

THESE MINUTES MAY BE MADE AVAILABLE TO PUBLIC AND PERSONS OUTSIDE OF THE GLOUCESTERSHIRE NHS COMMUNITY AS PART OF THE COMMUNITY'S COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT

**WEST GLOUCESTERSHIRE PRIMARY CARE TRUST**

**Notes of the PCT Public Board meeting  
held on Thursday 14<sup>th</sup> July 2005 at 9.30 am  
at Highnam Business Centre**

Present: Hugh Annett  
Ahmed Bham  
Liz Boait (Chair)  
Stephen Golledge  
Derek Harbottle  
Mark Hendry  
Anny Reid  
Mike Roberts  
Fred Simpson  
Mike Theelke

In attendance: Ron Allen – Tewkesbury Borough Council  
John Hale – Bream Health Forum  
PCT - Amanda Fisk  
John Ford  
Ann McCluskey  
Jenny Kirkby

**96/05 APOLOGIES FOR ABSENCE**

Apologies were received from Susanne Noblett and Jan Marriott.

**97/05 MINUTES OF THE MEETINGS HELD ON THURSDAY 19<sup>th</sup> MAY AND 16<sup>th</sup> JUNE 2005**

These were agreed as an accurate record.

**98/05 MATTERS ARISING**

There were no matters arising.

**99/05 CHAIR'S REPORT**

Liz presented her report and noted the most significant event as the meeting she attended, along with Stephen Golledge and Mike Roberts, with the Strategic Health Authority for the annual review of the PCT's performance in 2004/05. Liz reported that it was a fair review and that all targets had been met with the exception of finance. Liz tabled a copy of the recent letter received from Anthea Millett following the Annual Review which also outlined priorities for 2005/06.

Liz reported that she had recently received a letter from the Secretary of State, Patricia Hewitt, reminding the Board of the importance of financial management.

Liz reported on the recent workshop with Chairs and non-executive Directors to discuss the options for possible PCT reconfiguration in Gloucestershire. This would lead to further work shortly.

Liz expressed her congratulations to Stephen Golledge who has been appointed to the NHS Employers 'GMS Core Negotiating Team' as a lead PCT Chief Executive. The time commitment would be 2 days per month and fully reimbursed.

**The Board noted the contents of the report.**

**100/05 PROFESSIONAL EXECUTIVE COMMITTEE (PEC) CHAIR'S REPORT**

Mike expanded on the joint workshop held on the 7<sup>th</sup> July 2005 looking at the outcomes of the audit of emergency admissions into the Gloucestershire Hospitals Foundation NHS Trust. This had established the way forward for better partnership working on urgent care issues.

Mike also reported on the recent Gloucestershire Hospitals Trust Medical Director interviews. This had gone to national advert and there were 4 candidates shortlisted. Dr Sean Elyan, Consultant Clinical Oncologist, was appointed.

**101/05 CHIEF EXECUTIVE'S REPORT**

Stephen Golledge presented his report and highlighted the following areas –

Dental Access – Significant progress had been made in this area. Stephen reported that there are still places available for patients with Annandale House and the Eastgate Street Dental Centre in Gloucester. Stephen reported that if members would like to visit the new centre this could be arranged.

Letter from Sir Nigel Crisp - Stephen reported that he had received a letter from Sir Nigel Crisp, Chief Executive of the NHS concerning the financial management of the PCT. This would be picked up under the FRP agenda item.

Shaping the Future – a Patient Led NHS – Stephen reported that he had attended a one day workshop which was organised by the Strategic Health Authority to create a vision for the healthcare system in the SHA area. Notes of the event would be written up and shared with Board members once received.

Patch meetings – Stephen reported that meetings with the eight PCT patches were due to take place in late July and early August. This would provide an opportunity to discuss the Financial Recovery Plan and approaches to reduce levels of activity in the healthcare system. If any Board members were interested in attending Stephen agreed to let them have details.

Older People's Mental Health Project – Stephen reported that the consultation document would be going to the PEC and Board shortly. Fred queried the reasons for current over-capacity in the system and Stephen reported that this was due to levels of delayed transfers of care.

Strategic Health Authority Review of Mental Health Services – Stephen reported on the review and the future direction for mental health services which would be announced later in the year.

Strategic Health Authority Review of Ambulance Trusts – Stephen reported that agreement had been reached to move to a single Ambulance Trust through the integration of the existing organisations. As the changes related to the management arrangements of the Trust, consultation under Section 11 of the Health and Social Care Act 2001 is not required. However, the SHA with the support of the Steering Group, had made the decision to consult with key stakeholders and the public on the preferred option.

North Forest of Dean Patch Report – Stephen reported on the various issues in the patch.

PCT Annual Review – Stephen re-iterated Liz Boait's comments on the meeting which had been positive and had recognised that the PCT had achieved targets across a wide range of service areas.

**The Board noted and approved the contents of the report.**

## **102/05 BUSINESS PLAN 2005/06**

Amanda Fisk updated Board members on the Business Plan for 2005/06.

Amanda reported that the paper was still work in progress and explained the format.

Amanda explained that the Business Plan would be fully populated and show organisational performance at the 6 month stage for the Board meeting in October 2005.

**The Board approved the Business Plan format, supported the key elements of the 2005/06 Business Plan and supported the proposed performance management arrangements.**

## **103/05 PERFORMANCE REPORT**

Nicki Millin presented the performance report covering activity and information for the period April to May 2005.

In relation to the PCT star ratings self assessment, Nicki commented on the achievement of the PCT across the eight key targets which had all been met apart from the key target of financial management. The level of achievement in the balanced scorecard was described. This had led the PCT to assess the likely star rating for 2004/05 as 2 stars, with which the Strategic Health Authority had concurred, with the possibility of performance relative to other PCTs moving the PCT to a 3 star position.

Nicki explained the background to the introduction of the Payment by Results (PbR) financial regime which covered the majority of elective and non-elective inpatient activity with the Gloucestershire Hospitals Foundation NHS Trust. The 2005/06 Service Level Agreement with the Gloucestershire Hospitals Foundation Trust was nearing completion with the final queries being worked through. Nicki outlined the current activity levels for elective and non-elective activity against the planned levels commissioned, which showed a small variance.

For the other areas of performance Nicki commented on the achievement of the Gloucestershire Ambulance Service NHS Trust in its level of achievement on Category A calls. The Trust was currently working to a Performance Improvement Plan and the Category A calls achieved had increased at this stage of the year against the level of comparative achievement in 2004/05. (The achievement level in June 2005 was confirmed as 70.7%). This level of performance was in the context of a 10% rise in the number of calls over the same period for the previous year, but continued to fall short of the 75% target.

Finally, the total number of delayed transfers of care in acute hospital beds continued to be monitored with the number at 8 on the date of the Board meeting. Continuing efforts would be made by the relevant health and social services staff to reduce the numbers further.

**Members noted the contents of the report and the actions that were being taken to maintain and improve performance.**

104/05

## FINANCE REPORT

Mike Theelke reported that due to the timetable for auditing the final accounts the finance paper had been delayed.

Mike tabled the Finance Report and reported that the PCT is forecasting an overspend of £324,000 as at 30<sup>th</sup> June 2005.

Mike highlighted the following areas:-

Non NHS Provider budgets – covers private sector placements for clients with learning disabilities and mental health, continuing care and Registered Nursing Care Contributions. Based upon changes to date this area is overspent by £74,800 and is forecast to overspend by £223,100 in 2005/06. This was a high risk area.

GMS (General Medical Services) and PMS (Personal Medical Services) – there are pressures in PMS and GMS budgets as a result of the full year effect of changes to contracts towards the end of the last financial year resulting in a forecast overspend of £99,000.

Prescribing – traditionally a volatile area and at this stage it was too early in the year to have firm forecasts. The current forecast is a £74,000 overspend but breakeven is anticipated.

Programme Costs – the budgets report an underspend of £71,000 to date but it is expected that these budgets will breakeven at the year end.

Administration Costs – budgets are £195,000 underspend at the end of June.

Practice Based Commissioning – the PCT has established indicative budgets for all practices based upon the framework agreed by the Board.

**The Board noted the contents of the report.**

105/05

## FINANCIAL RECOVERY PLAN 2005/06

Amanda Fisk provided members with an update on the Financial Recovery Plan (FRP) of £13.7M for 2005/06.

Amanda provided an update on events since the last Board meeting discussion on the 19<sup>th</sup> May, with the Strategic Health Authority (SHA) assessing West Gloucestershire PCT as a “Challenged Organisation” along with six other Trusts across the SHA. Monthly performance meetings had been scheduled for all these Trusts. An initial performance meeting with the SHA had been held on the 5<sup>th</sup> July with discussion covering service delivery targets and the status of the PCT Recovery Plan. Satisfaction was expressed by the SHA with the plans for demand management and the project management arrangements and a letter was anticipated confirming the outcome of the meeting. Amanda emphasised that the September meeting would be a key date for the PCT and the SHA in terms of delivery against the plans.

The status of the FRP projects at the end of month 3 was detailed in the schedule attached with the papers and discussion ensued about two particular aspects; Case management and managing emergency patients. The project for Case Management had been re-specified based on further information on the cohort of patients to be managed and timescales for caseload work being initiated. This had led to a revision in the savings trajectory reducing the full year effect to £1.474K in 2005/06, which was a reduction of £448K. The consequence of this was an increase in the “unidentified” allocation within the FRP to £3,493K.

Members were reminded of the background to the issues concerning the growth in non-elective activity in 2004/05. Amanda reminded members that due to the high level of unanticipated growth in the previous year, this remains the area of greatest financial risk, but also the area of greatest opportunity for further savings. An outline of the costs attributable to secondary care management of emergency patients was contained in the papers to exemplify this.

It was noted that the Gloucestershire Hospitals NHS Foundation Trust had been under considerable pressure since the rise in emergency activity in the previous year. It had been agreed recently at Chief Executive level that West Gloucestershire PCT and the Gloucestershire Hospitals Trust would undertake some joint analysis and develop joint plans for the management of emergency patients, focusing on Gloucestershire Royal Hospital (GRH). Mike Roberts reminded members of the audit of non-elective admissions in December 2004, which had led to a fruitful workshop the previous week and which had identified particular patient pathways for further joint working. A joint report on the audit was due to issued shortly.

The next steps in the arena of managing emergency activity was based on a two fold approach. Firstly the PCT and Gloucestershire Hospitals Trust clinicians and managers would build on the planned co-location of the primary care out of hours centre to GRH from August 2005 by closer working of A&E and primary care clinicians across relevant parts of 24 hour period. Secondly further work would be undertaken with GP practices to set out the variation in activity and costs for all 32 practices, across all areas of expenditure, with the intention of engaging each practice in an area of activity/spend where reductions could be made. This process was due to be initiated by a series of patch based meetings which would commence on the 18<sup>th</sup> July 2005.

Members expressed concern about the level of unidentified savings in the FRP at £3.5M. Members requested further and urgent analysis of the schemes currently being scoped and the identification of further savings which could be made through the management of emergency patients in order to offset this gap.

**PCT Board members noted the contents of the report, and in particular the change to the savings trajectory for the Case Management project. Members also noted the two fold approach to reducing emergency activity by joint working with the Gloucestershire Hospitals Trust and through practice engagement, and requested the urgent specification of plans against the gap in the FRP.**

106/05

#### **PRACTICE BASED COMMISSIONING – PROPOSED 2005/06 BUDGETS**

Mike Theelke presented the paper for the Board's approval of the 2005/06 Practice Based Commissioning (PBC) budgets.

Mike reported that under the Payment by Results (PbR) regime approximately 70% of the PCT total budget has been allocated to each practice by multiplying the 2004/05 referral data by PbR national tariff prices. The non PbR element of the GHT contract had been distributed to practices on a capitation basis. As outlined within the budget setting methodology, all practices would move to a capitation share of the PCT's resources within 3 years.

Mark Hendry reported that the North Forest Cluster Practice Based Commissioning meeting had been postponed and raised concerns about the level of savings achieved in 2004/05. Amanda highlighted that she had met recently with Liam Williams, Primary Care Development Manager, and confirmed that there would be a Director present at the next meeting to discuss this issue.

**The Board approved the Practice Based Commissioning Budgets.**

107/05

## **PROPOSED GOVERNANCE STRUCTURE**

Amanda Fisk presented the report to members.

Amanda reported that the responsibility for establishing, maintaining and evaluating all aspects of risk management is vested in the PCT Board. The Board remains responsible for reviewing the effectiveness of all internal controls – financial, organisational (corporate) and clinical, and is required to produce statements of assurance to the effect that it is managing the Trust's affairs efficiently and effectively.

Up to now the PCT Governance & Risk Management Committee has put arrangements in place for appropriate risk management systems. The Committee has acted as a sub-committee of the Board. The Audit Committee also reports directly to the PCT Board. The development of clinical governance within the PCT has been overseen by the Clinical Governance Steering Committee (as a Board sub committee) with the Director of Clinical Development having accountability within the organisation for clinical governance.

Amanda reported that on the 7<sup>th</sup> June a Clinical Governance review event was held where it was agreed that a more integrated structure should be put in place.

Amanda outlined the proposals for a new Integrated Governance Structure. It was proposed that the Integrated Governance Committee would be chaired by a PCT non-Executive Director. Further details and terms of reference would be worked out at a forthcoming meeting in August 2005.

Liz Boait stated that this was a good move forward for the organisation and provided the opportunity for areas that have not previously been reported to the Board to now do so. Liz agreed to discuss membership of the Committee at the non-executive Directors working group.

**The Board supported the proposal to establish an Integrated Governance Committee.**

108/05

## **RECEIPT OF 2004/05 FINAL REPORTS**

Derek Harbottle, Chair of the Audit Committee, updated members on the recent process to finalise the 2004/05 accounts, with an Audit Committee held on the 12<sup>th</sup> July 2005. A full report from the Audit Committee, including other matters discussed, would be made available at the September Board meeting.

Mike Theelke informed members of the process to date. The Audit Committee meeting held on the 12<sup>th</sup> July to review the un-audited accounts had been deferred from a week earlier as the external auditors had not been able to complete the audit of accounts on time. The accounts had been submitted by the PCT to District Audit by the due date of the 13<sup>th</sup> May, but it had not been possible to resolve all queries to the satisfaction of District Audit.

At the Audit Committee meeting on the 12<sup>th</sup> July, the accounts had been presented with key issues highlighted. In particular attention was drawn to note 2.11 on page 12 of the accounts tabled at the Board meeting – Directors note on non-achievement of Financial Balance and Financial Recovery. This note records the deficit in the operating finances of the PCT of £3,110,000. The note also records the reasons for the deficit. At the Audit Committee on the 12<sup>th</sup> July, clarification was provided on other financial arrangements relating to 2004/05, for example pooled budgets and the local Government pension scheme as it applied to the transfer of Gloucestershire County Council Occupational Therapists to PCT employment. Derek Harbottle commented on the discussion which had taken place about inter-

NHS balances in view of the fact that this was one of the areas where work had not been completed by the auditors. Mike Theelke confirmed that the remaining work for the auditors was to demonstrate evidence to support the figures recorded in the accounts, however this confirmation was anticipated.

Derek Harbottle, as Chair of the Audit Committee, confirmed that the Committee had recommended the adoption of the accounts, pending no material changes taking place to the year end deficit of £3.1M. It was agreed that if there was a change to this position, the process for managing a revision would be agreed between Derek Harbottle, Liz Boait, Stephen Golledge and Mike Theelke. It was agreed that once final approval had been received from the auditors, or if there was a change to the year end position, board members would be notified in writing.

In addition several statements and letters were presented to the Board including the statement of directors responsibilities in respect of the accounts and the summarisation forms. In addition a letter of representation from Mike Theelke to the District Auditor and the Head of Internal Audit opinion on the effectiveness of internal controls, from Deloitte and Touche, were presented.

**In summary the Board members supported the adoption of the final accounts for 2004/05 and the letter of representation, and noted the arrangements for dealing with any change to the final accounts.**

109/05

#### **PROCESS FOR POTENTIAL TRANSFER OF PMS PRACTICES TO THE nGMS CONTRACT**

Mike Theelke presented the paper to members outlining a framework within which Personal Medical Services (PMS) practices in West Gloucestershire can exercise their right to transfer to the new GMS contract.

Mike Roberts declared an interest in this agenda item.

Mike Theelke reported on the two relevant pieces of guidance on the financial aspects of a potential transfer:-

- 'A PMS practice that wishes to transfer to a GMS contract does not have entitlement to a Minimum Practice Income Guarantee (MPIG). However, where a PCT wishes to exercise its discretion a calculation of MPIG can be achieved using arrangements set out in the guidance'.
- Where existing PMS Schemes have received growth, the reasons for receiving it should be examined – it may still be entirely legitimate for the provider to receive it within its GMS allocation or under a locally enhanced service agreement. Any growth that is not transferred is retained by the PCT for investment in Primary Care.

Mike reported on the four options for a framework to transfer from PMS to nGMS and it was agreed that option two was the most equitable option and fits best with the national guidance and provides greatest equity across primary care. This option is as follows:

- **To provide practices with an MPIG on the current PMS baseline excluding growth monies.** The pooled growth monies would remain part of primary care funding and former PMS practices would be entitled to offer to provide enhanced services with this funding. This would provide some protection to practice income in line with GMS and maintain the flexibility of organizations to continue to develop services local to practice populations. This fits well with culture that was intended to underpin PMS when the concept was developed.

**The Board noted the report and adopted option two and agreed the process for transferring from the PMS to nGMS contract.**

110/05

## COMPLAINTS SUMMARY

Debbie Townsend presented the report to the Board on the complaints received against the Trust and against FHS Contractors for the period 1<sup>st</sup> April 2005 to 30<sup>th</sup> June 2005 as follows:

Out of Hours – complaint numbers had remained at the same level since the primary care service started. Most concerns were in relation to delays in response rates. Debbie reported that she and Mike Roberts would be meeting with doctors or locums in relation to specific complaints.

HM Prison Gloucester – Healthcare - Debbie reported that 4 informal complaints had been received to date against HM Prison, Gloucester on healthcare issues, mainly around medication issues.

Health Service Ombudsman - Debbie reported that a few cases had been submitted to the Health Service Ombudsman with no outcome yet.

Complaints Reform – Debbie reported that she and Mark Hendry had attended a Department of Health Conference recently on the draft regulations.

Foundation Trust Contract – Debbie reported that she had requested feedback on lessons learnt in relation to complaints about care provided by the Trust.

**The Board noted the contents of the report.**

111/05

## NHS PCT PATIENT SURVEY 2005

Anthony Dallimore reported to the Board that the Healthcare Commission requires all NHS Primary Care Trusts in England to carry out a PCT Patient Survey. The latest survey is a repeat of the one undertaken in 2004.

The PCT had commissioned the Picker Institute Europe again this year to undertake the survey. All Trusts are required to use a standard survey methodology and questions.

Anthony explained that a response rate of 49.3% had been achieved and this compared to the average national response rate of 45.2% for the 100 PCTs that commissioned Picker to undertake the survey. Non-responders were sent up to two reminders. The final report was issued to the PCT in May 2005.

The questionnaire covered 5 key dimensions of patient experience:

Access and waiting  
Building relationships  
Safe, high quality, co-ordinated care  
Better information, more choice  
Clean, comfortable, friendly place to be

The questionnaire included 68 questions which patients scored to identify levels of satisfaction. The 2005 survey showed that the Trust is significantly better than average on 7 questions, significantly worse than average on 1 question and the scores were average on 60 questions.

Derek Harbottle queried the interpretation of question A3 on which the PCT scored significantly worse than the Picker average – ‘Had to wait more than 2 days for a GP appointment’. It was agreed to look at the phrasing of questions in more detail to ensure patients were not faced with ambiguous questions.

Ahmed Bham queried whether the survey is produced in languages other than English. Anthony reported that there were different languages available but agreed to ensure wide access.

Liz expressed her congratulations to Anthony regarding the recent SHA performance report on media handling and communications. This had shown impressive performance in this area.

**The Board noted the contents of the NHS PCT Patient Survey and approved the actions set.**

**112/05 WAIVING OF STANDARD ORDERS**

Stephen highlighted the report on waiving of Standing Orders.

**The Board noted the waiving of Standing Orders.**

**113/05 GLOUCESTERSHIRE HEALTH COMMUNITY PICTURE AND ARCHIVING COMMUNICATION SYSTEM (PACS) BUSINESS CASE**

Mike Theelke updated members on progress towards the delivery of a PACS service.

Mike reported that the net revenue position over the life of the contract is a surplus of £800K for the county excluding capital changes. The county Directors of Finance would be finalising the cost impact of each organisation over the next few weeks, but it could be assumed that the impact on West Gloucestershire PCT would be small. The information was not yet available as the issue is complicated by the impact of Payment by Results.

The scheme does require capital investment, mainly in 2005/06. The county Directors of Finance will be finalising the allocation of these costs, but the current model assumes a capital contribution from West Gloucestershire of £109K.

Mike reported that Fred Simpson recently attended the IM&T Programme Board.

**The Board supported in principle the PACS Business Case and delegated to the Chief Executive and Director of Finance final sign off subject to affordability.**

In addition Mike Theelke provided an update on other IM&T related issues:

- The county IM&T Board had changed its terms of reference and PCT Board approval was sought for delegation of the PCT IM&T budget for specific areas to the county IM&T Board with the caveat that overall capital spend would be approved by the PCT Board first.

**Delegation was approved by the Board.**

- County-wide agreement had been reached for the IM&T Shared Services to be merged into a single service.

**The Board noted this change.**

**114/05 DATE OF NEXT MEETING**

The next meeting will be held on Thursday, 15<sup>th</sup> September 2005, 9.30 am in the Board Room at Highnam Business Centre.