

**Minutes of: JOINT HEALTH OVERVIEW AND SCRUTINY COMMITTEE
FOR PENNINE ACUTE NHS TRUST**

Date of Meeting: 26 June 2018

Present: Councillor (in the Chair)
Councillors S Smith and R Walker

Also in attendance: Jack Sharp: Director of Strategy Salford Royal and Pennine Acute
Jo Purcell: Deputy Director North East Sector, Salford Royal and Pennine Acute
Nicky Tamanis: Deputy Chief Finance Officer, Salford Royal and Pennine Acute
Dean Hambleton-Ayling: Associate Director of Workforce Salford Royal and Pennine Acute NHS Trust

Public Attendance: No members of the public were present at the meeting.

Apologies for Absence:

1 APPOINTMENT OF CHAIR AND VICE CHAIR

It was agreed:

1. That Councillor Colin McLaren (Oldham MBC) be appointed Chair of the Joint Health Overview and Scrutiny Committee for the Municipal year 2018/19.
2. That Councillor Stella Smith (Bury MBC) be appointed vice Chair of the Joint Health Overview and Scrutiny Committee for the Municipal year 2018/19.

2 APOLOGIES FOR ABSENCE

There were no apologies reported

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 PUBLIC QUESTIONS

There were no public questions..

5 MINUTES

It was agreed:

That the minutes of the meetings held on 13th March 2018 be approved as a correct record.

6 POLITICAL BALANCE

It was agreed:

That the necessity, that the Joint Health Overview and Scrutiny Committee for Pennine Acute NHS Trust be politically balanced, be waived for the municipal year 2018.2019.

7 STAFFING UPDATE

Dean Hambleton-Ayling: Associate Director of Workforce Salford Royal and Pennine Acute NHS Trust attended the meeting to provide members with a workforce update. The vacancy rates for medical/dental staff and nursing and midwifery staff remain high at 12.78% and 10.68% respectively. Spend on bank, agency and locums for April was high and will continue to be a primary focus for the Trust. Turnover rates at the Trust have remained static at just over 10% and the monthly sickness absence levels have reduced to 4.5%.

The Associate Director of Workforce reported that last year's Trust wide agency spend was £44 million and planned to reduce to £34.9m in 2018/19 with a planned year end cash sum of £3.0m compared to £11.4m in 2017/18.

The Associate Director of Workforce reported that there is a robust recruitment and retention strategy in place. Visa and changes to immigration criteria has affected the ability to recruit to medical positions within the Trust. 50 further doctors will join the Trust in the next 3 to 6 months as well as 400 nurses. The Director of Strategy reported that there is a national shortage of medical doctors and nursing staff.

With regards to the referendum, the Associate Director of Workforce reported that the Trust had not seen as of yet seen an impact with regards to staffing. The Trust has commenced recruitment exercises in other areas, including the Middle East, North America and Asia in response to the national shortage.

In response to a Member's question, the Associate Director of Workforce reported that there were 764 vacancies across the Pennine Acute Trust, 342 nursing vacancies and 109 doctor vacancies.

The Associate Director of Workforce reported that the recently announced NHS 3 year pay deal, as well as benefits of holiday pay, pension contributions, professional development and training would hopefully entice staff away from agency and locum work and into the Trust.

The Director of Strategy reported that the Trust has entered into an agreement with neighbouring Trusts to only use their staff as bank staff (bank staff attract a lower premium) than agency staff.

Responding to a question from the Chair, the Associate Director of Workforce reported that Edge Hill provides additional training to support Doctors from overseas to develop professionally whilst working in the Trust. Edge Hill have reported that over 100 doctors have been unable to take up work in the UK due to visa problems.

It was agreed:

Dean Hambleton-Ayling, Associate Director of Workforce Salford Royal and Pennine Acute NHS Trust be thanked for his attendance and a further staffing update be provided at the March meeting of the JHOSC for Pennine Acute NHS Trust.

8 FINANCE UPDATE

Nicky Tamanis, Deputy Director of Finance attended the meeting to provide Members with an overview of the financial position and financial plan for Pennine Acute NHS Trust, NHSI oversight, the process to reach a more balanced position as well as details of the capital programme.

The Trust currently receives income of 661.9million pounds, 90% of income relates to patient care, activities a 5% increase from 2016/17.

The Trust's expenditure includes pay costs of 440.2 million pounds, 64% of the total costs, a 7.5% increase from 2016/17, Non Pay 242.9 million pounds, 23% relates to drugs and 12% CNST.

The Trust currently has a deficit £68.9million pounds compared to £30.4m in 2017.18. Agency Spend has reduced to £34.9m in 2018/19 with a Yearend cash sum of £3.0m compared to £11.4m in 2017/18. The Trust plans to spend £32.5 million on Capital Investment projects compared to £19.7m the previous year. The Trust has maintained a Risk Rating of 4.

The Deputy Director of Finance reported that with regards to the A&E 4 Hour Target; Trusts will be expected to meet 90% by September 2018, and return to 95% by March 2019, the expectation is that the waiting list should not be any higher in March 2019 than in March 2018, alongside the expectation to halve the number of patients waiting 52 weeks in the same period.

The Deputy Director of Finance provided further information with regards to the Trust's financial plan for 2018/19. The plan includes the following information:

- The Sustainability and Transformation Fund is to become the Provider Sustainability Fund (PSF), with total funding of

£2.45bn (up from £1.8bn currently). Access to 30% of the fund remains linked to A&E performance. A new £400m commissioner sustainability fund (CSF) will also be introduced to enable CCGs to return to in-year financial balance.

- The national eight shadow Accountable Care System sites and two devolved health and care systems are now to be known as Integrated Care Systems (ICS). ICSs are expected to prepare a single system operating plan and to work within a system control total. They are expected to move to a more 'autonomous' regulatory relationship with NHS England and NHS Improvement over time.
- There will be no additional winter funding in 2018/19. Systems are required to produce a winter demand and capacity plan with actions and proposed outcomes.
- The two-year National Tariff is unchanged, with local systems encouraged to consider local payment reform in certain areas.

Responding to a Member's question, the Deputy Director of Finance reported that to ensure the sustainable delivery of services in the future there would be savings proposed but also some additional capital investment.

The Trust has worked with NHS Improvement to develop a sustainable financial recovery plan to address the deficit. The Director of Strategy reported that the development of the Northern Care Alliance Service Strategy will address some of the financial issues but may result in significant changes in how services are delivered.

Responding to a Member's question the Deputy Director of Finance acknowledged that the IT infrastructure will need additional investment; staff at Pennine Acute are working with colleagues at the Salford Royal, to share best practice in addition to securing further investment for IT infrastructure.

With regards to the services provided; the Director of Strategy reported that the development of the North East Sector commissioner-led strategy should help address some of the financial issues but is likely to require significant changes in how services are delivered in order to ensure clinical and financial sustainability. With regards to the services provided, the Director of Strategy said that there may be greater centralisation of some services going forward; complex operations may be undertaken in centralised locations while assessment and out-patient appointments will be provided locally.

Responding to a Member's question the Deputy Director Finance reported that 60% of expenditure is on staffing costs, there are no plans to reduce the numbers of staff to address the financial deficit at the Trust. The Director of Strategy reported that there will be reduction in agency spend, improved recruitment and retention as

well as an emphasis on reviewing the workforce, with a view to employing more nursing associates.

It was agreed:

Further detailed information in respect of the Trust financial position and work undertaken to address the financial deficit will be considered at a future meeting of the Joint health overview and scrutiny committee for Pennine Acute.

9 PERFORMANCE UPDATE

Jo Purcell, Deputy Director of Strategy, North east Sector provided members with an overview of the operational plan for 2018/19. The new plan builds on key priorities identified in the in the 2017/18 Salford Royal and Pennine Acute Operational plans whilst refreshing and realigning priorities to realise the benefits that the Group structure enables.

The plan contains information with regards to the following areas:

- Link to the GM devolution plan and locality plans
- Northern Care Alliance and STP governance
- Delivery priorities
- Activity plan
- Quality planning
- Workforce planning
- Care organisation priorities

It was agreed:

Further more detailed performance information will be presented at a future meeting of the Joint Health overview and scrutiny committee for Pennine Acute.

10 UPDATE ON THE NORTHERN CARE ALLIANCE

Jack Sharp, Director of Strategy reported that the presentation brings together and builds on considerable work undertaken by NES commissioners, in conjunction with the NCA, over the last 12 months to develop a strategy to secure clinically and financially sustainable acute services.

The presentation summarises the emerging proposals that will need to be refined and formally reviewed as part of the development of the North East Sector (NES) acute Clinical Service Strategy. In particular, it describes:

- The needs of the NES population, the existing acute commissioning Intentions and the key drivers for change within the sector
- A summary of the NES hospital sites and the associated issues that will need to be considered as the Strategy is refined
- Agreed fixed points and where decisions may be contingent on Theme 3

- The proposed approach to service transformation and cost reduction
- The agreed option appraisal framework and evaluation criteria
- The timeline and steps for finalising the NES acute Service Strategy

The Chair of the Joint Committee raised concerns that the information presented still does not pinpoint the sites and services that will be affected. The Chair asked that more detailed information be presented and that the Joint Committee is kept informed of the timescales for implementation including the details of, if required, public consultation.

It was agreed:

The Joint Committee would consider in more detail the emerging proposals for the development of the north east sector acute clinical service strategy at the next meeting, scheduled to take place in October 2018.

11 URGENT BUSINESS

**COUNCILLOR
Chair**

(Note: The meeting started at Time Not Specified and ended at Time Not Specified)