

**HERTFORDSHIRE COUNTY COUNCIL**

**HEALTH SCRUTINY COMMITTEE**

**THURSDAY 18 JANUARY 2018 AT 10:00AM**

**OUTCOMES OF THE SCRUTINY OF HEALTH PROVIDER FINANCES – 12  
DECEMBER 2017**

Agenda Item No

**5**

*Report of the Head of Scrutiny*

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**1. Purpose of report**

- 1.1 To provide the Committee with the outcomes of the health organisations financial scrutiny it held on 12 December 2017.

**2. Summary**

- 2.1 The Committee heard from six provider organisations over the course of the day's scrutiny. These were
- East & North Herts Hospital Trust (ENHT)
  - West Herts Hospital Trust (WHHT)
  - Princess Alexandra Hospital (PAH)
  - East of England Ambulance Trust (EEAST)
  - Herts University Partnership Foundation Trust (HPFT)
  - Herts Community Trust (HCT)
- 2.2 The Committee was broke into three groups to conduct the scrutiny. Each group considered one provider at the morning session and a second in the afternoon. All groups remained in the Chamber throughout the scrutiny and had a lead member to direct the questioning of the provider by the group. There was a timetable with a slot for each provider to be scrutinised.
- 2.3 Each provider trust had submitted a written response to a set of questions that the Committee had agreed. These were sent to the trusts in advance of the meeting. The providers also provided a plan on a page which gave an overview of the current issues facing the organisation. The papers can be found [here](#)
- 2.4 The report summarises the evidence gathered under four headings
- Risk, resilience & mitigation
  - Key collaborations
  - Financial confidence (2017/18 and beyond)
  - Themes (either for an individual organisation or a wider system issue)

### **3. Recommendations**

- 3.1 That the outcomes at paragraphs 4.1 – 4.6 are used to inform the Quality Accounts scrutiny (March 2018)
- 3.2 That a complementary scrutiny of the clinical commissioning groups (CCGs) is undertaken by the Committee
- 3.3 That at a future meeting the Committee considers the STP with particular regard to the issues outlined at paragraphs 4.1, 4.2 and 4.3
  - to provide the necessary leadership to resolve concerns identified during the finance scrutiny
  - feasibility of the STP to evolve into an Accountable Care System (ACS)

### **4. Background**

- 4.1 Risk, resilience & mitigation
  - Sustainability & Transformation Partnership (STP) leadership in required to develop a system approach to managing issues and finances
  - Commissioning decisions are placing additional pressure on an already straitened system
  - Collaborations were highlighted as a key way forward for better patient outcomes and addressing financial issues
- 4.2 Key collaborations. Here members heard about a number of collaborations some specific to certain organisations others pertinent to the majority of trusts participating in the in the scrutiny.
  - STP
  - London trusts working with Hertfordshire based trusts regarding staffing and research opportunities
  - Hertfordshire County Council (HCC)
  - Efficiencies benefits realised elsewhere e.g. EEAST emergency department, paramedic prescribing
  - Providers and CCGs e.g. ENHT and commissioners
  - Providers and providers e.g. HCT, HPFT, ENHT, WHHT
  - Providers and commissioners e.g. HCT and Public Health
- 4.3 Financial confidence (2017/18 and beyond)
  - All organisations face varying degrees of financial challenge
  - Some of these challenges are determined by commissioner decisions
  - CCG issues that have an impact of the financial outturn of organisations e.g. PAH, HCT, ENHT
  - Oversight of spend and managing variations is proving hard for many organisations
  - Balancing financial drive with patient outcomes e.g. WHHT, ENHT
  - Commissioning for Quality and Innovation (CQUIN)

- 4.4 Themes (either for an individual organisation or a wider system issue)
- Relations between the clinical commissioning groups (CCGs) and providers
  - Differing budgetary perceptions between commissioners (including the CCGs, HCC) and providers
  - Agency spend
  - Boundary issues such as conveyance by London Ambulance Service of patients from north London to WHHT is an issue
  - Staffing is a concern for all six organisations. Proximity to London with higher wages and teaching hospitals with research links also attract staff. To retain staff and provide career opportunities the system is looking to develop a “Herts Passport”
  - Growth i.e. the increased numbers of patients compounded by the acuity of patients health
  - Involvement of medical staff in agreeing financial decisions e.g. at PAH decisions are signed off by the Medical Director, at WHHT decisions are clinically led and ENHT is providing finance training to clinicians.
- 4.1 Hertfordshire University Partnership Foundation Trust (HPFT)
- Finding it increasing difficult to achieve savings without impacting on patients
  - Increased demand is a challenge to staffing, wait times and potentially, patient safety
- 4.2 West Hertfordshire Hospital Trust (WHHT)
- ICT infrastructure remains a significant issue
  - Contract challenges under negotiation with the CCG
  - Increased ambulance conveyance from both EEAST and north London Ambulance Service
  - The impact of delayed discharge on patient flow through the hospital affects the trust’s ability to admit patients in a timely fashion
- 4.3 Princess Alexandra Hospital, Harlow (PAH)
- Negotiation with West Essex CCG to resolve differing perceptions on costs and levels of activity
  - Use of agency to cover vacancies has reduced; however, this remains a major challenge
- 4.4 Hertfordshire Community Trust (HCT)
- Adult services are a substantial proportion of the organisation’s business. These will be re-commissioned in the west of the county during 2018. This is a risk to the financial position of HCT.
  - CQUIN’s have fallen short of the target during 2017/18
- 4.5 East & North Hertfordshire Hospital Trust (ENHT)
- Materially divergent expectations of activity and costs exist between ENHT and ENHCCG. This has the potential to impact negatively on the trust’s finances. On-going negotiations will seek to resolve this issue.
  - ENHT is looking to work collaboratively with the CCG on a no surprises principle
  - Examples of collaborative working are providing a payroll hub for other health organisations; is looking to expand the procurement hub

- Principal challenge is recovering activity income rather than achieving the savings target

#### 4.6 East of England Ambulance Service Trust (EEAST)

- Outcomes of the major service review identifying the capacity gap will inform future financial work (due January 2018)  
A consequence of merger of trusts across the east of England is a large and expensive estate which EEAST are looking to address when opportunities arise
- Welcomes the development of the Model Ambulance methodology (the equivalent of the Model Hospital approach) to help identify further efficiencies
- Measures to alleviate conveyance to acute settings are currently borne by EEAST.

### 5. Financial Implications

5.1 There are no financial implications arising from this report.

#### Background Information

None

#### Additional documents

Appendix 1- Feedback from the Scrutiny of Health Provider Finances – 12 December 2017