Item 10.1

North Yorkshire and York

North Yorkshire and York Cluster

Corporate Handover Report

Version 2.0

31 March 2013

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Section1: Purpose of the Document

1.1 This is the corporate handover document for NHS North Yorkshire and York. It is intended to signpost all new NHS organisations who take responsibility for PCT functions from 1 April 2013 to the key risks, issues and areas of concern of which those new bodies need to be aware as they assume responsibility for the discharge of their functions.

1.2 This document should be read in conjunction with the Quality Handover document which sets out the key quality and safety issues for NHS North Yorkshire and York.

Section 2: Introduction to NHS North Yorkshire and York

2.1 NHS North Yorkshire and York (NYY) remains a statutory body until 31 March 2013 when its statutory powers and duties and non-statutory functions transfer to a number of organisations. It is recognised that during the transition year 2012/13 there needs to be a particular focus on 'mapping' all current PCT functions, processes and issues to ensure that: these have either an identified destination in the new system architecture; that the 'successor bodies' are in receipt of quality information; or that issues have been entirely resolved by the time the PCT is closed-down as a statutory body.

The commissioning and public health responsibilities transfer to a number of organisations:

NHS Commissioning Board (NCB)

Clinical Commissioning Groups (CCG)
- Vale of York Clinical Commissioning Group
- Hambleton, Richmondshire and Whitby Clinical Commissioning Group
- Harrogate and Rural District Clinical Commissioning Group
- Scarborough and Ryedale Clinical Commissioning Group
- Airedale, Wharfedale and Craven Clinical Commissioning Group
- Cumbria Clinical Commissioning Group

Local Authorities
- North Yorkshire County Council
- City of York Council

Public Health England

NHS Property Services Limited

2.2 The PCT Cluster will need to transfer to the new bodies the relevant aspects of its current operation and to ensure that continuity, safety and, quality is effectively managed through the transition period leading up to 1 April 2013. Key to ensuring safety and quality throughout the handover period will be the transfer of organisational memory and information through the development of the Corporate and Quality Handover Document and linked to this the development of an online document that will store the supporting data for the receiving organisations.

2.3 The final document will be approved by the PCT Cluster Board meeting on 26 March 2013. Early drafts of the handover documents were also taken to the Governance Committee for review and shared with providers.

2.4 The receiving organisations should take a copy of the handover document to its public board meeting at the earliest opportunity from April 2013, and will make supporting documentation publicly available as soon as possible. The receiving organisations will hold responsibility for the final approved documents with regard to Freedom of Information Act requirements. Local risks and actions will be identified as the transition continues.

2.5 Transition leads

2.5.1 The cluster Handover and Closure lead for the transfer and receipt of functions is the Director of Standards Bill Redlin.

2.5.2 The development of the Corporate and Quality Handover Document will be overseen by the cluster Director of Standards Bill Redlin.

Section 3: Key Contacts and Where They Are Now

3.1 The current members of the North Yorkshire and York Primary Care Trust Board are as follows:

Chair
Kevin McAleese CBE

Non Executive Directors
Non Executive Director - Audit Committee Chair - Geoffrey Donnelly (Voting Member)
Non Executive Director - Liz Burnley CBE (Voting Member)
Non Executive Director - Roy Templeman (Voting Member)
Non Executive Director - Maureen Vevers (Voting Member)
Associate Non Executive Director - Janet Dean (Non-voting member)

Executive Directors
Chief Executive - Christopher Long (Voting Member)
Director of Finance and Contracting - Alan Wittrick (Voting Member)
Director of Standards - Bill Redlin (Voting Member)
Interim Director of Public Health - Dr Phil Kirby (Voting Member)

A number of Handover and Closure Quality Leads have been identified as follows:

	Cluster Lead	**Organisation 01.04.13 onwards**
Handover and Closedown	Bill Redlin	Department of Health Legacy Management Team
Governance	Dawn Taylor	North Yorkshire and Humber Commissioning Support Unit
Quality & Safety	Julie Bolus	NHS Commissioning Board
HR & OD	Amanda Wilcock	North Yorkshire and Humber Commissioning Support Unit
	Tina Smallwood	NHS Commissioning Board: Legacy Management
Estates	Louise Ramsay	NHS Property Services Limited
	Alan Furby	NHS Property Services Limited
Informatics	Angela Wood	North Yorkshire and Humber Commissioning Support Unit

Information	Richard Reed	North Yorkshire and Humber Commissioning Support Unit
Performance	Barbara Buckley	Scarborough and Ryedale Clinical Commissioning Group
Finance	Iain Dobinson	NHS Commissioning Board: Legacy Management
Contracting	Tim Heneghan	NHS Commissioning Board
Primary Care	David Geddes	NHS Commissioning Board
	Sheila Callicott	NHS Commissioning Board
Public Health	Katie Needham	North Yorkshire County Council
	Jim Khambatta	NHS Commissioning Board

Section 4: Significant Handover Issues for the NHS Commissioning Board and NHS Trust Development Authority

4.1 Performance

4.1.1 The details of performance against the key indicators are included in the January 2013 Commissioner Performance Dashboard. Key performance issues include the following:-

Ambulance Response Time

Historically, the ambulance service has failed to deliver on the key national response time targets across the North Yorkshire patch. The latest data shows continued failure against the RED1 and RED 2 standards.

Ambulance Turnaround

Ambulance turnaround performance reflects the speed and efficiency with which patients are safely transferred from the ambulance to the hospital. During 2012/13, turnaround performance, particularly in the Yorks and Scarborough patches has been a cause for concern with, on occasions, significant numbers of transfers taking more than 2 hours.

Accident and Emergency Waiting Times

During 2012/13, the delivery of the national waiting times targets in A&E has deteriorated in North Yorkshire. In Q3, both York and Scarborough failed to deliver the 95% standard and this remains the position in Q4.

HCAI

Scarborough hospital is on target to deliver the standards set for MRSA and C.Diff infections. However, Harrogate is at risk of breaching both targets whilst York is at risk of breaching its C.Diff target.

Elective Waiting Times

The Performance Dashboard shows that all of the North Yorkshire Trusts are delivering the 18-week standards for admitted, non admitted and still waiting patients. However, York Hospital and, to a lesser extent, South Tees Hospital, continue to see small numbers patients waiting longer than 52 weeks for admission.

4.2 QIPP Delivery

4.2.1 During the early phases of QIPP, savings were realised largely through greater reliance on transactional efficiencies, such as improving medicines management and non-clinical productivity. The focus for the 2012/13 planning round was for more transformational programmes working across economies.

4.2.3 QIPP performance is included in the January 2013 Commissioner Performance Dashboard.

4.3 Finance

4.3.1 Key Financial Challenges

NHS North Yorkshire and York (NHSNYY) has never succeeded in living within its financial allocation since it was created in October 2006. Even then it had a legacy debt of £48m. Since that date, the PCT has received over £100m in financial support, mostly from the local Strategic Health Authority (SHA), in order to help it to achieve its statutory break-even duty. Most recently, during 2011/12, £28m was made available in order to balance the books and ensure services could be paid for.

4.3.2 Despite the financial challenge to the area, there has been no significant change in the NHS infrastructure in order to bring the health system back into financial balance. Instead the focus has been on squeezing transactional efficiencies out of the system which while having some success, has never been of sufficient magnitude to achieve sustainable financial balance. It is clear that in the past it has been more expedient to support a recurring deficit than to address the underlying causes – essentially there is more health service available in North Yorkshire than can be afforded.

4.3.3 Since 2007/8, the North Yorkshire health community has received over £100 million of financial support from the Strategic Health Authority to support the ongoing provision of services at Scarborough and North East Yorkshire NHS Healthcare Trust and to prevent North Yorkshire and York Primary Care Trust moving into deficit.

4.3.4 Looking to the future, the financial support that has been available to NHS NYY will not be available. The new system, led by Clinical Commissioning Groups (CCGs) will not have the capacity or the resource to redeploy money intended for other purposes to support financially challenged organisations. Indeed the risks will grow even greater as we move from a single organisation which has access to 100% of local commissioning allocations to five much smaller CCGs which in future will control some 60-70% of local commissioning budgets. It will be through their ownership and clinical leadership that the system will achieve its aim of high quality, clinically appropriate and efficient services.

4.3.5 The PCT board has approved a financial plan which gives a deficit of £19m. Monthly dashboard reports on performance against this plan during the months up to the end of February 2013 have shown an improving position overall. The trading position has improved markedly during the last month and additional resources have also been allocated to the acute trusts and local authorities to ensure delivery of key targets. This also benefits the overall revenue position. Although there are still risks in the remaining month of the year, the financial outturn has improved to the extent that the forecast outturn is now £12m deficit against the original plan of £19m. This is still a serious financial matter (since PCTs are required to achieve breakeven or better) and

everything that can be done will be done to get the year end outturn as low as possible.

Year End Forecast

4.3.6 The Strategic Health Authority have made it very clear that the planned deficit figure cannot be exceeded and that we should be aiming to better that position. December to February has seen a marked improvement in the performance of many acute contracts which reversed the worsening trend of the previous months. There have been further improvements in GP prescribing and other budget areas. As a result of this improvement, the year end forecast has been reduced to a deficit of £12m. There are risks still associated with this forecast year end position; the key one being the trading position with York FT. There are a number of smaller risks associated with other contracts, prescribing and CHC claims. The forecast assumes that no unforeseen issues emerge from the close down of the PCT.

Year to date position

4.3.7 Revenue position at the end of February shows a favourable position for the month and an improved cumulative year to date position. The year to date deficit position is reduced from £14.4m which we anticipate reducing to £12m by the year end.

2012/13 Position

4.3.8 The main risks to the financial position in the final month of the year are:

- Financial overperformance on acute contracts. In particular the York FT trading position.
- Delivery of QIPP and other turnaround schemes.
- Unresolved disputes and bad debts.
- Unforeseen winter pressure on activity levels
- The value of CHC retrospective claims
- The NHS transition impact on PCT staff.

4.3.9 Legacy for CCGs and other NHS Bodies

The final guidance on handling residual matters left on the PCT balance sheet following the annual accounts is not yet finalised. However, other than the carry forward of the projected £12m deficit to CCGs and the National Commissioning Board, it is NOT anticipated that there will be any MATERIAL balances or issues to be taken by the new organisations as a result of transition or residual PCT matters. Inevitably there may be some issues that emerge post accounts finalisation which were not anticipated or where actual invoices do not match exactly the accruals or provisions made. However, it is anticipated that these will be relatively low value and certainly not material to the system. Specific financial issues and risk areas have been discussed between the PCT Director of Finance and the responsible finance lead (Director or equivalent) in each relevant new organisation.

Supporting Documents
PCT Cluster Board Report: North Yorkshire and York Health and Social Care Economy Finances 26 June 2012
PCT Cluster Board Report Financial Update 25 September 2012
Annual Accounts 2012-13
Annual Accounts 2011-12

Annual Accounts 2010-11
Annual Accounts 2009-10
Annual Accounts 2008-09
Annual Accounts 2007-08
PCT Cluster Board Commissioner Performance Dashboard January 2013

Section 5: Significant Handover Issues

5.1 Outstanding Internal Audit Issues and Risks

5.1.2 The following outstanding audit issues are informed by the position on audit recommendations as reported to the last Audit Committee of the PCT Cluster on 26 March 2013.

5.1.3 The progress in implementing outstanding audit recommendations is routinely reported to the Audit Committee. The position as reported to the Audit Committee on 26 March 2013 has been allocated to the relevant successor body/bodies and have been notified to the relevant body.

5.1.4 The primary outstanding issues are as follows:

5.1.5 **IT Disaster Recovery Arrangements**: There has been significant work undertaking to strengthen these arrangements at the PCT Cluster during 2012/2013. However, there is still scope for strengthening these arrangements through the provision of standby recovery facilities in the event of a disaster and through alternative storage arrangements for backup tapes. The systems and networks for NHS North Yorkshire and York will transfer to the North Yorkshire and York Commissioning Support Unit. The latter organisation will provide IM&T support to the new Clinical Commissioning Groups who will need assurance that their information and access to it is secure.

5.1.6 **Business Continuity**: Work has been undertaken during the year to develop a business continuity plan for the IM&T department. Other departments and teams have also utilised the resource made available to support this work. However, the PCT Cluster has not sought assurance from all departments and teams that they have effective business continuity arrangements in place. Plans in place may also not effectively transfer to new working arrangements. Successor organisations will now be responsible for developing their own business continuity arrangements.

5.1.7 **Emergency Preparedness**: As part of effective emergency preparedness it is important that organisations regularly test their systems for cascading information throughout the organisation. A recommendation was made to the PCT Cluster to test these arrangements during the transition period. It has now been advised that the Local Area Team will test these arrangements in April 2013.

5.1.8 **Continuing Healthcare**: A number of audits of the processes for managing Continuing Healthcare have been undertaken. These have identified significant issues relating to the arrangements in place. The most recent audit identified significant concerns relating to the capacity of the PCT Cluster to manage the retrospective claims process. In addition, the assurance and reporting arrangements for Continuity Healthcare could also be strengthened to make the relevant successor organisations aware of the full range of risks being carried by the service. Although work is underway to address these issues the risks have not been fully addressed and will transfer to the Clinical Commissioning Groups.

5.1.9 Performance Management of Dentists: An audit of the processes for performance management dental practitioners across North Yorkshire identified issues relating to the capacity to undertake this effectively. In addition, concerns were also identified in relation to the robustness and timeliness of investigation procedures, cases and files. These issues, particularly the issue of capacity, were outstanding at the time of the PCT Cluster ceasing to exist and will need to be addressed by the relevant successor body.

Section 6: Significant Handover Issues to Public Health England

6.1 Delivering Public Health Outcomes

6.1.1 Joint Strategic Needs Assessments have been produced for North Yorkshire and for York which have ensured that the PCT and Local Authorities have a shared understanding of public health outcomes and their progress over time. These two documents are the key sources of current data and are each available on the respective local authority websites.

6.1.2 Good progress has been made on delivering better health outcomes. A key success has been the consistent and sustained reduction in mortality rates from circulatory disease, including stroke, and cancer.

6.2 Current Position and Issues

6.2.1 Mortality rates are reducing for both circulatory disease and cancer (the biggest killers). However there is a need to ensure that all NHS organisations keep up the momentum to reduce mortality rates and to tackle health inequalities – particularly inequalities in access to healthcare services.

6.2.2 The health of children and young people should remain a top priority for all organisations. Further action is needed to speed reductions in child obesity rates for the Year 6 age group, to increase the uptake of breast feeding, to improve the dental health of children and to further reduce levels of smoking amongst pregnant women.

6.2.3 A watching brief should be maintained on key areas such as implementing Healthchecks, screening and maternal health (assessment within the first 12 weeks of pregnancy) to make sure that performance levels are maintained and improved.

6.2.4 The transfer of contracts from the PCT to local authorities has been complicated by the need to disaggregate into two separate areas and the expiry of primary, voluntary and some secondary care contracts. A huge amount of detailed work has been undertaken by staff in the sender and receiver organisations to mitigate any risk but this should remain a high priority until the receivers are assured that services are stable and resourced.

6.3 Emergency Planning, Response and Resilience

6.3.1 A report was taken to the PCT Cluster Board on May 2012 which describes the arrangements relating to emergency preparedness, resilience and response including business continuity, exercises, training and testing for NHS North Yorkshire and York Cluster. It summarised the key activities undertaken in regard to risk assessment, partnership working, co-ordination of local NHS arrangements, communications, major incident planning, training and exercising.

It identified the main major incident risks for NHS North Yorkshire and York as arising from:
• human infectious diseases, including pandemic influenza;
• flooding – fluvial, pluvial, coastal;
• heatwave and other extreme weather incidents;
• chemical and biological release and pollution events;
• industrial technical failure, utilities and/or telecommunications.

It reported the ongoing maintenance of the organisation’s major incident plans and procedures.

It described the procedures for raising awareness and training staff and records training undertaken.

The requirements for and participation in exercising and testing were set out.

Whilst the Primary Care Trust was not required to activate its Major Incident Plan during the period of the report, the report detailed incidents that the organisation was informed of or was involved in.

The report indicates the focus for the coming year of planned activity remaining on:
• ensuring compliance with the NHS Operating Framework until 31 March 2013
• the maintenance of emergency response and co-ordination capability via ‘on-call’ rotas of key staff
• the safe transfer of emergency preparedness responsibilities to new organisations and local authorities

6.4 Fluoridation

6.4.1 NHS Yorkshire and the Humber received requests to commission a feasibility study from two Primary Care Trusts (not North Yorkshire & York PCT). The feasibility study is the first step in an extensive process and will establish if topping up the natural level of fluoride is technically feasible. The first phase of the feasibility study is almost complete with further work being undertaken to inform the second phase. The results of this study should be considered along with other measures in line with an Oral Health Strategy.

Section 7: Strategy and Policy, including Strategic IM&T

7.1 Records Transition

7.1.1 Background

7.1.2 As part of the PCT dissolution planning and in order to provide assurance that records were appropriately managed in preparation for PCT handover and closedown 31 March 2013 a Records Management in Transition process was agreed by the PCT Information Governance Steering Group and PCT Governance Committee May 2012

7.1.3 A Records and Information Management during Transition Toolkit based on national guidance[1] was established and rolled-out to all PCT Directorates in June 2012 to effectively support the transition.

[1] *Records Management: NHS Code of Practice: Part 2* (health and business & corporate records retention schedules) Department of Health, January 2009

7.1.4 The toolkit provided nominated Directorate Leads with a step-by-step guide to the review of records and schedules to document the appropriate corporate action taken i.e. secure destruction or retention and transfer to successor organisations to ensure that legal, organisational and business continuity requirements in relation to records management during transition were met.

7.1.5 Monthly progress updates were required from Directorate business functions from October 2012 and progress was reported for monitoring and assurance to the PCT Information Governance Steering Group and the PCT Transition Programme Board and further monitored via Internal Audit.

7.1.6 Completed toolkit schedule returns were required by 1 March 2013.

7.2 Broad principles of transfer & access

7.2.1 Retained paper and electronic records were categorised for action[2] and transfers made[3] as follows:

Record type	Action	Paper records transferred	Electronic records transferred
Inactive (closed/ archived)	To transfer to Secretary of State (Department of Health)	Accounts/contracts with Magnum Services & Cintas	Electronically via CSU IT Services (Y drive)
Active (open)	To follow function to receiving organisations	Direct via functions	Electronically via CSU Led Informatics Services (Y drive)

7.2.2 On taking external legal advice, the following condition was also applied on transfer in order to allow organisations access to records where required in order to properly perform their function:

The following organisations shall be permitted to have access to and use the Records:
- ☐ *[ORGANISATION A];*
- ☐ *[ORGANISATION B];*
- ☐ *[ORGANISATION C]; and*
- ☐ *Any other organisation which properly and lawfully requires access and use*

Provided always that such access and use is in connection only with the proper and lawful performance of that organisation's functions (in whole or in part) as successor to the Transferor.

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www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/documents/digitalasset/dh_093024.pdf
Information Governance for Transition The National Information Governance Board for Health and Social Care, November 2011
www.nigb.nhs.uk/pubs/guidance/NIGB%20Transition%20Guidance%2015%20November%20web%20version.pdf ;
NHS Information Governance Effective Management of Records during a period of transition or organisational change Department of Health, October 2011
www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_130505

[2] In-line with Department of Health guidance February 2013 (Annex A)

[3] All transfers were recorded by Directorates via Schedule 3 (Schedule of Records and Information During Transition) of the Records and Information Management during Transition Toolkit

7.3 Summary

7.3.1 The documentation which details record transfers recorded via the Records Management in Transition Process is being transferred to the Secretary of State Department of Health with access being made available to the Transition Team and the CSU.

Section 8: HR and Workforce

8.1 Throughout the transition the PCT has provided regular monthly reports to the SHA/DH using the 'people tracker' which has enabled the workforce transition to be monitored. The PCT has also provided regular sender assurance reports which have identified progress against key milestones.

8.2 The organisational change process was initially managed using locally agreed policies to assign staff into positions primarily within CCGs and the CSU prior to the publication of the nationally developed 'Policy and Process on Filling of Posts within Receiving Organisations'. Utilising the local policy the majority of staff were assigned into CCG and CSU roles by August 2012. After the publication of the national policy during August 2012 a review process was undertaken which included staff being able to appeal if they felt that not using the national policy had been detrimental.

8.2 The filling of posts in the NHS Commissioning Board and Public Health England has taken place using their agreed process which has involved pooling and job matching resulting in staff either being slotted in to a post or undertaking a competitive slotting interview. Other groups of staff have been advised that their roles will 'lift and shift' to their new employer and be effected through TUPE which includes FHS and PDS staff, staff transferring to NHS Property Services and the majority of public health staff transferring to local authorities. The appropriate process has been dictated by the legal basis of the transfer.

8.3 The majority of staff (c350) had their destination confirmed by the end of December which included details of the post, approved band and proposed base. Final confirmation of transfer letters have been sent out in early March.

8.4 The transfers will be effected by a transfer scheme which has been drafted by the DH lawyers and the terms of which have now been agreed by the national trade union partners. The transfer scheme protects an individual's continuity of employment as well as their terms and conditions. Staff transferred by a transfer scheme will also have continued access to the NHS Pension Scheme. To support the Transfer Scheme the senders and receivers must sign to agree the lists of staff to transfer prior to 'sign off' by the Secretary of State.

8.5 For the individuals who have not been selected for a roles by a new employer an 'at risk' and redundancy consultation process has been carried out in accordance with good practice and employment legislation. This resulted in a number of staff being placed on formal notice of redundancy in December 2012 and whilst a number of these have now secured roles there will be staff dismissed on the grounds of redundancy at the end of March 2013.

8.6 To ensure effective transfer of an individual's personal file and individual knowledge; a knowledge legacy transfer process has been developed to ensure accurate and coordinated transfer of documents and people.

8.7 In compliance with legislation the new prospective employers have provided details of any changes they plan to take in varying employees terms and conditions of service. This information has been passed on to all relevant employees. Detailed due diligence information has been provided to the receiving organisations about the staff that will transfer in accordance with the relevant legislation.

8.8 There are outstanding issues including employment tribunal claims and potential grievances which are detailed in the relevant transfer schedules.

8.9 The trade unions have been formally consulted throughout the transition.

8.10 Particular issues for individual organisations include:

- Scarborough and Ryedale CCG has agreed to host the Vulnerable Adults and Children Unit which includes the Continuing Health Care Health Team on behalf of the North Yorkshire and York CCGs.

8.11 Details of sender assurance and graphs identifying the numbers of staff employed in the PCT are included within the North Yorkshire and York Transition and Closedown Report at Annex 2, Appendix 1.

Section 9: Corporate Risk Register and Board Assurance Framework

9.1 Risk Management and Board Assurance Framework

9.1.1 The Board Assurance Framework (BAF) 2011/12 was signed off by the Cluster Board in March 2012. Subsequently, the BAF has been reviewed in the light of the passage of the Health and Social Care Act (2012) and the changes to the commissioning architecture that the Act sets out.

9.1.2 The review covered an update of the corporate objectives to ensure that they are in line with the recently published “Integrated Strategic and Operational Plan 2012/13”. The review has also considered the delegation of responsibilities to the emerging CCGs. Finally, the systems of control and assurance have been refreshed in the light of changes to the committee structure of the PCT Cluster.

9.1.3 The Corporate Risk Register and Board Assurance Framework were taken to the Audit Committee Workshop held on 10 October 2012 and sharing of risks during transition were discussed. There were attendees from the North Yorkshire and York Clinical Commissioning Groups, who agreed to take the risks away and consider them in the context of their own risk registers and their agendas.

9.1.4 The Corporate Risk Register and Board Assurance Framework as at March 2013 are attached at Annex 8.8 and 8.7 respectively and were signed off by the Cluster Board in March 2013.

Supporting Documents
PCT Cluster Board Report: Board Assurance Framework 2012/13 22 May 2012
PCT Cluster Board Report: Transition and Closedown Report March 2013