NOTES

NHS Finances Panel
Wednesday, 26th September 2007 at 7.00 pm

PRESENT: **Councillor Leaman (Chair) and Councillors Baker and R Moher**

Also present were:

Anna Anderson (Finance Director, Brent tPCT)
Phil Church (Turnaround Director, Brent tPCT)
Marcia Saunders (Chair, Brent tPCT)
Catherine Knights (Assistant Director of Operations, CNWL Foundation Trust)
David Dunkley (Head of Brent Mental Health Service)
Martin Cheeseman (Director of Housing and Community Care, LB Brent)
Phil Newby (Director of Policy and Regeneration, LB Brent)
James Sandy (Policy and Performance Officer, LB Brent)
Councillor D Brown

ıntroductions and background to the Panel

The Chair introduced everyone to the first meeting of the NHS Finances Panel. He reminded those present that the final report of Brent tPCT Turnaround Programme Task Group had recommended the establishment of this Panel in order to continue work on scrutinising the finances of each of the local NHS trusts.

Members had before them papers outlining the current financial position of each of the local NHS trusts. It was advised that whilst representatives from the North West London Hospitals NHS Hospital Trust were unfortunately unable to attend the meeting, the information submitted by the organisation would still be considered. Representatives from the Brent Teaching Primary Care Trust (Brent tPCT) and Central and North West London Foundation Trust (CNWL Foundation Trust) were then asked to provide a brief outline of the financial position of their respective trusts, following which members asked a number of questions.

Brent tPCT Turnaround Programme – Position Outline

Marcia Saunders (Chair, Brent tPCT) opened discussion by commenting that although the past year had been a difficult period for the Brent tPCT, significant steps been taken in recent months towards rectifying previous financial problems. Positive comments made in the annual audit letter were cited as an example of the organisation's progress in this regard.

Anna Anderson (Finance Director, Brent tPCT) then outlined the overall financial position of the tPCT, advising that the Trust had a total spend of £412 million a year, most of which derived from commissioning services from other organisations. She further asserted that good progress had been made on the Turnaround Programme, resulting in £12 million worth of savings during the second half of the previous financial year. However, it was stressed that a further £25 million of savings would need to be achieved in the current financial year. Members were also advised that NHS London was in the process of returning to PCTs the 'top slice' payments that had been levied the previous year, with a clear message that these funds should be only be used to reduce historical debts.

The Panel heard that approximately 40 per cent of the savings target for the current year had been met. Whilst arguing that this figure represented good progress, it was accepted that some of the easier savings had now been made, and therefore achieving savings in other areas would be more difficult over the coming months. Members were also advised that the £2 million overspend anticipated for the current year related to total spending for the Trust rather than to the Turnaround Programme alone.

Phil Church (Turnaround Director, Brent tPCT) outlined the methodology used for the Turnaround Programme, noting that 101 savings streams totalling £35 million had been identified. Each stream had subsequently been risk assessed, and it was thought that a net total of £25 million worth of savings would be achieved this year. The Panel were also informed that the majority of those involved in deciding the streams for inclusion in the Programme had been clinicians.

Three main areas of risk to the success of the Programme were highlighted. In particular, with £9.5 million (gross) savings identified, continuing care was highlighted as the single largest risk, and had been allocated an 'amber' status due to fact that it had been necessary to take legal advice on this issue.

Acute commissioning was outlined as the second area of concern, with particular reference to the need to reduce unnecessary GP referrals. Whilst possible options for achieving greater efficiencies were outlined, members were reminded difficulties anticipating demand, and in turn planning budgets, in the acute sector. It was also argued that increasing access to GP services represented one of the cornerstones of the tPCT plans, and that it was hoped that in futures GP practices would operate more flexible hours, such as evenings and weekends. Finally, the Panel were advised that the interim nature of the current tPCT management board represented the third risk, although it was explained that recruitment for a permanent team had commenced.

A concern was raised about whether the planned financial savings would have a negative impact on the health of residents in the borough. Whilst acknowledging that savings of this level could not be achieved without an impact, Mr Church pointed out that that attempts had been made to make cuts in non essential areas, such as procedures with a limited clinical value. It was also noted that due to necessary clinic closures, access to services would be

less convenient for some patients than previously. However, Panel members were reminded that many of the required savings derived from areas such as increased efficiencies in procurement, which would have no detrimental affect on patients.

One Panel member questioned whether contingency plans had been established in case the Turnaround Plan was not successful. Mr Church stated his confidence in the success of the programme, but explained that if current savings plans were not achieved, it would be necessary to bring those for the following year forward. He was also of the view that it was more important to deliver on existing plans than explore new areas of savings, and reminded those present that all streams within the programme were regularly reviewed to ensure that they were being delivered.

Further to concerns raised, it was strenuously asserted that despite efforts to reduce the acute spending budget, GPs would continue to make patient referrals, where required. It was further noted that an appeals process was available to any patients who felt that their case had not been dealt with appropriately. In view of these comments, Councillor D Brown wished to draw attention to a recent individual case where he felt that the failure of a GP to make a referral had been inappropriate. He also pointed out that he had yet to receive a substantive reply from the Interim Chief Executive of the tPCT to a letter written to him in August on this issue. Noting that this was an extremely atypical situation, Mr Church provided assurances that he would take this matter forward following the meeting.

A number of questions were raised about the closure of one of the three wards at Willesden Community Hospital. The Panel were reminded that the hospital had not run at full capacity over the past two years, and were advised that by improving the systems in place, this use of the building provided the best model of care. It was noted that there were no further plans for additional ward closures at the hospital. Further to a query from Councillor Baker, Mr Church explained the various community teams providing support to patients in their own home. He also emphasised that every patient was assessed before leaving hospital to ensure that they were fit to return home, and put in place any required support packages.

The Chair asked for clarification about the future plans for the Wembley Minor Accident Treatment Service (MATs), and was advised that three options were currently being explored; the first was to continue services as at present, the second for the entire site to be sold off, and the third for part of the site to be sold with a portion retained for the continuation of services. Panel members were advised that option three was the preferred course of action. They also heard that the service was now better used than it had been in previous years, and that improved administrative systems had meant that no increase of staffing levels had been required in order to accommodate this additional demand.

Citing the examples of cuts to tuberculosis and sexual health education programmes, the Chair registered concern about the long term implications of cutbacks in preventative health. Whilst accepting that savings in these areas

could lead to increased disease rates, Mr Church argued that during times of financial difficulty, the organisation had no choice other to make savings in preventative services. He also pointed out that the TB and sexual health education programmes had been subject to three separate impact assessments before being included in the Programme, and that these services would be reinstated when funds permitted.

Following a question raised, it was acknowledged that future growth in those areas currently subject to savings might take several years. However, Ms Saunders sought to point out that despite the Turnaround Programme, the organisation currently explored ways of spending to improve the delivery of services. One Panel member asked for clarification about the NHS London report on the finances of the tPCT, and was informed that the final publication date for this document was not yet known.

The problems associated with planning budgets on the basis of unreliable population data were discussed. Whilst noting that the figures for Brent were thought to under represent the actual population, members were advised that the high numbers of people who did not register with a GP when moving into the borough represented a significant problem. The Panel also heard that like many other PCTs across the country, the population served by Brent tPCT was growing at a faster rate than the available funding. Members were reminded that those working in the health sector regularly lobbied central government on this issue with limited success.

4. North West London Hospitals NHS Trust – Position Paper

Given that representatives from the NWL Hospitals NHS Trust were not present, discussion on the paper outlining the position of this Trust took place during general discussion throughout the meeting.

Further to a question about the effect of the Turnaround Programme, it was asserted that partner health trusts had been kept fully informed of the required savings to be made by the tPCT, and were receiving more funds than had been anticipated at the outset of the programme.

Martin Cheeseman (Director of Housing and Community Care) then commented on the local authority perspective. He stated that any final settlement regarding continuing care cases would have to be resolved in a way that could be accepted by both organisations, and further endorsed the view that the most significant challenges presented by the current situation were of the acute sector. With this in mind, he outlined the headline figures within the NWL Hospitals NHS Trust, explaining that from April to July 2007 there had been a shortfall of approximately £700k in the delivery of the savings programme. He also pointed out that there was an ongoing need to persuade people away from an ‘A&E culture’.

Central and North West London Foundation Trust – Position Outline

Catherine Knights (Assistant Director of Operations, CNWL Foundation Trust) outlined the position of the CNWL Foundation Trust, reminding those present that the tPCT spent approximately £30 million each year with the organisation. It was emphasised that the CNWL Foundation Trust had a longstanding track recording of balancing its finances, and had continued this trend to date.

In terms of the effect of the Turnaround Programme on the Trust, it was explained that the overall Child and Adult Mental Health Service (CAMHS) had not experienced cuts, and alternative funding had been identified for substance misuse services. Members were informed that the most significant area of impact had been the reduction of funding to the Assertive Outreach Team. Whilst efforts had been made to increase efficiencies by redesigning the service, the difficulties involved in this process were outlined. In particular, attention was drawn to the fact the vulnerable client group involved in assertive outreach work.

Councillor R Moher queried whether reduced spending in this area had led to an increase in hospital admissions. In reply, David Dunkley (Head of Brent Mental Health Service) noted that although a large increase in hospital admissions did not appear to have subsequently occurred, this situation was being continuously monitored. Moreover, he outlined that the situation was somewhat difficult to assess given that those requiring assertive outreach were typically not engaged with health and social care services.

Ms Knights further commented that once the tPCT had returned to financial stability, there would need for joint discussions about spending on mental health care spending in Brent, which she asserted was currently under funded. It was also noted that at present both organisations were working together closely to bring expensive out of borough continuing care cases in borough to reduce costs. The Chair asked what the consequences would be if the tPCT did not return substance misuse funding in the financial year 2008/09, as had been pledged, and heard that contingency planning steps had been put in place to deal with this eventuality.

Following a question from the Chair, Mr Dunkley advised that the Trust were working to provide further support for GPs on mental health issues through community health teams. In addition, it was argued that a shift was required towards greater recognition that in many circumstances mental health problems could be dealt with within a community setting.

The Chair concluded the meeting by thanking attendees for their contribution. It was noted that the next meeting of the NHS Finances Panel would take place at a date to be confirmed in November 2007.

The meeting ended at 8.55 pm

C LEAMAN
Chair