

NHS NORTH YORKSHIRE AND YORK CLUSTER

Minutes of the Meeting of NHS North Yorkshire and York Cluster Board held on 23 October 2012 at St Michael's Hospice, Harrogate

Present

Mr Kevin McAleese CBE (Chair)	Chairman
Mrs Elizabeth Burnley CBE	Non Executive Director
Mrs Janet Dean	Associate Non Executive Director
Mr Geoffrey Donnelly (part)	Non Executive Director, Vice Chairman
Mrs Maureen Vevers	Non Executive Director

Mr Christopher Long	Chief Executive
Mrs Julie Bolus	Director of Nursing
Dr Phil Kirby	Interim Director of Public Health
Mr Bill Redlin	Director of Standards
Mr Alan Wittrick	Director of Finance and Contracting

In Attendance

Mrs Amanda Bloor	Interim Accountable Officer, Harrogate and Rural District Clinical Commissioning Group (HaRD CCG)
Mr Simon Cox	Interim Accountable Officer, Scarborough and Ryedale Clinical Commissioning Group (SR CCG)
Dr Mark Hayes	Chief Clinical Officer Designate, Vale of York Clinical Commissioning Group (VoY CCG)
Dr Vicky Pleydell	Chief Clinical Officer Designate, Hambleton, Richmondshire and Whitby Clinical Commissioning Group (HRW CCG)
Ms Michèle Saidman	Executive Assistant to the Board and Committees

Apologies

Dr David Geddes	Medical Director and Director of Primary Care
Mrs Sue Metcalfe	Deputy Chief Executive/Director of Localities
Mr Roy Templeman	Non Executive Director

Fifteen members of the public were in attendance.

Kevin McAleese welcomed everyone to the meeting noting that Radio York and the Harrogate Advertiser were in attendance.

Questions relating to the following matters were raised by members of the public:

1. Mr David Bolam: North Yorkshire Local Involvement Network (LINK)
 - (i) *Sought clarification on the turnaround initiative to review opening hours of Minor Injuries Units in the context of Enhanced Service payments to GPs.*

Chris Long explained that the review related to CCGs looking to restrict hours at Minor Injuries Units and that closure times would be those of lowest attendance.

- (ii) *Requested information about the future arrangements for out of hours services.*

In Sue Metcalfe's absence, Bill Redlin advised that out of hours options were currently being considered and that the CCGs would be involved in development of service specifications. He agreed to liaise with Sue Metcalfe on her return from annual leave and respond to David Bolam.

2. Mr Ian Fulton, Bradford LINK

Sought clarification on a number of aspects of the financial position:

- *What is the projected overspend or underspend for the Craven, Harrogate and Rural District locality?*
- *Will the Board give a categorical commitment that debt will not be passed on to CCGs outside of North Yorkshire?*
- *What are the projected overspends at York Hospital, Airedale Hospital and Harrogate Hospital?*
- *When will the Treasury release funds for payment of the overspends?*
- *How will the historic debt be shared?*

Alan Wittrick explained that the agreed PCT £19M deficit position included the CCGs. A data collection exercise for the Department of Health had apportioned the debt in accordance with the turnover of each CCG. In regard to Airedale Trust, if the current position continued the in-year overspend would be between £1.5M and £2M; this was expected to roll over to the Airedale, Wharfedale and Craven CCG as part of the Bradford Local Area Team.

Chris Long advised that Department of Health funding allocations were not expected until December.

3. Councillor Jim Clark, Chair of North Yorkshire County Council Health Overview and Scrutiny Committee (OSC):

- (i) *Referred to the decision to consult on two, rather than three, options for The Friarage Hospital, Northallerton, and requested that inclusion of the third option - services being maintained as currently provided - be considered further.*
- (ii) *In view of the forthcoming KPMG report, sought assurance in regard to consultation on reconfiguration of services.*

Chris Long responded that service options would be considered on the basis of quality, affordability and accessibility; full consultation would be undertaken on proposals to deliver financial balance. Kevin McAleese added that the PCT was fully committed to consultation processes.

4. Councillor John Blackie, North Yorkshire County Councillor, Vice Chair of the OSC and Leader of Richmondshire District Council:

Referred to evidence of service provision in a number of hospitals of similar size to The Friarage and echoed the request for consultation on the three options.

Kevin McAleese noted that the requests relating to The Friarage Hospital, Northallerton, would be included in discussion under Matters Arising.

1. Apologies

As noted above.

2. Declaration of Members' Interests in Relation to the Business of the Meeting

None.

3. Minutes of the Meeting held on 25 September 2012

The minutes of the meeting of 25 September 2012 were agreed as accurate; however Chris Long clarified that under item 8 on page 11 the expansion of health visitor implementation was being delayed not ceased.

The Board:

Approved the minutes.

4. Matters Arising from the Minutes

Chairman's Report: The staff bulletin had not yet been issued expressing appreciation to staff.

Proposed Reconfiguration of Paediatric and Maternity Services at the Friarage Hospital, Northallerton: Chris Long advised that no further information had been received from the Strategic Health Authority since the September Board meeting in regard to the Service Change Assurance Process.

Kevin McAleese outlined the discussion at the previous meeting which had resulted in the Board accepting the recommendation of Hambleton, Richmondshire and Whitby CCG to consult on two, not three options, as Option 1 - the option of no change - was not deemed clinically sustainable either by local clinicians or the National Clinical Advisory Team (NCAT).

Members highlighted the detailed discussion from which the decision had emanated and the responsibilities of the Board, in particular the lay members, to take decisions on clinical advice. They emphasised that this was an opportunity for real consultation and feedback but could not support an unsustainable option in this context.

Maureen Vevers, as Chair of the Governance and Quality Committee, referred to the clinical analysis which indicated that the present service arrangements were not sustainable without significant financial investment and that this was not available in either the local or national context. Whilst recognising public concern, a consultation should be undertaken on options to deliver a safe, secure, sustainable service.

Kevin McAleese noted that the Board's decision on the options for consultation had been taken on the basis of evidence presented by the clinical commissioners and two NCAT reports. He sought and received unanimous confirmation that members upheld the decision to consult on Options 2 and 3 as agreed at the September Board meeting.

The Board:

1. Requested circulation of the staff bulletin be expedited.
2. Agreed unanimously that the consultation on reconfiguration of Paediatric and Maternity Services at the Friarage Hospital, Northallerton, should proceed as per the decision at the September Board meeting.

5. Chairman's Report

Kevin McAleese referred to his report which included updates on appointments to the Local Area Team (LAT) for the NHS Commissioning Board and the financial challenge in terms of both the current position and within the context of national funding allocations. Chairman's Action in regard to procurement of the Cytology Service was also reported.

In view of none of the LAT Director appointments being awarded to candidates from NHS North Yorkshire and York Cluster, members sought clarification on further appointments, maintaining organisational memory and potential redundancy costs. Chris Long responded that there would be approximately 70 staff in the LAT. Appointments would be as per the national process and timelines with the intention of creating robust new structures which would be both fit for purpose and deliver the requisite management cost reductions. Local knowledge would be maintained through CCG appointments. Systems were required to ensure fulfillment of the PCT's accountability to the end of March 2013.

Chris Long advised that staff who had not been appointed would have the opportunity to apply for positions in other parts of the system and there was the potential for extending employment for some from April 2013 to complete the transition. Redundancy arrangements were not yet known but consideration was being given in this regard to risk sharing with neighbouring organisations. Appointments through the first and second round processes were utilising local ring fencing, namely the requirement for a job match of at least 51%. However, until completion of recruitment to the new structures the number of displaced staff would not be known. Members expressed concern at the potential added pressure of redundancy costs on the financial challenge and noted that this matter would be progressed via the Remuneration and Audit Committees.

In respect of the detail of the actual allocation per patient for the current financial year from the Department of Health in each of the fifteen PCT areas in Yorkshire and Humber, members noted the sensitivities of the formulas in terms of variation due to weighting and highlighted the need to recognise what was achievable within the funding.

The Board:

1. Noted the Chairman's Report.
2. Noted the Chair's Action, agreed by the Vice Chair, in relation to the Cytology procurement.
3. Requested a best and worst case summary of likely redundancies for the next meetings of the Remuneration and Audit Committees.

6. Chief Executive's Report

Chris Long referred to his report which provided updates on the transition, the Commissioning Support Unit and publication of the Patient and Public Engagement Annual Report 2011/12 which was tabled for members and available on the website at www.northyorkshireandyork.nhs.uk. Members noted that future requirements for annual reports were not yet known and that a Part II meeting would follow the meeting in public to provide a commercial in confidence update on the Commissioning Support Unit.

The Board:

Noted the Chief Executive's Report.

7. Commissioner Core Performance Dashboard

Performance

Bill Redlin presented the Commissioner Core Performance Dashboard as at October 2012 which comprised information under sections: Summary Assessment, Performance and Quality Indicators, Financial Performance, QUIPP and Corporate Performance. He noted that the Summary of Performance information for CCGs was based on August information as the Business and Delivery Review meetings in September and October had been cancelled to enable focus on development of turnaround plans. These meetings would be reinstated in November; the 'amber' rating for transition would remain until completion of the authorisation process.

In regard to similar assurance being sought for the Craven area Bill Redlin reported on a recent meeting attended by himself, Julie Bolus and Iain Dobinson, Deputy Director of Finance, as a result of which they felt confident that plans were in place to manage the contract with Airedale NHS Foundation Trust. He agreed to circulate the report from this meeting to members. Members noted that support was being provided to the Craven area for the imminent Wave 2 Airedale, Wharfedale and Craven CCG authorisation assessment.

Bill Redlin advised that the performance information was similar to the previous month noting that indicators in Domains 2 and 3 were all 'green', which was welcomed by members. Ambulance performance remained a concern particularly in view of implementation of initiatives to address these issues. As these schemes had only been introduced recently it was hoped that improvements would be achieved in the near future. Bill Redlin highlighted the complexity of managing very urgent categories noting the focus on other areas, including GP non urgent demand and work with nursing homes. Members discussed ambulance performance in terms of historic challenges noting that the CCGs would be the future clients who would be required to address these issues. Vale of York CCG was currently progressing work on ambulance turnaround times.

In respect of patients who had 52 weeks or more from referral by their GP or other healthcare professional, the Vale of York CCG plan was expected to resolve this issue, which was mainly in York, by the end of October. Members noted that a number of these elective activity patients had chosen to wait longer.

Bill Redlin advised that Choose and Book remained a challenge and that work was ongoing in respect of the 'red' against the relatively new indicator of the number of patients the PCT is responsible for with Methicillin Sensitive Staphylococcus Aureus (MSSA) bacteria infections. He also reported that monitoring had begun of cases of e-coli.

Finance

Alan Wittrick referred to the statutory requirement for the PCT to break even and the agreement by the Strategic Health Authority for this year only of a £19M deficit budget. He highlighted that even if this planned control target was achieved there would be an impact on the 2013/14 position and that without further action there was a serious potential deterioration against this figure.

The year to date position reported was a marginal improvement on that in September. There was a particular improvement in prescribing which was now predicted to be in line with budget due to the work undertaken by the CCGs.

In regard to the major contracts Alan Wittrick reported that a number of revisions had been made to forecasts as a result of activity and discussions with Foundation Trusts; a significant overspend was still predicted. He also reported a number of negative variances in respect of private hospitals, consortia arrangements and mental health services.

Whilst welcoming the position on prescribing and the underspend on continuing healthcare budgets Alan Wittrick emphasised that in order to achieve the £19M agreed deficit budget position, delivery of the £10M additional savings, as discussed at the previous Board meeting, was imperative. Additionally, the requirement for further savings was being looked

into through detailed consideration of commitments to areas of expenditure shared across the Yorkshire and Humber Clusters, including ambulance services and specialist services. There were therefore a number of variables which could influence achievement of the £19M deficit budget position.

Alan Wittrick also reported that systematic work was taking place to clear old debtors and creditors. In addition slippage on the capital programme related to the delay to the Women's Low Secure Unit which had not yet been formally signed off by the Strategic Health Authority. Management of the capital programme was forecast.

Members sought and received further clarification on the financial position noting that strategic discussions were ongoing about risk sharing across the Yorkshire and Humber Clusters to achieve the £19M. Alan Wittrick confirmed that the turnaround initiatives would be incorporated in future reporting of budget lines.

The Board:

Accepted the Commissioner Core Performance Dashboard noting that achievement of the agreed £19M deficit budget was dependent on delivery of the £10M turnaround programme.

8. Quality, Innovation, Productivity, Prevention (QIPP) Programme: Going Further Faster

Amanda Bloor, Simon Cox, Mark Hayes and Vicky Pleydell attended for this item

Kevin McAleese welcomed the attendance of the CCG representatives and requested reconciliation of the individual CCG positions with the overall plan.

A review of elective activity (£2.8M planned savings)

HRW CCG: Vicky Pleydell noted the overall 6% negative variance against the total HRW CCG QIPP programme. She assured members that work was ongoing to address the positions with both GP and consultant to consultant referrals. A number of schemes had been brought forward from 2013/14 to the current year. Vicky Pleydell expressed the view that with this rolling programme and shared decision making a reduction was achievable.

HaRD CCG: Amanda Bloor noted that elective activity was trading as planned and referred to demand management and clinical thresholds. Further work was ongoing on the QIPP including work with primary care to address the small increase in referrals.

VoY CCG: Mark Hayes highlighted the referral review, which aimed to change future practice, and the development of shared decision making, recognised as best practice but which required support from providers for full implementation.

SR CCG: Simon Cox advised that the work was broadly on plan but noted pressures in outpatient follow-up appointments were being addressed. An audit tool for hips and knees was being utilised for clinical thresholds.

Kevin McAleese reflected that £2M of the £2.8M turnaround plan on elective care had been identified. The CCG representatives expressed the view that acute trusts recognised the financial challenge in North Yorkshire and York.

A review of outpatient follow-up appointments in line with best practice (£3.1M planned savings)

HRW CCG: Vicky Pleydell confirmed that work was ongoing where agreed thresholds for specialties had not yet been implemented. She also noted that South Tees Hospitals NHS Foundation Trust was already in the top quartile and that HRW CCG had additionally undertaken work with CCGs to the north.

HaRD CCG: Amanda Bloor noted ongoing work with clinical leads for specialties to implement a development programme with the aim of top decile commissioning from 2013.

SR CCG: Simon Cox highlighted that the c£800K plan was ambitious and potentially at risk but confirmed ongoing engagement to progress it.

VoY CCG: Mark Hayes noted the intention of ensuring sustainable practice in this regard.

Kevin McAleese noted that £2.3M of the planned £3.1M savings had been identified. The CCG representatives confirmed that the figures detailed were the maximum that could be expected and highlighted that change to clinical practice, which would take time to achieve, was required.

A review of Minor Injuries Units opening hours with a view to some closures (£0.4M planned savings)

HRW CCG: Vicky Pleydell reported that the review at Whitby Hospital was not expected to identify any considerable saving.

HaRD CCG: Amanda Bloor advised that there were no planned changes at Ripon. A long term conditions strategy was being developed jointly with the local authority.

VoY CCG: Mark Hayes reported a potential £100K saving at Malton Hospital where nurses from the minor injuries unit could transfer to the wards. In regard to Selby Hospital the service was run by Harrogate and District NHS Foundation Trust; staff could potentially move to the wards which were run by York Teaching Hospital NHS Foundation Trust.

SR CCG: Simon Cox also noted the Malton Hospital position which would be discussed by the SR CCG Shadow Governing Body on 24 October.

A review of community hospital beds with a view to some short term closures (£0.4M planned savings)

The CCG representatives all reported no planned closures, noting ongoing work to develop long term service redesign and the forthcoming report from KPMG.

Kevin McAleese highlighted a £2.3M shortfall in identification of £4.4M of the required £6.7M for these four initiatives and requested the information be presented in a risk assessed matrix for the next Board meeting to provide clarification of the position.

Mark Hayes additionally reported on discussions with the Local Medical Committee (LMC) in respect of primary care initiatives. He noted agreement of cessation of a Local Enhanced Service for palliative care which would achieve c£100K saving. A joint initiative involving the LMC and Local Pharmaceutical Committee, which would focus on eliminating waste, was being developed with the potential for £600K saving. In addition the CCG clinical and prescribing leads would be implementing a new 30 day prescribing initiative. Mark Hayes commended clinical engagement and progress in modifying clinical practice.

Members noted that all the CCGs were undertaking further work with the local trusts to address issues relating to non electivity activity. In response to members seeking assurance on delivery of the initiatives, all CCGs expressed relative confidence but noted potential impact of winter pressures and the emphasis on implementing sustainable clinical measures.

In regard to the agreed deficit budget Chris Long recognised the tensions between short term and sustainable measures but explained the impact on 2013/14 if the £19M deficit position was not achieved, namely a £19M recurrent and £19M non recurrent problem. He emphasised that there would be no financial support from areas that were in surplus and that any deficit would be carried forward into next year.

Members expressed appreciation to the CCG representatives for their attendance and ongoing commitment.

The Board:

1. Noted and supported the work being led by the CCGs.
2. Requested a consolidated matrix to provide an overview of the QIPP and turnaround plan.

9. Annual Audit Letter 2011/12

Members received the Annual Audit Letter which had been considered by the Audit Committee on 10 October. They welcomed the unqualified opinion of the PCT's 2011/12 financial statements and noted the referral to the Secretary of State due to the breach to the statutory financial duty in view of the setting of a deficit budget.

The Board:

Noted the Annual Audit Letter 2011/12.

10. North of England Specialised Commissioning Group Annual Report 2011/12

Members noted the ongoing discussions following *Safe and Sustainable – Review of Children’s Congenital Heart Services* and discussed the complexities of the information regarding specialised services in view of the absence of standard definitions. This issue had been addressed by establishment of new national definitions.

The Board:

Noted the North of England Specialised Commissioning Group Annual Report 2011/12.

11. Minutes of Board Committees

The Board:

Received the following minutes, noting the additional information detailed below:

a. Governance and Quality Committee held on 8 October 2012, noting the key messages with particular reference to staff capacity and the transition requirements. Julie Bolus also reported that the CCGs were in the process of developing a model for Continuing Health Care which was expected to be hosted by one CCG. Detailed work was ongoing in this regard with Airedale, Wharfedale and Craven CCG.

b. Audit Committee held on 10 October 2012.

It was additionally noted that with effect from November the Governance and Quality Committee would meet bi-monthly and in the alternate months to the Audit Committee.

c. Hambleton, Richmondshire and Whitby Clinical Commissioning Group held on 23 August and 17 September 2012.

d. Harrogate and Rural District Clinical Commissioning Group held on 19 July 2012.

e. Scarborough and Ryedale Clinical Commissioning Group held on 25 July 2012; requested inclusion of an action log.

13. Vale of York Clinical Commissioning Group held on 6 and 20 September 2012.

14. Executive Leadership Group for the Implementation of the North Yorkshire and York Review held on 24 September.

12. Any Other Business

Julie Bolus reported that the transfer of NHS North Yorkshire and York, Hambleton and Richmondshire Specialist Children's Services scheduled for 1 October had not taken place due to a last minute issue in the negotiations. In view of this, re-registration with the Care Quality Commission had been required and negotiations had commenced to identify a new preferred bidder; an agreed position was not anticipated before the end of the calendar year.

The Board:

1. Noted the delay to the transfer of NHS North Yorkshire and York, Hambleton and Richmondshire Specialist Children's Services.
2. Requested an update report at the next meeting.

13. Next Meeting

The Board:

Noted that the next meeting would be at 10am on 27 November 2012 at Priory Street Centre, 15 Priory Street, York YO1 6ET.

14. Exclusion of the Public

The Board moved into private session in accordance with Exclusion of Public and Press under Section 1(2) of the Public Bodies Admission to Meetings Act 1960 because of the confidential nature of the business transacted.

15. Follow Up Actions

The actions required as detailed above in these minutes are attached at Appendix A.

NHS NORTH YORKSHIRE AND YORK CLUSTER

ACTION FROM BOARD MEETING ON 23 OCTOBER 2012 AND CARRIED FORWARD FROM PREVIOUS MEETINGS

Meeting Date	Item	Description	Director Responsible	Action completed/ Due to be completed (as applicable)
25 September 2012	Chief Executive's Report	<ul style="list-style-type: none"> Extract expressing appreciation to staff to be circulated via a staff bulletin 	Lee Squire	13 November 2012
23 October 2012	Public Questions	<ul style="list-style-type: none"> Future arrangements for out of hours services – reponse to be provided to David Bolam 	Bill Redlin	19 November 2012
23 October 2012	Chairman's Report	<ul style="list-style-type: none"> Best and worst case summary of likely redundancies for the next meetings of the Remuneration and Audit Committees 	Chris Long	27 November and 5 December 2012
23 October 2012	Core Performance Dashboard	<ul style="list-style-type: none"> Report on assurance meeting with Craven locality to be circulated to members 	Bill Redlin	

Meeting Date	Item	Description	Director Responsible	Action completed/ Due to be completed (as applicable)
23 October 2012	Quality, Innovation, Productivity, Prevention (QIPP) Programme: Going Further Faster	<ul style="list-style-type: none">• Consolidated matrix to provide an overview of the QIPP and turnaround plan.	Alan Wittrick	27 November 2012 meeting