

Feasibility Report into Proposed Scrutiny Review of NHS Funding in York

Summary

1. This report presents the Health Overview & Scrutiny Committee with information to help Members decide whether to undertake a scrutiny review on the impact of efficiency savings and underfunding on NHS services in York.

Background

2. At a full meeting of City of York Council on 11 December the Council agreed the following motion proposed by Cllr Fraser:

“Council welcomes the Government’s policy on integrated health and social care and local efforts to make this a reality for people in York, who should be central to NHS provision.

Council notes, however, the damaging impact of the £3billion Tory-Lib Dem Government’s top down reorganisation of the NHS, which is forcing local health economies to waste millions of pounds on pointless procurement exercises as they compete with the private sector for patient contracts.

This is all against a backdrop of severe financial pressure and significant historical underfunding of York’s healthcare system and mental health services in particular.

The cumulative effects on York patients include:

- Restricted access to certain treatments and procedures due to the Government’s insistence that the Vale of York Clinical Commissioning Group (VoYCCG) take on the historic debt of the

former Primary Care Trust (PCT);

- The excessive waiting times for access to talking therapies for those experiencing mental ill health; and
- The imposition of funding cuts to York Hospital including reduced payment to the hospital for in-patient readmissions within 30 days and the imposition of an arbitrary threshold for A&E patient numbers above which the hospital only receives a percentage of the full tariff for emergency admissions.

Council resolves:

- To request the Chair of the Health Overview and Scrutiny Committee to make arrangements for Health Overview and Scrutiny Committee to consider conducting a review on the impact on local health services based on so called 'efficiency' savings and chronic underfunding of the NHS in York, to enable residents to understand what future services will look like over the period 2015-2020;
- To call on the city's two MPs to lobby for a fairer deal in funding for York's NHS;
- To publicly condemn the estimated £3bn unwanted and ineffective top down reorganisation of the NHS;
- To publicly support the NHS (Amended Duties and Powers) Bill which is being debated in Parliament and aims to halt privatisation in the health service by repealing sections of the Health and Social Care Act 2012 that enforce competition in the NHS;
- To note the Labour Party's commitment to increase NHS spending by £2.5bn per year mid way through the next parliament."

3 The relevant resolution relating to Health Overview & Scrutiny Committee is:

To request the Chair of the Health Overview and Scrutiny Committee to make arrangements for Health Overview and Scrutiny Committee to consider conducting a review on the impact on local health services

based on so called 'efficiency' savings and chronic underfunding of the NHS in York, to enable residents to understand what future services will look like over the period 2015-2020.

Analysis

- 4 Initial work undertaken to gather some background information and evidence in relation to the motion and suggested scrutiny has been:
 - Discussions with City of York Council's Acting Director of Public Health, and to consider:
 - Information from the Vale of York Clinical Commissioning Group, including its five-year plan;
 - Relevant issues from the Annual Report 2013/14 of York Teaching Hospital NHS Foundation Trust and Yorkshire Ambulance Service;
 - Evidence from Leeds and York Partnership NHS Foundation Trust (LYPFT) and York Health & Wellbeing Board and Healthwatch

Vale of York CCG

5. NHS Vale of York Clinical Commissioning Group is the statutory body responsible for commissioning healthcare services for patients across the Vale of York, including the City of York. It is led by a number of local GPs and other health professionals.
6. Its Annual Report and Accounts for 2013-14 states that the CCG began the year planning for the national 1% surplus target but it became clear that the challenge environment would make this difficult to achieve whilst maintaining quality of services. The target was subsequently amended and the CCG delivered a revised surplus of £2.1m (0.57%).
7. A large part of the financial challenge was the CCG's share of the debt inherited from the legacy of North Yorkshire and York PCT, £3.5m, which had to be paid back in full in 2013-14. The CCG relied on a series of non-recurrent measures to offset this, including two transfers of resources from Running Costs, the first in June at £1.7m and the second in March at £1.2m.

8. The Report stated that excluding the effects of all non-recurrent elements of this year's position, the CCG has a significantly stronger financial position than at the start of 2013-14 with an underlying recurrent surplus of £2.0m moving into the New Year. A breakdown of the CCG budget for 2013-14 is shown at Annex A.
9. In July 2014 Health Overview & Scrutiny Committee considered the CCG's five-year strategy for integrated health care in York. A plan-on-a-page version of the strategy is available at Annex B. A full 186-page version is available at:
www.valeofyorkccg.nhs.uk/...plan/nhs_vale_of_york_ccg_integrated_operational_plan_2014_to_2019-final.pdf

York Teaching Hospital NHS Foundation Trust

10. In the hospital's Annual Review 2013/14, which was presented to Health OSC in September 2014, the Chief Executive states: "Once again this report details our performance during a difficult financial period, and the pressures on the hospitals sector continue unabated. This year, despite the challenges we have faced, we have continued to perform to a high standard, meeting targets and achieving accolades."
11. The report provides the following details of York Teaching Hospital NHS Foundation Trust's income and expenditure for 2013/14

	Plan £ millions	Actual £ millions	Variance £ millions
Clinical income	382.6	387.1	4.5
Non-clinical income	40.4	44.8	4.4
Total income	423.0	431.9	8.9
Pay spend	-286.3	-289.6	-3.3
Non-pay spend	-140.5	-148.3	-7.8
Total spend before dividend, and interest	-426.8	-437.9	-11.1
Operating deficit before exceptional items	-3.8	-6.0	-2.2
Transition Support	12.0	12.0	0
Dividend, finance costs and interest	-5.8	-5.9	-0.1
Net surplus	2.4	0.1	-2.3

12. The Foundation Trust's Strategic Plan document for 2014-19 www.yorkhospitals.nhs.uk/document.php?o=1018 which was approved by the Board of Directors in June 2014, states that the plan includes nationally prescribed efficiency assumptions. The first year of this plan (2014/15) is in fact the fifth year of a sustained 4% year-on-year national efficiency requirement. This assumption continues through to 2018/19. By the close of this plan the Trust will have faced 9 years of 4% efficiency requirements. This efficiency requirement is cumulative in nature and grows by 4% in each year of the plan.
13. In addition to this requirement to maintain activity levels for considerably less income, the Trust is facing activity reductions from commissioners who are actively seeking to manage within their allocated resources.
14. It adds that the national agenda will require the Trust to deliver £96m of savings over the life of the plan. Whilst a significant proportion of these savings are identified there remains much work to do to identify and deliver the full savings requirement.
15. The Trust reviewed its mission and objectives during the year and confirmed the mission to be: *To be trusted to deliver safe, effective and sustainable healthcare within our communities*. The objectives fit into four strategic frames and are:
 - Improve quality and safety - To provide the safest care we can, at the same time as improving patients' experience of their care. To measure our provision against national indicators and to track our provision with those who experience it.
 - Develop and enable strong partnerships - To be seen as a good proactive partner in our communities - demonstrating leadership and engagement in all localities.
 - Create a culture of continuous improvement - To seek every opportunity to use our resources more effectively to improve quality, safety and productivity. 'Where continuous improvement is our way of doing business.'
 - Improve our facilities and protect the environment - To provide a safe environment for staff, patients and visitors, ensuring that all resources are used as efficiently as possible.

Yorkshire Ambulance Service (

16. Last year the Yorkshire Ambulance Service (YAS) Integrated Business Plan for 2013-18 was published http://www.yas.nhs.uk/Publications/Business_Plans.html which sets out the priorities to improve the quality of patient care, maintain the responsiveness of services, ensure value for money and achieve Foundation status. The first year of the service transformation programme is now complete and it will help deliver the aspirations in the five-year plan.
17. The Yorkshire Ambulance Service annual report, again presented to Health OSC in September 2014, states that YAS has to ensure that, across all service areas, it is delivering all contractual targets, improving outcomes for patients and that the Trust can stand on its own feet financially in what is a very difficult financial climate.
18. Recent developments in the Vale of York, which will continue to be supported and built upon, include:
 - Working with York Teaching Hospitals NHS Foundation Trust (YTHFT) to improve handover times - minimising the delay between a patient arriving at hospital in an ambulance and being handed over into the care of the hospital clinicians.
 - Working with YTHFT and local operational teams to minimise turnaround times – the total time between an ambulance crew arriving at hospital and being available to respond to their next call.
 - Working with Vale of York CCG to introduce new Emergency Care Practitioners – paramedics with additional skills and clinical qualification who can provide more care for patients at home. This means that more patients can stay in their own homes and receive treatment or be referred to community services, rather than being transported to a hospital emergency department.

Leeds & York Partnership NHS Foundation Trust

19. Leeds and York Partnership NHS Foundation Trust (LYPFT), has one core purpose; improving health and improving lives. The organisation's ambition is: "Working in partnerships, we aspire to provide excellent mental health and learning disability care that supports people to achieve their goals for improving health and improving lives".

20. The Trust is the main provider of specialist mental health and learning disability services in Leeds, York, and the surrounding area.
21. Its Operational and Strategic Plans for 2014-19 http://www.leedspft.nhs.uk/about_us/purpose#sthash.C6ztA8Ee.dpuf (under downloads) says of its challenges for the next five years: “We started 2014/15 with strong clinical services and a stable financial position. This platform gives us the resilience we need to manage the challenges we face over the coming years. Despite a difficult funding position for the NHS as a whole, our Operational Plan and Strategic Plan set out how we will maintain, and in many cases improve, the quality of our services.”

York Health & Wellbeing Board

22. In the Board’s strategy for 2013-16 – Improving Health & Wellbeing in York – it is acknowledged that the current financial climate is one that presents a number of challenges. It reaffirms the CCG inherited a deficit from its predecessor PCT, and in its first year of operation managed to repay the historic deficit of £3.5m and carry forward an operating surplus of £2m. However, within the NHS there are continuing efficiency savings targets against a background of demographic growth and health cost inflation, leading to the potential for a £44m funding gap in York by 2021. Equally, in local government there is a continued downward pressure on funding from central government.
23. The Board regularly updates its strategy through revisions to its Joint Strategic Needs Assessment, a comprehensive assessment of the health and wellbeing needs in the city. It has agreed five key priorities to underpin the work to improve health and wellbeing in York:
 - Making York a great place for older people to live;
 - Reducing health inequalities;
 - Improving mental health and intervening early;
 - Enabling all children and young people to have the best start in life and keep them safe;
 - Creating a financially sustainable local health and wellbeing system.

Better Care Fund

24. The Better Care Fund (BCF) was announced by the Government in the June 2013 Spending Round, to support transformation and integration of health and social care services to ensure local people receive better care. The BCF is a pooled budget that shifts resources into social care and community services for the benefit of the NHS and local government.
25. Formerly known as the Integrated Care Fund, the BCF has been set up to support Councils and CCGs to deliver their local plans for integrating health and social care. The fund amount is £3.8 billion nationally. This represents a top slice (3%) of CCG budgets to be reinvested in local integration plans (it should be noted that this is not new money).
26. Supporting the integration of health and social care services is a core purpose of Health and Wellbeing Boards. This is a key theme running through York's Health and Wellbeing Strategy 2013-16 and is related to all five priorities, with particular relevance to 'Creating a financially sustainable local health and social care system'. Integration is a fundamental element in the Vale of York CCG Strategic Plan 2014-19 and their Operational Plan 2014-16.

Healthwatch

27. Healthwatch York is the way in which residents can influence local health and social care services such as hospitals, care homes, GP surgeries, home care services and many others.
28. It can help people get the best out of local health and social care services, giving local residents the opportunity to be involved in shaping these services according to community needs.
29. Healthwatch York also:
 - Provides information about local services to make sure local people know how to access the help they need;
 - Signposts residents to independent complaints advocacy if they need to support to complain about a service they have received;

- Listens to residents' views about local services and makes sure these are taken into account when services are planned and delivered. They are interested in knowing what works well and what does not.

Public Engagement

30. In addition to the work of Healthwatch there are various mechanisms people can use to understand developments in the health service in the city. York's health partners have delivered a series of public consultation events. The Health and Wellbeing Board holds two engagement events a year to which people are invited to attend; the CCG has held consultation on issues such as urgent care; commissioning and the Better Care Fund while Health OSC has been kept up to date on matters such as the developments around Bootham Park Hospital and the rewiring of public services.
31. The strategic plans of health organisations are also available to the public.

The National Picture

32. The latest Office for National Statistics analysis published in April 2014 looks at healthcare spending in the UK and shows that spending in 2012 was £144.5 billion, up 1.9% since 2011.
33. There are many reasons why healthcare spending is so high and why in the UK there has been continual growth over recent years. For instance, the population of the UK is ageing and older people need more treatment, also new drugs and technologies are expensive to research and develop. Overall, healthcare represented around a third of government spending today. However, compared with the rest of the G7 countries, UK healthcare spending as a percentage of GDP is actually relatively low at 9.2%.
34. In the analysis, healthcare includes spending by the Department of Health, military, charities and households. In 2012, the UK spent a total of £144.5 billion on healthcare, three times as much as in 1997 when it was £54.6 billion. This rapid increase mostly occurred between 1997 and 2009 when the annual average growth was 8%. However, since the economic downturn there has been a slow down in healthcare spending because government budgets have been under pressure.

The annual average annual growth after the economic downturn (2009-12) has been 1.6%.

NHS England

35. Following a Board meeting on 17 December 2014 NHS England published the CCG and primary care allocations for 2015-16 and the notional split to CCG level to support the primary care co-commissioning agenda and the notional specialised commissioning balance for 2015-16.
36. The allocations include the recently announced £1.98bn of additional funding for frontline health services and to help kick start the transformation agenda set out in the NHS Five Year Forward View <http://www.england.nhs.uk/ourwork/futurenhs/> The NHS England announcement states:
 - NHS England is passing £1.5 billion to frontline health services including primary care, local CCGs, and specialised services. Every CCG will get real terms budget increase. More of the extra funding for local health services is being used to more rapidly increase NHS budgets for those parts of the country with the greatest health needs, where the population is growing rapidly, and where services are under greatest pressure.
 - £480 million of the extra funding (on top of the £1.5 billion described above) will be used to support transformation in primary care, mental health and local health economies;
 - Spending on GP and primary care services will for the first time in a number of years grow in real terms at a higher rate than for other local health services, in recognition of the pressures in primary care.
 - To begin tackling relative underinvestment in mental health services, every CCG will be expected to use its extra funding to increase funding for local mental health services in real terms next year by at least the level of the CCG's overall funding growth. In addition a further £110 million of dedicated purchasing power is being injected nationally to improve services for people with severe mental health problems, with anxiety and depression, and with eating disorders particularly children and adolescents.

37. NHS Chief Executive Simon Stevens said: “We are allocating extra cash for towns, cities and villages across England to help the local NHS meet the rising demands and changing needs of the patients we’re all here to serve. Frontline nurses, doctors and other staff are working incredibly hard – including over this holiday period – but with a growing population and an ageing population it’s clear the health service can’t just keep running to catch up. Instead we need to begin to radically reshape the way we care for patients, which is why there is such widespread support and enthusiasm for the NHS Five Year Forward View.”

To Progress any Potential Review

38. In relation to the future services part of the motion, Members may take the view that, from the evidential documentation referred to within and annexed to this report, clear plans, strategies and objectives are in place already for the next 5 years from the various health providers, defining what services might look like over that timescale.
39. In regard to the financial element of the motion, Members should consider what can be done locally to influence the national agenda. Health funding is decided nationally, not locally, and we can only ensure that we are spending the money we have locally in the most efficient way.
40. York Health OSC has already tried to influence the national position. In April 2013, Hugh Bayley MP for York Central and Julian Sturdy MP for York Outer, attended a Health OSC meeting to share their thoughts in respect of the Vale of York Clinical Commissioning Group’s inherited debt from North Yorkshire and York PCT.
41. Following that meeting the Council’s then Director of Public Health and Well-being wrote to Secretary of State, on behalf of the Health OSC, expressing concern at the financial position of the 4 Clinical Commissioning Groups in North Yorkshire and York, particularly in relation to the North Yorkshire and York PCT deficit for 2012/13.
42. A response from Jeremy Hunt, Secretary of State for Health, confirmed that the deficit would be factored into future 2013/14 CCG plans and that it should not impact on the future financial performance of the CCGs. However, it was pointed out that the CCGs are required to provide services within their financial allocations and develop long term sustainable strategies to provide quality services to meet the needs of local people.

Conclusions

43. In light of the information provided in this report, Members of this Committee may feel that the motion agreed by Council is too broad as currently drafted for scrutiny. In addition to the service areas mentioned above “the impact on local health services” involves a multitude of topics from GPs and mental health services to screening and flu jabs.
44. While the Council’s health partners acknowledge they are facing difficult challenges in the current economic climate they state that they have continued to perform to a high standard and are meeting targets.
45. To add real value, any scrutiny review needs to be clear about its focus and be able to assist in the delivery of achievable outcomes. This is recommended good practice by the Centre for Public Scrutiny (CfPS). Specifically, CfPS recommend reviews should:
 - be **evidence based**, specific and realistic;
 - with a clear focus on **outcomes ‘on the ground’**;
 - focus on delivering **measurable** change in service;
 - establish a **value in ‘return’** on scrutiny effort;
 - recognise cost implications;
 - be developed, wherever possible, in partnership to ensure that what is proposed is **robust and realistic**
46. If this Committee is minded to undertake a review on any of the aspects suggested in the motion, it is suggested that Members consider focussing upon a remit which will satisfy our guiding principles above (these were re-endorsed by Corporate & Scrutiny Management Committee as recently as June 2014). One possibility might be to focus on what is spent to aid joint commissioning, health and social care integration plans and arrangements for pooled budgets. However, further conversations would need to take place to establish how useful and timely this would be. We already have a collaborative transformation board which, among other things, will be looking at joint commissioning in the future.

In any case, whatever aspect Members may choose to focus upon, it would be particularly important to work with our health partners and conduct a review which is both thorough and realistic.

47. Again, if this Committee decides to proceed with a health service focused review Members should note that, under normal practice, it would need to be completed in time for the final Health OSC meeting of the current municipal year on 25 March 2015. The agenda for that meeting is published on 17 March 2015. So, focussing upon a realistic and achievable remit would again be beneficial to Members.

Options

48. Members can decide to:
- i. Agree to carry out a scrutiny review of local health services in York and set up a Task Group to carry out this work on behalf of the Committee;
 - ii. Should the Committee decide to carry out a review, invite Cllr Fraser (who put the original motion to Council) to take part as a co-opted Member of the Task Group and delegate the Task Group authority to set the aim and objectives of the review;
 - iii. Agree not to carry out a scrutiny review of local health services in York.

Council Plan

49. A scrutiny review of local health services in York would be linked to the Protect Vulnerable People element of the Council Plan 2011-15.

Implications

50. There are no financial, HR, Equalities, Legal, IT, Property or other implications associated with this feasibility report.

Risk Management

51. There are no risks associated with this feasibility report, other than the need to develop a remit which enables the Council to work productively with key affected health partners.

Recommendations

Members are asked to note the contents of the report and consider whether to carry out a scrutiny review of local health services in York, or not.

Reason: To ensure compliance with scrutiny procedures and protocols.

Contact Details

Author:

Steve Entwistle
Scrutiny Officer
Tel: 01904 554279
steven.entwistle@york.gov.uk

Chief Officer Responsible for the report:

Andrew Docherty
Assistant Director Governance and ICT
Tel: 01904 551004

Report Approved



Wards Affected - All



Date 05/1/2015

For further information please contact the author of the report

Annexes

Annex A – Vale of York CCG Budget breakdown 2013-14

Annex B – Vale of York CCG five-year plan on a page

Background papers

Vale of York CCG's five-year strategy for integrated health care in York
www.valeofyorkccg.nhs.uk/...plan/nhs_vale_of_york_ccg_integrated_operational_plan_2014_to_2019-final.pdf

The York Teaching Hospital NHS Foundation Trust's Strategic Plan document for 2014-19

www.yorkhospitals.nhs.uk/document.php?o=1018

Yorkshire Ambulance Service Integrated Business Plan for 2013-18

http://www.yas.nhs.uk/Publications/Business_Plans.html

Leeds and York Partnership NHS Foundation Trust Operational and Strategic Plans for 2014-19

http://www.leedspft.nhs.uk/about_us/purpose#sthash.C6ztA8Ee.dpuf

NHS England Five Year Forward Plan

<http://www.england.nhs.uk/ourwork/futurenhs/>

Abbreviations

A&E – Accident and Emergency

BCF – Better Care Fund

CCG – Clinical Commissioning Group

CfPS – Centre for Public Scrutiny

HR – Human Resources

IT – Information Technology

LYPFT – Leeds and York Partnership NHS Foundation

NHS – National Health Service

PCT – Primary Care Trust

VOYCCG – Vale of York Clinical Commissioning Group

YAS – Yorkshire Ambulance Service

YTHFT – York Teaching Hospital NHS Foundation Trust