

13th June 2006

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Dear Mr Holden

**RE: QUESTIONS RAISED AT HEALTH OVERVIEW AND SCRUTINY
COMMITTEE**

Thank you for your helpful comments and observations in relation to the proposed savings plans as part of the Provider Services in Wyre Forest PCT. We are also grateful for your questions and points for discussion and apologise that we do not appear to have been provided with these prior to the meeting and therefore we were unable to answer them all on the day. As requested however, I outline a response to all of your questions which I will take in turn.

1. Redefine Admission and Discharge Criteria for Occupational Therapy and Physiotherapy

Our proposals around Occupational Therapy and Physiotherapy are still being finalised. The clinical staff have identified a range of possible changes to the Admission and Discharge criteria. They are currently reviewing this in light of guidance from professional bodies. We should be able to provide you with the exact data in the next few weeks.

The likelihood of people being readmitted as a result of early discharge is constantly on our agenda. However, with new and increasing medical technologies and increasing systems and equipment to support people at home we are aiming to keep this to an absolute minimum. One of the key issues we need to review in relation to Occupational Therapy and Physiotherapy is the interface with Acute and PCT therapists as many patients will have input from both Therapy teams and we are keen to ensure there is no duplication and seamless transfer for the patient where that is appropriate.

2. Savings on Paediatrics and services for the Elderly

As we explained at the Committee meeting 50% of the Wyre Forest Provider budget relates to the countywide Specialist Children's Services. The bulk of the remaining budget provides services for elderly people. We are well aware that both of these groups are potentially vulnerable and we would not wish to impact any further than absolutely necessary on services provided to either group. As you will

recognise however, because they form the bulk of our funding, some impact is inevitable. Wyre Forest PCT has a history of investing in and supporting people in their own homes. This is demonstrated by the investment in the Intermediate Care Service, our input into the recent Extra Care schemes, encouraging referrals from paramedics to community nurses and the introduction of the community matron role.

We have been very careful when we are considering proposals to implement changes which are based on Best Practice/evidence and hope that some of the things we are doing relate to redesign of the service and stopping interventions which are seen to be less clinically effective. We therefore genuinely hope that this will not lead to deterioration of care although we do recognise that some of the proposals may result in increased waiting times for some client groups.

You refer to the Intermediate Care beds and I would stress, as outlined at the meeting, that this is not one of our preferred options for savings and certainly needs to be subject to much more detailed work in relation to the impact on possible admissions at Worcester Acute Hospital before we would be in a position to progress this.

3. Temporary reduction of beds on Wyre Forest Community Unit

The proposal is to reduce the number of beds by 5 from a total of 20 to a total of 15 on the Wyre Forest Community Unit. We would only be able to do this if we had sufficient intensive community support to support the clients who would therefore be unable to be admitted.

As outlined above and at the meeting it is not one of the most popular options and proposals amongst our own staff and GP's and we are in the process of doing more detailed analysis on this before we make a decision whether we wish to move this forward.

4. Temporary reduction of beds on Community Unit – meeting with John Rostill

You refer in this question to a meeting with John Rostill and with promises of an increase from 16 to 28 beds in the Minor Injuries Unit. We clarified at the Committee that you were referring to the beds in the Treatment Centre.

These beds are managed by the Acute Trust and therefore you need to see clarity from John Rostill on the exact plans in relation to these beds.

We currently manage 20 Intermediate Care step up beds, ie referral from GP/admission avoidance beds on the Wyre Forest Community Unit. In addition the Acute Trust manage the Cookley Ward which has 16 rehabilitation/step down beds. This ward is also based on the Kidderminster site.

5. Wyre Forest PCT Under-funding

As we outlined at the Committee Wyre Forest PCT receives 4.7% below its fair share of allocation for the local population. If the PCT were still in place this would have been reduced to 3.5% in 2007/08. This was why in our submission which supported the establishment of a single PCT, we made this conditional upon the ring fencing of this additional resource allocation to Wyre Forest to be included in the establishment order of the new PCT for Worcestershire.

As outlined at the meeting Wyre Forest broke even during 2005/6. Hopefully at the meeting we clarified the reasons why we continue to have a significant problem going into 2006/7 and I attach again my summary of the financial position and pressures for your information. Clearly going into a new PCT any new deficits will need to be picked up and addressed by the new PCT and we are keen to ensure that Wyre Forest residents receive the most appropriate and best deal that is possible through this process.

6. Increase in elective procedures

There is an active strategy to maximise the use of the Kidderminster Treatment Centre both by the PCT's in consultation and agreement with Worcester Acute Hospital Trust. You will also be aware that the Independent Sector Treatment Centre is open and has been increasing its workload and the number of procedures covered on a steady basis. The staffing changes related to these procedures need to be determined by the Acute Trust as and when required.

7. Vacant jobs in Children's Services

As outlined at the Committee we will not be filling all vacant posts as some of these posts will be needed to contribute to the savings plan. We are however, not prepared to take out vacancies on an arbitrary basis and are looking to ensure all services only address their fair share. We cannot, however, guarantee that none of these posts will be in key areas because as outlined above, 50% of our budget is in relation to Specialist Children's Services.

8. Future cost implications for cutting Children's Services

We share your concerns about potential reduction in any service to children within Wyre Forest. We do however have a statutory duty, as you are aware, to break even and need to consider this very carefully.

The protection of children and the safety of the services are always foremost in our mind. The PCT identified the development of Children's Services as a priority for the PCT and as soon as the resource allocation allows and the situation improves, I have no doubt that there will be a commitment to review the resources in Children's Services and ensure they are appropriate and fit for the future.

9. Delayed Child and Adolescent Mental Health Service expansion

Child and Adolescent Mental Health Service expansion has been funded historically by ring fenced money calls the CAMHS grant. This money is now in PCT baselines. A 10% expansion of CAMHS has been expected year on year and the PCT had plans to expand the service during 2006/7. Due to the financial position we propose delaying this expansion until April 2007. In reality because of the time delay to recruit these highly specialised staff working in this service, I would anticipate that we would progress with advertising at the beginning of the new calendar year to ensure that the expansion and the additional posts could be put in place as early as possible during 2007/8. The saving has been calculated by looking at the additional posts we are planning to put in based on the current salary levels and on-costs for these posts.

10. Mechanism to have representatives at the highest possible level of discussions

You may be aware that Janie Thomas, the Chair of the Patient Forum is a member of the Trust Board with speaking as opposed to voting rights. There is regular contact between the PCT and Janie. The PCT officers regularly attend the patient and public involvement forum to discuss a range of issues. In addition there is a very well established network of patient participation groups for general practice in Wyre Forest. The Chairs of these groups meet regularly with PCT officers, Janie Thomas and the non-Executive Director Lead for Patient Involvement, Stella Keysell.

Wyre Forest has local patient and public representatives on all of its clinical working parties and takes its responsibility to consult and involve the public very seriously.

11. Why are we going to be merged into a Worcestershire Primary Care Trust when other PCT's with smaller populations stay as they are?

As you will be aware Commissioning a Patient-led NHS set out a range of criteria that PCT's had to meet to be considered for reconfiguration. There were specific priorities including co-terminosity with the Social Services boundaries one of the highest priorities identified.

The consultation was conducted and the proposals submitted by West Midlands South Strategic Health Authority. They had to take into account all of the requirements in Commissioning a Patient-led NHS and certainly in the case of Worcestershire, the importance of co-terminosity with Worcester County Council was high on their agenda.

The other significant issue in relation to Wyre Forest was our size. We were struggling both with managerial capacity and with our ability to achieve financial balance. These two factors together were key in the proposal to move forward with the Worcestershire Primary Care Trust.

Although there will be a very small number nationally of PCT's of similar size to Wyre Forest, there will be none in the West Midlands.

12. MIU and PCC

The PCT has an Urgent Care Group which has for a number of years been actively working on the integration of MIU/PCC. This is more complex than it may initially sound as the first is a 24 hour nurse led service, providing service to people with a minor injury. The latter is a service providing Out of Hours care when general practice is closed to people with a minor illness. As a consequence the staff have different competencies and skills and the need for medical input is different.

The Out of Hours Service has also recently introduced an appointment system as part of the agreement for the Out of Hours service which as you are aware, is run across the whole of Worcestershire. This development is in line with the vision outlined in the White Paper "Your Health, Your Care, Your Say".

You refer to reduction of patient and ambulance journeys to Worcester. Certainly the evidence suggests that the number of ambulance journeys to Worcester from the MIU and PCC are minimal and clinically appropriate. I do however accept and recognise your point that patients are unsure which service to access and this may result in them travelling to Worcester.

We have undertaken a range of initiatives to further integrate the MIU and PCC and encourage closer working collaboration and core skills. The services do however, continue to be run by two different trusts and will recognise that this is not ideal.

Janie Thomas and the Patient's Forum have been very actively involved in seeking patient views on this service and as a consequence we have been running an on-going campaign with the media both through local radio and newspapers and publications such as Health Wyre to try and ensure that the local public are clear how they access the services. We have also introduced a joint reception for the services so that an individual attending the centre can be seen by receptionist staff from either service. These services are, as you correctly state, located side by side and we have considered greater flexibility around the rooms and availability. We are also keen to take opportunities where they arise for joint posts, for staff working across the two units to increase the flexibility and relieve at times of pressure.

We will continue to progress this agenda.

13. Certainty that the reduction of staff will achieve the necessary savings and over what period of time

To save £1M we need to reduce the staffing by approximately 31 staff at a band 6 salary level. Clearly some of our savings proposals will not impact on band 6 staff so this number is not a finite number but is

merely useful for illustrative purposes. We have in excess of this number now (currently over 42 vacancies) so are confident that we can reach the required saving. We have been undertaking an exercise to map out the vacancies that we currently have and fair share split of vacancies to make the savings. Over a period of time we will be adjusting the vacancies to make sure it has been fairly and equitably implemented.

We have not currently offered staff early retirement or voluntary redundancy because of the costs associated with these two packages given our financial position. We have also not felt it necessary as we have sufficient vacancies in the system to enable us make the required savings.

Our turnover has historically been around 10% and whilst it is slowing slightly, the number of leavers is still in excess of the number of starters each month. This should therefore afford us opportunity to balance out any anomalies. If staff however, wish to take early retirement in accordance with our normal policies or take a break from working and career break opportunities then they are very welcome to do so and we would obviously actively support them in this vein.

You will also be aware that a number of the vacancies to make the wider PCT savings relate to corporate functions and these savings are anticipated to be made between July and March 2007 as the reconfiguration progresses.

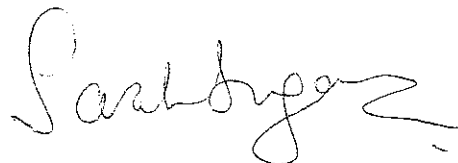
I hope this provides sufficient detail in response to your questions. Thank you for raising these issues with us. I note that you have invited us to attend your meeting on Friday 23rd June at 6 pm and we would be very willing to attend this meeting. We have liaised with Rachel and have the necessary details.

I look forward to seeing you then.

Yours sincerely



Eamonn Kelly
Acting Chief Executive



Sarah Dugan
Director of Clinical Services

Att

cc: Sandra Connelly
Health Overview and Scrutiny Committee Support Officer
cc: Steve Geraghty
Health Overview and Scrutiny Committee Chair

Wyre Forest PCT
Allocation of Additional Resources 2006/07

	£m
Allocation Increase	(10.4)
STHA Bank Withdrawal Includes 2005/06 Deficit	4.7
2004/05 Deficit to Be Repaid	1.0
Impact of Movement to National Tariff Under PbR	0.8
Counting Changes in the Acute Sector	0.6
Revised Resource Available	(3.3)
Recurrent Local PbR Rebasing	0.7
Inflation Funding 2006/07	4.0
Rebasing of Budgets	1.0
PCT Recurring Baseline	2.4
2006/07 Developments and Pressures	7.8
Less Development Deferrals	(2.4)
Updated Baseline	7.8
Savings Target - Unidentified	(2.5)
Savings Target - High risk	(1.1)
Savings Target - Medium risk	(1.8)
Savings Target - Low risk	(2.4)
Balance	0.0

Note: Wyre Forest Allocation Position

	WF Allocation £m	Capitation Target £m	DFT £m	DFT %
PCT 2006/07 Allocation	124.0	130.1	6.1	-4.7%
2007/08 Resource Uplift	13.5			
PCT 2007/8 Allocation	137.5	142.4	5.0	-3.5%