

PUBLIC

MINUTES of a meeting of the **IMPROVEMENT AND SCRUTINY COMMITTEE – HEALTH** held at County Hall, Matlock on 10 September 2018.

PRESENT

Councillor D Taylor (in the Chair)

Councillors R Ashton, S Bambrick, S Blank, S Burfoot, A Fox, L Grooby, G Musson and I Ratcliffe (substitute member).

Apologies for absence were received from Councillor D Allen.

Also present were Louise Bainbridge, Kate Brown, Dr C Clayton, Helen Dillistone, Dr B Milton and Brigid Stacy representing Derbyshire CCGs.

34/18 **MINUTES RESOLVED** that the non-exempt Minutes of the meetings of the Improvement and Scrutiny Committee – Health held on 16 July 2018 and 13 August 2018 be confirmed as a correct record and signed by the Chairman.

35/18 **DISCUSSION ON THE IMPACT OF DISINVESTMENTS PROPOSED BY DERBYSHIRE CCGs FOR 2018-19** Dr Clayton and his colleagues presented a report on the Derbyshire CCGs financial situation. In 2018/19, the Derbyshire CCGs had a collective deficit of £95 million and after proposed savings of £51 million, had a planned deficit (a “Control Total” agreed with NHS England) of £44 million.

If the four Derbyshire CCGs delivered savings by reducing expenditure by £51m, they would be in receipt of £44m non-recurrent Commissioner Sustainability Funds (CSF). This meant that overall the CCGs would be able to formally report a break-even position at 31st March 2019. The CSF operated on a strict adherence basis; if the CCGs did not deliver expenditure savings of £51m, they would not receive the CSF and would be required to repay the remaining 2018/19 deficit of £44m in future years. The level of savings in the Derbyshire CCGs meant they could no longer afford to commission all current services at the same level and needed to ensure that there was enough money to maintain the essential health care services.

In April 2018 the CCGs submitted a £51m QIPP Plan to NHSE based on an initial analysis of which schemes could provide cash releasing QIPP savings. The majority of the savings would come from schemes that related to CCGs improving efficiency, reducing unwarranted clinical variation or implementing new care models, or where CCGs were removing top-up payments and ensuring value for money for commissioned services. Of those that did represent a potential significant service change or a potential decommissioning

decision, some schemes were already in the public domain and CCGs were involved in discussions with all stakeholders who might be impacted by the proposals. These fell into different categories:

- ***Not significant service change:*** Mental Health Engagement Service, Pharmacy First, Women's Health Service, Care Home Advisory Service;
- ***Significant service change to proceed now;*** Psychodynamic Psychotherapies and Learning Disability Short Breaks;
- ***Potential significant service change to proceed later:*** these decisions did not commit the CCGs to final outcomes. Schemes in the public domain included: Enforcing the Correct Discharge Pathway and The Voluntary Sector discretionary grants funding process. No final decision had been made on the particular schemes, some of which ultimately may not get beyond the "ideas stages" but decisions had been made on other elements of grant funding and voluntary sector expenditure.

There were two schemes the CCG Governing Bodies had given permission for project scoping but were not at the point to confirm they would proceed to the public engagement or decision-making stage. The CCG would be happy to bring details of these schemes to a private session so that the Committee was appraised on the relative status of developments. An initial draft report from the issues and feedback gleaned from these sessions could be found at Appendix 1 to the report.

The CCG had discussed the overarching financial challenge with a broad range of stakeholders and would continue to do so. Proper consideration would be given to individual services and public consultation undertaken prior to any decision being made.

The financial challenge next year was likely to be equally difficult to 2018/19; the CCGs would be seeking involvement in the creation of ideas and opportunities to address any deficits in their budgets. Initial discussions were being held with Healthwatch Derby and Healthwatch Derbyshire to help shape the plan and were to be provided to the Committee shortly.

The Committee had specifically asked for the CCG to address the following issues:

- To discuss in more detail the impact of the disinvestment decisions deemed to be High Risk;
- Details of the four models currently used around the county to provide Community Nursing services;
- The impact of the proposals across the whole system (on social care, community and voluntary sector partners) and how the CCGs would work with these partners to develop an integrated and efficient model of delivery;

- Members wanted to see how the CCGs and partners would work to develop new models of delivery for each proposal.

The purpose of the report presented to the Committee was to provide additional information as requested by the Chairman at the last meeting.

Overall, the CCGs and the broader health and care system had adopted a place-based approach to tailoring local services to meet specific needs. The CCGs, whilst conscious of the potential impacts of the removal of voluntary sector funding in the short term, were committed to driving forward this agenda of localism for the future and saw voluntary and community services as being important elements of place based care.

The CCGs considered that the information contained in the report would help to identify the structured approach being taken to achieving the required financial recovery. The CCGs also stated that processes were in place to meet the statutory duty to engage and consult. There was no doubt that the financial recovery planning was moving at pace but the CCGs were committed to continuing a strong dialogue with the Committee and local service users, the broader public and other stakeholders wherever possible.

Two questions had been received from the public as follows.

Mr Mike Jones asked the following question: Given the lack of consultation over cuts in Mental Health provision, will Dr Clayton please give practical and concrete examples of how joined up care can fill the gaps left by the closure of 55 Mental Health beds, the proposed closure of the Psychotherapy Unit and the withdrawal of funding from the Mental Health Action Group?

Dr Clayton responded as follows:

There was a minimum investment guarantee, which was a standard set and must be spent in this area. Assurance was given that this is what it would be spent on. It was proposed that there would be consultation on any changes, with an action group being formed to oversee the de-commission plan with the Mental Health Engagement Service. This was the most cost effective way forward. Helen Dillistone (HD) stated that they were awaiting further information for use in the consultation, which would be launched in October 2018. Dr Milton (BM) stated that a rapid response team was being set-up in the north of the county, as already in place in the south, which had seen a significant reduction in the use of beds.

Mr Jones felt the question hadn't been answered and that success appeared to be measured on the number of beds used rather than the care received. BM said feedback had been positive and there was appreciation generally experienced by patients; the use of a bed was seen as a failure in patients' care.

Ms Cal Weatherald asked the following question: I have read the report presented to the Derbyshire County Improvement and Scrutiny Committee by the Derbyshire CCGs. It is comprehensive and detailed and I'm sure the result of hard work and a genuine desire to find solutions to the present crisis. However, it is not persuasive. The aims are certainly to be supported. They include the protection and promotion of "essential healthcare services", "safe effective health care and improved patient outcomes", "supporting people to live independently for longer". But where are the convincing solutions?

It is clear that it is essential services, particularly those supplied by the voluntary sector, which are being cut. There is no consideration of how these cuts will be offset, and there has been minimal discussion with the wider community. The abandonment of some of the most vulnerable people in Derbyshire is intensified by the fact that we know that the provision of social care has been cut to the bone.

There are no concrete and workable solutions presented here. As I have mentioned, there has been no real consultation with the public to try to work out what they might be. As far as I can see, the circle cannot be squared. Will the Health Scrutiny Committee refer this serious state of affairs to the Secretary of State?

The Chair responded as follows:

The Committee had already informed the CCGs that it reserves its right to refer this matter to the Secretary of State.

The Committee Members asked the following questions of the CCGs representatives:

Why haven't you followed the procedure set out in the Health Scrutiny guidance and legislation and, in particular, why haven't you provided the Committee with a date by which to respond to your proposals?

Dr Clayton responded as follows:

There were different elements to the saving plan and to the efficiency exercise. HD ran through the consultation process - the financial challenges facing Derbyshire, changes needed, communication and engagement and the requirement for statutory consultation. It was emphasised that discretionary grants were not the same as commissioned engagements.

The Committee has asked for Quality Impact Assessments (QIA) for the proposals and the rationale for the High Risk decisions. I don't believe this has been provided and I still seek further details.

Dr Clayton responded as follows:

The report summarised these and more in-depth documents had gone to governors for consideration.

The Committee has been provided with a summary of the QIAs you have conducted in relation to the proposed services. This summary states; that there was a structured approach to the required financial recovery however can you clarify for the Scrutiny Committee the governance that guided your engagement approach and outline the process, purpose, timescales and how the outcomes inform your decision making process?

Helen Dillistone responded as follows:

The QIAs were undertaken as with any other proposal. There are low, medium and high risks to take into consideration.

How do you quantify what the minimum standard accepted for a shire county is, when there are so many rural areas? Is this fit for purpose in view of what is being suggested? How many rapid response teams are there?

Dr Clayton responded as follows:

Finances were allocated depending on resources in Derbyshire. The Mental Health Standard was a specific part of the funding and set on a CCG basis, which would continue to be met.

You feel this is rural proof?

Dr Clayton responded as follows:

This was nationally set.

Louise Bainbridge advised the Committee that funding was based on the population of the county. The Mental Health Standard had to be met by the CCG. Allocations were based on a set formulae so the funding the CCGs receive does not always suit the CCGs needs.

So this is historical?

Louise Bainbridge replied as follows:

No, it was down to the formula changing.

Dr Clayton advised that funding in 2016 was based on different requirements to that experienced now. The number of beds taken out of service relate to specific models. There were 8 places in Derbyshire. BM outlined how these came about, which had resulted in two team bases in the north and one team base in the south of the county.

The Committee would like to gain a greater understanding of how the financial position of the Derbyshire CCGs deteriorated so rapidly? (A section of the KMPG audit report from 2016 was read out.) Had these changes made an impact and how realistic is the current savings plan and proposed future direction?

Dr Clayton responded as follows:

The health service in Derbyshire was linked to the national NHS picture. The four CCGs had merged together and now worked consistently to one approach; this included having one governing body. The CCG would continue to be audited in accordance with financial and audit requirements.

In respect of the £39m of “saving” schemes confirmed for delivery (referenced on page 2 of your report), £26.5m is to “improve efficiencies”. Could you explain how you will make these efficiencies and what the impact of these are likely to be on the residents of Derbyshire? Had the scheme been confirmed?

Dr Clayton responded as follows:

“Confirmed” meant “confident”. There had been a deficit in the south of the county. The final accounts were not agreed until February, which is very late, therefore the financial budget was late in being agreed. £51m now confirmed as being identified.

The Committee notes that within the information you have submitted, you state that a large proportion of the savings will not come from front-line services but from such things as; reducing duplication, not paying twice for the same service (i.e. where a service is already paid for via a block contract and then again via an activity based contract) and reducing back office costs. If this had been done 2 or 3 years ago can we assume that you would not be in the position you now find yourselves? And furthermore since this has not been done in the past what assurances can you give us that this will be done now?

Dr Clayton responded as follows:

He explained how the NHS funds its different services. It was following this exercise that the magnitude of savings required became apparent.

We note that, since the scrutiny by this Committee of your proposals, there has been an improved dialogue between yourselves and Adult Care and Public Health, can you assure the Committee that this will continue, can you provide a model of how you will embed this approach within your governance and recognise DCC as an equal partner in the delivery of Joined Up Care?

Dr Clayton agreed that communications between the CCGs and the County Council were not as good as they could be and this was being worked on.

The Committee understands that since our last meeting in August you are looking at maintaining support to the Community and Voluntary Sector infrastructure funding, can you assure the Committee that this will happen?

Dr Clayton did not disagree with this. He responded:

£8.5m was currently spent on the voluntary sector: savings of £1.2m was considered. CC agreed the need to review their strategic approach for more co-ordination and all areas were being considered as part of the review. A series of recommendations had been made to government bodies and it was clear that officers would need to work with the local authorities and the voluntary sector.

Can you confirm that funding to uphold CVS infrastructure is available in your budget and for how long – and will it be continued to be used for this purpose?

Dr Clayton was unable to give an assurance. It was in the plan to be considered with everything else.

It does seem to the Committee that the Community and Voluntary Sector is shouldering a much greater proportion of the cuts in relation to their overall budgets and viability compared to the Acute Hospital Sector, particularly given that as a system the NHS has said it will work together to provide more care and support in the community, is this a change of local strategy and policy?

Dr Clayton responded as follows:

The statutory services are over-spent and that a co-ordinated approach was needed. The CCGs needed to look at evidence/areas where funding needs to be reduced.

It is noted with concern that you are proposing cuts to the funding of transport services. Given the rural geography of Derbyshire I want to

understand how you will ensure that our most vulnerable residents will have access to appropriate transport to allow them to attend healthcare services?

Dr Clayton responded as follows:

The CCGs were not responsible for transport offered by the NHS and that partners' statutory obligations were being met.

In your reply to my letter of 15 August (dated 23 August) you refer to some elements of the CCG recovery plan being in a developmental phase and you refer to "misinformation" that your Governing Bodies have made final decisions to implement these schemes. Given the short timescale in which these savings have to be made we'd like to know at what stage will your Board approve schemes to go ahead?

Dr Clayton responded as follows:

Processes were on-going and some had been "signed off". The outlined £51m approach plan had been "signed off", with some areas, such as the voluntary sector, being open to negotiation. A meeting was due to be held at the end of September to discuss this further.

A problem arises when a proposal to a potential cut or reduction to a service is made, in that staff working in a service once they feel that service is under threat will often look for alternative employment. This is particularly true of in demand professionals such as nurses, who once they find out a community service they work in may close will look to work elsewhere, usually in a hospital. So I would like to know how, in future, you will improve your communications and decision- making processes to help reduce the risk of this happening?

Dr Clayton responded as follows:

There was a statutory duty to hold consultations. It is human nature for people to want to move on.

The STP now referred to as "Joined-Up Care Derbyshire" and the "Better Care Closer to Home" consultation in the north of the county make strong arguments for care and support within the community, reducing demand on hospitals and ultimately releasing capacity from hospitals to support more healthcare and services focused on wider health and wellbeing in the community. It appears to this Committee that what you are proposing for funding cuts are the exact services and assets you need within the community to make the STP and Better Care Closer to Home work. Can you please explain to us your rationale in choosing these services to be cut, specifically covering your funding to the Community and Voluntary Sector

which we know delivers a very high return on investment and can deliver many services more efficiently than a statutory body?

Dr Clayton responded as follows:

Better Care and Joined-Up Care would continue to progress. The template had been taken up and had been seen in use in other areas. The voluntary sector was a very small amount. There had been an over spend on universal services and governing bodies were listening to concerns.

Please can you clarify to us your current plans with regard to the commissioning and resourcing of Community Nursing Services? We are particularly looking for assurance around maintaining an appropriate level of provision for the residents of Derbyshire, in particular the more rural areas of the county and how DCC will be engaged with, as part of a joined up approach.

Dr Clayton responded as follows:

There are no specific schemes to decommissioning this service. The CCG was looking to review the service offered and was wanting consistency across the board.

I noted with great concern at the previous Scrutiny meeting that you were proposing cuts to the Parkinson's Nursing Service and Diabetes Nursing Services. The documents you have submitted for the Committee today indicate that these cuts are no longer to be made, please can you confirm that this is correct?

Dr Clayton confirmed that there were no cuts to be made to these areas.

The Committee informed the CCGs representatives that this was the third meeting on these issues because the Committee was concerned about the proposed cuts and savings and it considered that the Committee was not receiving the reassurances it had asked for.

The Committee was still concerned over the impact of these savings. It is going to get harder to make more savings. Does the CG think it is making decisions too quickly?

Dr Clayton responded as follows:

There were inherent efficiency savings to be made. Large savings needed to be made next year as well. This was not an un-reasonable target expected on the CCG. The £41m grant will not be paid if the £51m target is not achieved so cuts and savings had to be made.

Knock-on costs aren't measurable.

Ben Milton responded as follows:

The problems being faced by the governing bodies. CCGs were given two sets of funding – one for medical and health funds and one for running costs.

We need to see the detail in the QIAs.

It was moved and seconded that the Committee used its powers to refer this matter to the Secretary of State. A vote was taken on the proposal: 4 were in favour and 5 were against the referral to the Secretary of State.

The Chairman thanked the public for coming to hear the discussion between the Committee and Derbyshire CCGs and stated that further dialogue and more negotiation with the GCCs was preferable to referring this to the Secretary of State, which was a last resort. The Chairman felt the CCGs and the Committee needed to negotiate further and invited Dr Clayton back for an additional meeting to be held on 1 October 2018. He stated that patients were very important and cuts to voluntary services were a mistake, costing the CCG a lot more money in the long run. The Committee remained concerned about the proposals, the absence of evidence around the quality impact assessments and the impact on the voluntary sector services which offered good value for money.

RESOLVED that (1) the CCGs provide a report to this Committee setting out their proposals, the steps that had been taken to comply with the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 consultation requirements and the date by which a final response upon the proposals and consultation was required from the Committee; and

(2) a further special meeting of this Committee be held on 1 October 2018 to receive the report.

36/18 SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC HAD BEEN EXCLUDED FROM THE MEETING

1. To confirm the exempt minutes of the meetings held on 16 July 2018 and 13 August 2018 (contain exempt information).

37/18 MINUTES RESOLVED that the exempt minutes of the meetings held on 16 July 2018 and 13 August 2018 be confirmed as a correct record and signed by the Chairman.