
Meeting of the Executive

27th February 2007

Report of the Director of Housing and Adult Social Services

Notice of Motion to the Executive concerning North Yorkshire and York Primary Care Trust

Purpose of Report

1. To provide officer advice to the Executive regarding a motion that has been submitted to the Executive for consideration and referral on to Full Council.

Motion

2. The following motion was submitted on 9th February:

"This Council:

- supports The Press' campaign to 'Let your Doctor decide' which calls on North Yorkshire and York Primary Care Trust (NYYPCT) to scrap the Prior Approval Panel;
- records its thanks to those MPs and North Yorkshire Councils who have recorded their support for the "ditch the debt" motion passed by the York Council at its meeting on 25th January;
- remains concerned that reductions, restrictions and delays in NHS treatment in York could have a negative impact upon Council services and budgets."

Proposer: Councillor Martin Bartlett

Seconder: Councillor David Livesley

3. Under Standing Order 11 (a) (i) Members may put a notice of motion direct to the Executive provided it is submitted no later than five clear working days prior to publication of the agenda for that meeting to enable the preparation of a suitable officer report from the relevant directorate on the associated issues. The Executive is then asked to consider both the motion and the officer report and make recommendations accordingly to Council – in this case to the April meeting.
4. Although the motion was submitted on 9th February there has been limited opportunity for officers to prepare a briefing for the Executive. This report therefore largely concentrates on providing the factual background to the motion. Each element of the motion is considered in turn.

Use of a 'Prior Approval' Panel by NYYPCT

5. In late December 2005 NYYPCT announced a series of initiatives to try to reduce the projected overspend. Some of these were predicated on the assumption that the number of referrals from GPs for procedures at York District Hospital was comparatively high and that additional controls needed to be set in place to assess them before they were accepted. This is in the context of national tariffs that now exist whereby hospital trusts submit bills to PCTs for each procedure carried out for patients (called "payment by results") rather than former systems that were closer to block contracts for estimated volumes of activity.
6. From the 1st January NYYPCT has introduced a 'Prior Approval' system for access to a range of common elective treatments. Decisions are based on patients' needs and evidence of clinical effectiveness. Access to these services is now only available through a Prior Approval Panel and only in exceptional circumstances. NYYPCT has defined exceptional circumstances as those in which:-
 - Denying access to the treatment or diagnostics would place the patient's safety and/or health at significant risk
 - Denying access to the treatment or diagnostics would significantly alter the longer term outcome of any future procedure
 - Denying access to the treatment or diagnostics would significantly impair the patient's ability to maintain their current occupation
7. The introduction of Prior Approval is due to be for an initial 3 month period during which NYYPCT would formalise future commissioning arrangements. NYYPCT have also defined which treatments they would fund and which they would not. Among those treatments suspended indefinitely are lumbar spine X-rays for lower back pain (except by prior agreement with the local Radiologist) and facet joint injections for chronic lower back pain.
8. This has been hugely controversial and the representative bodies for General Practitioners have raised fundamental concerns about the prior approval process. Basically, GPs have taken the view that decisions on the need for treatment are ones which need to be agreed between a GP and their patient operating within the clinical guidelines of general medical practice and that their referrals to acute services should not be 'sifted' by a PCT panel.
9. The council's Health Scrutiny Committee have, naturally, taken a keen interest in these developments and at the meeting on 12th February were addressed by Dr David Hartley who is a practising GP and Chair of the York Health Group which is the organisation representing all GP practices involved in practice based commissioning. Dr Hartley expressed a number of concerns about the implementation of a prior approval system by NYYPCT.

10. The Health Scrutiny Committee also received further information from Dr David Geddes, also a local GP and a medical director for NYYPCT, about the need for the panel and the safeguards that were in place to ensure fairness and patient safety.

NYYPCT budget overspend

11. The latest projection from NYYPCT is for an overspend of £43.5m at the end of 2006/7. This is a slight improvement on the projection of £45m in January. However, NYYPCT have acknowledged the risks of changes to this position before the end of the year and their target was to reduce the overspend to around £35m. (These figures do not take into account a one-off contribution of £33m from the Strategic Health Authority that has been reallocated to NYYPCT from other PCTs in the region.)
12. A significant part of the problem is that NYYPCT inherited historic debt from the four predecessor PCTs – all of which were operating in financial deficit. According to an answer given at the January meeting of the NYYPCT board meeting the 4 predecessor PCTs were operating at £36m over their revenue resource limit at the end of 2005/6 – of which £23m was attributable to the former Selby and York PCT.
13. There has been a lot of public concern that this historic debt was making it impossible for the NYYPCT to reach financial balance and that severe cutbacks were having to be made that affected levels of local services. It was in response to this that the following motion was approved by Full Council at its meeting on 25th January :

“City of York Council calls on the Secretary of State for Health to write off the historic debt that the new North Yorkshire and York Primary Care Trust inherited from its predecessor Trusts.”

14. Since that motion – referred to in the current motion as ‘Ditch the Debt’ – the Leader of the Council has received letters from:
 - four local MPs, two expressing support for the initiative, one acknowledging the concerns and one expressing sympathy with the issues but advocating an alternative approach to tackling the debt;
 - the Leaders of three North Yorkshire district councils expressing support for the initiative.

Concerns about the PCT’s financial situation and its impact on the community have also been raised by the District Council Network – North Yorkshire and it is understood that two District Councils will shortly consider Council Motions on the subject.

Impact on City of York Council

15. There is concern locally and nationally about the impact that reductions in NHS expenditure will have on local authorities that are responsible for social services. The front page article on the 8th February edition of the Local Government Chronicle focuses on what is often referred to as ‘cost-shunting’ i.e. the concern that savings in the NHS will be at the

cost of increased expenditure on local authority social services. London councils have estimated that the £135m deficit among London PCTs will result in £35m additional expenditure by London local authorities.

16. The potential impact would be 'downstream' from changes to NHS policies and procedures. For example, if gate-keeping by the PCT for elective surgery is stricter, meaning that some people are not able to get treatment they received in the past, this could result in increased demands for care in the home which would fall to the local authority. Similarly, if there had to be reductions in the numbers of community nurses (especially those working at night) this could result in people not being able to remain in their own homes or a requirement for additional social care to maintain their independence.
17. There must be a concern that these fears may be realised in York given the deficit that NYYPCT is operating under. However, it is important to stress that, as yet, there is no hard evidence of 'cost-shunting' in York. The one significant area where a detrimental change has been made was under the financial recovery plan for the former Selby and York PCT when a decision was made in Autumn 2006 to withdraw £100,000 of PCT funding to run the intermediate care unit at Grove House. The 11 beds will be re-opened and funded the council to provide high dependency care although they are not fully operational yet due to difficulties in recruiting staff. It is also not known what effect the removal of the intermediate care service will have on demand for social services as people who went to Grove House received up to 6 weeks rehabilitative support before going home which had a significant effect on their ability to live independently at home.

Consultation

18. There has been no consultation involved in the writing of this report although there was a Health Forum on 31st January hosted by the Council's Health Scrutiny Committee at which members of the public were able to raise concerns about NHS spending and the impact on services.

Options

19. a) **Option 1** – to refer this motion to the Council meeting on 12th April with comments from the Executive
- b) **Option 2** – to seek further information before referring the motion to Full Council

Corporate Priorities

20. The report relates primarily to the corporate priority "Improve the health and lifestyles of the people who live in York, in particular among groups whose levels of healthy are the poorest."

Implications

Financial

21. It is not possible at this stage to accurately assess the potential financial impact on the council arising from NHS budget deficits

22. Other Implications

Human Resources (HR)

There are no immediate implications to report.

Equalities

There are no immediate implications to report.

Legal

There are no immediate implications to report.

Crime and Disorder

There are no immediate implications to report.

Information Technology (IT)

There are no immediate implications to report.

Property

There are no immediate implications to report.

Other

None

Risk Management

23. The key risks to the local authority relate to additional financial liabilities arising from NHS plans to reduce expenditure. As already stated these cannot accurately be assessed at the current time.

Recommendations

24. That the Executive considers the motion submitted together with the information in this report and decides whether to submit this with its recommendations to Full Council on the basis of the information in this report (Option 1) or whether to request further information at a later meeting before referring on to Full Council (Option 2) .

Reason : To comply with council standing orders.

Author:

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Chief Officer Responsible for the report:

Bill Hodson
Director

Report Approved

Date 16/02/07

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Director

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Specialist Implications Officer(s)

None

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers: None