

## MINUTES

**South West FHS Project Steering Group**  
**09. 03.2011. 9 am. Holiday Inn Taunton**

Fol key:

S36 Free and frank discussions

S40(2) Personal information

S43(2) Commercial in Confidence

Present Steve Wallwork (SW)

Director of Finance and Deputy  
 Chief Executive Torbay Care  
 Trust (Chair)

John Brockwell (J Br)

Non Executive Director Torbay  
 Care Trust

Steven Keith (SK)

Associate Director of Human  
 Resources NHS South West

David May (DMa)

Assistant Director of Finance  
 (Corporate) NHS South West

Trudi Mann (TM)

Assistant Director of  
 Commissioning Development  
 NHS South West

Jo Cullen (JC)

Head of Primary Care Wiltshire  
 PCT

A

Avon LMC

B

Somerset LMC -

C

Somerset LMC -

Kathryn Edwards (KE)

Vice Chair Somerset LMC

D

- NHS SBS

E

- SBS

F

- SBS FHS

Apologies for  
 absence None

### Notes

1.

#### Welcome:

SW welcomed the group and in particular new members A and members of Somerset LMC, B, C and

Kathryn Edwards

2.

### **Introductions:**

All introduced themselves and explained their roles. SW then recapped on the project so far stating ;

#### SBS offer

- cost of the service in SW is currently ----- pa
- SBS have made an offer to provide the service for ---- pa and South West cannot ignore this

#### Drivers

- All PCTs in South West under financial pressure
- there is a drive for back office efficiencies
- there is a requirement to deliver management cost savings
- QIPP pressures to reduce costs in primary care

#### Practicalities

- savings will be difficult to achieve on an individual PCT basis
- it makes sense to approach this on a regional level

#### Legality

- why progress with SBS instead of tendering?
- DH framework agreement means that tendering has already taken place at DH level with SBS preferred provider therefore there is no need to tender at local level
- Assurances provided through Peter Coates office
- This all points to the fact that the SBS proposal needs to be reviewed and progressed

3.

### **Notes of meeting on 18.02.2011:**

SW asked if there were any comments on the notes of the meeting on 18<sup>th</sup> February. TM commented that the PSG should refer to these as notes rather than minutes; minutes have a wider legal connotation. TM also commented that John Bewick (JBe) had attended the meeting on 18.02 to make some specific points about the proposal some of which were not fully reflected in the notes. **TM particularly wanted the PSG to note that JBe had made it clear that there needs to be a detailed service spec and KPIs produced for the PCTs to consider before 30 March 2011.** (Notes of

18.02 have been amended to reflect this change -attached)

Otherwise the notes of the meeting on 18.02.2011 were agreed.

4.

**Project timeline and key activities:**

**E** briefed the PSG on progress to date and advised that DMA would be talking in some detail about finances and SK would be updating the group on HR issues.

**E** advised the PSG that the initial proposal was based on submissions from the PCTs and this had formed the basis of the SBS outline proposal issued on the 25<sup>th</sup> of February. **E** informed he had now met with all seven service providers (Director Level) to go through the proposal in some depth and has obtained positive feedback. Next step is to provide the PSG with assurance that the scope of the SBS offering is equal to current service provision; to this end the service catalogue has been issued to current Heads of Service to provide feedback. Additionally there will be a "scope validation workshop" on 15.03.2011 with all Heads of Service to review and discuss the service catalogue to finalise this process and provide the assurances required for scope sign off. Various members of the PSG made it clear that despite attempts to maintain confidentiality over the SBS proposal it is already in the hands of staff.

There was a question whether to involve Public Health in the workshop but **E** pointed out that the purpose of the workshop is to capture the full scope and that PH would be better engaged at a later date and be involved in subsequent "best practice" workshops. **E** explained that SBS have tried to ensure that the right people are involved in the scope validation workshop on the 15<sup>th</sup> of March; invites have been issued to the Heads of Service and Primary Care Leads across the region. As an additional measure to ensure full representation, **E** agreed to issue a list of attendees to the PSG so that the group can nominate other suitable attendees if appropriate. JBr made it clear that this is an opportunity to look at things differently so we not only need people who know what happens today but we also need people with vision. **E** confirmed the commitment of SBS to transform and modernise the service but the first step is to capture the current scope of the existing service.

**B** asked why the timescale is so short for this project and **E** pointed out that this is the normal timescale for SBS projects and that the full timeline for transforming the service takes the project through to April 2012. SW confirmed that the QIPP agenda is a key driver as is the changing shape of the healthcare market over the next 2 years meaning the future provision of Family Health Services needs to be considered now. SW also pointed out that there has already been some considerable work through the finance network in South West over the past 12 months. DMA also added that with the completion of the East Midlands project meant that SBS resources have now been made available to support the evaluation in the South West and that the region should capitalise on the opportunity.

**A** raised the current uncertainty in relation to the NHS Commissioning Board and that this is a big change at a time of even bigger change and what happens now could commit successor bodies to contractual arrangements for several years. JC pointed out that the service is so important that PCTs cannot wait another year to resolve the future; a solution is required now for the benefit of the service and the staff.

**E** pointed out that the national specification for FHS favours a consolidation of the FHS service to regional level; TM who is on the working group defining the national specification confirmed this was the case.

In response to further questions **E** confirmed that the MOU date of 04.04 does not commit PCTs to any cost but the Instruction to Proceed on 02. 05 2011 would.

The group noted that key deliverables to date have been met and that the timelines remain challenging but achievable.

5.

**Board briefing paper review:**

SW thanked JC for preparing a cover paper for the Board Briefing. E explained that the briefing paper summarises how we have got to this point and also refers to the framework agreement. E pointed out that it might be beneficial to include the VFM letter from Peter Coates. A asked whether due diligence has been done on the DH recommendation to use the Framework Agreement; DMA confirmed that the Commercial Support Unit which Bill Shields has created has taken a view on behalf of the South West that the Framework Agreement is sound and provides VFM.

A repeated the need for a detailed service spec and KPIs; E confirmed that as part of the contract negotiation stage the spec will be confirmed and KPIs developed which meet the needs of South West. E explained that all other contractual schedules will be reviewed at that stage and a paper will be submitted to Boards to confirm that this has happened.

In response to questions from B, C and KE it was confirmed that demographic rather than clinical data will be available to the offshore team and that the whole of SBS has achieved IGAF level 3.

There was some discussion as to how the final decision should be taken with regard to the SBS proposal eg DoFs with delegated authority from Boards or full Board decision. There was general agreement that the decision needs to be taken at Board level.

C commented that redundancy costs in the model may not be reflective of the actual position due to length of service. E explained that the redundancy is shown as worst case as it does not assume any redeployment. E also commented that the redundancy estimate is comparable with similar FHS projects that SBS have concluded..

B commented on loss of local knowledge and E pointed out that there is a detailed knowledge acquisition phase as part of transition; JC pointed out that knowledge will be lost in any case due to

abolition of PCTs.

B, C and KE referred to feedback in the form of a paper produced in Sept 2009 from the London-wide LMCs on the performance of the North East London FHS operation managed by SBS. F responded by advising the PSG that the paper referred to a number of issues, the majority of which were not within the SBS operation, and a full response was sent to the London-wide LMC in Oct 2009. SBS met with the LMC and PCT reps and provided a full response to the concerns of the LMC which demonstrated that:

- (a) many of the issues raised related to the finance and accounting service of SBS rather than FHS
- (b) some of the issues raised were national eg. seniority payments and like the rest of the country SBS was waiting for DH to approve the way forward
- (c) many of the issues were the responsibility of PCTs to resolve rather than SBS
- (d) there were some issues which SBS confirmed had been problematic but these had been addressed and resolved.
- (e) the LMC had made a number of allegations about SBS but has not produced any evidence to substantiate them
- (f) SBS offered to use any evidence the LMC could produce to put through multi agency workstreams to understand if systems were failing and if so where but the LMC has shown no willingness to engage.

F went on to explain that the major issue was lack of direct communication between SBS and the LMC; the breakdown in communication happened following the transfer of the service to SBS in 2008 as the NE London PCTs wanted to manage the relationship with LMCs direct without SBS.

It was agreed that SBS will circulate the LMC report and the SBS response to the PSG. SBS suggested that reference visits and references are undertaken by the PSG at the appropriate time from the appropriate contacts within the PCTs to provide the reassurances required.

A requested that KPIs should take into consideration customer satisfaction eg GPs and E agreed to provide the East Midlands KPIs as a starting point.

Following this detailed discussion SW asked whether there was a general view from the PSG that we are moving in the right direction. The consensus was that we are but a number of concerns and comments were raised which are summarised as;

- some issues have been surfaced which is healthy and appropriate for the PSG to review as part of its remit; the scenario is unavoidable but the PSG needs to capture all the issues to ensure that Boards make an informed decision
- savings are irresistible but we must ensure that we leave the right legacy
- whilst the cost savings cannot be ignored we must not lose sight of quality of the service
- there is a need for change and we must aim for the highest possible standards
- we need to win hearts and minds and be clear how the relationship with primary care will be preserved
- some concerns were expressed about pace of change
- some concern among GPs and LMCs
- some concern as to whether a 6 year contract is appropriate. E pointed out that the contract is x
- who will hold contracts eg 14 PCTs or one umbrella contract?
- service spec and KPIs must be ready for 04.04. E pointed out that the spec is ready and KPIs will be dynamic and constantly under review. In response to a request from D it was agreed that South West will share current performance stats and KPIs with SBS.

6.

#### **Financial analysis:**

DMA advised the group that he has not audited the finances but has undertaken a sense check of the data and that there needs to be a collaborative approach to deliver the business model. The exercise revealed the following;

-x

-x

-there are some anomalies in the data supplied which lead to some areas being identified as outliers

-x

-reviewing on a cost per head of population also reveals some outliers

-productivity assumptions appear achievable

-model will be further informed after the scope workshop

**B** asked what is the ultimate remedy if SBS fails to deliver against the SLA; **D** explained that the contractual remedy for failure to meet agreed SLAs was to use the “breach” clause and ultimately terminate the contract if the breach was not remedied within the agreed timescales. **D** highlighted that it was not the intention or strategy of SBS to fail the agreed SLAs so this course of action would not be required. **D** went on to explain that SBS is looking to create an exemplar service in the South West which SBS hopes will lead to greater referenceability and more business.

Financial review was noted

7.

#### **HR update:**

SK pointed out that there are 2 separate workstreams running concurrently – FHS and F&A; there are common issues but different complexities. SK explained that there are 3 phases of consultation.

Phase 1 - PCTs have an obligation to engage with staff prior to the Board decision. Phase 2 - there will be a need to undertake TUPE consultation if the decision is to proceed. Phase 3 – redundancy consultation. This phase is post TUPE and as such rests SBS.

Local engagement has started and will take at least a month and it is important that staff hear this from the correct sources. TUPE consultation needs to be determined but could be 2 months. If so **E** pointed out that the go live could be brought forward by one month if TUPE consultation is 2 months as opposed to 3. **xx.**



SK mentioned that there is a regional meeting with Unison on 15<sup>th</sup> and they will be briefed on both SBS proposals.

SK mentioned that there is to be a trade union day of action in the South West and the 2 SBS proposals are likely to be high in the agenda.

SK stressed that legal responsibilities rest with local employers and summarised key milestones as:

- pre Board consultation – at least one month
- agree TUPE consultation timeframe if Boards agree to go ahead.

8.

**Communication strategy:**

E stressed the need for consistency with communications, SK agreed to raise this with the PCTs. It was agreed that the PCTs should be responsible for communications,. It was agreed a set of FAQs would be published and that they would be branded as PCT The PSG must get communications to staff right as well as 3<sup>rd</sup> party providers. E to arrange for SBS comms lead to get involved.

9.

**Advisory role of PSG:**

After some discussion it was agreed that the PSG must be able to demonstrate that all appropriate steps have been gone through, that there has been appropriate scrutiny of the SBS proposal, and be in a position to provide a view to Boards as to the way forward.

Given that the next meeting is critical it has been agreed to extend the meeting which will now run from 1pm to 4pm.

10.

**AOB:**

- TM pointed out that there will be a need to provide the SHA with assurances about resilience during transition and have contingencies in place.
- **B** mentioned that the SBS proposal will be discussed at the next Somerset LMC meeting and there was some discussion about what should be communicated to LMCs. It was agreed that notes of the meeting once agreed could be circulated and that there should be a one page summary of the role and remit of the PSG provided to all LRCs.
- It was agreed that the 3 reps from Somerset LMC would agree to send just one rep to future meetings

11.

**Date time and venue of next meeting:**

22.03.2011 – 1pm to 4pm – Holiday Inn Taunton