

PPI Sub-Committee Meeting Report, 10th November 2009

1. This was a particularly interesting and apposite meeting because Paul Bates, Chief Executive of NHS Worcestershire, came specifically to inform the Sub-Committee of the expected financial situation. He was matter of fact and it was very useful to hear it very clearly explained by “the man at the top” because there have been some rather sensational headlines in the local press. I attach a copy of the paper prepared by the NHS Worcestershire Director of Finance which WAVOCC members are welcome to read if they so wish; it is rather dry but again is clear. Here are the main points that Paul made:
 - a. NHS Worcestershire was in surplus last year by £4.8m, has no current deficit and expects to achieve a similar surplus this year. They have worked very hard to reach this successful position, which is much better than some of our neighbouring PCTs, and will strive to maintain such financial strength and governance at all costs. Paul feels sure that those overspending Trusts, which have in the past looked to Whitehall to bail them out, will not be able to do this time.
 - b. Although the public may feel that the country may be coming out of recession, the reality is that the public sector is facing an enormous challenge due to the public debt, which has to be recovered. Politicians of both major parties may say that there will be no “slash and burn” but the restoration of the public finances will be painful over the next 5-10 years.
 - c. NHS Worcestershire will have a 5.6% uplift for next F/Y (10/11) but the following years are no known. The PCT is planning for 0% uplift from F/Y 11/12 onwards; at the same time it is expecting a 0.5% increase in population, Continuing Healthcare demands to continue to increase, increasing costs of drugs, rising demand from diseases, not to mention inflation, planned salary increases and pressure from the public sector pensions, and the intention to increase spending in its own identified 7 priority areas.
 - d. Against a current budget of £800m NHS Worcestershire expects to have to achieve a £20m saving in 11/12, £40m in 12/13 and £60m in 13/14. This will be a huge challenge. The NHS intends to use the QUIPPPP process to achieve this. Q is maintaining **Quality** of service. I is to seek **Innovation** in service delivery. P is to gain maximum **Productivity**. P is to spend money in the **Prevention** of ill health, thereby saving treatment costs. P is to make the most out of possible **Partnerships** (i.e. many WAVOCC members?). P is to **Prioritise** services; this could in the end be the dominant P.
 - i. Paul does not feel that QUIPPPP alone will achieve the savings required and so he feels that the two previously unmentioned subjects of pay and pensions will have to enter the debate.
 - ii. Acute services are very costly, therefore they will invest in services which will stop patients going into hospitals. They may also examine the tariff that Acute Hospitals are paid under Payment By Results. In London they are aiming to reduce Acute Hospital Admissions by 40% in 5 years.

- iii. Locally, there is inconsistency among some Worcestershire GPs who have the highest referral to hospitals rate in the West Midlands and some who have the lowest. Why? Similarly, there are some GPs who have the highest drug prescription costs in the region, and others who do not. Why? Such variations will be closely examined.
 - iv. NHS Worcestershire and Worcestershire County Council will look at the possibility of sharing administration and management costs.
 - v. He acknowledges that there is no point in coming up with solutions that wreck local providers – that will just shift the problem elsewhere.
 - vi. NHS Worcestershire aims to keep the very small surplus generated this and last year in order to meet any unexpected expensive service that may arise.
 - vii. One problem that arises is the statutory requirement to deliver some services, which if they failed to do so would constitute breaking the law. Paul said that there will have to be some legislative changes made in Parliament.
 - viii. NHS Worcestershire is examining what actions they can take now, prior to the necessary cuts starting from 11/12 onwards; for example, not commissioning any new services.
 - ix. He acknowledged that he cannot expect the public to support all the actions that will have to be taken, but hopes that he can gain understanding of why they are necessary.
- e. Having made the general point that the first budget after the General Election will almost certainly leave all of us with less disposable income to support local charities who are the Partners of NHS Worcestershire in service delivery, I took the opportunity to question Paul on the recent speech made by Mr Burnham, Secretary of State for Health, about the NHS being the “preferred provider”, and the subsequent letter sent out by the CEO of the NHS trying to explain exactly what Mr Burnham had wanted to say. Paul agreed that this speech had been most unhelpful and was probably made to placate the unions. A key paragraph in the CEO’s letter is near the bottom of the second page which says: *We remain committed to the participation of independent and third sector providers where this is the right model for patients – for example, where we need new services/service models, or substantial increases in capacity, or to offer increased choice to patients or to stimulate innovation.*

2. After that the remainder of the PPI meeting was relatively mundane.

- a. There will be possibly two more places for WAVOCC representatives on the PPI Subcommittee.
- b. The PCT will be providing training for all those involved in Public and Patient Involvement.
- c. Please can those stakeholders who have been asked to contribute to the electronic survey of NHS Worcestershire’s performance on World Class Commissioning participate? Their views are important.
- d. LINK Update was:

- i. Maternity services are OK and this subject will be dropped for the moment.
- ii. They are doing an anti-coagulant survey.
- iii. The response times for ambulances are not hitting their target in some areas, strangely, particularly not where the ambulance stations are located because the vehicles may actually be pre-located closer to better road communications. The Ambulance service is looking into response times.
- iv. LINKs is asking the University of Worcester to carry out an on-line and paper survey of carers in January with a report to be completed in March 2010.
- v. LINKs is concerned at decisions made by the 3 Counties Cancer Network which may result in the Head and Neck Cancer Service at Worcester Royal Hospital closing. It has concerns about the impartiality of the Network and is investigating.

Report provided by Mark Jackson, WAVOCC Representative