

Scrutiny Panel

Tuesday, 02 December 2014

Attendees: Councillor Marcus Harrington (Deputy Chairman), Councillor Jo Hayes (Member), Councillor Professor Peter Higgins (Member), Councillor Mike Hogg (Member), Councillor Chris Pearson (Member), Councillor Dominic Graham (Member), Councillor Sue Lissimore (Member)

Substitutes: Councillor Dennis Willetts (for Councillor Mark Cable), Councillor Pauline Hazell (for Councillor Beverly Davies)

Also in attendance: Councillor Feltham, Councillor Harris, Councillor Hunt, Councillor Gerard Oxford, Councillor Beverley Oxford, Councillor Quince and Councillor Turrell

28 Minutes

RESOLVED that the minutes of the meeting held on 21 October were confirmed as a correct record.

29 Work Programme 2014/15

Councillor Harrington introduced the Scrutiny Panel Work Programme for 14/15.

RESOLVED that the Scrutiny Panel Work Programme 2014/15 be noted.

30 Colchester Hospital University Foundation Trust

Councillor Graham (in respect of working for Holmes and Hills LLP UK representing claims against North East Essex Clinical Commissioning Group) declared their non-pecuniary interests in the following item pursuant to the provisions of Meetings General Procedure 7(5).

Dr Lucy Moore, Chief Executive of Colchester Hospital University NHS Foundation Trust, Tom Fleetwood, Non-Executive Director and Peter Wilson, the Acting Chairman of the Trust's Board of Directors and Council of Governors attended the meeting.

Four Councillors and a member of the public submitted a request to speak as part of Have Your Say on the Colchester Hospital University NHS Foundation Trust item.

Councillor Beverley Oxford

Councillor Oxford questioned how senior management plans to improve Colchester Hospital University NHS Foundation Trust (The Trust), given that lessons have already

been learnt, and the position that the Trust is currently in. Councillor Oxford praised the hard work of nurses, and asked how, the local communities and her family's, confidence in the Trust will be rebuilt.

Councillor Annie Feltham

Councillor Feltham spoke as the Council's representative on the Council of Governors at the Trust. She outlined the ways in which the Trust is a master of its own fate, and ways in which external factors have a significant impact.

With regard to those areas where the Trust is the master of its own fate, Councillor Feltham stated that the Trust must take a whole approach to changing behaviours and cultures, rather than just on the specific elements and the improvements required as part of the investigations. There also needs to be a focus on the staff relationships from the frontline to the top of the organisation, to ensure that the Trust has the best arrangements for its hard working staff, and the best quality care.

Another element which is under the Trust's control is leadership and management. There has been criticism of the management and the leadership over the last twelve months and the Council of Governors have been looking into different ways in this can be improved. This includes the Council of Governors being able to appoint the Chairman, and to hold the Non-Executive Directors to account.

Councillor Feltham highlighted those elements where the Trust is not in control of its own fate, including its role as part of the local social and health economy, as this is interdependent on many other areas. For example if care packages are not in place from care homes or social services then patients will not be discharged as quickly as they could be. There has also been an increase in footfall for the Accident and Emergency Department. The Trust is unable to directly control the increase, as it is dependent on other factors, such as GP's being overburdened, which results in patients being more likely to go to A&E.

Looking ahead the Trust will also need to work with external organisations; for example the Council could provide operational opportunities and provide advice on Government funding reductions, institutional change and development.

Councillor Willets questioned Councillor Feltham on whether the improvement plan was robust, and what actions were the Council of Governors taking to determine this.

In response Councillor Feltham stated that she was confident regarding the improvement plan as it was created in coordination with Monitor and the Care Quality Commission (CQC). Councillor Feltham stated that she sits on the Quality and Patient Safety Assurance Committee, which has been provided with assurances that the Non-Executive Directors were interrogating the results. As a Governor there is no operational role in assessing the improvement plan; only to receive information from the Non-Executive Directors and hold them to account.

Councillor Dave Harris

Councillor Harris outlined his thanks to Colchester Hospital University NHS Foundation Trust in attending the Scrutiny Panel for the review. He also gave praise and commended the hard working frontline staff employed at the Trust.

He stated that there needs to be a focus on maintaining high level staff in positions for longer periods to help support the review process. Councillor Harris also highlighted the need to address the shortage of nurses.

Councillor Quince

Councillor Quince welcomed the Trust attending the Scrutiny Panel, and suggested that a review should occur on an annual or at minimum biannual basis. Councillor Quince raised concerns regarding the number of leadership changes that had taken place at Colchester Hospital University NHS Foundation Trust, as it makes it extremely difficult to scrutinise and assess performance of an organisation. He stressed that more stability and consistency for leadership would be beneficial, and questioned when permanent appointments would be made.

Councillor Quince also questioned what the deadline for the improvement plan is, as 9 out of the 20 categories are still classed as red and asked when the Trust plans to be out of special measures.

Regarding the sale of Essex County Hospital, Councillor Quince questioned whether this was the right decision, and requested an assurance that the sale of the Hospital was due to improving patient care, rather than addressing a financial deficit. He also noted that the population of Colchester had been increasing, but the capacity of the Hospitals in the Trust had not.

Councillor Quince asked what the Trust plans to do to encourage applications to address the requirement for additional nurses, as well as what the arrangements were for staff absence and sickness pay. In addition Councillor Quince asked for clarification on claims of bullying, the number of compromise agreements and whether staff were told not to engage with CQC when inspections were taking place.

Councillor Quince highlighted his personal experience with the Trust, praising the staff and the level of care received. He also stated that there should be more communication from the Trust so that the Council can provide help and support.

Mrs Annesly Hardy

Mrs Annesly Hardy, a Colchester resident, attended the meeting to put three questions to the attendees from the Trust. Mrs Hardy welcomed Colchester Hospital University NHS Foundation Trust in their attendance of the Scrutiny Panel.

The first question regarded why the Spanish nurses had departed after the original successful recruitment campaign; was this as a result of regulation and processes in

existence at the Trust. The second question was what had caused the £2.4m deficit last year. The final question was regarding what the Trust plan to do to accommodate further services on the Essex County Hospital site such as making it safe for a possible walk-in centre or Doctors surgery.

Councillor Harrington thanked the Have Your Say speakers and introduced the attendees from Colchester Hospital University NHS Foundation Trust.

Colchester Hospital University NHS Foundation Trust

Dr Lucy Moore, Chief Executive at Colchester Hospital University NHS Foundation Trust thanked the Scrutiny Panel for the invitation to the meeting. Dr Moore provided a brief outline of her career stating that she was a medical doctor by training, and had previously been the Chief Executive of Whipps Cross University Hospital Trust between November 2004 and September 2012. Dr Moore joined Colchester Hospital University NHS Foundation Trust in January 2014 to support the Medical Director and the four Divisional Directors, and then became the interim Chief Executive in May. Dr Moore stated that she intends to remain until September 2015, with an objective that the Trust comes out of special measures.

Dr Moore provided a brief history, stating that the Trust had been under scrutiny for some time. As part of the Keogh review, the Trust was one of 14 investigated regarding high mortality rates, and whilst inspectors identified issues, reassurances were given on the way forward. However, after the original visit a number of claims from whistle-blowers prompted further investigations. As part of this the CQC, in August and September 2013, held a wide ranging inspection, specific to Cancer services, which when published in November identified issues about data quality, allegations of data manipulation, cancer pathways and a culture of bullying and harassment. As a result of this inspection, the Trust was placed into special measures.

A further CQC inspection was undertaken in May, which whilst part of a different process, was as a result of the Trust being in special measures. The inspection found that overall the Trust needed improvement. Areas of good practice included patient care, surgical procedures and intensive care. The areas that required improvement were patient pathways, women's and children's services and end of life care. The leadership at the Trust also required improvement. Since these inspections an improvement plan has been put in place which recognises that changes are required across the board.

Dr Lucy Moore, Peter Wilson, and Tom Fleetwood, provided the following responses to the main themes identified in the questions from Have Your Say contributors.

Peter Wilson, the Acting Chairman of the Trust's Board of Directors and Council of Governors, who has been in position for two months, stated that he would be applying for the permanent Chairman position when advertised. He highlighted that a culture change is needed throughout the Trust, which required openness, transparency, trust and respect. Communication with partners and outside stakeholders must also be

improved. Peter Wilson stated that he and Dr Lucy Moore regularly write letters to the staff which is providing a good level of feedback. Feedback both good and bad is then passed on to the relevant Executive.

With regard to the Governance arrangements, the Council of Governors are briefed once every 6 weeks with the latest information about the Trust and its hospitals. In addition a new forum has started where Governors have bi-monthly meetings with the Non-Executive Directors; Colchester is also one of the few Trusts that have Governors on the Assurance Committee, the lead Governor also attends the Board Meetings. Peter Wilson stated that patients are at the forefront, with patient quality care being most important.

Dr Lucy Moore responded to the point on the interim leadership, and highlighted that the team has the support of Monitor. Further changes have been put in place since Dr Moore has been at the Trust, with the appointment of a permanent Director of HR, and Director of Finance. The aim is to continue to employ more permanent members of staff. Dr Moore stated that whilst the interim situation is not ideal, those employed will have extensive experience of the current challenges.

With regard to recruitment the nurse vacancy rates are at approximately 13%, mainly falling within band 5. The recruitment process has recently improved, which has been possible because of the appointment of a Director of HR. This has led to over 60 appointments being made during the last two months for unregistered nurses. Lessons have been learnt from the recruitment process with Spanish nurses, and work is on-going to recruit further nurses from Europe and the Philippines. The Trust has not done enough in the past to keep students who have completed their training at Colchester and work is being done to retain these staff. The Trust is also working with Essex University to develop a programme where nurses can move from unregistered to registered.

Dr Moore stated that all staff currently pay to park, but that this was not impacting recruitment at the Trust's Hospitals. A review is taking place in terms of charges and facilities, as well as looking creatively at salary incentives and packages.

During the last financial year there was a deficit of £2.4m, it is likely that during the next this financial year that this will increase to between £21-£24m. This is a result of three main elements, the first of which is the improvements required to meet core standards and best practice for clinical pathways after the investigations. The second is staff costs associated with interim appointments to help drive forward the changes required, particularly in Cancer services. Both of these two additional costs are short term costs. The final element is the tightening of the NHS budget, with 4% reduction required each year.

With regard to the Essex County Hospital site, the decision was taken a number of years ago, as the site is not fit for purpose and would require significant funding, particularly in terms of maintenance. As part of the sale of the site, teams at the two hospitals would require consolidation; this process is currently delayed to ensure that the right and sustainable option is taken. In addition the process will ensure that there is adequate

facilities and parking at Colchester General Hospital.

The following issues were identified by Councillors:

- Councillor Hayes – Questioned, given the whistleblowing accusations regarding falsification of records, whether there a conflict within the Trust, between the officers responsible for information management? Is the information being used and collected in the best way?
- Councillor Graham – How does the Trust identify the expected levels of demand, particularly when new developments are taking place? Is the planning robust?
- Councillor Willets – Questioned the Governance arrangements at the Trust.
- Councillor Lissimore – Asked for further information on elements in the improvement plan, particularly safeguarding vulnerable and special needs, as well as infection prevention. Also questioned whether it was still the right decision to sell the Essex County Hospital site?
- Councillor Hogg – What measures are in place to recruit and retain frontline staff?
- Councillor Hazell – Raised concerns that infection protection, and sterile equipment issues were identified within the improvement plan. In addition Councillor Hazell asked for the latest progress in relation to the improvement plan.
- Councillor Higgins – Asked for further information on the anticipated projection on the deficit, and also the level of debt at the Trust. Questioned whether there had been any compromise agreements?
- Councillor Pearson – Questioned the impact of the year on year savings from the base budget on frontline services, and for further information on the deficit.
- Councillor Hayes – Asked for further information on how the Governance arrangements function at Colchester Hospital University NHS Foundation Trust.
- Councillor Graham – Questioned the condition of medical records, and the absence of efficiency savings over a number of years. Is there any assistance from Central Government, or any help that the Council can provide?
- Councillor Willets – Asked for further information on the complaints process at the Trust.
- Councillor Higgins – Questioned whether there is cycle parking for visitors?
- Councillor Harrington – Asked whether there was any assistance that Colchester Borough Council could provide to the Trust, given that the Council has undertaken a number of service reviews.

The following responses were provided by Dr Lucy Moore, Tom Fleetwood and Peter Wilson:

- The collection of information is highly complex. The information is collected by the frontline, and then brought together for business intelligence. The business intelligence function then provides information on request of the teams in form of statistics, such as waiting times. The Trust has also recently introduced a new computer system to undertake the data collection work and a review has been implemented to ensure best use of the information. The Trust also benchmarks against national and international services.
- The Trust plans for the level of activity anticipated across the different departments on a daily basis, it does not directly predict activity based on future population as the services required are commissioned by the North Essex Clinical

Commissioning Group. Work is currently being done to reduce the number of emergency admissions, as this has increased by around 4-6%. This particular trend cannot be fully explained but other Hospitals in Essex are seeing similar results. Each Hospital must have flexibility within its plans, an example of this is during winter when it can be expected that patients may remain in longer in hospital wards than other periods of the year.

- Peter Wilson responded to Councillor Willets question, stating that it is the responsibility of the Board of Directors to run the Trust. There are two classes of Directors. the Executives Directors deliver the strategies and the Non-Executive Directors challenge and formulate the strategy. As part of the Governance arrangements, everyone must be accountable, with improvement plans and appraisals required to ensure the Trust is delivering.
- In response to Councillor Lissimore, Dr Moore stated that she was confident of progress particularly in terms of safeguarding, as work has been undertaken with Essex County Council to develop a programme for training, with clear objectives set and support provided. Responding to the question on Essex County Hospital site, Dr Moore stated that the Trust is looking at the issue objectively; a number of issues still exist including parking and footfall that need to be looked at in detail before progressing. The option to sell the Essex County Hospital site would not be driven by the funds received, as this would not be a long term fix.
- Peter Wilson stated the Trust is aiming to change the culture within the organisation. Implementing the change is a difficult process that needs to be continually communicated and reinforced by actions.
- Tom Fleetwood, Non-Executive Director, stated that the Quality and Patient Safety Assurance Committee, monitor issues like infection control on a rolling basis to ensure they are properly enforced across all wards. If any issues are identified, the relevant Director is required to provide an update at the next meeting. The Trust also has a Board assurance framework and risk assurance register, which has helped to develop the recording and assessing of each risk to ensure the best possible patient care. Dr Moore highlighted that an expert in medical equipment regulations has now been employed to improve the current situation. As part of this an action plan has now been put in place, which is approximately half way through.
- The deficit is yet to be confirmed for the financial year; however the latest prediction is that it will be approximately £21-£24m. As part of the plan discussed with Monitor, the Trust plans to break even again within 5 years. There is also a reduction in the budget of 4% from the base budget, which is being seen by other acute trusts across the country. The Trust is not currently in debt; the Trust began the year with £26m, and now has £4m now remaining. Going forward, the Trust will be required to borrow in the short term. Peter Wilson stated that to the best of his knowledge there had been no compromise agreements.
- Dr Moore stated the cost reduction programme would improve the quality of services. For example by improving the flow of patients, and ensuring that they don't remain too long in the hospital, the cost is reduced and the quality of care is improved. The total recurring deficit is approximately £12m.
- Dr Moore provided an additional answer to a previous question from a Have Your Say Councillor regarding the complaints process. Dr Moore stated that improvements to the process have been made, in terms of responsiveness and understanding the complaints when the issue first arrives. However there is still improvement required.

- Regarding the Council of Governors and the Governance arrangements. Non-Executive Directors are appointed for a three year term and can be appointed for a second term. The Council of Governors are able to appoint the Chair, and disseminate information regarding the Trust to their members.
- In response to Councillor Graham, Dr Moore stated that the Trust is transferring to an electronic system, The Portal, which is currently being implemented. The Trust has undertaken work on systems and processes, and has employed a new officer who is looking to improve the physical and electronic storage. No assistance has been provided by central Government for efficiency savings, however external support has been provided and good progress is being made. In addition the new Director of Finance is providing a fresh challenging approach to efficiencies. The Trust has also welcomed the approach from Local authority colleagues to share experience with efficiency savings.
- Regarding the complaints received, the statistics within the report relate to the year that the investigations took place. The Trust requested that feedback be submitted to ensure that the issues were investigated. Since spring there has been a reduction in the number of complaints being received.
- Dr Moore stated that she would respond to Councillor Higgins after the meeting regarding cycle parking at the hospital sites.
- In response to Councillor Harrington, Dr Moore stated that she had met with Adrian Pritchard, Colchester Borough Council Chief Executive and would like to see continued dialogue going forward, as this provides an opportunity to share knowledge around efficiencies.

The Committee discussed the possibility of submitting a motion from the Scrutiny Panel to Full Council to write a letter to the Secretary of State highlighting the situation at the Trust, and supporting the improvement plan. The Committee decided not to proceed with a motion, but to wait for Colchester Hospital University NHS Foundation Trust to return to the Scrutiny Panel to inform them of progress in the improvement plan.

RESOLVED that –

- a) that Colchester Hospital University NHS Foundation Trust be invited back to the Scrutiny Panel in 6 to 9 months
- b) Colchester Borough Council continue to offer its assistance to Colchester Hospital University NHS Foundation Trust
- c) the Scrutiny Panel thank Colchester Hospital University NHS Foundation Trust for attending the meeting.

31 Half-yearly Performance Report including progress on Strategic Plan Action Plan

Matthew Sterling, Assistant Chief Executive, introduced the report on the Half Yearly Performance Report including progress on the Strategic Plan Action Plan. The report comes to the Scrutiny Panel twice a year, and is then approved by Cabinet.

The Strategic Plan Action Plan provides an update on a number of initiatives, and on the

Council's progress against a set of 14 Key Performance Indicators. At the half year stage there are no red KPI's, 4 amber and 10 green. The indicators that are currently amber are the number of planning decisions which have been overturned after appeal, which are slightly over the target of 30%, at 34%. The rent collected through Colchester Borough Homes is currently slightly below the target level, but is anticipated to be on target by year end. The National Non-Domestic Rates target is also below target for the half yearly stage, and this is due to the way in which payments are spread across the year, as many businesses have changed from 10 monthly payments to 12 monthly payments. The final amber category is the level of sickness at the Borough Council which is 7.27 days in the report, but the latest figures have seen an increase up to 7.6.

The follow issues were identified by Councillors:

- Councillor Lissimore – Is there an issue with pop-up shops and paying business rates?
- Councillor Willetts – Asked for more details on planning appeals, and questioned whether the sickness target should be revised upwards as the target has not been met for a number of years.
- Councillor Higgins – Requested the number of planning decisions that were appealed, and decisions taken by the Committee and those taken by Officers.
- Councillor Pearson – Questioned the figures presented on page 40, with regard to the 20% of affordable homes. In addition, Councillor Pearson highlighted the importance of heritage and tourism in the strategic plan, and asked for an update on devolution developments.
- Councillor Hayes – Congratulated the Council on the improvement of recycling and waste, particularly the collection of food waste.
- Councillor Hogg – Requested that a review of the Neighbourhood Action Panels takes place as a result of the Police withdrawing from attending the meetings.

Matthew Sterling provided the following responses to the issues identified;

- In response to Councillor Lissimore, Matthew Sterling stated he was not aware of the issue of pop-up shops making a significant impact on collections, but that further information would be provided after the meeting. There is however the issue of profile changes for businesses, and appeals on the rateable value of the property. The change in the rateable value can cause a significant impact due to the size of some of the businesses.
- The number of planning appeals lost is slightly higher than the target due to the recent Government changes in policy with the introduction of the National Planning Policy Framework. The service lost no appeals in October, highlighting that the percentage lost over the 30% target is small in terms of actual numbers. In relation to the staff sickness, although the figure has increased recently, it is lower than at this point last year, and so an out-turn better than last year is likely.
- In response to Councillor Pearson, Matthew Sterling stated that the figure on page 40 would be checked. A further reference to heritage and tourism has been included in the new Draft Strategic Plan for 2015-18. With regard to devolution Local Authority leaders across Essex and the Local Enterprise Partnership have looked at submitting a joint letter to the Government to welcome a discussion on devolution. This could be an opportunity to be part of future discussions,

particularly given the size of Essex, and because Essex doesn't currently fit the devolved city model.

- Matthew Sterling stated that the Neighbourhood Action Panels would be reviewed in light of the Police withdrawing from this meeting.

RESOLVED that the Half Yearly Performance Report including progress on the Strategic Plan Action Plan be noted.

32 Fundamental Service Review of Corporate and Financial Management – progress update for the year following the business case

Matthew Sterling, Assistant Chief Executive, introduced the report on the Fundamental Service Review of Corporate and Financial Management. The report highlights progress against the original business case which was agreed by the Cabinet a year ago.

Matthew Sterling stated that when the process began Corporate and Financial Management had approximately 100 officers working across 10 departments. Within the team, officers would be completing both specialist and process driven work. There were also a number of single person roles and smaller teams, which hampered contingency and communication. Prior to the Review, the Corporate and Financial Management Service had maintained good customer feedback.

As identified at the beginning of the process, there were three goals for the business case. The first was to implement a new operating model for the service. The second was to improve efficiency and the third was to enable the service to be more customer focused resilient and sustainable.

The implementation of the new operating model reduced the number of general managers from 10 to 4, streamlined the overall staff resource by 12% and separated the process elements from the specialist tasks. Prior to the review there were a number of separate job titles and roles within the service, which as now reduced by 47%, leading to greater resilience within the team. In addition, smaller teams were moved into larger teams, for example the CFM facilities team have now been moved into Colchester Borough Homes facilities team. The events team were also moved, and placed within the Charter Hall team.

The new structure has been in existence for a total of 6 months, and is currently on track to save the £250,000 for 2014/15, with a full years saving of £300,000.

With regard to the third goal, Corporate Financial Management remains customer focused, with members of staff identifying a new approach to customers called PITCH, an acronym for Professional, Informed, Timely, Clear and Holistic.

The next steps for Corporate and Financial Management are for the remaining vacant posts to be filled, and that further training is provided for staff. The management team are also meeting to formulate the CFM service plan for the next two years.

Councillor Willets questioned whether there was any quantitative information on top of the existing qualitative responses provided within the report. Matthew Sterling stated that the service was starting from a high point in customer satisfaction. Whilst there are no quantitative responses provided within the report, the service is audited regularly and has a number of checks in place. Senior management feedback is also regularly provided as CFM is an internal facing service.

RESOLVED that the Fundamental Service Review of Corporate and Financial Management be noted.