

**COMMENTS FROM THE LEICESTERSHIRE,  
LEICESTER AND RUTLAND HEALTH OVERVIEW AND  
SCRUTINY COMMITTEE ON THE UHL TRUST'S  
APPLICATION FOR FOUNDATION STATUS**

The Leicestershire, Leicester and Rutland Joint Health Overview and Scrutiny Committee welcomes the opportunity to comment on the application by the University Hospitals Leicester NHS Trust to seek Foundation Status. Recognising its importance the Committee has met on three occasions to consider this issue and also invited an external expert to assist it in understanding the key issues around the Foundation Trust agenda.

The Committee would wish, at the outset, to record its appreciation to Dr Peter Reading, Chief Executive and Dr Robin Graham Brown, Deputy Medical Director for agreeing to attend several meetings and for their open and helpful attitude throughout.

The Committee would also wish to place on record its thanks to the Primary Care Trusts in Leicester and Leicestershire, the UHL Patient and Public Involvement Forum and the Chairman of Staff Unions at the UHL Trust who provided written comments or gave oral evidence to the Committee. Finally the Committee's appreciation be conveyed to Rachel Harris of IDeA who kindly agreed to assist Committee members in identifying key issues it should focus on in coming to a view on the merits or otherwise of the application by the UHL Trust for Foundation Status. [A copy of the questions which were identified by members following the discussion with Rachel Harris which were put to the UHL Trust is attached].

The Health Overview and Scrutiny Committee was divided in its view as to the timing of the application with some members expressing a view that, in view of the uncertainties as a result of national changes in the health agenda and the understandable difficulties being experienced in agreeing the financial closure regarding the Pathway Project, the proposals should be delayed. The Committee noted and expressed some sympathy for these views but in the event concluded that, on balance, the UHL's application for Foundation Trust status is, at this stage, to be supported on the basis that there may be some advantages for the City and County residents as a result of this Trust becoming a Foundation Trust in terms of better local services and accountability as a result of the freedom and flexibilities that would be available. This support is conditional on sufficient safeguards being put in place as the project develops to ensure:-

- services continue to be planned to meet local needs (in this regard it should be noted that the Committee did receive assurances in principle, on these issues from Dr Reading);
- the stability of the local health economy; and
- on a number of specific concerns/issues which are set out below being addressed:-

## General

- a) there may as a result be increased risks to partnership working, particularly between social care authorities, PCTs and the Foundation Trust as a consequence of the freedoms and privileges associated with Foundation Trust status. Whilst it is recognised that there is likely to be a duty of partnership within the Trust's Licence and assurances have been given by UHLT, the concerns remain because of the more competitive environment as a result of Patients' Choice, together with an emphasis on surplus generation;
- b) there are concerns about capacity of the emerging PCT's (following reconfiguration) to manage the huge agenda of reform and modernisation and to work collaboratively to ensure strategic investment in health care at the same time negotiating and performance managing their contracts with Foundation Trusts . To that end the Committee would wish to monitor closely the level of PCT investment in preventative, primary community and intermediate care and would urge the Strategic Health Authority to pay particular attention to this;
- c) that whilst recognising the considerable strengths of the management within the UHLT, concerns remain about the capacity within the Trust to manage the huge reform agenda (of which Foundation Status is one element) as well as deliver on the Pathway Project, the largest PFI reconfiguration project of hospital services in the UK;

## Consultation

- d) considerable concern remains at the level and scope of the consultation exercise undertaken by the UHLT. The Committee acknowledged that it may be easier to engage the public in a debate relating to say a rebuilding programme with obvious tangible outcomes such as the LIFT projects but considered that the Trust would need to make greater efforts to improve its communication and consultation with minority ethnic communities, young people and people in rural areas so as to ensure that their needs are addressed;

## Governance

- e) whilst noting and welcoming the commitment to be more accountable to local people there remains some scepticism about the proposed governance framework and whether this will in fact deliver a meaningful form of accountability given the proposed size of the Members' Council. The commitment given that meetings of the Board, Members Council and any Subcommittees would be always held in public unless the matter under consideration was such that it disclosed personal or commercially sensitive information, was welcomed;
- f) the unanimous view of the Committee is that there should be three seats on the Members Council allocated to Local Authorities and that these should be allocated to the County Council, City Council and Rutland Council as the three Social Services Authorities;

- g) noted the concerns expressed at the absence of a staff side representative on the Members' Council but acknowledged the commitment given by the UHL Trust to continue to work with the staff side representatives through other means.

[Note: A separate recommendation is being made to the County Council, City Council and Rutland Council advising them that it is the view of the Committee that the Local Authority representatives on the Members' Council should be elected members and not officers.]

#### Issues to be addressed if UHLT obtains Foundation Status

- h) the additional costs of becoming a Foundation Trust should be monitored and made transparent and explicit.;
- i) in using any freedoms and flexibilities particularly in relation to staff terms and conditions the Trust should be mindful of the impact of such changes on the overall health economy in Leicestershire (the Committee did receive reassurances from Dr Reading on these issues);
- j) UHLT should submit a report to the Committee describing the details contained in their terms of Licence, including the list of protected services and the rationale regarding those services which are not included;
- k) the UHLT be requested to submit a report summarising key findings of the "Due Diligence" report produced on the financial viability of the application;
- l) UHLT be requested to provide regular progress reports to the Committee which could cover, for example, any changes to protected services as set out in the Trust's Licence.