

SOUTH TEES HEALTH SCRUTINY JOINT COMMITTEE

A meeting of the South Tees Health Scrutiny Joint Committee was held on 24 September 2009.

PRESENT: Middlesbrough Council:
Councillors Dryden and Dunne

Redcar and Cleveland Council:
Councillors Hensby and Mrs Wall.

OFFICERS: J Bennington and J Ord (Middlesbrough Council) and S. Ahmed and S Zahur (Redcar and Cleveland Council).

****PRESENT BY INVITATION:** Stephen Childs, Managing Director, Middlesbrough and Redcar & Cleveland Community Services.

APPOINTMENTS – CHAIR – VICE CHAIR – SOUTH TEES HEALTH SCRUTINY JOINT COMMITTEE

In a report of the Scrutiny Support Officer details were given of the proposed protocol for the operation of the South Tees Health Scrutiny Joint Committee which suggested that the Chair and Vice Chair of the Joint Committee rotates between Middlesbrough Council, and Redcar and Cleveland Council on a yearly basis.

The suggested procedure for the appointment of Chair and Vice Chair was agreed and nominations were sought accordingly.

AGREED as follows: -

1. That following nominations from Councillor Mrs Wall (proposed) and Councillor Hensby (seconded) Councillor Dryden (Middlesbrough Council) be appointed as Chair of the South Tees Health Scrutiny Joint Committee for the Municipal Year 2009/2010.
2. That following nominations from Councillor Dryden (proposed) and Councillor Dunne (seconded) Councillor Hensby (Redcar & Cleveland Borough Council) be appointed as Vice-Chair of the South Tees Health Scrutiny Joint Committee for the Municipal Year 2009/2010.

N.B. Councillor Dryden took the Chair at this point of the meeting.

****APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors Lancaster and P Rogers (Middlesbrough Council) and Councillors Cooney and Halton (Redcar and Cleveland Council).

**** DECLARATIONS OF INTEREST**

Name of Member	Type of Interest	Item / Nature of Interest
Councillor Mrs Wall	Personal/Non Prejudicial	Any matters arising relating to North East Ambulance Service NHS Trust - related to a number of employees.

SOUTH TEES HEALTH SCRUTINY JOINT COMMITTEE - PROTOCOL

The Scrutiny Support Officer submitted a report the purpose of which was to introduce a draft protocol to govern the operation of the South Tees Health Scrutiny Joint Committee.

Reference was made to a number of local health services, such as District General Hospital Services and Community Services, that were provided on a 'south of Tees' basis. It was considered prudent therefore to establish a joint health scrutiny committee between Middlesbrough and, Redcar and Cleveland Council to scrutinise health service provision and deal with any statutory consultations affecting only the two local authorities' populations.

Members considered a draft protocol, which had been prepared to govern the operation of the Joint Committee. It was suggested that such a protocol could be reviewed on a yearly basis.

AGREED that the protocol for the operation of the South Tees Health Scrutiny Joint Committee as submitted be approved.

COMMUNITY FOUNDATION TRUST ACROSS THE SOUTH OF TEES

The Scrutiny Support Officer submitted a report the purpose of which was to introduce representation from Middlesbrough and, Redcar & Cleveland Community Services to provide a briefing on Community Foundation Trusts.

As part of the background information reference was made to national policy which advocated the separation of the service provision and commissioning arms of a Primary Care Trust. Pursuant to such a policy work had been undertaken across the South Tees to bring about such a separation with the creation of the Middlesbrough, Redcar & Cleveland Community Services (MRCCS).

The Chair welcomed Stephen Childs, Managing Director of MRCCS who gave an overview of MRCCS and its main objectives.

MRCCS had been set up in 2007 to develop as an autonomous provider of community services previously delivered directly from primary care trusts. MRCCS currently employed around 1,200 staff and had a turnover of approximately £43 million.

Significant work had been undertaken in respect of four main Service Lines in respect of: -

- Care at Home which included areas such as district nurses and integrated teams with social care;
- Rehabilitation and Urgent Care largely provided by Primary Care Hospitals;
- Diagnostic and Treatment;
- Children and Families involving health promotion and school nurses.

It was considered that the MRCCS was in a different position from other providers and was in a unique position to provide personalised care shaped to the needs of patients, carers and families; accessible care close to home, prevent hospital admissions and reduce stay in hospitals, safeguard vulnerable people and deliver integrated care through partnerships.

The key drivers within the market were seen as: -

- patient choice (stimulate new providers for commissioning services-an indication of next key development of personalised health budget for specific conditions such as respiratory);
- establish a degree of competition with reference being made to the developments in sexual health services;
- Government policy direction for a changed shift from Secondary to Primary Care;
- illness prevention and address health inequality gaps,
- reducing emergency admissions with a greater focus on patients receiving appropriate care in the community.

In order to meet the challenges a business strategy had been compiled which was intended to achieve the best health and well being in the community and to provide excellent tailored care close to home.

As part of the business strategy MRCCS was working to achieve foundation trust status which would provide opportunities in terms of membership, financial flexibility and business rigour in terms of enhancing commissioner confidence.

It was intended to expand existing services under Payment By Results, enter new markets within Middlesbrough and Redcar & Cleveland with particular regard to health improvement and into new geographic areas.

An important part of the business strategy was to strengthen the current market position and improve quality, efficiency and strengthen patient and staff safety and consolidate and expand integration.

The Joint Committee was advised of the main features of a foundation trust which included democratic organisations; free from central government control and strategic health authority performance management; required to work in partnership (duty in law); direct their services more closely with the community; and not required to achieve financial breakeven but must be financially viable but subject to a very stringent health check.

The Joint Committee was advised of the reasons for MRCC becoming a Community Foundation Trust, which included the following aspects: -

- a) established legal entity and high value brand;
 - constitution tried and tested;
 - NHS brand retained and kudos of FT status;
 - staff retain terms and conditions;
 - Commissioners, public and staff have confidence;
- b) robust, competency-based approval pathway;
 - SHA diagnostic assessment;
 - DoH due diligence tests (for NHS Trust then FT);
 - Monitor's compliance and financial framework;
 - robust, exacting framework;
- c) Commercial Freedom;
 - free to generate and retain financial surpluses and decide how to use and forward plan but able to demonstrate the benefits;
 - borrow from commercial sources within limits set by Monitor;
 - restructure and modernise to increase service capacity and efficiency;
 - level playing field with competition;
- d) high level of accountability to local people who can become governors;
 - opportunity to connect and promote services;
 - commercial advantage;
 - local people truly influence our strategic direction;
- e) Greater ownership by staff;
 - a real say in who runs the organisation;
 - vested interest to make the organisation a success;
 - greater buy-in to CRES and quality improvement;
- f) enter into legal partnership /contracts giving greater assurance;
 - formalise joint ventures e.g. LSE;
 - protection of a legally binding contract;

g) Assets protected;

- Estate remains within public ownership;
- Estate owned and controlled by the CFT;
- Retain proceeds from asset sales.

An indication was given of the potential timescales, which suggested that MRCCS would not be in a position to be authorised as a Community Foundation Trust until autumn 2010 at the earliest.

The key challenges and strategic risks were identified as follows: -

- the main challenge was identified as reduced public spending (global financial crisis);
- unknown impact of Flu pandemic;
- possible changes in policy direction as a result of any change of Government;
- increased costs of Redcar Primary Care Hospital;
- community services information systems;
- separation of corporate shared services;
- potential loss of service (market testing/personal budgets).

Given a number of key factors the Panel was advised that MRCCS was well placed to be the first Community Foundation Trust in England.

In terms of the overall process an indication was given of what would be required in the first instance for MRCCS to be in a position to proceed in becoming a Community Foundation Trust. In seeking approval from the Strategic Health Authority for it to be a NHS Trust.

Members were keen to seek an assurance that an appropriate framework was in place to ensure meaningful consultation. It was confirmed that a draft consultation model had been compiled further details of which together with the progress on becoming a Community Foundation Trust would be presented to Members at a future meeting.

AGREED as follows: -

1. That Stephen Childs be thanked for the detailed presentation.
2. That the Joint Committee receives further reports on the progress of MRCCS becoming a Community Foundation Trust with particular regard to the proposed consultation model.