

MEETING	HEALTH OVERVIEW & SCRUTINY COMMITTEE
DATE	26 APRIL 2013
PRESENT	COUNCILLORS FUNNELL (CHAIR), RICHES, FRASER, RICHARDSON, CUTHBERTSON AND WISEMAN (SUBSTITUTE FOR COUNCILLOR DOUGHTY)
APOLOGIES	COUNCILLORS DOUGHTY & HODGSON
IN ATTENDANCE	HUGH BAYLEY MP, JULIAN STURDY MP, COUNCILLORS ALEXANDER, CRISP & RUNCIMAN DR MARK HAYES (VALE OF YORK CLINICAL COMMISSIONING GROUP) JOHN BURGESS (YORK MENTAL HEALTH FORUM) PATRICK CROWLEY (CHIEF EXECUTIVE, YORK TEACHING HOSPITAL, NHS FOUNDATION TRUST) GWEN VARDIGANS (ROYAL COLLEGE OF NURSING) ANNE LEONARD (DEFEND OUR NHS, YORK)

92. DECLARATIONS OF INTEREST

At this point in the meeting, Members were invited to declare any personal, prejudicial or pecuniary interests, other than their standing interests, that they might have had in the business on the agenda.

Councillor Wiseman declared a personal interest in the general remit of the Committee as a member of the York Health and Wellbeing Board.

Although he was not required to declare an interest, Doctor Paul Edmondson-Jones declared an interest as a Member of the Advisory Committee for Resource Allocation (ACRA) who had recommended that a 'needs based' formula be used when funding NHS services.

No other interests were declared.

93. PUBLIC PARTICIPATION

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

94. ATTENDANCE OF MPS FOR YORK CENTRAL AND YORK OUTER-DISCUSSION ON THE VALE OF YORK CLINICAL COMMISSIONING GROUP'S INHERITED DEBT FROM NHS NORTH YORKSHIRE AND YORK

Hugh Bayley MP for York Central and Julian Sturdy MP for York Outer attended the meeting to share their thoughts on what could be done in regards to the Vale of York Clinical Commissioning Group's inherited debt from NHS North Yorkshire and York.

Discussion took place around how the inherited debt occurred. Some Members concluded that it was due to bureaucratic problems in the wider NHS, market advice that had been given to NHS North Yorkshire and York on how to manage their budget and due to funding allocation.

Some Members disagreed that the inherited debt was due to bureaucracy. Overcoming debt was difficult in the context of a large scale reorganisation of the NHS, and all MPs needed to be more explicit in campaigning for clearing the inherited debt.

Julian Sturdy agreed that there had been systemic problems and spoke about how the Primary Care Trust (PCT) had been in deficit for several years and how the Strategic Health Authority (SHA) had always paid their outstanding debts.

In relation to the funding formula he felt that York received the lowest share of funding per person in the North. In his opinion if North Yorkshire and York had received the average funding that other Yorkshire PCTs received then they would not be in deficit. He felt that the age of the population of North Yorkshire and York, with its high percentage of those over 85, had not been considered when allocating funding. Health care costs for North Yorkshire and York were higher than other areas, due to its elderly population. He felt that how the funding formula was delivered needed to be re-examined.

Further discussion took place on the funding formula. Hugh Bayley questioned if the split in the debts accrued by the PCT was divided fairly amongst the Clinical Commissioning Groups (CCGs). He commented that funding had been determined using the current financial status of NHS North Yorkshire and York. He felt that the allocation of funding had been skewed towards areas with higher levels of deprivation than North Yorkshire and York. As a result of this North Yorkshire and York's budget had been in deficit whilst other PCTs had a surplus, because York did not have as high a level of deprivation when compared to other areas. He urged caution that if the funding formula was changed during the current financial climate that North Yorkshire and York would not get an increase in their funding automatically.

Doctor Mark Hayes, Chief Operating Officer from the Vale of York Clinical Commissioning Group (VOYCCG) welcomed recognition from both MPs that services in North Yorkshire and York had been detrimentally affected by the formula. As a result of this work was ongoing to reconfigure the VOYCCG's budgets. He added that decisions needed to be made in conjunction with the public who used the services, particularly given the emphasis on service and safety from the Francis Report. Smaller budgets could affect the safety of services because they would have to cover broader areas. He questioned why North Yorkshire and York had not been given support to clear their deficit when other areas had received support. In his opinion the areas which received support would have been in deficit if it was not for the support. He also highlighted that NHS Yorkshire and Humber had sent back surplus funding to the Treasury.

Patrick Crowley, Chief Executive of York Hospital, shared his thoughts with the Committee as to how the current situation had occurred. He stated that;

- The culture of the NHS had been focused on short term solutions, which had created a revolving door in leadership and had not led to a sustainable approach.
- There had been a tendency to define services in terms of “success” or “failure”.
- The management of NHS North Yorkshire and York had not been effective.
- If the funding formula was not changed within a decade that NHS services would be in crisis.

Some Members questioned why when given continuing assurances from Government ministers and through Parliamentary Questions that the VOYCCG would start with a clear balance sheet, that this had not been honoured. They added that the inherited debt would have implications for York Hospital, which was the main service provider for the CCG, and could lead to a funding crisis when added to further reductions in the NHS budgets nationally.

In response Julian Sturdy commented that in the 2011-12 financial year, when the CCGs operated alongside NHS North Yorkshire and York that their outstanding debts were cleared. Therefore in 2012 the budget for both the CCG and NHS North Yorkshire and York was in balance. He added that during the 2012-13 financial year, CCGs were involved in the budget process. He felt that the debt should be written off from when the CCG had started operating independently.

Patrick Crowley raised further points in response to the discussion;

- That hospitals had never been devised to deal with the current financial pressures faced, and that it was on the brink of a crisis.
- That focusing on the debt of the CCG was the smallest end of the wedge; York Hospital had to save £30 million a year from its budget whilst continuing to provide the same level of service with £30 million less to deliver this.
- That 70% of savings had gone into managing the CCG deficit, but the hospital still had to handle a deficit of its own.

- The level of care in health services was deteriorating at a rapid rate with 80% of hospitals nationally failing to reach budget reduction targets.
- That he believed that the system of providing health care in the country was in denial, the safety of care for the patient was not at the top of the agenda for the Government.

Members asked how the Government's 5% efficiency savings in public spending would affect money going into frontline care.

Julian Sturdy responded that health funding had increased but that the difference between health inflation and standard inflation had not been factored into the current allocation formula.

It was reported that MPs from the North Yorkshire and York area had met the Health Minister and NHS England to lobby for a fair settlement of funds.

Hugh Bayley informed Members that he would be happy to organise a cross party debate with other Yorkshire MPs in the House of Commons. Julian Sturdy felt that MPs should make the case that surplus budgets from other areas of the country should contribute to those areas that were in deficit.

The Chair suggested that Health Scrutiny Committees across North Yorkshire work more closely in order to discuss this and general issues that arose from this. She added that it was the responsibility of all those involved in Public Health (including Councillors and MPs) to make sure that NHS services were safe and clinically effective.

- RESOLVED:
- (i) That discussion on this topic be noted.
 - (ii) That a cross party debate be organised in the House of Commons to examine what could be done to persuade the Government to wipe out the CCG's inherited debt.

- (iii) That Health Overview and Scrutiny Committees in North Yorkshire work more closely to identify and suggest actions that could be taken to resolve the general issues raised in the discussion.

REASON:

In order to provide a basis for further discussion and action to be taken to resolve the outstanding debt from NHS North Yorkshire on to the Vale of York Clinical Commissioning Group.

Councillor C Funnell, Chair

[The meeting started at 10.05 am and finished at 11.35 am].