

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

**Date of Meeting:** 15 January 2019

**Present:** Councillor Roy Walker (Bury Council)  
Councillor Stella Smith (Bury Council)  
Councillor Colin McLaren (Oldham Council)  
Councillor Derek Heffernan (Oldham MBC)  
Councillor Raymond Dutton (Rochdale MBC)  
Councillor Gavin McGill (Bury Council)

**Also in attendance:** Jon Rouse, Chief Officer Greater Manchester Health & Social Care Partnership  
Nicky Tamanis: Deputy Chief Finance Officer, Salford Royal and Pennine Acute  
Jo Purcell: Deputy Director North East Sector  
Andrew Lynn, Group Director of Communication & External Affairs  
Barry Williams, External Partnership Manager

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

**Apologies for Absence:** Councillor Linda Robinson (Rochdale MBC),  
Councillor Ann Stott (Rochdale MBC),  
Councillor Norman Briggs (Oldham MBC)

---

**1                   APOLOGIES FOR ABSENCE**

Apologies were detailed above.

**2                   DECLARATIONS OF INTEREST**

There were no declarations of interest.

**3                   PUBLIC QUESTIONS**

There were no public questions.

**4                   MINUTES**

**It was agreed:**

That the minutes of the meetings held on 15<sup>th</sup> October 2018 be approved as a correct record.

*Members resolved to re-arrange the agenda and consider the Finance and Recruitment & Workforce update items first.*

**5                   FINANCE UPDATE**

Nicky Tamanis, Deputy Director of Finance attended the meeting to provide members with a financial update. The Deputy Director reported that a 5 year national funding settlement for NHS was announced in June 2018 with an additional £20.5 billion per annum by 2023/24. With particular reference to 2019/20, the deputy director of finance reported that nationally:

- 1 year tariff and planning round for 2019/20
- Phasing out of Control Totals
- National tariff uplift 3.8%
- Efficiency factor 1.1%
- CQUIN 1.25%
- New centralised procurement arrangements
- "Blended payments" approach for A&E and non-elective activity. Blend of block and activity based payments
- Refresh of Market Forces Factor for first time in 8 years
- Broader range of outpatient tariffs, including non-face to face and non-consultant led

Locally, the Deputy Director of Finance reported that key priorities for the Trust will include, the development of the strategic/business cases for the acquisition of PAHT by MFT and SRFT and the impact of working within Greater Manchester.

Key issues for the Trust going forward will be the reduction of the deficit (currently £68.9 million), addressing the IT infrastructure, a backlog of estates work as well as reducing the reliance on the temporary workforce.

Those present were given the opportunity to make comments and ask questions and the following points were raised:

Members discussed the deficit. The Deputy Chief Finance Officer reported that it is envisaged that the organisation would have a balanced budget within three years. Service delivery will always be the Trust's priority.

Responding to a Member's question, the Deputy Chief Finance Officer reported that there are a number of reasons for the large deficit; including problems with recruitment and retention, higher than average agency costs, structural issues as well as a failure to agree on a control total.

With regards to future budget planning the Deputy Chief Finance Officer reported that a one year budget for 2018/20 will be finalised shortly.

Responding to a question in respect of the newly introduced blended payments approach for A&E and the refresh of the Market Forces Factor, the Deputy Chief Finance Officer reported that this work was overdue. The Deputy Chief Finance Officer reported that she does not expect this to have a negative impact on the Trust's finances.

The Deputy Chief Finance Officer reported that capital works would still be undertaken at the North Manchester site during this transitional period.

Responding to a question from the Chair, the Deputy Chief Finance Officer reported that there has been improvements in the amounts of money spent on agency staff. This is as a result of recruitment from overseas of a number of medical staff, as well as an increase in the number of newly qualified nurses and the development of the workforce transformation programme. The programme includes the development of a number of new roles to complement the traditional medical roles including nursing associates/technicians.

In response to a member's question the Deputy Director North East Sector reported that she does not believe that the organisations across Greater Manchester will become one health organisation.

Responding to a Member's question in respect of collecting monies for treatment from overseas visitors, the Deputy Chief Finance Officer reported that the Trust performs well in this area.

Councillor Roy Walker raised concerns that the transaction and the establishment of the Northern Care Alliance would result in the loss of the title Salford Royal Hospital, a strong brand with a reputation for outstanding health care provision.

**It was agreed:**

- The Deputy Chief Finance Officer be thanked for her attendance.
- Information be provided to the JHSOC in respect of monies re-couped for overseas patients.
- Once available a more detailed budget report would be considered at a future meeting of the JHOSC
- A briefing report in respect of the Trust's IT Strategy will be considered at the next meeting of the JHOSC
- An estates management report will be considered at the next meeting of the JHOSC.

**6 RECRUITMENT, RETENTION & WORKFORCE UPDATE**

In the absence of a representative from the Trust's Human Resources Department, Jo Purcell: Deputy Director North East Sector presented an overview of the Trust's current agency, sickness and turnover levels.

Members raised concerns in respect of challenges in reducing the amount spent on agency staff at the North Manchester General Hospital (NMGH) site as well the 26.75% vacancy rates in medical and dental at NMGH and 17.91% at FGH.

**It was agreed:**

Recruitment, retention and workforce update will be a standing agenda item. The Trust will provide further information in respect of the high vacancy rates in medical/dental across the Trust.

**7 PENNINE ACUTE HOSPITALS NHS TRUST - TRANSACTION PROGRAMME UPDATE**

Jon Rouse Chief Officer Greater Manchester Health & Social Care Partnership attended the meeting to provide an update with regards to the Pennine Acute Transaction.

The Chief Officer reported that two legally separate but intrinsically linked processes (transactions) are underway to split PAT; both elements will require formal approval at national level. Firstly NHS Improvement has invited Salford Royal to put forward proposals for the formal acquisition of the Royal Oldham, Fairfield General Hospital and Rochdale Infirmary hospital sites to be part of Salford Royal's group of healthcare services, called the Northern Care Alliance NHS Group (NCA). Secondly MFT will formally acquire the North Manchester General Hospital site to transfer to MFT as part of its group of hospitals. The future plans for NMGH is part of the longstanding plan to create a Single Hospital Service for the City of Manchester and Trafford, with involvement of Manchester City Council and MHCC.

Salford Royal has been running Pennine Acute Trust and its services under a management agreement since 2016/17 under the NCA group arrangements. The NCA is governed by a Committees in Common where both Salford Royal and Pennine Acute NHS Trust Boards have devolved its decision making.

The Chief Officer outlined the planned benefits of the transfer which would include:

- Integrated Health & Social Care models developed and delivered through partnership arrangements
- Minimising unwarranted variation in care
- Optimising economies of scale and technology
- To be the employer of choice that enables staff to realise their full potential so that recruitment, retention, productivity and staff satisfaction is maximized

The NCA will build on the successful integration of hospital and community-based services already at Salford (through a fully-formed Integrated Care Organisation ICO), and is partnering with local healthcare commissioners to further develop new 'joined up' place-based approaches and models of health and social care in Bury, Oldham and Rochdale

The Chief Officer reported that the transaction will follow a two stage process, stage 1, the submission of the strategic cases, once agreed the next stage will be submission of the full business cases. All partner organisations involved are committed to working through a series of complex processes in order to secure the best future for patients and staff.

The Chief Officer reported a new ownership and long-term management arrangement for the hospitals currently run by Pennine Acute Trust (PAT) is essential to support the future clinical, financial and workforce sustainability of acute hospital services in the North East sector and across Greater Manchester.

Responding to a Member's question, the Chief Officer reported that as the transaction progresses essential maintenance works will still need to be undertaken at NMGH.

With regards to work undertaken in respect of separating clinical services following the transaction, the Chief Officer reported that it is essential that the right services are situated on the right site. This will not only have implications for patient flows/pathways but also for the workforce and IT.

Members discussed whether the large deficit at the PAT could affect the transaction. The Chief Officer reported that external support has been provided to identify what is driving the deficit at the Trust.

The Chief Officer reported that it is critical for the future sustainability of the Trust that demand pressure is reduced. Across the North east sector locality working is less well developed in Bury and Oldham.

Members discussed communication with staff, stakeholders and the public in respect of the transaction. The Chief Officer reported that communication with staff is ongoing however wider communication will not be undertaken until the business case is agreed.

**It was agreed:**

A further update in respect of the Transaction will be presented at the JHSOC for Pennine Acute in July.

**8 URGENT BUSINESS**

There was no urgent business reported.

**COUNCILLOR  
Chair**

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