SPECIAL CABINET: MINUTES

Date: 20th March 2006

Time: 9.00 a.m. – 9.48 a.m.

Present: Councillor J K Walters (Chairman)

Councillors: S F Johnstone L W McGuire L J Oliver, D R Pegram, J E Reynolds, J M Tuck and F H Yeulett.

Also in Attendance

Councillor: J West

Apologies: Councillors V H Lucas and J A Powley

146. DECLARATIONS OF INTERESTS

Councillor S F Johnstone declared a personal interest under Paragraph 9 of the Code of Conduct in relation to agenda item two, as a Non-Executive Director of Addenbrooke's Hospital NHS Foundation Trust Board. She did not believe that the appointment constituted a prejudicial interest.

147. NATIONAL HEALTH SERVICE (NHS) REFORMS ENSURING A PATIENT LED NHS

Since the initial Cabinet discussion and decision on 28th February on the recommendations to be made to Council on the NHS health restructure proposals, further information had become available concerning Peterborough Primary Care Trust (PCT) and Peterborough City Council's views on the issue of the options for future PCT arrangements. As a result, the Leader of the Council in consultation with the Chief Executive had called a special meeting of Cabinet to further examine the available options in advance of the Council meeting on 28th March.

At the last meeting having considered a number of options including calls for a separate Huntingdonshire PCT, Cabinet gave their main consideration to two options, a combined Cambridgeshire PCT that included Peterborough PCT, or a Cambridgeshire PCT excluding Peterborough PCT. After a debate, the Cabinet had narrowly agreed the combined PCT option including Peterborough.

Given the weight of the issue and the strong views that had emerged, as well as the close decision and the differing views expressed at the previous meeting, it was considered appropriate that Cabinet should have the opportunity to hear and discuss further the views of the above organisations

and then in the light of this new information, to review their earlier recommendation to the full Council on 28th March.

It was reported that the combined Peterborough PCT board met on 1st March 2006 and unanimously agreed to support the option of separate PCTs for Peterborough and Cambridgeshire. Peterborough City Council's Cabinet had subsequently met on March 6th and had also agreed to support the option of separate PCTs for Cambridgeshire and Peterborough. Their decision was based upon the following critical factors:

1) The proven achievement in Peterborough of improved services, improved outcomes and improved collaborative arrangements between locally based organisations to patients and the public over the last 5 years, and the vision, drive and capacity to inspire and sustain future developments and further improvements without dismantling existing collaborative and governance arrangements.

2) The unitary and coherent sense of purpose which pervaded many services and organisations in Peterborough, based upon Peterborough's unique socio-economic features within the geography of Cambridgeshire. Keeping separate PCTs would be coterminous with top tier local authority boundaries.

3) The public patients response to the City Council's own consultation about the two options who were overwhelmingly in support of a separate PCT for Peterborough.

Chris Towns the Chief Executive from the combined Peterborough PCT was invited to present the case for the PCT board. On the issue of separate PCTs, he made the following points:

- The level of integration that had taken place between health and social care in Peterborough was recognised by the Government as a national beacon benchmark for integration elsewhere.
- That the growth monies/new monies put in for health care services by Peterborough needed to be protected and ensure it continued to be targeted at local level.
- That the consultation undertaken recognised that the PCT Board were not proposing to continue with the status quo, as the make up of the population would be changing under the options for revised arrangements.
- Fixed management cost savings still required to be made (15% or £3m).
- Changes that had occurred recently included the Secretary of State issuing new powers to resolve PCT budget deficits confirming balanced budget allocations to PCTs, which maintained the current level of funding in order to protect services. No new monies were being brought forward to enable the restructuring and repayment of the debt over 2 years. Those PCTs in profit would contribute to those who had made losses in order reach a balanced budget position.

- Interest in Practice Based Commissioning was developing well and any new proposed arrangements would need to ensure that a strong locality balance was maintained.

In answer to some questions raised, it was confirmed that with either option there was not an expectation that the County Council's contribution to the shared pooled budgets would increase on that already agreed. It was recognised that few savings would be made in the first year until the final decision on the new PCT structures was agreed, and the likely cost of financing redundancy costs etc became clearer. However, it was highlighted that other savings could accrue as a result of continued health and social care integration.

From Peterborough PCT's point of view, any merger with a combined Cambridgeshire PCT and subsequently having no separate management arrangements would result in a loss of local control. It was highlighted that Peterborough's geographical location had resulted in a history of deprivation, requiring local intervention measures. There were also serious concerns that if a merger went ahead, extra monies already allocated to tackle local deprivation issues could be diluted, and some of these extra resources might be redirected to local PCT pressures in other parts of Cambridgeshire.

Councillor Graham Murphy the Cabinet member for Health and Adult Social Care Services from Peterborough City Council had also been invited and given the opportunity to speak. He stated that it would be a gross and over simplified mistake for anyone to argue 'that both Councils have similarly integrated services with the NHS'.
He made the following specific points:

- There were significant differences in the extent of current integration with Health between Peterborough and Cambridgeshire. Cambridgeshire County Council had retained direct management of services for adults with learning and physical disabilities and some aspects of services to Older People [such as contracting with independent social care providers]. Cambridgeshire County Council commissioned Mental Health adult care services from a Mental Health Trust.
- In Peterborough adult and older people's services had been transferred to the direct management of the NHS through the Greater Peterborough Primary Care Partnership via a formal governance agreement with the City Council and an annual accountability agreement.
- Peterborough as well as being seen as a national bench mark for integrated services was well on the way to being in line with the new Government White paper requirements.
- Peterborough and Cambridgeshire had a different geography, different development and over the last 5 years fundamentally different challenges in the foreseeable future.
- In Peterborough the local authority had transferred to the NHS all of the responsibility for determining strategic direction, setting operational priorities, commissioning, service management and

performance review for all adult social care services, including transferring the employment of all staff across services for:

Older people
Physical and Sensory disability
Mental Health
Learning Disability

- Peterborough City Council had retained only statutory accountability arrangements and their part in the joint governance agreement through a local accountability agreement.
- Cambridgeshire County Council had retained direct responsibility for all of these aspects in relation to Physical and Sensory Disability, Learning Disability (indeed doing the opposite – taking on responsibility for specialist Health Services), some aspects of services to Older People (including the setting of strategic direction and all of the contracting with independent social care providers) and commissioning social care services with the NHS for Mental Health.
- One Council or the other would have to fundamentally dismantle what it had achieved in the last 2 years and more, or both would have to 'start from fresh' again and agree a third alternative with all the disruption that would entail to users of services, carers and staff. No new PCT would effectively and cost efficiently be able to operate with 2 such different arrangements. His view was that it would defeat all the arguments about 'cost saving'. The fact that there would need to be adjustment affecting a population in total of 35,000 people in Huntingdonshire and Fenland (adjoining Peterborough) was not an argument for doing the same to approaching 200,000 people and all of the service infrastructure in a city.
- More specifically he indicated that the two councils had different arrangements and would need to make fundamental changes in respect of:

  - Eligibility criteria in relation to adult care services
  - Charging arrangements for adult care services
  - Integrated Children's services
  - Transition arrangements for children with disabilities approaching adulthood
  - Housing and Supporting Housing, Disability Facilities Grant and major adaptations – these were very different in a unitary authority from a two-tier county with change implications for Cambridgeshire District Councils. This would be complicated further when it was considered that Peterborough City Council no longer had a housing stock, only agreements with Registered Social Landlords
  - Contracting for services with independent sector service providers – private and voluntary. Cambridgeshire had arrangements within the County Council for all Adult and Children's Services.
  - Local partnership arrangements – Peterborough was a specific, coherent, clearly defined, urban environment with almost all services, organisations and activities operating on

a city basis, features emphasised and developed in the decade since it had become an Unitary Authority. Cambridgeshire he contended was fundamentally different, with a mix of city, small town and rural county. It was therefore sensible that for most of its NHS services, excepting those which were more specialist, there should be separate arrangements in Peterborough and Cambridgeshire.

- Governance of such a configuration would be difficult. All areas, districts/towns/cities would have and would seek to have separate needs and the decision making body on one larger PCT would only have a certain number of positions for representation of those areas. In the mass of such a Board meeting, no guarantees could be made that decisions would benefit all the people in such a large and totally different make up of areas.
- Peterborough had its own Local Strategic Partnership (the Greater Peterborough Partnership (GPPCP)) and was using this to deliver its Local Area Agreement. GPPCP was a key player within this arrangement. He was not convinced that a combined Cambridgeshire and Peterborough PCT would remain as committed as GPPCP were to Peterborough locality issues, and also raised the point of whether in reverse, Cambridgeshire could be convinced that unitary district or town Members would be as committed to Cambridgeshire's issues.
- Two different Health and Social Care scrutiny committees would not be able to operate with an anticipated outcome that satisfied the whole county as there were different health needs for the two geographical areas.
- Two different PCTs would still be able to collaborate on special locality arrangements in terms of each other and the commissioning NHS bodies on acute hospital services provided in Peterborough.

Councillor Murphy closed by reminding the meeting that the decision to be taken was not a political decision rather a decision for the health provision of the whole of Cambridgeshire and Peterborough.

In answer to questions raised, it was confirmed that General Practitioner (GP) practices in villages on the outskirts of Peterborough such as Yaxley and Farcet, which were currently part of Peterborough PCT, would transfer to Cambridgeshire, even if two separate PCTs were created. A PCT coterminous with the County Council would remove current problems regarding the different social care arrangements. Whittlesey would also come into Cambridgeshire.

In terms of children's services, it was noted that Peterborough were working towards the transfer of some health care staff, such as health visitors, to the local authority. Although much work had been undertaken within Cambridgeshire to establish closer working relationships with Health, there were no plans for a similar arrangement. The new arrangements for

children's services in Cambridgeshire would create locality teams, coterminous with County Council boundaries.

The County Council's Director of Adult Services supported the view that it would be very difficult to manage social care services in a combined PCT, bearing in mind the different needs of the local communities. She preferred the model that Cambridgeshire had created. In her view it would be easier to manage and influence the delivery of future services through provider contracts with a co-terminous PCT.

It was noted that in London and in other parts of the country, the NHS supported coterminousity with unitary boundaries. All existing London PCTs were expected to continue unchanged and were all coterminous with their unitary boundaries. It was noted that in population terms, the new Peterborough PCT would be larger than a number of London Boroughs, where single PCTs were expected to continue. The population for Peterborough City was currently 170,000 but there was a commitment for future growth up to 225,000. Greater Peterborough PCP serves a population of about 220,000 and it was expected that there would be a loss of 50,000 to 55,000 in population in redrawing boundaries with Huntingdonshire and Northamption etc, aligning the population with Peterborough City.

It was reported that the current report had been sent to the relevant SDG to consider any revised response following on from their original recommendation that there should be a combined PCT, including Peterborough. Only one SDG member response had been received and this still supported the SDG's original recommendation for a combined PCT for Cambridgeshire, to include Peterborough.

It was reported that Michael Lynch the Chief Executive for Huntingdonshire PCT had made further representations that had: been passed via e-mail the previous Friday to Cabinet members and Group Leaders. In it he made the following points:

- He disagreed strongly with the reference in paragraph 2.9 of the original report to the 28th February Cabinet meeting that each additional PCT created, deflected £0.5m per annum from front line services to meet management overheads and stated that this paragraph should be deleted from the paper.
- That the report should indicate that patients and the public of Huntingdonshire would be financially penalised by the proposed choices.
- The need to take into account the House of Commons Health Select Committee's unanimous evidence based findings that the current Strategic Health Authority proposals for the changes to PCT structures had been based on unproven, unsubstantiated assertions.
- The underlying reasons for Cambridge City and South Cambridgeshire PCTs budget overspends would not be addressed by the reconfiguration proposals and as a result, Huntingdonshire's community would have to share the debt incurred.

- The report was silent on the potential implications for District General Hospitals within PCT areas of the proposed reconfiguration.
- That in view of East Cambridgeshire and Fenland PCTs wish to also remain the same and also the lack of meaningful support for the SHA case, Cabinet should reach a different conclusion from the main two options being presented.

With regard to the above, advocates of the suggestion to support separate Huntingdonshire and East Cambridgeshire and Fenland PCTs, (in effect to maintain the current status quo on PCT structures in Cambridgeshire) had suggested that this approach would find more favour in Whitehall. This had been checked out and appeared to be entirely without foundation. Cabinet therefore rejected support for an option of keeping the current PCT structures in Cambridgeshire, which was also not an option included in the consultation document.

Councillor Huppert had requested that Cabinet should be reminded of his views whereby he believed strongly that PCTs should be co-terminously structured with upper-tier council boundaries, and should also be scrutinised by them. Ideally he would like them to be democratically accountable and run by those councils.

Having considered and debated the issues on the different options and having taken into account all the views and the additional information provided, a vote was taken on the support for a combined PCT including Peterborough against separate PCT arrangements for Peterborough PCT. The majority of Cabinet
present at the meeting (voting 5-3 in favour) supported separate PCTs for both Cambridgeshire and Peterborough. This would now be the revised recommendation to go forward to Council.

In respect of the other National Health Services (NHS) consultations on the future shape of the Strategic Health Authority (SHA) and the Ambulance Trust (AT), it was still the Cabinet's view to support the options for both a combined Strategic Health Authority (SHA) and Ambulance Trust proposals as agreed at the last meeting.

It was resolved:

i) To confirm the County Council response on the Strategic Health Authority (SHA) and Ambulance Trust proposals to support:
   - A single SHA for the East of England
   - A single ambulance trust for the East of England.

ii) That the Council meeting on 28th March should be asked to agree that the County Council's proposed response to the SHA proposals for the future PCT configuration for Cambridgeshire should be to support

separate PCT arrangements for both Cambridgeshire and Peterborough.

Chairman
18th April 2006