee. This may then mean that local consultation is undertaken in addition to national consultation.

3. No surprises

3.1 **A principle of "no surprises" will operate** i.e. Scrutiny officers and the HSC chairman meet regularly with health bodies providing opportunities for informal discussion of upcoming issues.

3.2 The Government has replaced previous consultation guidance by issuing the Consultation Principles 2016. The key Consultation Principles are:

- departments [*here health bodies*] will follow a proportionate timescale dependent on the expected impact of the decisions or proposals;
- departments [*here health bodies*] will need to give more thought to how they engage with and consult with those who are affected;
- consultation should be 'digital by default', but other forms should be used where these are needed to reach the groups affected by a policy and are seldom heard;
- that the consultation should provide sufficient information to consultees so that they can provide informed responses;
- that consultation should state how responses have been received and how they have informed policy.

3.3 The work of HSC will reflect the Consultation Principles and follow agreed ways of working

- advance notification to HSC of the proposed work programmes
- formal consultation is preceded by extensive discussions and engagement with a wide range of stakeholders and those likely to be affected
- detailed informal pre consultation activity takes place to develop proposals
- formal proposals in consultation documents should come as no surprise to many of those consulted
- the level of consultation should be proportionate to the change and those affected.

3.4. The NHS should look to provide as much evidence as possible to the extent and effectiveness of its engagement processes and formal consultation. The Chairman, on behalf of the HSC will take this into account when discussing the expected timescales for consultation or to include matters in its work programme for scrutiny. Evidence that NHS bodies have a culture of engagement and consultation embedded in their day-to-day activities will include

- board papers or other strategy and action planning documents indicating a rich and ongoing process of engaging/consulting service users and potential service users
- evidence that this process is part of a circle of dialogue and feedback that influences service planning and delivery
- feedback and updates to HSC from relevant health bodies and HWH over the course of the planning and delivery cycle about the level, extent, inclusiveness and influence of patient and public consultation and involvement.

3.5 Where urgent action is required because of concerns about risks to the safety, or welfare of patients and staff or the viability of a service to safeguard public safety and the financial stability of a health body HSC would expect to be engaged and informed of any actions as soon as is possible.

3.6 Where the provider or commissioner is operating regionally, information affecting the region is shared with Head of Scrutiny and Chairman, especially when a regional change could affect Hertfordshire.

4. Consulting the right people

4.1 It is anticipated that consultation will be underpinned by the NHS Constitution, principles of good practice accepted nationally and the Secretary of State's 4 Tests (updated 2015)

- Strong public and patient engagement.
- Consistency with current and prospective need for patient choice.
- Clear, clinical evidence base.
- Support for proposals from commissioners.

4.2 Consultation processes will attempt to gather the views of a representative cross-section and a geographical spread of the relevant population. The NHS consulting body, including Foundations Trusts, will be able to show how it has encouraged a wide range of people to give their views and how

it has enabled the voices of seldom heard people and minorities as well as the majority to be heard.

4.3 Those consulted (key stakeholders, groups and individuals with an interest and those likely to be affected by any proposed changes) will all be given an opportunity to provide an informed view. HCC, the Health & Wellbeing Board, Healthwatch, District/Borough Councils in Hertfordshire and HSC, will be consulted separately as will elected representatives (including MPs) and stakeholders, as appropriate. Consultation with the HSC will not be used as a substitute for consultation with HCC's executive (and vice versa). The organisation will need to consult the executive as HCC's decision-making body and with the executives or other decision-making bodies of the Hertfordshire District/Borough Councils, where appropriate, all of whom may have different perspectives from HSC.

5. Being clear about proposals and options

5.1 It will be clear that it is a **consultation** not a vote or referendum.

5.2 Consultations will have clear stated objectives. It will be made clear to those being consulted what is being proposed. Options will be put forward in good faith, i.e. it will be made clear which options the consulting body considers to be viable ones, what, if any, its current preferences are among these options and what consultees can still change or influence. If certain options have been excluded as being completely unviable, this will be made clear and the constraints spelled out. If the pre consultation engagement has been extensive and the NHS body is able to provide substantial evidence of engagement and how this activity has shaped proposals, the NHS body may consult on one proposal only. It is anticipated that this will be the exception.

5.3 The consulting body will also make clear that it will give due regard to new alternative options or aspects of options proposed by consultees during the consultation process. Consultees will be specifically asked for their views on options which they do not favour as an understanding of the advantages and disadvantages of all options from the public perspective may be helpful to decision makers.

5.4 Where possible an assessment of the likely effects of proposals on other services and of the groups of people most likely to be affected will be given, including an assessment of the impact of making no change. This should also include the likely impact on other organisations that interact with this service. Short and long-term impacts, knock-on effects, equalities

impacts, sustainability and opportunity costs of options will be outlined with an assessment of the likely impact on transport and local site issues.

6. Consulting in the right way

6.1 Consultation will take many forms, both formal and informal, proportionate to the issue and population being effected. Consultation documents will be made available widely and public consultation events will be well publicised using 'digital by default', but also make sure that a range of suitable media communication is used and events are held at times and venues that will suit as many people as possible to be fully inclusive and allow informed decisions to be made. Materials will state clearly how consultees should respond. They will include a contact point for any consultee who wishes to complain about the consultation process. The numbers responding and their submissions to consultation documents or at consultation events will be recorded and reported in a final summary. Questionnaires will be objective, appropriate and fair and the methodology for analysing them will be indicated in the final report of a consultation.

6.2 HSC recognises that public meetings and questionnaires are not always the most appropriate method of consulting people. Where appropriate smaller scale engagement with specific groups can be a more effective means of capturing the views of defined users of particular services and of people whose views are seldom heard, and therefore its use is encouraged.

7. Using accessible language

7.1 The language of consultation documents and at consultation events will be accessible, user-friendly and jargon free. Publicity for consultation events and documents will make clear what the overall implications of proposed changes are likely to be (e.g. a proposal to "reconfigure" services that may result in a closure of a hospital or facility will say so and **not** simply use vague terms such as "Come to a meeting about NHS changes" or "new ways of providing health services").

8. Effective reporting

8.1 Responses to consultations will be analysed using methods that can be shown to be fair and objective and will, where possible, give a demographic breakdown of those responding, including a geographic breakdown.

8.2 NHS boards, HSC, HWB, HWH and the public will have access to full reports of consultations. Access for this purpose may include publication of consultation reports to boards as posted with board papers on health body websites. All signatories to this Concordat shall also comply with their obligations under the Freedom of Information Act 2000 and shall also disclose such information as may be requested under that Act unless they can clearly demonstrate that exemption from disclosure under the Act applies. However, this is likely to be exceptional in the case of information relating to a public consultation exercise.

9. Objective decision-making and feedback

9.1. Decisions made by boards will give due weight and attention to the full range of consultation formats used, including oral and written responses in formal and informal settings. In general, reports of decisions on issues where consultation has taken place will make clear how the pre consultation informal engagement and consultation process has influenced the decision. It is also necessary to include in the report how feedback from stakeholders has been used in the decision making process.

9.2. Health bodies need to ensure that sufficient consideration has been given to any issues raised during the consultation concerning the impact of the proposals on clinical quality and outcomes

9.3. Wherever possible, direct feedback will be given to groups and individuals who have responded to a consultation, indicating where their views have influenced a decision. Where a decision goes against a large body of opinion of those consulted, or against the view of those who will be most affected, reasons will be given for this.

10. Lessons learned

10.1 In their overall consultation strategies, NHS bodies will show how they have evaluated previous consultations and put into practice the lessons they have learned about how to improve consultation.

10.2 This Concordat will be reviewed and its effectiveness tested with both signatories and other stakeholders including HWH, on a four year basis unless other factors suggest an earlier revision is necessary.

11. Implementation of an agreed strategy

11.1. The implementation of a strategy does not require further scrutiny, unless it is a substantial variation to the agreed strategy. This is especially important if implementation of all or part(s) of the strategy will not take place for a considerable period of time. To enable HSC to monitor implementation it has been agreed that health bodies will undertake a full range of activities as requested by HSC in relation to specific strategy implement. This will include

- regular, short, written updates
- assurance that reconfiguration/service changes is in line with the agreed strategy
- reassurance of substantial engagement with users and the community to inform service changes
- hosting site visits for HSC members, where appropriate

The Concordat will be reviewed every four years

Appendix 1

HERTFORDSHIRE COUNTY COUNCIL (HCC)
HEALTH SCRUTINY COMMITTEE (HSC)

BACKGROUND TO NHS CONSULTATION & HCC CONCORDAT

1. INTRODUCTION

1.1. It is the role of HCC to hold the local NHS to local democratic account. However, the relationship between HCC's Health Scrutiny Committee (HSC) and its health partners is only one of the many that operate at different levels across the two sectors. The Health & Wellbeing Board (HWB) will influence the strategic direction for commissioning services that relate to the health and wellbeing of the population. HCC and health staff work closely together to ensure that their commissioning strategies are aligned and that patients' experience of moving between health and social care services are as seamless as possible.

2. Legislative background

2.1. The law gives powers to local authorities (other than districts in two-tier areas) to consider issues affecting the health of local people and to call the NHS and private providers whose services are funded by the NHS to account on behalf of local communities.[1] The primary aims of health overview and scrutiny is to ensure that:

- health services reflect the views and aspirations of local communities
- all sections of local communities have equal access to services
- all sections of local communities have an equal chance of a successful outcome from services.[2]

2.2. The regulations specifically require NHS bodies to consult on any proposals for "substantial variations or developments" of health services. HSC does not have powers to enforce any of the recommendations it makes to the NHS or private providers, either as a result of carrying out a scrutiny review, or in responding to a consultation. It can only hope to influence decisions by the evidence it brings forward and to ensure that

[1] Health and Social Care Act 2001, National Health Service Act 2006 (section 244) **as amended by Health and Social Care Act 2012; Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013**
[2] Centre for Public Scrutiny, *Substantial Variations and Developments of Health Services: a Guide*, 2005.

consultation by the NHS has been of a high quality. The final decision on how NHS services are run and developed remains with NHS Boards. In Hertfordshire HSC and NHS bodies have agreed an approach to monitoring the implementation of recommendations through the OSC Review of Recommendations Topic Group.

2.3. In addition to the creation of duties relating to local authority scrutiny, legislation requires the NHS to involve and consult the public widely on what it does.[3] Clinical Commissioning Groups (CCGs), NHS Trusts and NHS Foundation Trusts must involve and consult people who receive or who may receive health services on:

- the planning of the provision of those services,
- the development and consideration of proposals for changes in the way
  those services are provided, and
- decisions affecting the operation of those services

3. Hertfordshire County Council Health Scrutiny Committee (HSC)

3.1 HSC has been carrying out its scrutiny powers since 2002. The statutory health scrutiny powers, following changes made by the Health and Social Care Act 2012, now rest with HCC, but they will continue to be exercised on behalf of HCC by HSC. HSC includes representation from all the districts/boroughs in Hertfordshire. All districts/boroughs, and HCC's executive , continue to provide an executive response to NHS consultation proposals and service developments.

3.2 HSC is aware that the NHS in Hertfordshire has also been developing the ways it involves and consults patients and the public and HSC wishes to encourage these developments, at the same time recognising the finite resources available. HSC aims to ensure that it has a comprehensive overview of NHS developments and an opportunity to contribute to improving the health of the people of Hertfordshire. It wishes to support new developments designed to improve health services, as long as it is assured that good and comprehensive involvement and consultation with patients and the public is happening. HSC believes that the best way for it to scrutinise the activities of the NHS locally is to act as a challenging critical friend.

[3] National Health Service Act 2006 (section 242) as amended by the Health and Social Care Act 2012.

3.3 HSC expects to be informed of proposed substantial variations in services, as is required by law. However, HSC would not wish – and indeed would not have the capacity - to carry out detailed scrutiny in relation to the content of all new NHS proposals or existing services. This does not preclude HSC from undertaking scrutiny on specific issues it deems necessary. It is very important, therefore, that HSC can be satisfied that adequate, appropriate and effective consultation and involvement of patients and the public has takes place as a matter of course.

3.4 HSC understands that consultations are not referenda and that NHS Boards must weigh up a number of factors in making decisions about changes in services. HSC and the NHS signatories to this Concordat agree that the views of patients and the local population are an important factor which must play and be seen to play a role in those decisions.

4. The Concordat between Health & HCC

4.1. HCC, acting through HSC, and the NHS signatories of this Concordat have agreed to develop a Concordat on the way in which patients and the public in Hertfordshire are informed, consulted and involved in decision-making by the NHS. The purpose of this Concordat is:

- to create an explicit consensus between HSC and the NHS in Hertfordshire about the principles that should underlie good consultation of patients and the public
- to enable HSC to prioritise its scrutiny activity and to maintain the role of critical friend referred to above
- to assist patients and the public, including HealthWatch Hertfordshire (HWH), to understand the principles on which consultation with them is carried out by the NHS.

4.2. The guiding assumption is that, only where there is clear evidence that a consultation process has failed to comply with the principles of the Concordat in a way which has materially affected the process or outcome will there be a need for detailed and formal scrutiny review by HSC. Such principles and assessment of compliance with them could never be wholly scientific, since they require a degree of judgement about whether their spirit has been fulfilled, and an understanding of local circumstances. However, it is hoped that they will provide a public benchmark to assist patients, the public, and NHS bodies themselves as well as HSC to plan patient and public involvement and consultation and to evaluate the adequacy and effectiveness of consultations.

4.3. It is accepted that both providers and commissioners have a statutory duty to “involve and consult”; however, the lead organisation in respect of public consultation is the commissioning body. This body is expected to lead the contact with HSC.

4.4. Each signatory shall notify HCC’s Scrutiny Officer of the name and contact details for a lead officer within their organisation who shall act as the principle point of contact for all matters in relation to this concordat. Any amendments to the name, role or contact details of a lead officer shall also be notifed accordingly.

5. Status of the Concordat, Amendments, Withdrawal and Successor Bodies

5.1. The Concordat is not a legally binding contract or agreement. However, the signatory organisations voluntarily subscribe to its provisions. Agreeing the Concordat shall be approved by each organisation in accordance with its Constitutional requirements. HCC’s Head of Scrutiny shall maintain a definitive current version of the Concordat.

5.2. Significant amendments which impact on the substance of the Concordat or any of its provisions will continue to be revised and agreed by health and HSC. Amendment will only be made with the agreement of all signatories. Minor amendments (including e.g. changes of organisation name or post titles) shall not require agreement.

5.3. Any signatory may withdraw from the Concordat by giving three months notice in writing to HCC’s Head of Scrutiny. Withdrawal from the Concordat does not exempt an organisation from the fulfilment of its statutory duties in respect of consultation.

5.4. An organisation shall automatically cease to be a signatory to this concordat in the event of it ceasing to exist as a statutory body. The Concordat does not bind successor organisations but any successor organisation shall be invited and encouraged to become a signatory. Notification in writing to HCC’s Head of Scrutinyl shall constitute an organisation becoming a signatory for this purpose, subject to their having complied with paragraph 12.1 above.

5.5. The establishment of HWH requires inclusion within any Concordat arrangements. Where a member of the public, a representative organisation of the HWH or a member of HSC believes that consultation has not been carried out according to the spirit of the principles in the Concordat they may submit evidence to HSC as to why they consider the

Concordat has not been complied with. In such instances HSC will either as a whole, or appoint a sub-group of it members to assess the process of consultation against the principles in the Concordat and decide, on this basis, whether further scrutiny is necessary. Appendix 4 to the Concordat provides a checklist of questions to assist any assessment of whether consultations have followed the principles of the Concordat.

5.6. The Concordat draws on the relevant legislation (referred to in footnotes) and the experience of HSC and the NHS in developing and overseeing good practice on consultation and involvement at a practical level. In addition, the Concordat has drawn on principles outlined in the following documents:

- *Hertfordshire County Council's Have Your Say principles for consultation*
- *Consultation Principles 2016*
- *The Independent Reconfiguration Panel's best practice guidance.*
- *NHS Constitution*
- *Health & Social Care Act 2012*
- *Care Act 2014*

Appendix 2

Consultation Principles 2016

A. Consultations should be clear and concise

Use plain English and avoid acronyms. Be clear what questions you are asking and limit the number of questions to those that are necessary. Make them easy to understand and easy to answer. Avoid lengthy documents when possible and consider merging those on related topics.

B. Consultations should have a purpose

Do not consult for the sake of it. Ask departmental lawyers whether you have a legal duty to consult. Take consultation responses into account when taking policy forward. Consult about policies or implementation plans when the development of the policies or plans is at a formative stage. Do not ask questions about issues on which you already have a final view.

C. Consultations should be informative

Give enough information to ensure that those consulted understand the issues and can give informed responses. Include validated assessments of the costs and benefits of the options being considered when possible; this might be required where proposals have an impact on business or the voluntary sector.

D. Consultations are only part of a process of engagement

Consider whether informal iterative consultation is appropriate, using new digital tools and open, collaborative approaches. Consultation is not just about formal documents and responses. It is an on-going process.

E. Consultations should last for a proportionate amount of time

Judge the length of the consultation on the basis of legal advice and taking into account the nature and impact of the proposal. Consulting for too long will unnecessarily delay policy development. Consulting too

quickly will not give enough time for consideration and will reduce the quality of responses.

F. Consultations should be targeted

Consider the full range of people, business and voluntary bodies affected by the policy, and whether representative groups exist. Consider targeting specific groups if appropriate. Ensure they are aware of the consultation and can access it. Consider how to tailor consultation to the needs and preferences of particular groups, such as older people, younger people or people with disabilities that may not respond to traditional consultation methods.

G. Consultations should take account of the groups being consulted

Consult stakeholders in a way that suits them. Charities may need more time to respond than businesses, for example. When the consultation spans all or part of a holiday period, consider how this may affect consultation and take appropriate mitigating action.

H. Consultations should be agreed before publication

Seek collective agreement before publishing a written consultation, particularly when consulting on new policy proposals. Consultations should be published on gov.uk.

I. Consultation should facilitate scrutiny

Publish any response on the same page on gov.uk as the original consultation, and ensure it is clear when the government has responded to the consultation. Explain the responses that have been received from consultees and how these have informed the policy. State how many responses have been received.

J. Government responses to consultations should be published in a timely fashion

Publish responses within 12 weeks of the consultation or provide an explanation why this is not possible. Where consultation concerns a statutory instrument publish responses before or at the same time as the

instrument is laid, except in exceptional circumstances. Allow appropriate time between closing the consultation and implementing policy or legislation.

K. Consultation exercises should not generally be launched during local or national election periods.

If exceptional circumstances make a consultation absolutely essential (for example, for safeguarding public health), departments should seek advice from the Propriety and Ethics team in the Cabinet Office.

This document does not have legal force and is subject to statutory and other legal requirements.

Appendix 3

HSC Substantial variation guidance

1. Department of Health guidance (2014), good practice as recorded by the Centre for Public Scrutiny (CfPS 2005) and Section 10.6.3 of Local Authority Scrutiny regulations recommend that the following are taken into account when considering whether a development, proposed change or variation is 'substantial':
    - Changes in accessibility of services
    - The impact of the proposal on the wider community and other services (including economic impact, transport and regeneration)
    - The degree to which patients are affected
    - Changes to service models and methods of service delivery NHS e.g. moving a particular service into a community setting from an acute hospital setting

2. Section 242 of the NHS Act places a statutory duty on the NHS to engage and involve the public and service users in:
    - Planning the provision of services
    - The development and consideration of proposals to change the provision of those services
    - Decisions affecting the operation of services.

To assist in transparency a template for detailing service changes that can be shared with HSC is in Appendix 3a.

Appendix 3a:

Service Changes

Organisation	
Lead manager & contact details	
Description of service variation	
Reasons for service variation i.e. Case for Change	
Impact on the Wider Community *(e.g. transport, accessibility)*	
Number of Patients/Carers Affected	
Changes in Methods of Service Delivery	
Impact on other Services (e.g. health, social care, voluntary sector)	
Impact on different communities *(e.g. age, gender, locality)*	
Date due at Health & Wellbeing Board or relevant Commissioner	
Proposed Engagement	

Appendix 4

Checklist to ascertain if consultations have followed the Concordat, Consultation Principles, NHS Constitution & best practice

Reflecting the 4 Tests, cconsultation should provide evidence of

- clarity on the clinical evidence base underpinning the proposals
- support of GP commissioners i.e. CCGs
- that it promotes choice for patients
- genuine engagement with the public, patients and local authorities

1. What efforts has the health body made from an early stage to inform relevant stakeholders that a proposal is being formulated?

2. What evidence is there of patient and public involvement and/or consultation in the development of the proposal?

3. If the proposal is clearly a substantial variation in services and not subject to formal public consultation, how will the health body ensure stakeholder input?

4. If there is doubt about whether the proposal constitutes a substantial variation have the Head of Scrutiny and the Health Scrutiny Committee (HSC) been asked for their views?

5. In the case of proposals that will not lead to substantial variations in services, is the timescale for consultation realistic and acceptable?

6. Have those being consulted been made aware of the objectives of the consultation? Have options been put forward in good faith? Has it been made clear which options are still “on the table” and which have been ruled out and the reasons given in sufficient depth to justify their exclusion?

7. Have the right people been consulted: key stakeholders, users (current and past) groups and individuals with an interest and those likely to be affected? Has consultation sought to elicit responses from a representative cross-section and a geographical spread (where appropriate) of views? Has the health consulting body encouraged people to give their views and enabled the voices of seldom-heard people and minorities to be heard?

8. Has consultation taken the right forms appropriate to the subject matter and to those being consulted? Have responses to consultation been captured,

recorded and reported appropriately? Have consultees been made aware of how they can complain about the consultation process, if they wish?

9. Is the language of any consultation documents and events accessible, user-friendly and jargon free? Has any publicity made clear what the overall implications of any proposed changes will be?

10. Has analysis of consultation responses used fair and objective methods? Has the methodology for analysing consultation responses been recorded in any report of consultation, where appropriate? Where possible, has a demographic and geographic breakdown of responses been provided in any final report? Is any final report available to relevant Boards, HSC and the public and is anonymised raw data from consultation available on request?

11. Have any decisions made after a consultation period given due weight and attention to consultation responses and made it clear how they have influenced the decision(s)? How will feedback be given, where possible, to those consulted? Where a decision goes against a large body of opinion of those consulted, or against the view of those who will be most affected, have reasons been given for this?

HERTFORDSHIRE COUNTY COUNCIL

HEALTH SCRUTINY COMMITTEE
TUESDAY 12 DECEMBER 2017 AT 10.00AM

Agenda Item No.

10

HERTFORDSHIRE COMMUNITY TRUST (HCT) FINANCE SCRUTINY

Report of the Head of Scrutiny

Author: Elaine Manzi, Democratic Services Officer (Tel: 01992 588062)

1. Purpose of report

1.1 To provide Health Scrutiny Committee with the progress on a page (POP) summary and responses to the finance scrutiny questions from the Hertfordshire Community Trust (HCT). These are attached as Appendices 1 and 2 to this report.

2. Summary

2.1 Further to the health provider finance scrutiny questions being agreed at Health Scrutiny Committee on 5 October 2017, the responses from HCT are attached.

2.2 A glossary of acronyms used within all health providers finance responses can be found at Item 2, Appendix 1.

3. Recommendation

3.1 That the Committee notes the reports attached as Appendices 1 and 2 to this report.

Item 10 Appendix 1
Hertfordshire Community NHS Trust

Strategic Direction:
HCT's vision is to maintain and improve the health and wellbeing of the people of Hertfordshire and other areas served by the Trust

Key priorities and programmes:
Developing our services - key areas:

- Health and wellbeing – work with other agencies to develop local community approaches to maintaining and improving health and wellbeing.
- Self-management –support people with health conditions and disabilities to manage their own care Coordinated care - provide well-co-ordinated, personalised, multi-agency care for people with complex needs.

Developing our organisation - key areas:

- Locality-based working –organise our services around local communities and groups of GPs to build strong primary and community care services, engaging local community groups and organisations.
- Effective teams –support all our clinical teams to deliver best practice; be well-led; take more decisions locally; information to support good decision-making.
- Right estate – ensure we have buildings in the right place to meet needs and share facilities
- Right technology – use technology to support the innovative delivery of services and timely information
- Right business and governance systems and processes –ensure that our business and governance systems are streamlined and easy to use.

Key services provided:

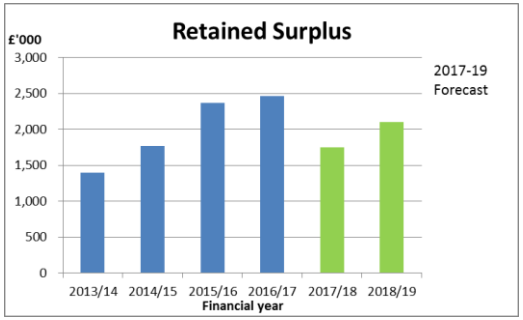
Type of service		Description	Approx. % of income
ADULTS	Community physical health	The majority of HCT's services relate to community based care of adults with underlying and on-going health conditions (long term conditions).	60%
	Ambulatory/ specialist healthcare	A range of services providing interventions in specialist areas such as skin health, prison healthcare and podiatry.	5%
CHILDREN & YOUNG PEOPLE	Community physical health	Universal children's services (Health Visiting, School Nursing) focus on ensuring children are given the best start to lead healthy, fulfilling lives.	20%
	Specialist Services	A range of specialist services for children and young people including community paediatrics, specialist nursing, physiotherapy, occupational therapy, speech and language therapy and audiology.	10%
	Community mental health services	HCT provides a 'Tier 2' service to help manage children/young people's emotional and mental wellbeing, as well as a 'Tier 3' service for those with Autism or Learning Disabilities and challenging behaviours or mental health issues.	<5%

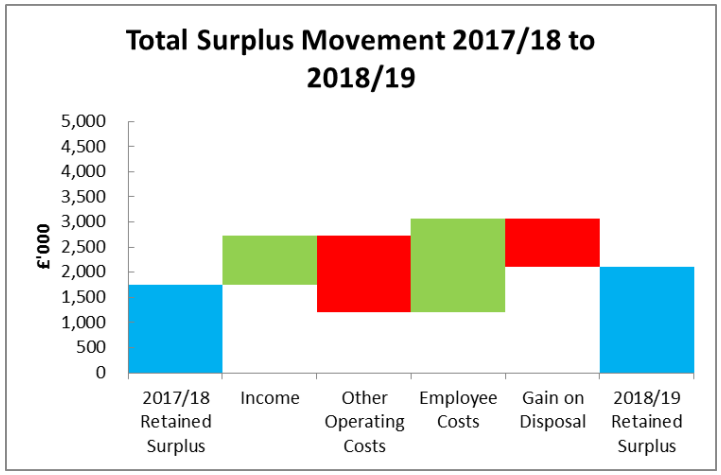
Key risks in achieving budget:

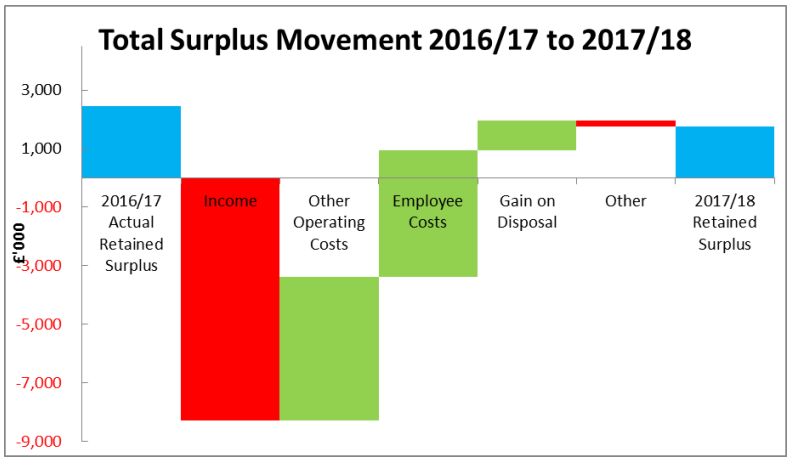
Risk	£'000
Sale of assets	(980)
Cost Improvement slippage	(820)
CQUIN targets	(160)
	(1,960)

Hertfordshire Community NHS Trust

Net Revenue Budge [bar chart]:





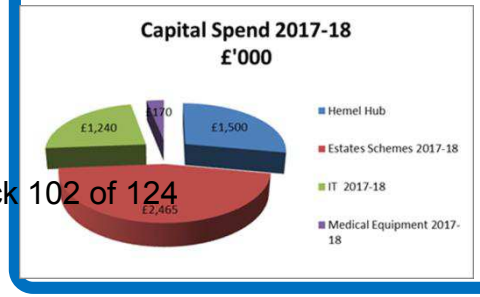


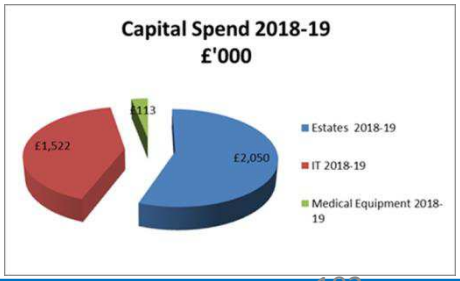
Key Savings

CIPs by Theme	2017/18 plan (£'000's)	% of total
Staff Investment Programme	974	19%
Benchmarking Review	1,800	35%
SLA renegotiation	600	12%
Estates Site Utilisation	591	11%
Non recurrent saving opportunities	1,225	24%
TOTAL	**5,190**	**100%**

	2017/18 £m	2018/19 £m	2019/20 £m
Capital Programme	£5.4m	£3.4m	£3.4m

Key Capital Schemes:





HSC FINANCE SCRUTINY QUESTIONS

1. Please summarise the Trust's 2017/18 financial plan – i.e. your start position, agreed control total, key elements of the plan including STF (sustainability and transformation funding).

- The planned surplus for the year is £1,747K.
- The agreed control total is £1,972K, which includes £916K of STF.

2. Please set out your current 2017/18 forecast outturn position and key risks to delivery.

- As of the end of Month 6, the Trust is forecasting to achieve a surplus of £544K, resulting in an adverse position of £1,203K. When adjusting for the transfer of the Parkway property to NHS Property Services and depreciation on donated assets, the Trust is forecasting to exceed the performance against control total by £8K (which is £1,980K). (The NHS has two measures when reporting its financial performance:
  - The first is its retained position, for HCT this is £544k.
  - As the property transfer is intra NHS this gets adjusted back. Improving the HCT position back to the £1.9m.
- Key risks that may impact in delivering the forecast:

Risk/Opportunity	RAG Rating/Risk Score	Risk Assessed Value £'000
Planned sale of properties does not deliver expected savings.	5	(192)
Cost Improvement Plans - Customer Service Transformation	25	(500)
Cost Improvement Plans - Renegotiate E&NH Trust Service Level Agreement	16	(320)
100% of CQUIN targets are not achieved.	16	(160)
Loss of overhead for Rapid Response Service Decommissioning in October 2017	12	(240)
NHSE Contract 16/17 Over performance Income	12	(38)
Total		(1,450)

3. Please identify any significant commissioning / contractual issues not yet reflected into the 2017/18 plan (i.e. differences between commissioner and provider positions)

For HCT there have been no formal contract challenges to date.

HCT are anticipating potential changes to the income forecast as a result of future contract variations as follows:

- Nascot Lawn

- Potential market testing of Heart Failure and Cardiac Rehabilitation Services, Community Diabetes Service, and Development of Podiatry Services.

Herts Valley CCG has also announced its plans to recommission Adult Community Services for the west of Hertfordshire through open market procurement. This includes the following services that HCT currently provides:

- Integrated Community Nursing and Therapy Services
- Community Intermediate Care Beds
- Specialist Palliative Care
- Bladder and Bowel
- Adult Speech and Language
- Lymphoedema
- Leg Ulcer and Tissue Viability Services
- Community Neuro Rehabilitation Service
- Podiatry (excluding Diabetes)
- Nutrition and Dietetics

HCT will be working closely with Herts Valley CCG and our other partners throughout this process to ensure we are in position to put in a winning bid for the services.

4. Please summarise your 2017/18 savings plans, current progress and expected impacts / key risks.

SRC Overview of CIP Performance 2017/18

CIP by Programme

	In Month £'000			Year to Date £'000			Forecast Year End Achievement £'000		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
Operational Productivity	192	19	(173)	1,152	1,382	230	2,304	2,304	
Lord Carter Review	50	50		300	300		600	600	
SLA Review	42		(42)	250	74	(176)	500	500	
Customer Service Transformation	42		(42)	250		(250)	500		(500)
Other Savings plans	95	291	196	571	766	196	1,141	1,641	500
Estates & Infrastructure	12	73	60	73	73		145	145	
Total CIPs	**432**	**432**	**()**	**2,595**	**2,595**		**5,190**	**5,190**	**-**

The Trust is expecting to fully meet its 2017/18 saving plan and year date is delivering, in total, the expected level. Although the actual delivery of the schemes is different to that originally planned.

5. Please summarise CQUINs that apply to your organisation in 2017/18, financial value and expected outturn position

Goal reference (National CQUIN)	Indicator name	Provider type relevant for
Indicator number		
1a	Improvement of health and wellbeing of NHS staff	Community
1b	Healthy food for NHS staff, visitors and patients	Community
1c	Improving the uptake of flu vaccinations for frontline clinical staff	Community
8b	Supporting proactive and safe discharge (Community)	Community
9a	Preventing ill health by risky behaviours - alcohol and tobacco: Tobacco screening	Community
9b	Preventing ill health by risky behaviours - alcohol and tobacco: Tobacco brief advice	Community
9c	Preventing ill health by risky behaviours - alcohol and tobacco: Tobacco referral and medication	Community
9d	Preventing ill health by risky behaviours - alcohol and tobacco: Alcohol screening	Community
9e	Preventing ill health by risky behaviours - alcohol and tobacco: Alcohol brief advice or referral	Community
10	Improving the assessment of wounds	Community
11	Personalised care and support planning	Community

	Annual Plan				Forecast			
	Total	STP	CT	CQUIN	Total	STP	CT	CQUIN
% of total contact	2.50%	0.50%	0.50%	1.50%	2.50%	0.50%	0.50%	1.50%
% of 2.5% CQUIN		20.00%	20.00%	60.00%		20.00%	20.00%	60.00%
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ENCCG	977	195	195	586	977	195	195	586
HVCCG	1,289	258	258	773	1,238	248	248	743
West Essex CCG / Essex County Council								
NHS England (H&S LAT)	18	4	4	11	18	4	4	11
C&P CCG	39	8	8	23	38	8	8	23
BEDFORDSHIRE	6	1	1	4	6	1	1	4
Total*	2,328	466	466	1,397	2,276	455	455	1,366

*excludes Business Unit CQUIN income, *value c£30k*

The CQUIN is also indicated in the risk table below:

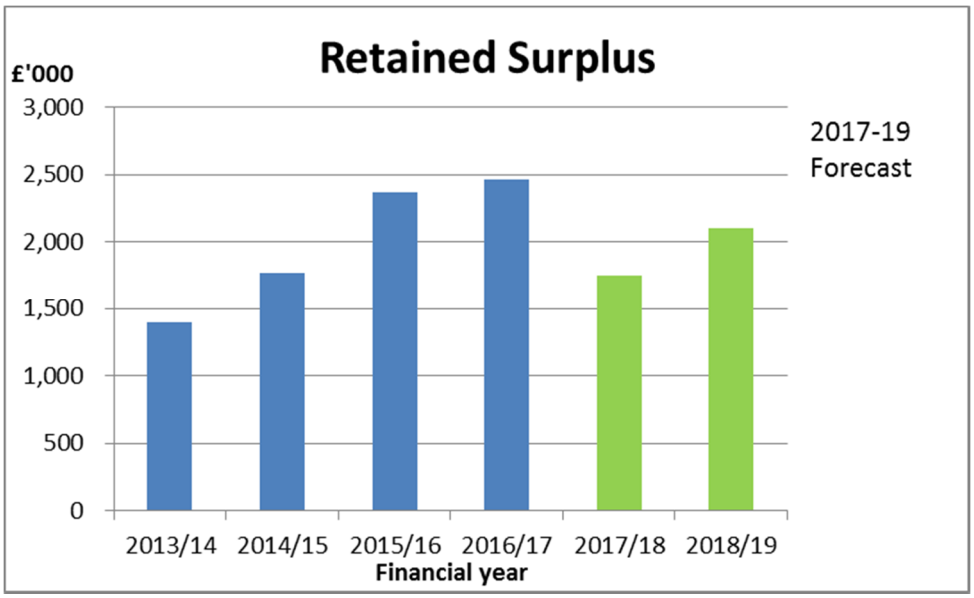
Risk/Opportunity	RAG Rating/Risk Score	Risk Assessed Value £'000
100% of CQUIN targets are not achieved.	16	(160)

6. Please set out the longer term financial outlook for your organisation and summarise the key elements of your longer term financial sustainability plan

See combined answer with below question

7. How has the Trust reviewed its effectiveness and value for money in delivering service outcomes?

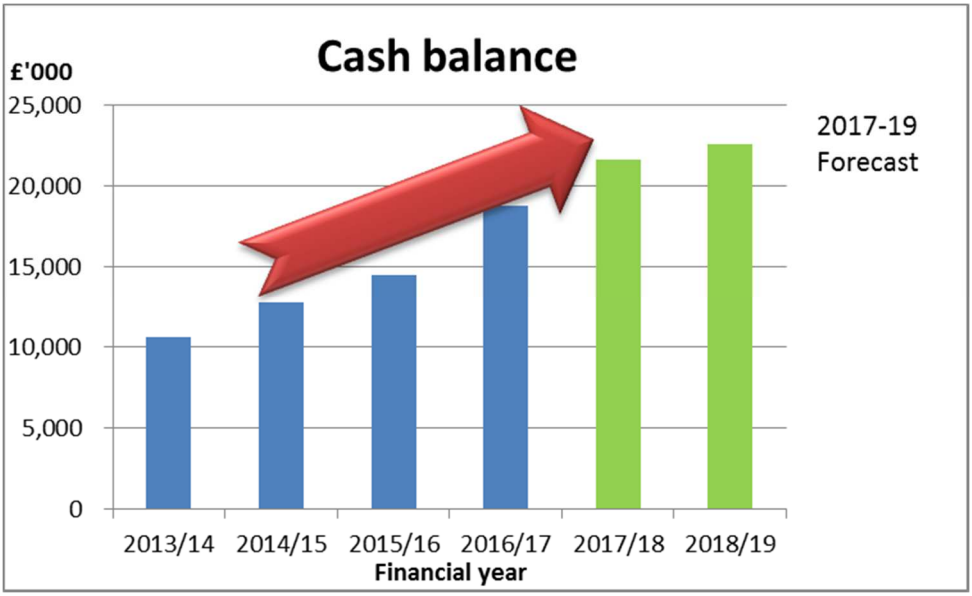
The Trust prides itself on managing its resources well and has continually delivered surpluses since its inception.

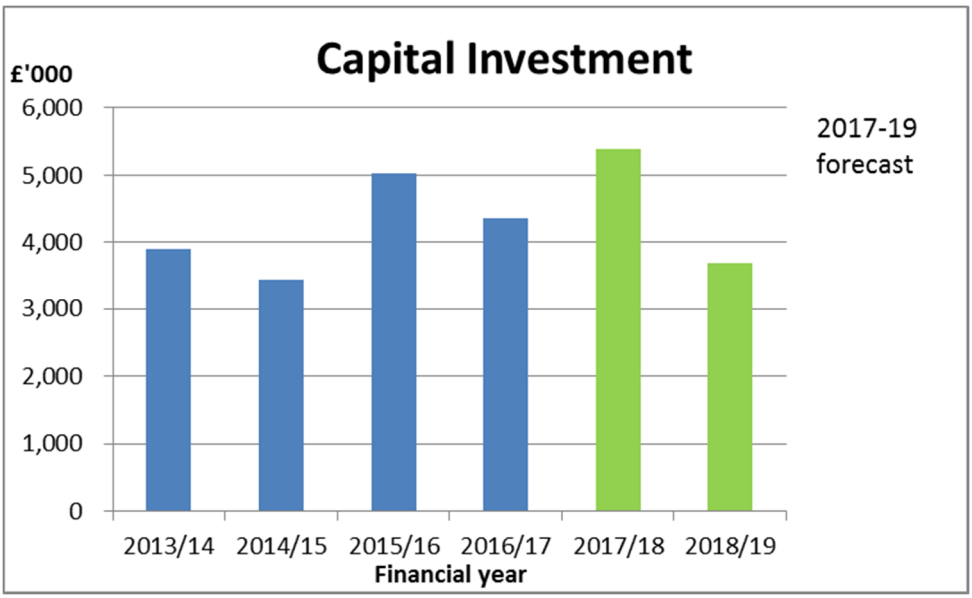


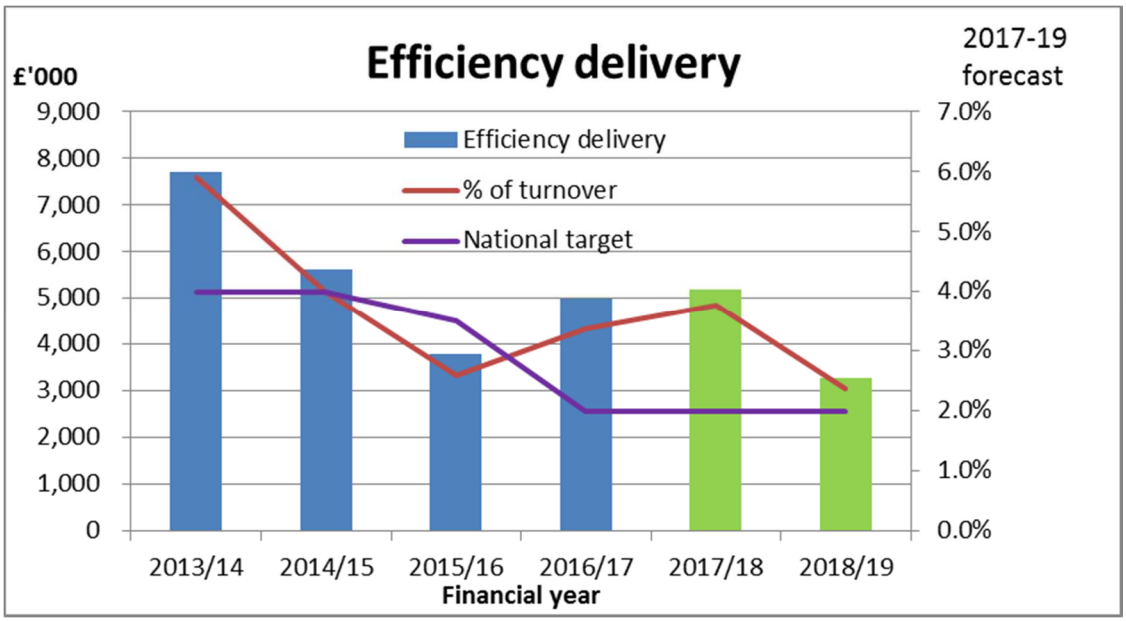
The financial constraints placed on the sector at present is acutely appreciated by the Trust and its short and medium term financial strategy is to manage within these constraints and still invest significantly in its estate and IT strategies.

The financial stability of the Trust has enabled it to have a firm platform to invest its significant cash reserves in schemes that deliver efficiencies and mitigate emerging risks to expenditure.

The Trust has been, and expects to be, rated as a '1' in the NHS Improvements (NHSI) Single Oversight Framework (SOF) for the foreseeable future. This coupled with the Trusts 'Good' CQC rating and a reference cost of 88 demonstrates the sound integrated service and financial delivery of the organisation.







The Trust is mandated to submit annual reference cost information which demonstrates the Trust cost of delivering activity against its peers. In addition to this, the Trust is also part of the Lord Carter Model Hospital non acute cohort. The group has been established to provide an opportunity for progressive Trusts to share learning and best practice across the sector.

8. How is your organisation working in partnership to deliver improved system-wide sustainability?

The Trust is a proactive and valuable system partner. It uses these relationships and those fostered with other providers and commissioners to bring new ideas and best practice innovation to the system.

The Trust is already recognised as having an innovate approach to service delivery demonstrated by

- Mobile working successful roll out
- Rapid response
- FIRST – discharge to assess model to support potential Winter pressures
- Working with Hertfordshire CCGs to transform/redesign community service team delivery models

The Trust has instigated individual service reviews on a rotational basis during

The Trust is also an active member of its Strategic Transformation Partnership.

HERTFORDSHIRE COUNTY COUNCIL

HEALTH SCRUTINY COMMITTEE
TUESDAY 12 DECEMBER 2017 AT 10.00AM

Agenda Item No.

11

EAST & NORTH HERTS NHS TRUST (ENHT) FINANCE SCRUTINY

Report of the Head of Scrutiny

Author: Elaine Manzi, Democratic Services Officer (Tel: 01992 588062)

1. Purpose of report

1.1 To provide Health Scrutiny Committee with the progress on a page (POP) summary and responses to the finance scrutiny questions from the East & North Herts NHS Trust (ENHT) These are attached as Appendices 1 and 2 to this report.

2. Summary

2.1 Further to the health provider finance scrutiny questions being agreed at Health Scrutiny Committee on 5 October 2017, the responses from ENHT are attached.

2.2 A glossary of acronyms used within all health providers finance responses can be found at Item 2, Appendix 1.

3. Recommendation

3.1 That the Committee notes the reports attached as Appendices 1 and 2 to this report.

Item 11 Appendix 1

EAST & NORTH HERTFORDSHIRE NHS TRUST

Strategic Direction:
Our vision is to be Amongst the Best – we assess this in relation to patient experience, financial sustainability, clinical outcomes and patient safety.

Key priorities and programmes include:

- Improve patient outcomes – implement e-Obs and the Trust Lorenzo PAS system
- Deliver agreed control totals, deliver underpinning CIPs and improve financial and operational decision making
- Deliver Flexible Working Project as part of Retention Strategy, revise job planning policy and deliver e-job planning for senior medical staff
- Develop and deploy a fit for purpose Business Intelligence Framework and a programme to support improved accuracy of Trust data capture and coding
- Improve productivity and efficiency focussing on Theatres, Outpatients and Inpatient Flow
- Deliver 4 hour performance trajectory, sustain improved performance and transform secondary and tertiary pathways to consistency achieve 31 & 62 day standards
- Work with partners to redesign patient-centred pathways to facilitate keeping patients out of hospital and harness benefits from developing back office & support services at scale across ENHT and PAH
- Relocate Luton Dialysis Unit and develop a vascular surgery network across Hertfordshire and W Essex with a Vascular Centre at the Lister , subject to agreement with NHSE
- Commence delivery of clinical service strategy for MVCC and identify preferred academic and clinical partner

Key services provided:

- Acute hospital care for a population of around 600,000 people primarily in south, east and north Hertfordshire, as well as parts of Bedfordshire.
- Specialist cancer services to some two million people from across Hertfordshire, Bedfordshire, north-west London and parts of the Thames Valley through the Mount Vernon Cancer Centre (MVCC).
- Specialist sub regional services including renal care and specialist urological cancer surgery.

Key risks in achieving budget include:

- Lost income associated with the Cyber attack in May 2017, and ongoing data validation and IT costs post Lorenzo implementation.
- Slippage against agreed SLA income and activity plans
- TPP exit costs and post transfer costs have proved significantly higher than anticipated.
- Timely delivery of CIP schemes
- Effective activity capture and recording systems post Lorenzo implementation.

East & North Hertfordshire NHS Trust

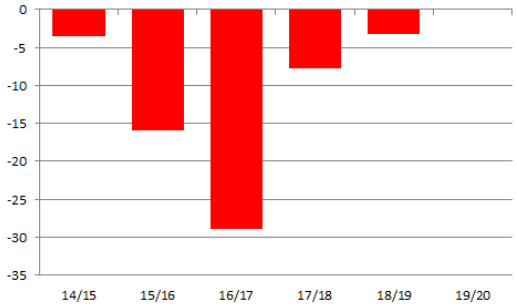
Summary Trust Position :

The Trust reported an outturn deficit of £29.0m for 2016/17.

In 2017/18 the Trust aims to deliver against its agreed Control Total deficit plan of £7.7m. The achievement of this plan requires the delivery of savings of £23.3m.

The Trust Control Total deficit target for 2018/19 has been set at £3.3m. The achievement of this target would require the delivery of savings of £12.9m.

The targets a return to financial balance in 2019/20. Savings delivery of £12.6m would be required



Key Revenue Pressures:

- Improved Control Total target
- Pay and Non Pay Inflation
- Delivery of efficiency target requirements
- Impact of rate of demand growth
- Impact of CCG QIPP targets

Key Revenue Savings Proposals:

- Improved theatre and outpatient clinic productivity and efficiency
- Reductions in patient length of stay and occupancy rates
- Demand management of support service costs eg. Pathology, Pharmacy, Radiology
- Procurement savings
- Reduced clinical admin and back off service costs

	2017/18 £m	2018/19 £m	2019/20 £m
Capital Programme	9.8	4.3	4.3

Key Capital Schemes:

- Backlog maintenance of estates infrastructure
- Medical Equipment lifecycle replacement
- Cyber security infrastructure
- Strategic schemes eg. Vascular / Satellite Radiotherapy

HSC FINANCE SCRUTINY QUESTIONS

NOVEMBER 2017

1. Please summarise the Trust's 2017/18 financial plan – i.e. your start position, agreed control total, key elements of the plan including STF (sustainability and transformation funding).

The Trust has accepted its 17/18 control total of £18.0m deficit excluding STF of £10.2m (i.e. £7.7m deficit including £10.2m STF) and accepted its 17/18 agency ceiling of £16.7m. Planned 17/18 Cost Improvement Plans (CIPs) are £23.3m (5.1% of operational expenses). As at 30th June 2017 the Trust had identified schemes in excess of £23.3m as 'in delivery', having met appropriate governance and assurance tests and defined responsibilities as validated by both the internal PMO and PWC.

2. Please set out your current 2017/18 forecast outturn position and key risks to delivery.

The Trust continues to work to deliver its 17/18 control total (as per above).

Key risks to delivery include:

- Lost income associated with the Cyber attack in May 2017, and ongoing data validation and IT costs post Lorenzo implementation.
- Significant slippage against agreed Service Level Agreement (SLA) income and activity plans, and the risk associated with effecting recovery over winter.
- TPP exit costs and post transfer costs have proved significantly higher than anticipated.
- Ensuring the CIP schemes approved are delivered in line with planned scope and timescales.
- Ensuring that activity capture and recording systems are embedded and effective post Lorenzo implementation.
- Materially divergent expectations of outturn SLA performance with its local CCG.

3. Please identify any significant commissioning / contractual issues not yet reflected into the 2017/18 plan (i.e. differences between commissioner and provider positions)

The Trust and its main local commissioner presently hold different expectations in respect of the likely full year outturn income expenditure position. Both parties have been engaged in discussions to consider options to bridge and mitigate this gap. There is on-going discussion / negotiation and a verbal update will be provided to the Committee

4. Please summarise your 2017/18 savings plans, current progress and expected impacts / key risks.

The Trust's 17/18 planned CIPs, actual year to date (YTD) at end September 2017 and forecast position is summarised in the table below.

Work stream Category	CIP Plan	Actual YTD £000's	Forecast £000's	Var £000's
Model Hospital - Theatre efficiency	2,623	245	1,902	-721
Model Hospital - Outpatient efficiency	1,165	80	271	-894
Model Hospital - Job Planning	842	0	0	-842
Model Hospital - Clinical Admin	605	0	194	-411
Model Hospital - Patient flow	870	348	870	0
Model Hospital - Other	387	0	158	-229
Utilisation of vacant posts	2,929	1,298	2,827	-102
Divisional - Pay schemes G&C	5,604	4,000	8,034	2,430
Divisional - Non pay schemes	5,544	3,035	6,766	1,222
Divisional - Local income schemes	1,151	125	336	-815
Divisional -Income capture & coding	1,579	541	1,392	-187
Total	**23,300**	**9,672**	**22,751**	**-549**

Key risks to delivery have been identified and mitigations put in place. Key actions taken by the Trust to deliver its 17/18 savings (CIP) plan have included:

- Grip & Control arrangements were implemented in Q4 16/17 and have been sustained and embedded in 17/18.

- Appointment of Price Waterhouse Cooper (PWC) and 4 Eyes Insight to provide CIP development support – Feb 17 to Jun 17.
- Appointment of Turnaround Director to lead delivery of CIPs from April 2017.
- Establishment of Trust PMO to support and ensure delivery of CIPs– substantively staffed as at July 2017.

In addition, the Trust has reviewed and further strengthened its governance and accountability arrangements to provide greater assurance regarding CIP delivery. This has included:

- Weekly CIP Programme Management Board, reporting to monthly Transformation Group and Finance & Risk Committees.
- Trust Board review of monthly CIP delivery.
- Bi- weekly support and review from the NHSI Transaction Support team lead.
- Monthly and Quarterly performance review meetings with NHSI regional support teams.

5. Please summarise CQUINs that apply to your organisation in 2017/18, financial value and expected outturn position

As a feature of its Service Level Agreements with both local and national commissioners (NHSE), the receipt of element of the financial value of the agreements is dependent upon the agreed achievement of a range of clinical quality targets. Some of these targets are defined national and some have been agreed locally. The value of the SLA that is dependent upon achievement of the CQUIN targets is £4.5m. The Trust through comprehensive and effective project management of these targets expects to achieve at least 95% of the available value.

6. Please set out the longer term financial outlook for your organisation and summarise the key elements of your longer term financial sustainability plan

The longer term financial outlook for the Trust will continue to be challenging. This reflects both its underlying deficit position and also the continuing national requirement for health providers and systems to deliver significant ongoing levels of efficiency. The Trust is confident that a large measure of these savings can be delivered through its consistent focus upon delivering clinical productivity improvements and embedding effective systems of demand and capacity management across the Trust's operations. However, whilst significant, these actions are unlikely to be sufficient in of themselves to return the Trust to recurring financial balance. Further strategy and service change reconfiguration working in conjunction with local health partners will be required to achieve this aim.

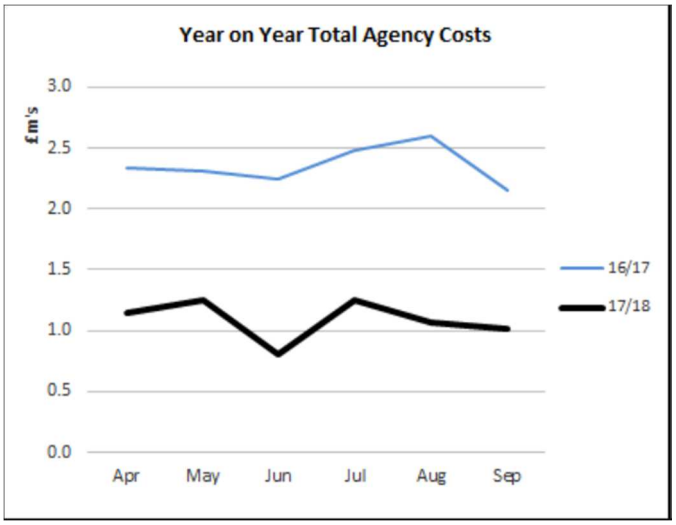
7. How has the Trust reviewed its effectiveness and value for money in delivering service outcomes?

The Trust has over the last year undertaken a detailed benchmarking comparison of its cost and financial performance relative to appropriate peers. The outcomes of this exercise have proved important in framing the Trust's overall approach to delivering

improved financial importance. In addition the Trust continues to actively utilise the 'Model Hospital' efficiency platform developed and maintained by NHS Improvement, which allows the Trust to assess the effectiveness and value of a range of its services against other local and national providers.

The Trust has undertaken significant work over the last year to strengthen service line reporting, to enable more granular understanding of drivers of service costs and the overall positive or negative contributions to the Trust's financial position of different. One area which demonstrates the impact of the enhanced focus and grip on service costs is workforce expenditure – the largest component of Trust costs. The chart below demonstrates how year on year pay costs are reducing, despite activity levels increasing.

The Trust has also proactively manged and reduced agency expenditure which has significantly reduced this year to date compared to 16/17, as shown in the chart below.



8. How is your organisation working in partnership to deliver improved system-wide sustainability?

The Trust is an active partner in the Hertfordshire and West Essex STP and is providing leadership across a range of work streams, including Cancer, Procurement and Pharmacy. Additionally the Trust is exploring ways to further collaborate with partners to scale up and reduce the service costs across a range of services including pathology services, bank and agency services plus Workforce and Pharmacy functions.

HERTFORDSHIRE COUNTY COUNCIL

HEALTH SCRUTINY COMMITTEE
TUESDAY 12 DECEMBER 2017 AT 10.00AM

Agenda Item No.

12

EAST OF ENGLAND AMBULANCE SERVICE NHS TRUST (EEAST) FINANCE SCRUTINY

Report of the Head of Scrutiny

Author: Elaine Manzi, Democratic Services Officer (Tel: 01992 588062)

1. Purpose of report

1.1 To provide Health Scrutiny Committee with the progress on a page (POP) summary and responses to the finance scrutiny questions from the East of England Ambulance Service NHS Trust (EEAST) These are attached as Appendices 1 and 2 to this report.

2. Summary

2.1 Further to the health provider finance scrutiny questions being agreed at Health Scrutiny Committee on 5 October 2017, the responses from EEAST are attached.

2.2 A glossary of acronyms used within all health providers finance responses can be found at Item 2, Appendix 1.

3. Recommendation

3.1 That the Committee notes the reports attached as Appendices 1 and 2 to this report.

Item 12 Appendix 1

East of England Ambulance Service NHS Trust

Strategic Direction:
To provide a safe and effective healthcare service to all of our communities in the east of England

Key priorities and programmes:

1. Putting in place a new responsive operating model to deliver sustainable performance and improved outcomes for patients

2. Maintaining the focus on delivering excellent high quality care to patients

3. Ensuring we have a patient focused and engaged workforce

4. Delivering innovative solutions to ensure we are an efficient, effective and economic service

5. Playing our part in the urgent and emergency care system by being community focused in delivering the Five Year Forward View.

Key services provided:

- The provision of 24/7 emergency health services to those in need of emergency medical treatment and transport across Beds, Herts, Essex, Norfolk, Suffolk and Cambs.
- The provision of non-emergency patient transport services for patients needing non-emergency transport to and from hospital, treatment centres and other similar facilities and who can't travel unaided because of their medical condition or frailty.

Key risks in achieving budget:

- Ambulance Response Programme implementation
- Activity – demand growth & acuity mix, handover delays and 111 referrals
- Challenging efficiency target
- Capacity, recruitment and training
- Transformation requirements for the Trust's infrastructure
- Operating across six STP footprints
- Insecurity of Patient Transport Service contracting

East of England Ambulance Service NHS Trust

Net Revenue Budget:

2017-18 - £259.4m

Future years to be confirmed following publication of Independent Service Review and subsequent contracting negotiations

Savings/Efficiencies Required:

2017-18 - £6.2m (2.4% of turnover)

Future years to be confirmed following publication of Independent Service Review

Key Revenue Pressures:

- Ambulance Response Programme (ARP) – implemented 18th October 2017
- Operating across 6 STPs
- Efficiency Requirements
- Increased activity & acuity
- Capacity, recruitment and training)
- Fuel price volatility
- Transformation of fleet and estates
- Developments in technology and agile working

Key Revenue Savings Proposals:

- Improved use of operational resources
- Sickness reduction
- Reduced use of external driver training providers
- Reduction in discretionary Non-Pay expenditure
- More efficient & effective use of Occupational Health
- Fleet projects (including maintenance cost reduction)
- Improving Patient Transport Service productivity
- Recruitment timing
- Reduced apprenticeship levy
- Supplies projects
- Fuel price savings

	2017/18 £m	2018/19 £m	2019/20 £m
Capital Programme	6.4	TBC	TBC

Key Capital Schemes:

- IT projects
- Make ready projects (estates)
- Other building projects
- Plant & equipment projects
- Transport projects

HSC FINANCE SCRUTINY QUESTIONS

1. Please summarise the Trust's 2017/18 financial plan – i.e. your start position, agreed control total, key elements of the plan including STF (sustainability and transformation funding).

- The Trust's Financial Plan for 2017/18 is to deliver a break-even position
- The Trust has not agreed a control total for 2017/18
- The Trust is not in receipt of any Sustainability & Transformation Funding for 2017/18

2. Please set out your current 2017/18 forecast outturn position and key risks to delivery.

- The Trust's forecast outturn position for 2017/18 is a break-even position
- There are a number of risks to delivery of the break-even forecast financial outturn position including:
    - The successful implementation of the Ambulance Response Programme (ARP)
    - The delivery of the Trust's Cost Improvement Programmes (CIPs)
    - Increased growth in activity, hospital handover delays and 111 referrals
    - Increases in acuity of patients, which require more resources
    - Paramedic recruitment and training programme
    - Volatility of Patient Transport Services contracts
    - Delivery of all CQUIN schemes
    - Underlying capacity issues which are being examined by and Independent Service Review, commissioned by NHS England and NHS Improvement [see note at end]

3. Please identify any significant commissioning / contractual issues not yet reflected into the 2017/18 plan (i.e. differences between commissioner and provider positions)

- There are no material commissioning / contractual issues that have not been reflected in the 2017/18 plan

4. Please summarise your 2017/18 savings plans, current progress and expected impacts / key risks.

- The Trust has the following Cost Improvement Programmes (CIP) in 2017/18. These CIPs total £6.2m and equate to c2.4% of the Trust's total 2017/18 expenditure budget.
    - Improved use of operational resources
    - Sickness reduction
    - Reduced use of external driver training providers
    - Reduction in discretionary Non-Pay expenditure
    - More efficient and effective use of Occupational Health services

  - Fleet projects (including maintenance cost reduction)
  - Improving Patient Transport Services productivity
  - Recruitment pipeline timing and planning
  - Reduced apprenticeship levy
  - Supplies projects, to deliver greater efficiencies through the supply chain
  - Fuel price savings
- The Trust has achieved its CIP targets for the first half of the 2017/18 financial year.

5. Please summarise CQUINs that apply to your organisation in 2017/18, financial value and expected outturn position

- The following CQUIN schemes apply to the Trust in 2017/18:
  - Hear & treat (total value - £2.0m) – aimed at increasing Hear & Treat rates through the establishment of a Clinical Hub
  - Leadership development programme (total value - £0.2m) – implementing programmes to support the development of staff following feedback from the Trust's Cultural Audit
  - Flu jab (total value - £0.2m) – aimed at improving the uptake of flu vaccinations for Trust staff
  - Emergency department avoidance - help me choose (total value - £0.5m) – aimed at identifying and promoting the use of alternative pathways in the community
  - STP engagement (total value - £1.0m) – providing suitable Trust representation at STP meetings across the region
  - Risk reserve (total value - £1.0m) – potentially available to Trusts that agree to their control total and therefore does not apply to the Trust
- The total value of the Trust's 2017/18 CQUIN schemes is £4.9m.
- The Trust has successfully achieved all CQUIN targets in the first half of the 2017/18 financial year and has therefore accessed 100% of the available funding.
- The Trust's 2017/18 outturn position is to receive all CQUIN income.

6. Please set out the longer term financial outlook for your organisation and summarise the key elements of your longer term financial sustainability plan

- The Trust produces a Long Term Financial Model (LTFM) on an annual basis in order to ensure that the long term financial outlook of the Trust is sustainable.
- The LTFM includes several scenarios testing a variety of assumptions relating to income and cost changes over a number of years.
- NHS Improvement and NHS England have jointly commissioned an Independent Service Review (ISR) tasked at identifying the resourcing levels required in order to deliver the new national standards under the Ambulance Response Programme. The outcomes of this review are expected to form the basis of negotiations for the 2018/19 contract and

beyond. This will also help determine the longer term financial outlook of the Trust whilst ensuring that the required national standards are met.

7. How has the Trust reviewed its effectiveness and value for money in delivering service outcomes?

- The Trust uses a number of indicators to review its effectiveness in providing value for money and in delivering service outcomes.
- The overall operational performance of the Trust is measured against the national standards implemented as part of the Ambulance Response Programme.
- A number of benchmarking exercises are being carried out by NHS Improvement under the Ambulance Improvement Programme which will assist in identifying where the Trust can make further improvements.
- Initial diagnostics from this review indicate we have one of the lowest costs for senior management and support services and we have already achieved the Carter target for these areas.
- The Trust is also taking an active role in participating in a national exercise to develop journey (i.e. patient) level costings.
- NHS Improvement has recently improved the Trust's rating under their Single Oversight Framework from level 3 to level 2.
- For 2016/17 the Trust's External Auditors issued a 'clean' opinion on the arrangements the Trust has in place to secure economy, efficiency and effectiveness in its use of resources.

8. How is your organisation working in partnership to deliver improved system-wide sustainability?

- The Trust operates across six STPs and is therefore uniquely positioned in order to be able to identify potential system-wide sustainably improvements across the region and not just at a STP level.
- Operational management has been realigned to ensure that it is able to respond to the requirements of individual STPs whilst ensuring a consistent oversight is maintained across the Trust.
- The Trust regularly attends STP meetings and engagement forms part of the Trust's 2017/18 CQUIN objectives.
- The Trust operates a number of multi-disciplinary schemes aimed at ensuring that patients receive the care they need in the most appropriate manner. Examples include:
    - a Mental Health Street Triage (Beds & Luton) scheme which includes paramedics, mental health professionals and police officers operating from the same resource to respond to patients in crisis;
    - early intervention vehicles in East and North Herts which provides an immediate response, via carefully triaged 999 calls, to residents aged over 65. The primary role of the team is to provide holistic assessment and reduce hospital admissions, helping older people stay independent and living at home. The service is a partnership between the ambulance service and Herts County Council.

The Independent Service Review (ISR)

- Following the contracting round for 2017/18, NHS England and NHS Improvement agreed to commission the ISR to understand what staffing EEAST needs to meet patient demand
- This review is looking at four elements: the cost of the service; the efficiency of the service; the right contracting model; and the appropriate staffing levels
- The review is expected in the coming week and a verbal update will be provided at the December committee meeting
- NHSI, NHSE, CCGs and EEAST are all fully involved in the steering group
- The outcomes of the review will then form part of the contracting discussions for 2018/19 onwards.