

CHESHIRE EAST COUNCIL

Minutes of a meeting of the The Cheshire and Wirral Councils' Joint Scrutiny Committee

held on Monday, 30th November, 2009 at Council Chamber, Municipal Buildings, Earle Street, Crewe CW1 2BJ

PRESENT

Councillor A Bridson (Chairman)
Councillor D Flude (Vice-Chairman)

Councillors A Dawson, J Grimshaw, D Roberts, G Smith, G Baxendale, S Jones, C Beard and C Andrew

Apologies

Councillors I Coates, C Teggin, P Donovan, P Lott, R Thompson, S Clarke and Rachel Bailey

15 ALSO PRESENT

Councillor B Barton, Cheshire West and Chester Council, substitute Member for Councillor R Thompson.

16 OFFICERS PRESENT

Mike Flynn, Cheshire East Council
Denise French, Cheshire East Council
David Jones, Cheshire West and Chester Council
Iain Crossley, Director of Finance, Economy and Market Development, NHS Western Cheshire
Dr Ian Davidson, Interim Chief Executive, Cheshire and Wirral Partnership NHS Foundation Trust
Nik Khashu, Assistant Director of Finance (Strategy and Performance) NHS North West
Tina Long, Director of Strategic Partnerships, NHS Wirral
Michael Pyrah, Chief Executive, Central and Eastern Cheshire Primary Care Trust

17 DECLARATIONS OF INTEREST

RESOLVED: That the following declarations of interest be noted:

- Councillor D Flude, Personal Interest on the grounds that she was a member of the Alzheimers Society and Central Cheshire Independent Advocacy; and
- Councillor D Roberts, Personal Interest on the grounds that her daughter was an employee of the Cheshire and Wirral Partnership NHS Foundation Trust.

18 MINUTES OF PREVIOUS MEETING

That the minutes of the meeting of the Committee held on 8 October be confirmed as a correct record subject to clarification being sought as to the views of the Parish Council regarding the Cheshire and Wirral Partnership NHS proposals regarding the Soss Moss site.

19 IMPACT OF THE CURRENT FINANCIAL CLIMATE ON PROVIDERS OF MENTAL HEALTH AND ASSOCIATED SERVICES

The Committee considered a presentation by Dr Ian Davidson, Interim Chief Executive of the Cheshire and Wirral Partnership NHS Foundation Trust (CWP).

He explained the Efficiency Agenda whereby the NHS required ongoing efficiency with levels ranging between 3.5% and 5% over the next 3 years; this meant the same volume of service needed to be provided at less cost. CWP currently had a shortfall of around £1.5 million which impacted on the financial performance leading to an impact on its financial risk rating, ability to borrow and long term financial strategy.

He advised Members that 80% of the budget for CWP came from the 3 Primary Care Trusts (PCTs) who were the main commissioners of their services:

- Central and Eastern Cheshire PCT – forecasting a £18 million deficit in 2009/10 and a £30 million deficit in 2010/11; had advised that it was not in a position to pay £1 million in funding in the current year to CWP as previously agreed, although half of this was likely to be found through technical adjustments currently under discussion. Any current impact on services was not yet defined but the PCT had indicated it was looking to reduce spend on Mental Health Services on a recurrent basis and this was likely to be a figure greater than £1m;
- Wirral PCT – currently balanced financial position but projections were deficit unless system changes introduced; work was underway with stakeholders on Mental Health Services workstream. PCT had indicated it did not want to reduce spending on Mental Health;
- Western Cheshire PCT – dealing with legacy issues around previous financial deficits but similar position to Wirral. Work was underway with stakeholders on a few workstreams including dementia and alcohol services. No indication of reduction in spend on Mental Health services.

The efficiency targets on the NHS and the financial positions of the PCTs meant services would need to be re-designed with scope to streamline and improve but service reductions could be likely in Central and Eastern Cheshire PCT's economy.

Michael Pyrah, Chief Executive of Central and Eastern Cheshire PCT, outlined three aims that the PCT was confident it could achieve:

- Get the recurrent deficit as low as possible in the current year;
- Achieve non recurrent savings of between £10 -12m in the current year;
- Return to recurrent balance by March 2011.

The pressure on the PCT budget was due to various factors including increased spending on Acute Care and Specialist care and NHS Continuing Care.

During the discussion the following issues/questions were raised:

- Western Cheshire PCT had inherited a brought forward deficit from its predecessor organisations and had a Turnaround Plan which had previously resulted in the Trust receiving a one-off non-repayable loan of £21m from the Strategic Health Authority (SHA) – was the SHA planning to provide similar financial assistance to Central and Eastern Cheshire PCT? In response, Nik Khashu, Assistant Director of Finance (Strategy and Performance) NHS North West, explained that the SHA was not planning to provide any direct financial assistance but would work with PCTs and Provider Trusts to look at achieving efficiencies while maintaining quality; it was the former Health Authority that had provided financial assistance to Western Cheshire PCT but this approach was no longer available;
- Payment by Results did not apply to CWP so it was not possible to achieve efficiencies by seeing more patients, savings made to date were around 1% efficiency savings that had not impacted on quality of service;
- It was noted that the PCT boundaries were not coterminous with the Local Authority boundaries in Cheshire which was not ideal given the importance of the PCT's having a strong working relationship with the relevant Local Authorities.
- Whether patients in different areas would get different levels of service? In response, Members were advised that services were based on needs and needs varied by area. Central and Eastern Cheshire PCT had identified 11 Priorities under World Class Commissioning and had funded mental health resources to areas of need. One target of the PCT related to Dementia services as the numbers of Dementia patients was increasing and likely to continue to increase due to the ageing population;
- Whether it would be possible to ensure any funding deficit from Central and Eastern Cheshire PCT did not impact on services to Wirral and Western Cheshire patients/service users? In response, the Committee was advised that CWP was trying to ensure all needs were met without cutting any services through redesign and efficiencies etc;
- All PCTs had been affected by the increases in Acute Care demands and the change in tariff that had been set so as to increase capacity in order to meet the 18 week target;
- There was a lot of liaison between the PCTs and also with CWP with monthly meetings held to keep the overall position under review;
- Central and Eastern Cheshire PCT had notified CWP of the proposed £1m reduction in June 2009 and had sought agreement with CWP regarding the detail from that date;
- NHS North West aimed to support all Trusts working together to help to ensure that all Trusts performed to high levels and to avoid situations where any Trust might be at risk of failing.

RESOLVED: That

(a) the representatives from the 4 Trusts and NHS North West be thanked for their attendance at the meeting and for the clarity of their responses to the issues raised;

(b) the expectation expressed at the meeting of no cuts in service delivery be noted and supported;

(c) a further update be provided to the next meeting.

The meeting commenced at 2.30 pm and concluded at 4.35 pm

Councillor A Bridson (Chairman)