

# 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 TUESDAY 12 DECEMBER 2017

### MINUTES

#### ATTENDANCE

#### MEMBERS OF THE COMMITTEE (20) - QUORUM 7

##### COUNTY COUNCILLORS (10)

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

##### DISTRICT COUNCILLORS (10)

J Birnie (Dacorum); K Hastrick (Watford); S Deakin-Davis (*substituting for J Green*) (North Herts); M McKay (Stevenage); A Scarth (3 Rivers); N Symonds (East Herts); F Thomson (Welwyn Hatfield)

##### OTHER MEMBERS IN ATTENDANCE:

D Andrews; F Button; C B Wyatt-Lowe;

Upon consideration of the agenda for the Health Scrutiny Committee meeting on Tuesday 12 December 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 5 October 2017 were agreed and signed by the Chairman.

##### CHAIRMAN'S INITIALS

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**2. PUBLIC PETITIONS**

2.1 None received.

**3. INTRODUCTION TO FINANCE SCRUTINY**

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

3.1 Members were provided with an oral outline for the meeting detailing the purpose and roles for Members and Health Providers.

3.2 The committee noted that subsequent to the meeting, the Head of Scrutiny would be compiling a formal report, detailing the issues raised during the meeting, and any outcomes and conclusions reached.

3.3 **CONCLUSION:**  
The committee noted the Finance Scrutiny introduction.

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

Officer Contact:  
Tom Cahill - Chief Executive Officer  
Keith Loveman - Director of Finance  
Catherine Dugmore - Non Executive Director

(Tel: 01438 218144)

4.1 Members scrutinised and challenged officers from the Hertfordshire Partnership University Foundation NHS Trust (HPFT) on the summary of finances for their organisation.

4.2 Members heard that the HPFT were facing the dual challenges of rising health costs and demographic increases.

**CHAIRMAN'S  
INITIALS**

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- 4.3 It was noted that to date the financial challenges presented had not affected service provision, but because quality and safe levels of service had always taken precedence over cost, current financial pressures may mean that the organisation could not guarantee that provision of service would not be affected in the future.
- 4.4 The committee welcomed the fact that work to reduce agency workers and the success of retention schemes such as training opportunities had meant that organisation's overall spend on staffing had reduced. It was noted that recruitment remained a challenge, given that professionals were naturally progressing in their career or coming to the end of their working life.
- 4.5 It was also noted that despite the significant costs associated with placement costs, Hertfordshire has the lowest amount of placements per 1000 people in the country, and a majority of HPFT work was undertaken within the patient's home.
- 4.6 Members were advised that additional cost savings were being made through the consolidation of back office staff, maintenance, procurement and IT support services with other health providers.
- 4.7 In response to Member concern, it was noted that discussions were taking place with Herts Valleys Clinical Commissioning Group (HVCCG) with regards to future working, given the reduction in the funding received from it.
- 4.8 It was suggested to Members that part of the vision for HPFT's future savings plans was to work with partner organisations to provide integrated care through a single care plan.
- 4.9 Further to a Member question it was established that improvements to the Child and Adolescent Mental Health Service (CAMHS) had been significant, but improvement work was under way and it was felt that 95% of patients who required care were being seen.
- CONCLUSION:**
- 4.10 Members noted the Hertfordshire Partnership Foundation Trust (HPFT) financial summary.

**CHAIRMAN'S  
INITIALS**

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## **5 WEST HERTFORDSHIRE HOSPITALS NHS TRUST (WHHT) FINANCE SCRUTINY**

Officer Contact:

John Brougham- Non Executive Director - WHHT

Katie Fisher - Chief Executive - WHHT

Don Richards - Chief Financial Officer – WHHT

(Tel: 01923 436336)

- 5.1 Members scrutinised and challenged officers from the West Hertfordshire Hospitals Trust (WHHT) on the summary of finances for their organisation.
- 5.2 In response to Member concerns regarding the significant deficit that the WHHT was experiencing, it was established that WHHT is implementing a number of savings measures to balance this deficit, including renegotiating a wide range of contractual costs, for example renegotiating the cost of the software provider used by the organisation to a reduced rate, and reducing agency costs to £19m.
- 5.3 Members also learnt that clinicians had increased involvement in budgetary decisions to minimise the risk to service delivery for patients.
- 5.4 It was established that the challenge detailed within the report relating to the withdrawal of funds from Herts Valleys CCG for low priority treatment was classified as a 'medium risk' by WHHT, and negotiations were taking place between the two organisations with regards to finding a resolution to this.
- 5.5 Members' attention was also drawn to the number of contractual changes implemented by Herts Valleys CCG detailed within the report.
- 5.6 During discussion it was observed by Members that officers from WHHT had mentioned the need to manage the backlog of procedures required to be undertaken. Further to additional questioning as to how this would be resolved, Members were advised that funding for this would be achieved through a financial loan.
- 5.7 Members received assurance that there were no current plans to reduce the number of staff within the organisation.

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INITIALS**

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- 5.8 In response to concerns raised by Members about the risk to the organisation from cyber-attacks, it was noted that although WHHT had not been affected by the most recent attacks that had occurred over the summer, this was an area where further development and investment had yet to be made.
- 5.9 The committee also noted that WHHT is challenged by the lack of cashflow within the organisation, but has implemented a mechanism which controlled the trajectory of spend to counter this.
- 5.10 Members observed that delayed transfers of care packages was a further financial challenge for the organisation.
- 5.11 It was noted that due to its location on the borders of London, WHHT also received and treated patients brought to the hospital from the London Ambulance Service which added to the cost to their organisation.

**CONCLUSION:**

- 5.12 Members noted the West Hertfordshire Hospitals Trust (WHHT) financial summary.

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

Officer Contact:

Andrew Holden - NED/Deputy Chair - PAHT  
 Lance McCarthy- Chief Executive- PAHT  
 Trevor Smith - Chief Financial Officer - PAHT

(Tel: 01279 444455)

- 6.1 Members scrutinised and challenged officers from the Princess Alexandra Hospital Trust (PAHT) on the summary of finances for their organisation.
- 6.2 The committee received assurances that currently the organisation's budget had no negative implications for services and staff within the hospitals.
- 6.3 It was explained to Members that the £14m triangulation gap detailed within the report was subject to negotiation between PAHT and the Clinical Commissioning Group (CCG), and assurance was received that the negotiation to date had resulted in a reduction in the figure.

**CHAIRMAN'S INITIALS**

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- 6.4 It was noted that PAHT is observed to be above the national average in their costs for benchmarking targets, and were perceived to be less efficient in terms of the competition. Work and negotiation were taking place to reach a compromise position in this area.
- 6.5 In response to a Member question, it was noted that at the end of the 2016/17 financial year agency costs had reduced to £15m and were on target to reach £13m by the end of 2017/18. It was noted that PAHT had achieved this by weekly tracking of agency spend and increasing the amount of staff signed up to the organisation's employment bank and recruiting more permanent staff to the organisation's workforce.
- 6.6 Members were advised that in order to promote retention of staff within the organisation, there had been an increase in training and research opportunities.
- 6.7 The committee received assurance that despite PAHT being issued with an adverse value for money conclusion at the end of the 2016/17 financial year, strategic visions, pathways and directions of travel were being developed which aimed to strengthen the financial position of the trust in future years by making the trust more efficient. Members were advised that consideration of demographic and population considerations had been included in future planning. It was noted that due to the location of the hospital and bed availability some patients admitted are brought to the hospital from Greater London.
- 6.8 Further to a member question it was established that no services had been outsourced to the Rivers Hospital in Harlow this year.

**CONCLUSION:**

- 6.9 Members noted the Princess Alexandra Hospital Trust (PAHT) Financial Summary.

**7 MORNING SUMMARY**

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

- 7.1 Members were provided with a summary of the morning's scrutiny by Natalie Rotherham, Head of Scrutiny.

**CHAIRMAN'S INITIALS**

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7.2 The committee acknowledged that the overarching themes emerging from the organisations were as follows:

- Challenges in the relations between the health providers and the Clinical Commissioning Groups (CCG's);
- Current work to reduce agency spend within the organisations
- Boundary issues causing a number of patients being admitted from greater London, and also staff preference of working in London due to more attractive payment and training options;
- An overall increase in patient numbers generally;
- Increased involvement of clinicians being involved in budgetary decisions;
- An increase in collaborative working;
- Financial challenges being sustainable for 2017/18, but more at risk for future years.

7.3 Members noted that further detail on the themes would be provided in a report from the Head of Scrutiny, scheduled to be presented at the next Health Scrutiny Committee on 18 January 2018.

## 8 SCRUTINY WORK PROGRAMME REPORT

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

### 8.1 Health Scrutiny Work Programme

The work programme was noted and agreed by the committee.

### 8.2 Child & Adolescent Mental Health (CAMHS) Topic Group Scope

The CAMHS Topic Group Scope for the Topic Group scheduled to be held on 12 January 2018 was noted and agreed by Members.

### Impact of Scrutiny Sub-Committee

8.3 Members heard that the inaugural meeting of the Impact of Sub-Committee had taken place on the 28 November 2017, examining the implementation of Topic Group recommendations.

**CHAIRMAN'S  
INITIALS**

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8.4 It was clarified that no Health Scrutiny Committee matters had been on the agenda on this occasion, but following future meetings, the Chairman of the sub-committee, Cllr Ian Reay, would provide an update to the committee on the outcomes of any discussions relating to Health Scrutiny Committee Topic Groups.

**Nascot Lawn Respite Centre**

8.5 Members received an oral update from Simon Banks, Assistant Chief Legal Officer on the current position regarding Nascot Lawn and the ongoing legal proceedings.

Natalie  
Rotherham/  
Charles  
Lambert

8.6 Members received assurance that they would continue to receive updates as and when significant updates occurred.

**CONCLUSION:**

Members noted and agreed the Health Scrutiny Committee work programme and noted and commented on the associated reports.

**9 HERTFORDSHIRE HEALTH CONCORDAT UPDATE**

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

9.1 Charles Lambert, Scrutiny Officer, presented Members with the updated Health Concordat the purpose of which was to govern the way in which health organisations interact.

9.2 Members noted that this had been updated and refreshed, at the request of the Chairman of the Health Scrutiny Committee, given the new Council structure post-election and to include the newly formed Strategic Transformation Partnership.

9.3 It was noted that to date not all partners had signed the Concordat and that work would take place to encourage the remaining partners to sign up to the agreement.

Seamus  
Quilty,  
Natalie  
Rotherham,  
Charles  
Lambert

9.4 It was established that that in addition to the Concordat, the Head of Scrutiny and Scrutiny Officer regularly meet and communicate with senior officers from across the health providers, and the Chairman of the Health Scrutiny Committee regularly meets with Chief Executives of the health providers to promote and strengthen relationships.

**CHAIRMAN'S  
INITIALS**

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9.5 Committee Members were reminded of the importance of their own roles in the scrutiny process and the need not just to representing their individual wards, but the council as a whole in maintaining and monitoring the partnerships with health providers.

All  
Committee  
Members

**CONCLUSION:**

9.6 Members noted the updated Hertfordshire Health Concordat.

**10 HERTFORDSHIRE COMMUNITY NHS TRUST (HCT)  
FINANCE SCRUTINY**

Officer Contact:

Declan O'Farrell – Chairman- HCT

Clare Hawkins – Acting CEO- HCT

Kevin Curnow – Deputy Director of Finance - HCT

(Tel: 01707 388000)

10.1 Members scrutinised and challenged officers from the Hertfordshire Community NHS Trust on the summary of finances for their organisation.

10.2 In response to a Member question, it was established that HCT was not selling the Parkway head office property, but was transferring ownership, as it was currently using less than 50% of the property, which breached the covenants of them retaining ownership.

10.3 The committee heard that the decision by Herts Valleys Clinical Commissioning Group to recommission adult community services currently provided by HCT for the west of the county would potentially reduce HCT's income by 60%. Members learnt that this decision was scheduled to be discussed at HCT's Executive Board on the 13 December 2017, and at a subsequent Trust Board.

10.4 Members were advised that HCT was planning to bid for the tender and planned to hold a number of engagement events, and was confident it could achieve a positive outcome.

10.5 During discussion it was noted that Herts Valley's CCG's intent to commission a number of adult services would affect a large number of specialist services. Further to a Member question it was agreed that officers would endeavour to ascertain how many patients that this would affect and circulate this to Members after the meeting.

HCT  
Officers

**CHAIRMAN'S  
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- 10.6 In regards to the commissioning service provided by HCT for Nascot Lawn respite service, Members were advised that in accordance with the contract with Herts Valleys CCG, there was the expectation that funding would continue to be received for this financial year.
- 10.7 The variation of contract with regards to heart failure and cardiac services was also noted.
- 10.8 Members received clarity that the County Council's Public Health team is the commissioner for public health nurses and health visitors.
- 10.9 During discussion it was established that there would be no specific saving attached to the proposed customer service transformation plan which would centralise functions. Members learnt that in order to ensure that the transformation plan had the full support of all the groups involved, and was undertaken in an efficient and planned manner, the implementation of the plan had been delayed from April 2017 to February 2018.
- 10.10 In response to a Member question it was established that efficiencies would be achieved through a number of existing vacancies within back office staff.
- 10.11 Members were advised that HCT was currently sharing a site with HPFT. It was noted that there were no plans to merge the two trusts as each had very separate functions with HCT working with patients with physical issues and HPFT working with patients with mental health issues.
- 10.12 It was noted that if the HCT had not met the Commissioning for Quality and Innovation (CQUIN) performance target £160k of funding would be withheld. Members heard that the view of the organisation was that it was confident of continuing the best outcome for patients possible in the current climate of austerity.
- 10.13 Further to a Member query, officers agreed to circulate a more specific detailed breakdown of the figures attached to the CQUIN goal references as outlined in point 4 of their report.
- 10.14 Members' questions on agency staff costs were also responded to, with it being detailed that £8.7m was currently spent on agency staff with the aim to reduce this to £8.6m.

HCT

**CHAIRMAN'S  
INITIALS**

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- 10.15 The committee also heard that HCT had planned for winter pressures, by opening a number of escalation beds. Members learnt that during the previous weekend's heavy snowfall, staff members had worked 'above and beyond' to ensure that the care needs for all patients were met.
- 10.16 Members were advised that in terms of the risk detailed under Point 2 of the Trust's report in relation to the Cost Improvement Plans concerning East & North Herts CCG, the trust had previously successfully challenged the amount of money charged to them for office and clinical space at the QE2 Hospital in Welwyn Garden City, and hoped to do this again.
- 10.17 Members received assurance that the decommissioning of the Rapid Response Unit would not have an impact on patients.
- 10.18 In response to a Member observation regarding the 'risky behaviours' detailed in the table of CQUINS at Point 4 of the report, it was noted that a key part of the trust strategy focused on preventative healthcare.
- 10.19 **CONCLUSION:**  
Members noted the Hertfordshire Community Trust (HCT) Financial Summary.

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

Officer Contact:

Nick Carver – Chief Executive

Martin Armstrong – Director of Finance

Sarah Brierley – Director of Business Development and Partnerships

Liz Lees – Acting Director of Nursing and Patient Experience

David Brewer – Head of Engagement

Ellen Schroder- Trust Chair

(Tel: 01438 314333)

- 11.1 Members scrutinised and challenged officers from the East & North Herts NHS Trust (ENHT) on the summary of finances for their organisation.

**CHAIRMAN'S  
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- 11.2 In response to a Member request for additional detail regarding the impact of the cyber-attack that had occurred earlier in the year, it was established that this had cost the Trust approximately £700k in immediate staffing and administrative costs to resolve the issue, but the amount of funding that had been lost through loss of revenue for not being able to treat patients was significantly more substantial. This had ultimately resulted in the need to deprioritise funding in other areas.
- 11.3 It was noted that emergency patients who would have attended the hospital during the cyber-attack were rerouted to other hospitals within the area.
- 11.4 The committee acknowledged that although significant work had been undertaken to reduce the risk of a further cyber-attack, there could not be a full guarantee that a further incident would not occur. Members were advised that the matter had been raised with NHS Improvement.
- 11.5 During discussion, it was noted that ENHT has some challenge with regards to differing expectations of service level agreement outturns with the local CCG, but negotiations and contact between the organisations were regular and it was hoped that matters would be resolved.
- 11.6 Members were pleased to hear ENHT's commitment to collaborative working with all partner organisations.
- 11.7 The committee were advised that a majority of the Trust's savings plans were based on reducing costs through the 'grip and control'. This was partly to be achieved through key collaborations such as merging back office functions such as payroll and procurement with other health providers. A number of financial mitigation schemes had also been created. It was noted that the unexpected expenditure that had been required in the wake of the cyber-attack had placed significant pressure on the budget, and had meant the Trust had been unable to recover the amount of savings that they had originally forecast.
- 11.8 Members learnt that ENHT had employed the services of Price Waterhouse Cooper (PWC UK) and Four Eyes Insight as consultancy services to further examine and support the Trust in managing their budget.
- 11.9 In response to Member concern it was noted that any financial decision made by the Trust is subject to consultation with and final sign off by the medical director.

**CHAIRMAN'S  
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11.10 It was established that there has been further strain on the Trust this year within the orthopaedic department, who have struggled to maintain service levels, due to a number of staff being unavailable due to long term sickness, bereavement or retirement.

11.11 The Committee heard that the Trust had endeavoured to improve service levels across the organisation through measures such as improving efficiency and undertaking procedures at weekends.

11.12 **CONCLUSION:**

Members noted the East & North Herts NHS Trust (ENHT) Financial Summary.

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

Officer Contact:

Robert Morton - Chief Executive

Kevin Smith - Finance Director

(Tel: 0345 601 3733)

12.1 Members scrutinised and challenged officers from the East of England Ambulance Service NHS Trust (EEAST) on the summary of finances for their organisation.

12.2 The Committee was advised that as the Ambulance Response Programme (ARP) was still in its infancy, it was difficult to gauge what impact this would make on the budget on a long term basis, but in the short term it was noted that this had not made a significant impact on costs.

12.3 Members acknowledged the benchmarking exercises being undertaken by NHS England and noted that EEAST had identified that some of their costs were higher than other NHS Ambulance Service Trusts. In terms of estate costs, this would be reduced in the future by the increase of newly built ambulance stations. Members were advised that EEAST also choose to use the more expensive purpose built ambulances rather than conversions for their fleet, as it was felt that these were more efficient economical long term. It was established that back office costs were comparatively low compared to other trusts.

**CHAIRMAN'S  
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- 12.4 In response to a Member question, it was noted that the time of writing the report, it was not clear if EEAST would be managing the contract for the Hertfordshire, Luton and Bedfordshire non-emergency passenger transport on a permanent basis, however this had now been clarified. Members noted that the contract for the non-emergency transport service for Suffolk had been retendered to a private firm as of April 2018.
- 12.5 Officers from EEAST stressed to Members that although emergency transport was the Trust's core service, non-emergency transport needed to meet the same level of standard as emergency care as it was also CQC inspected and was therefore not something that could be managed on a through cheaper economical decisions. As both developments detailed at 12.4 for non-emergency transport were fairly recent, it was not fully known what the full impact on budgets would be.
- 12.6 Members were provided with the detail of the challenge that was presented to EEAST with working with six very diverse STP's across their regional area including the differing levels of engagement.
- 12.7 The Committee learned that approximately 1 in 10 patients who have an ambulance called for them have a life threatening condition that requires hospital admission. A majority of patients are managed through the 'hear and treat' and 'see and treat' services where patients are provided with advice over the phone or at site by paramedics, thus reducing the pressure on hospital emergency departments. These services are funded through CQUIN payments and Members were pleased to hear EEAST had met their targets for 2016/17 and were on track to meet their targets for 2017/18.
- 12.8 Members noted that an Independent Service Review of EEAST was scheduled to take place in January 2018.

**CONCLUSION:**

Members noted the East of England Ambulance Service Trust (EEAST) Financial Summary.

**13 AFTERNOON SUMMARY**

- 13.1 Members were provided with a summary of the afternoon's scrutiny by Natalie Rotherham, Head of Scrutiny.

**CHAIRMAN'S  
INITIALS**

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13.2 The Committee noted that the afternoon scrutiny themes were very similar to the scrutiny themes outlined within the morning summary as detailed in point 7.2 to these minutes.

13.3 Members noted that further detail on the themes would be provided in a report from the Head of Scrutiny, scheduled to be presented at the next Health Scrutiny Committee on 18 January 2018.

**14. OTHER PART I BUSINESS**

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

14.1 No other Part I business was recorded.

**15. ITEMS FOR REPORT TO THE COUNTY COUNCIL**

**(STANDING ORDER SC7(2))**

15.1 A summary of these items will be reported to County Council.

**KATHRYN PETTITT  
CHIEF LEGAL OFFICER**

**CHAIRMAN.....**

**CHAIRMAN'S  
INITIALS**

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