Agenda No 2

AGENDA MANAGEMENT SHEET

Name of Committee	**Health Overview And Scrutiny Committee**
Date of Committee	**03 March 2006**
Report Title	**Strategic Health Authority, Primary Care Trust and Ambulance Trust Consultations**
Summary	Report and appraisal on the consultation process for the reconfiguration of Strategic Health Authority, Warwickshire Primary Care Trusts and Coventry and Warwickshire Ambulance Trusts
For further information please contact:	Alwin McGibbon Health Scrutiny Officer Tel: 01926 412075 alwinmcgibbon@warwickshire.gov.uk Tricia Morrison Corporate Review Team Manager Tel: 01926 736319 triciamorrison@warwickshire.gov.uk
Would the recommended decision be contrary to the Budget and Policy Framework?	No
Background papers	Responses from Borough, Districts, PPI Forums and the public. Consultation Documents for Reconfiguring SHA, PCT and Ambulance Trust

CONSULTATION ALREADY UNDERTAKEN:- Details to be specified

Other Committees	☐	
Local Member(s)	☐	
Other Elected Members	☒	Cllrs Jerry Roodhouse, Marion Haywood, Anne Forwood and Raj Randev
Cabinet Member	☒	Cllrs Colin Hayfield and Bob Stevens
Chief Executive	☐	
Legal	☒	Victoria Gould
Finance	☐	
Strategic Directors	☒	David Carter
District Councils	☐	

Health Authority	☐	
Police	☐	
Other Bodies/Individuals	☐	

FINAL DECISION

SUGGESTED NEXT STEPS: Details to be specified

Further consideration by this Committee	☐	
To Council	☒	For Consideration 14th March 2006
To Cabinet	☐	
To an O & S Committee	☐	
To an Area Committee	☐	
Further Consultation	☐	

Agenda No 2

Health Overview And Scrutiny Committee - 3rd March 2006.

Strategic Health Authority, Primary Care Trust and Ambulance Trust Consultations

Report of the Strategic Director of Performance and Development

Recommendations

1. That Health OSC consider this report in the light of the presentation from the Strategic Health Authority to Health OSC on the 18th January 2006 and to Council on the 21st February 2006.

2. That Health OSC formulate their response and submit it for endorsement to Council on 14th March 2006 in relation to the proposals from the Strategic Health Authority on the reconfiguration of:

- Strategic Health Authority
- Primary Care Trusts
- Coventry and Warwickshire Ambulance Trusts

1.0 Health Indicators for Warwickshire

The Government's aim is that the changes in the way NHS and care services are delivered will reduce health inequalities and increase life expectancy for those living in deprived or disadvantaged areas.

To put the consultations in context there are two specific areas, which are likely to increase or maintain demand for health services in Warwickshire over the coming years.

Firstly the Warwickshire population has increased by more than 61,000 since the 1970s. Most of the population growth has arisen from people migrating from other areas outside the county rather than an increasing birth rate. Warwick and Stratford Districts have seen the highest rate of growth and is expected to increase significantly by 2021. This growth has added to what is already an increasing older population, with the likely increase in demand for health and social care services in the future.

Secondly there is an existing demand on health resources in areas of deprivation and disadvantage. Most of this demand is concentrated in Nuneaton and Bedworth and North Warwickshire Boroughs. There are also pockets of deprivation in Warwick, Leamington and Stratford.

The main methods used to identify areas of deprivation and disadvantage in Warwickshire are Jarman and Townsend indices[1] and the 2001 Census information on people with long-term limiting illness, general health not good, providing unpaid care and providing care for more than 50 hours a week[2]. (For further information on deprivation and disadvantage in Warwickshire reports are available via www.warwickshire.gov.uk or Warwickshire County Council's Research Unit)

Mortality rates are also used to monitor the health of the population. They are also proxy measures of social deprivation or morbidity and often become indicators of the need for health or social care.

Standardised Mortally Rates (from all major causes of death 2002 – 2004)
This table uses standardised mortality rate (Average in England = 100)

SMR	North Warks	Nuneaton & Bedworth	Rugby	Stratford	Warwick
All Causes (all ages	107	110	101	92	91
CHD < 75	96	122	88	71	72
Stroke (all ages)	102	120	98	102	95
All Cancers (all ages)	103	100	97	91	85
Bronchitis & Emphysema (all ages)	100	98	64	30	59

Health Compendium Indicators 2002-04 (from www.nchod.nhs.uk)

The mortality rate for all major causes of death, in the north of the county, is significantly higher than the average. Looking at the causes of death, residents in Nuneaton and Bedworth Borough are more likely to die from coronary heart disease or stroke than those living in Stratford or Warwick Districts.

2.0 Government's Proposals for Health in the Future

2.1 The recent White Paper – Our Health, Our Care, Our Say: A new Direction for Community Services (2006) envisages that there will a shift from the acute NHS sector (hospitals) into the community. There will be a renewed focus on maintenance of well-being, giving patients more choice, control and a voice in the way services are planned and delivered; and a better deal for people with long-term conditions and their carers.

2.2 The White Paper emphasises collaboration between local health services and social services departments as a keystone for delivery. It contains a number of suggestions and hints as to how the government intends to develop the accountability of the newly configured services and user representation in them. The White Paper has been published while consultations over the future shape of SHAs, PCTs and ambulance trusts are all underway. The views on governance of the reconfigured services in the White Paper are particularly pertinent.

[1] Quality of Life in Warwickshire 2005, Warwickshire County Council
[2] Health Indicators 2004, Warwickshire County Council

2.3 The White Paper acknowledges that its dual shift of emphasis necessitate a review of how the public is represented in NHS service provision and how providers are held accountable:

"We are clear that there has to be a means for the collective voice of the people to be heard. The public should be able to take a view of health and social care in the round, although we recognise that the local arrangements may well differ between commissioners and providers given their different roles." (Para. 7.13)

2.4 At the same time, the government is adamant that providers and commissioners must find out systematically what people "want and need" from services.

2.5 This will be done through Health OSC, Patient and Public Involvement Forums, Customer Surveys, Ward Councillors, Petitioning, Local Strategic Partnerships and systematic engagement around commissioning.

In addition to the White Paper, the background document for the many of the consultations proposals comes from 'Commissioning a Patient-led NHS', published in July 2005.

3.0 NHS Consultations in Warwickshire

3.1 Strategic Health Authorities (SHA) in the West Midlands

Proposal is to combine three Strategic Health Authorities, which cover Shropshire and Staffordshire, Birmingham and The Black Country and West Midlands South to one Strategic Health Authority covering the whole of the West Midlands. This would align the NHS with the West Midlands Health Protection Agency and the boundaries will largely match those of Government Offices for the Regions. The NHS considers that this would deliver a significant reduction in management and administrative costs.

The major organisational changes being proposed in the NHS with reduced numbers of larger PCTs and smaller number of NHS Trusts as more gain Foundation Status is seen as helping the SHAs to become more streamlined.

However, the SHA will be expected to develop the health reform policies and will have additional roles and functions such as:

- Improve and protect the health of the population
- Provide leadership and performance management for delivery of government policy for health
- Provide leadership for engagement of health interests in the development of strategic partnerships
- Build on the commissioning process
- Ensure NHS Trusts are in a position to apply for Foundation Trust status
- Work with regulators and external inspectorates to develop the local health community
- Promote better health

- Work closely with the Department of Health to inform and support policy development
- Improve research and development
- Provide effective communications

Generally there appears to be no opposition to the proposed changes and is seen as returning to the regional health authorities of the past.

Eleven people have been appointed who will lead the transition between current and future SHAs. The transition leads will take on this responsibility from the 1st February 2006 until, subject to the results of the consultation, new SHAs are created.

This consultation is due to finish on the 22nd March 2006.

3.2 Primary Care Trusts in Warwickshire

The preferred option is to merge the existing 3 PCTs in Warwickshire into one to create a new organisation. This organisation would be developed with a locality structure to retain the benefits achieved by PCTs working closely with primary care, other NHS organisations and district/borough councils. There are three other options available, which are:

- Merge North Warwickshire and Rugby PCT and maintain existing arrangements in South Warwickshire
- Merge the three PCTs in Warwickshire and join Coventry PCT to create a Coventry and Warwickshire PCT
- Create a Herefordshire, Worcestershire, Coventry and Warwickshire PCT

Or do nothing - however this option fails to satisfy any of the nine criteria detailed within "Commissioning a Patient-Led NHS". The objective of reconfiguring the PCTs is to ensure that they will be better able to improve commissioning and support the development of 'Practice Based Commissioning' as well as making significant management savings to reinvest in frontline services.

Warwickshire County Council and Health OSC preferred option at the moment is that the three existing PCTs for North Warwickshire, Rugby and South Warwickshire will be replace with one for the whole of Warwickshire.

If the proposal goes ahead the new trust will become substantive on July 1st 2006

This consultation is due to finish on the 22nd March 2006.

3.3 Coventry & Warwickshire Ambulance NHS Trust

The proposal is that Coventry & Warwickshire Ambulance NHS Trust combine with West Midlands, Hereford & Worcestershire and Staffordshire Ambulance Services to form a new regional West Midlands Ambulance Trust. The objective is to improve the capacity of ambulance services to respond to major incidents, improve staff training and investment as well as making efficiency savings.

If the proposals go ahead there will be 11 large integrated ambulance trusts in England.

The perceived benefits of the proposal is that there will be:

- More investment in front-line services
- More opportunities for staff
- Improved planning for, and ability to handle, chemical, biological, radiological or nuclear incidents, terrorists attacks or natural disasters
- Better equipped and trained workforce and the ability to adopt best practice quickly and consistently
- Better use of resources to support high performance in all trusts
- Greater capacity to carry out research and check patient care is of a high standard
- Greater influence in the planning and developing better patient services
- Greater financial flexibility and resilience
- Financial savings
- Improved contingency planning
- Improved human resource management
- Increase investment in new technologies

The following factors were taken into account when developing the proposals.

- Ambulance trusts would be large enough to improve strategic capacity
- To be sufficiently large to have the financial capacity and flexibility to deliver high quality emergency ambulance services
- To have a reasonably similar population and factors that affect how ambulance services are provided such as road networks, geography, population distribution and location of other health services
- To ensure that current good performance and practice is maintained if these proposed trusts are established with clear local management and operational structures that reflect the different communities they serve.

Malcolm Hazell (Chief Executive of Coventry and Warwickshire Ambulance NHS Trust) has produced a briefing paper outlining areas for concern on the proposed merger of Coventry and Warwickshire ambulance service with the West Midlands, Herefordshire & Worcestershire and Staffordshire.

To gauge whether the Coventry and Warwickshire residents are aware of the consultation proposals a simple questionnaire has been made available via the Warwickshire Web and 1000 hard copies have been distributed. The

information from this survey will inform Health OSC on whether the consultation process has been adequate for the proposal to go ahead.

Other Shire Local Authorities affected by these proposals have been contacted to see if they are willing to engage in a coordinated response to the Strategic Health Authority at the end of the consultation period.

Advertisements were placed in the Sunday Observer on the 22nd January to appoint a chairman for each of the proposed new ambulance trusts (subject to consultation) throughout England, closing date 22nd February 2006.

The Chief Executives for the existing Ambulance NHS Trusts in the West Midlands region will be interviewed for their positions the week beginning 13th February 2006.

There are plans to set up a shadow trust from the 1st April 2006 with it becoming substantive on the 1st July 2006.

This consultation is due to finish on the 22nd March 2006.

4.0 Strategic Health Presentation - Health OSC 18th January 2006

4.1 Catherine Griffiths led the West Midlands South Strategic Health Authority, which included Bronwen Bishop and Grace Hampson. Also attending was Peter Maddocks (Rugby PCT), Anne Heckels (North Warwickshire PCT) and Shaun Clee (South Warwickshire PCT).

4.2 The following points arose during the presentation and ensuing question and answer session:

Concerns were raised from reading the various literature around the reconfiguration of NHS services - that it had already happened and the consultation was only a cosmetic exercise, this was denied by the presentation team. They pointed out that the consultation period had been extended by two weeks because of the Christmas and New Year holidays. A decision was made to start the dialogue about the new structure and take a risk that it would not go ahead. All responses to the consultation would be sent to the Secretary of State.

Committee Members thought the reconfiguration appeared to be regionalisation by the back door. After the discussion it was evident that there were few concerns about restructuring at Strategic Health Authority level, but Health OSC Members raised some concerns about the restructuring of PCTs and the possible loss of local services.

In response the presentation team said that the merger of the PCTs would result in savings in management cost while keeping a local sensitivity for the commissioning of services. It was recognised for example that a pattern of services that met the needs of people in the north of the county would not be appropriate for those in the south.

Savings from PCTs and SHA restructuring would be directed to Central Government priorities, basically cancer and heart services with the PCT

having discretion where the money would be directed within those chapters of the LDP.

The main area for discussion from Health OSC was the proposal relating to a national reorganisation of the Ambulance Services. Councillors recognised that Coventry and Warwickshire Ambulance Trust was a three star Trust and provided an excellent service. The proposal that it should merge with other Ambulance Trusts that were less successful was not a valid reason for the merger to go ahead. Health OSC thought that with the reduction in the number of A&E units, it was vitally important to have an excellent ambulance trust and effective paramedics. Also having a West Midland centre of command would take away the local accessibility of the existing command centre. People in Warwickshire did not consider themselves as living in the West Midlands.

In response the presentation team said that larger ambulance trusts were needed to improve strategic capacity and would take administrative burden to the centre and at the same time leave control of the service local. Any management/administrative savings from the merger of the Ambulance Services would be ring-fenced for the frontline services. The use of the resources would be able to be tracked.

The presentation team said that no decision had yet been taken as to whether the Headquarters of the merged SHA would be in Birmingham or Redditch. There was a strong desire to maintain connections with local authorities. The SHA supported and agreed with the Committee that the control centres should remain local.

There was concern that the provision of services locally was threatened by the creation of Foundation hospitals and a large modern hospital in Coventry pulling in patients.

It was noted that management costs were to be reduced by 15% and the proposed savings for the ambulance service would be £3 million. However, no provision had been made for redundancy costs and it is likely that this would be taken out of this figure.

Since this meeting it has been revealed that the order for new digital radio systems has been cut from around 67 to 22. This would only provide two control centres for the proposed new ambulance trust.

The meeting concluded with Health OSC deciding to leave making a decision on the proposals until after full Council meeting on the 21st February 2006.

5.0 Strategic Health Presentation to Council 21st February 2006

The County Council received presentations from the Strategic Health Authority at its meeting on 21 February. A summary of the proposals and benefits, as well as the questions put by Members are set out in the attached extract from the Council minutes.

The issues raised at the Council are summarised below:

(1) Consultation Process

Concerns were expressed about the haste in which the proposals were progressing, lack of public consultation and the advertisements in the national press, even though the consultations were still in process and no decisions on the structures reached.

Bronwen Bishop advised that the legislation did not require public consultation on the structural changes, but that the SHA had been unhappy with this and considered it appropriate to consult through public meetings, which it had been doing.

Charles Goody replied that the advertisements had been placed in order to obtain a pool of people from whom the Chief Executives could be chosen through an interview procedure.

(2) Locality

Assurances were sought that the 'local services' referred to in the proposals for the new Primary Care Trust, would not result in another layer of 'mini PCTs' that would carry a cost that could otherwise have been put into service provision.

Charles Goody stated that £250,000 savings would go into primary care. The national target was £22 million savings going back into the health service, mainly for cancer and cardiac services. The SHA and the PCTs will be performance managed to ensure savings go into services and that there is proper provision at a local level.

There will be a need for local arrangements and the power of the locality will be based on the budgets moving down to groups of GPs, to enable patient choice in their care.

(3) Partnership working/local government involvement

Councillors asked:

- How partnership working with local authorities, the voluntary and private sector could be strengthened.

- How governance and local accountability would be ensured as this was an area that was not covered adequately in the consultation documents

- How local government would be involved at a local level

- Whether councillors have representation on the PCTs and, if accepted, these representatives should be responsible for reporting back to the Council on progress with changes.

Charles Goody replied that coterminosity of boundaries would assist in developing partnerships. Laurence Tennant added that there had been criticisms in the past that the NHS had not been sensitive to local issues and therefore the project team was looking at local management to ensure PCTs are locality-sensitive. There would be the need for clear partnership arrangements to ensure meaningful representation that allows public and local representatives to influence decisions.

(4) Respective roles of the SHA and PCT

Questions were raised:

- On whether the SHA had a role in tackling health inequalities, as this only appeared against the role of the PCT in the report.

- How 'strategic' the SHA would be, recognising that NHS bodies work within the roles defined by statute, and urged that, in addition to any formal management structures required of the bodies, Warwickshire be involved to ensure that the NHS and Council work together in improving outcomes for citizens.

  Charles Goody assured the Council that the SHA did have a role but that the delivery would be through the PCT. Also the SHA would be more strategic as the detail that the SHA had been involved in would be the responsibility of the new PCT.

  Two further questions were made on:

- Whether there would be a sufficient number of GPs to deliver the local services as envisaged in the plans.

- Whether the PCTs would be both commissioning and providing services and what was the relationship with the 'health market'

  Laurence Tennant advised that there had been investment in the training of GPs and in providing better working hours and salaries, which would assist in this.

  Charles Goody advised that PCTs would be expected to negotiate contracts with the bigger trusts. Funding would also be delegated to groups of GPs, who would then apply this, with patients exercising their choice of where to go for treatment, in line with a standard tariff that would follow the patient. It was envisaged that this approach would put pressure on hospitals to drive up quality and to market their services.

(5) Coventry and Warwickshire Ambulance Trust

Clarification was sought on whether or not the control centres were to be reduced under the proposal, which they would oppose, and questioned how savings would be achieved without such reduction.

A suggestion was made that any savings could be used to purchase an air ambulance.

Bronwen Bishop advised that there was no guarantee on the number of control centres but the strategic health authorities were of the view that there should be the same number as at present and the Department for Health proposals do not preclude that continuing into the future.

She added that they were unable to divert savings to purchase an air ambulance.

The Council agreed the following resolutions

Resolved

(1) That this Council responds to the consultation documents on the proposals to reorganise the Strategic Health Authorities, Primary Care Trusts and Ambulance Trust as follows:

(a) We agree in principle with the proposals for the reconfiguration of the strategic health authorities.
(b) This Council supports the creation of one Primary Care Trust to cover the county of Warwickshire.
(c) This Council does not support the proposals to amalgamate the Coventry and Warwickshire Ambulance Trust with West Midlands, Herefordshire & Worcestershire and Staffordshire Ambulance Trusts on the grounds that the amalgamation will produce a less localised service at the expense of the present 3 star trust that serves Coventry and Warwickshire so well.

(2) That the response to the consultation on the Coventry and Warwickshire Acute Services Review, the application of the University Hospitals Coventry and Warwick NHS Trust for foundation status and the proposed Mental Health, Learning Disabilities and Substance Misuse Trust be deferred until a future presentation has been received.

(3) That a final response on the Strategic Health Authority, the Primary Care Trust and the Ambulance Trust proposals is agreed by the Council on 14 March 2006 based on the detailed advice of the Health Overview and Scrutiny Committee and the ad hoc health policy panel and the points raised in today's debate.

(4) That this Council would welcome a dialogue with NHS bodies about the governance and partnership working.

(5) That this Council is appalled that the process has started to appoint the Chairman and Chief Executive of a West Midlands Regional Ambulance Trust while consultations on local ambulance trusts are still taking place. To maintain the credibility of the consultation process this Council demands that the appointments process is abandoned immediately.

The Council will be meeting on 14 March 2006 when there would be further debate on the NHS consultations.

6.0 Responses from Warwickshire's Borough, District Councils, Patient and Public Involvement Forums and elsewhere on the NHS proposals.

There have been a number of responses concerning mainly the proposal to merge Coventry and Warwickshire Ambulance service with others in the West Midlands.

The responses echo very much of what has already been discussed at Health OSC and full Council.

Copies of all the responses, so far, will be made available for Health OSC meeting on 3rd March 2006.

7.0 Warwickshire County Council and Coventry City Council Survey

The results of the survey conducted by Warwickshire County Council and Coventry City Council are expected the week ending 6th March 2006.

This survey's aim was to gather information on whether the public knew of the proposals and whether they agreed or disagreed on the changes being made to the ambulance service.

A summary report of responses so far will be made available for the Health OSC meeting on the 3rd March 2006.

8.0 Conclusion

8.1 The County Council has a wider role in considering how it should be working with NHS partners in ensuring the delivery of its common objectives for improving the health and well-being of Warwickshire citizens.

The role of Health Overview and Scrutiny Committee is to ensure that proper consultation has taken place and that access to NHS services are not going to worsen as a result of the proposals being made.

The Strategic Health Authority did advise the Council that the legislation did not require public consultation on the structural changes being made, but they considered it appropriate to consult through public meetings. There is a

contradiction with these statements, because the consultation documentation does list members of the public as consultees.

Another consideration is whether the consultation documentation has given sufficient information to enable the public and others to come to a decision on whether the proposals are a sound proposition or not.

8.2 Strategic Health Authority

The proposal to merge the three Strategic Health Authorities, which cover Shropshire and Staffordshire, Birmingham and the Black Country and West Midlands South would align the NHS with the West Midlands Health Protection Agency and broadly match those of the Government Offices for the Regions. The alignment of the boundaries would be helpful and it is generally agreed that this proposal should go ahead. The main concern is that with the reduction of staff that the SHA will have the capacity and resources to do all that will be asked such as the expected partnership working with regional local government and with Warwickshire County Council.

8.3 Primary Care Trusts

The preferred option for Warwickshire County Council is to merge the existing three PCTs in Warwickshire into one to create a new organisation. This is seen as simplifying working arrangements with health and social services because there will be one health partner. There are some concerns about the impact on reducing health inequalities in the north of the county, changes in the commissioning/provider role and how this may impact on older people that are not necessarily ill, but frail. The response from the Council is that health colleagues will need to be more explicit about the provision of services and look at this issue rather than focusing on solely commissioning aspects.

8.4 Ambulance Trust

The proposal to merge Coventry and Warwickshire Ambulance Service with others in the West Midlands has caused the greatest concern. Warwickshire County Council, including Health OSC, are opposed to any merger going ahead.

It is thought that there is not a strong enough business case to merge the Coventry and Warwickshire Ambulance Trust with others in the West Midlands. There are concerns that there is not enough evidence that a larger ambulance service would perform better than a smaller service - in fact there is more evidence to the contrary.

The Bradley Report was suggested as the basis for merging the ambulance trusts. However, no specific mention was made in the body of the report until the recommendations. Then the recommendation was that the ambulance trusts in England should be reduced by 50%, not two thirds, which is what is being proposed now.

Finally the savings being proposed of £3 million are not considered sufficient enough to risk merging with other ambulance services.

The merging of what is seen as an excellent 3 star ambulance trust with other poorer performing ambulance trusts is likely to lower the performance of services overall.

There are real concerns that the control centres will not remain local despite assurances from the SHA at the Health OSC meeting on the 18th January 2006. Since this meeting an order, nationally, for 67 digital radio systems has been cut to 22. There is no indication that other purchases are being made to set up existing control centres as sub stations, which would indicate that local control centres are unlikely to stay.

9.0 Recommendations

(1) That Health OSC consider this report in the light of the presentation from the Strategic Health Authority to Health OSC on the 18th January 2006 and to Council on the 21st February 2006.

(2) That Health OSC formulate their response and submit it for endorsement to Council on 14th March 2006 in relation to the proposals from the Strategic Health Authority on the reconfiguration of:

- Strategic Health Authority
- Primary Care Trusts
- Coventry and Warwickshire Ambulance Trusts

DAVID CARTER
Strategic Director of
Performance and
Development

Shire Hall
Warwick

27 February 2006

County Council – 21 February 2006 – Extract from Draft Minutes

2. NHS Changes

Councillor Alan Farnell, Leader of the Council, welcomed representatives from the Strategic Health Authority and NHS trusts and thanked them for their time in assisting the County Council with this important debate.

Introduction

Charles Goody, Chair of the Strategic Health Authority, outlined the context of the current consultations and reminded the council that these were elements of a bigger programme of change in the NHS with a focus on health improvements, eliminating inequalities in health care and maintaining the trend of increasing life expectancy. The consultation on the strategic health authority structure and on the primary care trusts were both being undertaken by the Strategic Health Authority but the consultation on the ambulance trust proposal was being undertaken by the Department of Health, with the SHA role being to collect views and passing these on.

Charles Goody emphasised that the current consultation documents were concerned with organisational structures, rather than service delivery, although it was envisaged that the new organisations would be better placed than at present to ensure good service delivery.

Presentation on Consultations

Bronwen Bishop, Director of Primary Care Development and Corporate Services, gave a presentation outlining the proposals and process of consultation. Bronwen stressed that the proposals followed improvements that had already taken place in the NHS and were part of ensuring a patient- led NHS with strong primary care trusts (PCTs) with a commissioning role and who would design, plan and develop better services for patients.

Bronwen Bishop explained that the term 'commissioning' in the NHS context is the process by which the NHS plans and pays for services while assuring their quality, fairness and value for money and that the strong commissioning role will stimulate the development of a wider range of services in response to the preferences, lifestyles and needs of local people. The PCTs would have to ensure contracts were properly commissioned and performance managed.

It was noted that the changes were also part of the need to work better with local authorities, the voluntary sector and agencies to deliver improvements. This would include working with the new Children's Services and Adult Services within the County Council. This would be better achieved through the coterminosity of boundaries between the NHS structures and local authorities.

The Government's manifesto commitment was also to achieve savings through the reduction of management and administrative structures and with the savings being put back into services. The structural changes would enable the PCTs to work together to provide shared office support functions such as payroll, contract

management and estates. The savings would then be ploughed back into front line services.

The proposals envisaged joint commissioning and provision as well as the opportunity for joint appointments between the NHS and local authority and joint needs assessments.

PCT options

The Council was advised that the SHA had considered the following series of options and analysed these against a number of criteria (including clinical and public engagement):

- *Preferred option*: Create a Worcestershire PCT and a Warwickshire PCT (with Herefordshire PCT and Coventry PCT kept as they are at present)
- Merge Wyre Forest PCT, Redditch and Bromsgrove PCT and South Worcestershire PCT (and maintain Herefordshire PCT).
- Merge North Warwickshire PCT, Rugby PCT and South Warwickshire PCT(and maintain existing arrangements in Coventry PCT).

Pre-consultation had been undertaken with stakeholders had resulted in the preferred option being put to formal consultation which would mean one PCT for Warwickshire coterminous with the County boundary. Bronwen Bishop explained that a 'locality structure' was also proposed that would:

- strengthen local partnership
- support practice-based commissioning
- develop the public health agenda locally
- ensure patients and public are at the centre of decision making

Benefits of new PCTs

Bronwen Bishop outlined the following benefits expected from the reconfiguration of the PCTs:

- The reduction in the number of NHS organisations will release money for reinvestment in patient care. This is a key benefit of the changes envisaged.
- Sharing boundaries with social services-providing local authorities will enable consistent joint working and the development of shared services.
- Larger PCTs are better able to recruit the highest calibre staff and have sufficient critical mass to be effective.
- By focusing on commissioning, PCTs should, in the future, be better able to strengthen choice locally by encouraging the development of innovative and alternative services.

SHA option

The Council was advised that the proposal was to have one new West Midlands Strategic Health Authority that would replace the existing three SHAs of Birmingham & the Black Country, Shropshire & Staffordshire and West Midlands South. The new SHA would therefore cover the counties of Staffordshire, Shropshire, Herefordshire, Worcestershire, Warwickshire, the Metropolitan boroughs of Dudley, Walsall, Solihull,

Sandwell and the City Council areas of Birmingham, Wolverhampton and Coventry. The new boundaries would be the same as the Government Office of the West Midlands.

Benefits of the SHA proposal

The benefits of the proposal were identified as:

- The West Midlands is a geographic area widely recognised by the resident population.
- There would be a reduction in management and administrative costs of about £7.5m to be reinvested in front line services.
- Shared boundaries with the Government Office of the Region, Regional Development Agency and Assembly offer significant advantages in influencing and decision making to enhance health improvement and reduce inequalities.

The Council was advised the new SHA would be better placed to give strategic direction and market management, rather than focussing on detail. The organisation would also be more attractive in terms of recruitment. Resources would be focused on new local services, helping to keep patients out of hospitals.

Ambulance Trust

Bronwen Bishop explained that the proposal for the merger of the ambulance services followed the issue of the Department of Health paper *"Taking Healthcare to the Patient"* which was a national review of ambulance services. The Department of Health proposed 11 ambulance trusts for the country and the one option put forward for Warwickshire was that Coventry and Warwickshire Ambulance Trust be combined with the West Midlands, Herefordshire & Worcestershire and Staffordshire Ambulance Trusts.

Bronwen advised that the Department of Health's intention was to reduce bureaucracy and put administration at the centre of the organisation whilst retaining a local footprint. The proposals were part of the expected reduction in ambulance use nationally, as more services are provided locally and fewer numbers of patients require hospital care.

The Council was advised that the proposal did not include any proposals to change the model of service provision locally or control centres and that local delivery units would be created to ensure local focus is maintained.

The functions of the new trusts and the local delivery units were listed as follows:

Trust Level Functions

- Leadership and management development
- Set strategic direction and business plans
- Develop good clinical and corporate governance arrangements
- Contribute to national policy development
- Provide core business support services
- Develop the capacities for Foundation Trust status
- Performance management to delivery standards

Functions of Local Delivery Units

- Day to day delivery of clinically high quality safe services
- Focus on greater partnership and integration with the local NHS
- Single point of access for unscheduled care
- Development of a greater range of services e.g. minor injuries
- Improve performance and clinical outcomes
- Build upon the local reputations for excellence

Envisaged Benefits

The Department of Health envisaged a number of benefits:

- Capacity to drive up standards and achieve better, more consistent performance and clinical outcomes
- Patients across the region would benefit from the best practice standards from each of the current services
- Improved co-ordination on emergency planning across the West Midlands
- Flexibility to invest time in improving training of staff
- Money saved (around £3m) will be reinvested into front line ambulance services

Timetable for consultations

The Council noted that the consultation on the SHA and PCT proposals would conclude on 22 March and the SHA board would meet on 5 April to consider the outcomes and agree a submission to the Department for Health. (The submission on the proposal for the SHA needed to be with the Department on the 5th April and the proposal on the PCTs needed to be in the following week).

It was noted that the SHA would forward responses on the ambulance service proposals direct to the Department of Health.

Presentation from the Chief Executive of the Coventry and Warwickshire Ambulance Trust

Malcolm Hazell, Chief Executive of the Coventry and Warwickshire Ambulance Trust, presented his views on the proposal that the Trust be combined with the West Midlands, Herefordshire & Worcestershire and Staffordshire Ambulance Trusts.

Malcolm Hazell emphasised that he was not against the principle of reorganisation, but was concerned about the scale of the proposals, particularly compared with other parts of the country where the largest merger proposal combined three counties. He added that there was no evidence that larger trusts perform better and the Coventry and Warwickshire Ambulance Trust was currently in the top five trusts based on their performance. He was particularly concerned at the uncertainty regarding whether or not control centres would be retained.

Malcolm Hazell explained that the reorganisation would result in the removal of three executive teams and the ability, therefore, to manage performance and maintain the excellent level of service currently achieved for Coventry and Warwickshire.

He also questioned the level of saving envisaged and predicted that there would be a cost rather than a saving.

Questions and Debate

Councillors Colin Hayfield and John Wells left the meeting at this point.

(1) Effect of NHS Proposals on Access (Acute Services).

Councillor John Appleton commented that changes were resulting in patients and carers often having to travel further to hospital than before and they then had to pay high parking charges, Councillor Appleton sought assurance that as changes progress a new system of charging (based on 'pay as you leave') and reasonable rates be introduced.

Charles Goody advised that from 2008, which was the target date for all hospital trusts to gain foundation status, the hospital trusts would have autonomy and would determine their own policies on parking.

Councillor Bernard Kirton questioned the proposal to reduce the number of hospital beds in the light of current pressures on beds and Councillor Barry Longden questioned whether the shift to local care, and avoidance of hospital stay, was safe and in the best interests of the patient.

Charles Goody advised that there would be a reduction in demand for beds in line with improvements in clinical procedures allowing patients to be treated as day patients or being treated locally rather than staying in hospitals. He envisaged that as the level of care available in the locality rises, the demand for beds will decline, especially as the backlog is reduced. Bronwen Bishop added that there was no intention of changing at the expense of safety or care of a patient and that services will only be provided locally and in circumstances where they are clinically safe to do so. She stressed that this is a requirement of the government's white paper.

(2) Consultation Process

Councillor Kirton expressed concern at the haste in which the proposals were progressing and the lack of public consultation.

Councillors Sarah Boad and David Booth also questioned the appointment process that had already begun with advertisements in the national press, even though the consultations were still in process and no decisions on the structures reached.

Councillor Anita Macaulay asked why the consultation was only on one option.

Bronwen Bishop advised that the legislation did not require public consultation on the structural changes but that the SHA had been unhappy with this and considered it appropriate to consult through public meetings, which it had been doing.

Charles Goody replied that the advertisements had been placed in order to obtain a pool of people from whom the chief executives could be chosen through an interview procedure.

(3) Locality

Councillor Pat Henry sought assurance that the 'local services' referred to in the proposals for the new primary care trust, would not result in another layer of 'mini pcts' that would carry a cost that could otherwise have been put into service provision.

Charles Goody stated that £250,000 savings would go into primary care. The national target was £22 million savings going back into the health service, mainly for cancer and cardiac services. The SHA and the PCTs will be performance managed to ensure savings go into services and that there is proper provision at a local level.
There will be a need for local arrangements and the power of the locality will be based on the budgets moving down to groups of GPs, to enable patient choice in their care.

(4) Partnership working/local government involvement

Councillor Frank McCarney asked how partnership working with local authorities, the voluntary and private sector could be strengthened.

Councillor Jerry Roodhouse questioned how governance and local accountability would be ensured as this was an area that was not covered adequately in the consultation documents

Councillor Chris Saint sought assurance that local government would be involved at a local level and Councillor Richard Grant requested that councillors have representation on the PCTs and, if accepted, these representatives should be responsible for reporting back to the Council on progress with changes.

Charles Goody replied that coterminosity of boundaries would assist in developing partnerships. Laurence Tennant added that there had been criticisms in the past that the NHS had not been sensitive to local issues and therefore the project team was looking at local management to ensure pcts are locality-sensitive. There would be the need for clear partnership arrangements to ensure meaningful representation that allows public and local representatives to influence decisions.

(5) Respective roles of the SHA and PCT

Councillor Bob Hicks questioned whether the SHA had a role in tackling health inequalities, as this only appeared against the role of the PCT in the report.

Charles Goody assured the Council that the SHA did have a role but that the delivery would be through the PCT.

Councillor Tim Naylor questioned how 'strategic' the SHA would be, recognising that NHS bodies work within the roles defined by statute, and

urged that, in addition to any formal management structures required of the bodies, Warwickshire be involved to ensure that the NHS and Council work together in improving outcomes for citizens.

Charles Goody assured the meeting that the SHA would be more strategic as the detail that the SHA had been involved in would be the responsibility of the new PCT.

Councillor Helen McCarthy questioned whether there would be a sufficient number of GPs to deliver the local services as envisaged in the plans.

Laurence Tennant advised that there had been investment in the training of GPs and in providing better working hours and salaries which would assist in this.

Councillor Jerry Roodhouse sought clarification on whether the PCTs would be both commissioning and providing services and what was the relationship with the 'health market'.

Charles Goody advised that pcts would be expected to negotiate contracts with the bigger trusts. Funding would also be delegated to groups of GPs, who would then apply this, with patients exercising their choice of where to go for treatment, in line with a standard tariff that would follow the patient. It was envisaged that this approach would put pressure on hospitals to drive up quality and to market their services.

Councillors Colin Hayfield and John Wells returned to the meeting for the remainder of the debate.

(6) Coventry and Warwickshire Ambulance Trust

Councillors Sarah Boad, Richard Chattaway, Helen McCarthy and Jerry Roodhouse sought clarification on whether or not the control centres were to be reduced under the proposal, which they would oppose, and questioned how savings would be achieved without such reduction.

Councillor Dave Shilton requested that thought be given to using savings to purchase an air ambulance.

Bronwen Bishop advised that there was no guarantee on the number of control centres but the strategic health authorities were of the view that there should be the same number as at present and the Department for Health proposals do not preclude that continuing into the future.
She added that they were unable to divert savings to purchase an air ambulance.

Councillor Bob Stevens moved the following motion (and was seconded by Councillor Tim Naylor).:

(1) That this Council responds to the consultation documents on the proposals to reorganise the Strategic Health Authorities, Primary Care Trusts and Ambulance Trust as follows:

(a) We agree in principle with the proposals for the reconfiguration of the strategic health authorities.
(b) This council supports the creation of one primary care trust to cover the county of Warwickshire.
(c) This Council does not support the proposals to amalgamate the Coventry and Warwickshire Ambulance Trust with West Midlands, Herefordshire & Worcestershire and Staffordshire Ambulance Trusts on the grounds that the amalgamation will produce a less localised service at the expense of the present 3 star trust that serves Coventry and Warwickshire so well.

(2) That the response to the consultation on the Coventry and Warwickshire Acute Services Review, the application of the University Hospitals Coventry and Warwick NHS Trust for Foundation status and the proposed Mental Health, Learning Disabilities and Substance Misuse Trust be deferred until a future presentation has been received.

(3) That a final response on the Strategic Health Authority, the Primary Care Trust and the Ambulance Trust proposals is agreed by the Council on 14 March 2006 based on the detailed advice of the Health Overview and Scrutiny Committee and the ad hoc health policy panel and the points raised in today's debate.

(4) That this Council would welcome a dialogue with NHS bodies about the governance and partnership working.

Councillor David Booth moved the following motion (and was seconded by Councillor Sarah Boad):

(5) That this Council is appalled that the process has started to appoint the Chairman and chief executive of a West Midlands Regional Ambulance Trust while consultations on local ambulance trusts are still taking place. To maintain the credibility of the consultation process this council demands that the appointments process is abandoned immediately.

VOTE

The motion at (1) (a) – (c) and on (4) were voted on separately and were all agreed.

The motion at (5) was voted on and agreed, the voting being 26 for and 24 against.

Resolved

(1) That this Council responds to the consultation documents on the proposals to reorganise the Strategic Health Authorities, Primary Care Trusts and Ambulance Trust as follows:

(d) We agree in principle with the proposals for the reconfiguration of the strategic health authorities.
(e) This council supports the creation of one primary care trust to cover the county of Warwickshire.
(f) This Council does not support the proposals to amalgamate the Coventry and Warwickshire Ambulance Trust with West Midlands, Herefordshire & Worcestershire and Staffordshire Ambulance Trusts on the grounds that the amalgamation will produce a less localised service at the expense of the present 3 star trust that serves Coventry and Warwickshire so well.

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(4) That this Council would welcome a dialogue with NHS bodies about the governance and partnership working.

(5) That this Council is appalled that the process has started to appoint the Chairman and chief executive of a West Midlands Regional Ambulance Trust while consultations on local ambulance trusts are still taking place. To maintain the credibility of the consultation process this council demands that the appointments process is abandoned immediately.

The Chair thanked the NHS representatives, on behalf of the Council, and looked forward to their attendance at the meeting of the Council on 14 March 2006 when there would be further debate on the NHS consultations.