Responses to questions put to UHL by the Overview and Scrutiny Committee 4th October 2005

General

Question 1

Why are you applying for FT now given:-

- *All Acute Trust can work towards it by 2009?*
- *You have just embarked on the largest PFI (Pathways Project)?*
- *The imminent changes in PCT reconfiguration?*
- *The imminent publication of new DoH White Paper on 'Out of Hospital Care'?*

It is true that all acute Trusts are expected to be working towards Foundation Trust (FT) status, but they are only allowed to proceed when they have achieved three stars. UHL was awarded three stars in July 2004 and was therefore invited to consider applying as part of the second wave of eligible Trusts. The Trust Board considered the option of waiting but decided that, if FT conferred advantages on Trusts and the people they served, it would be best to try to qualify at the earliest opportunity. It also offers opportunities to strengthen partnerships with PCTs and others in the health community.

In reaching this decision the Trust Board understood that UHL faced a number of significant challenges, but took the view that that was always likely to be the case. The changes affecting PCTs and the DoH White Paper apply to all Trusts, and their implications will need to be addressed whether UHL becomes FT or not. Pathway is indeed a very large PFI and the costs associated with it are considerable. However, UHL will have to face these, too, whether as FT or not. It is considered an advantage to move towards FT at this point because it creates an early impetus to firm up many of the assumptions inherent in the project. There are also a number of other FTs and aspirant FTs with large PFIs that have been handled successfully alongside FT applications.

Question 2

What cost have you incurred in preparing the application for Foundation Status?

It is difficult to put a precise figure on the likely cost of our application, as we are not at the end, but we have received a grant of £170,000 from DoH to assist us. The key costs associated with the application include project management, the production of literature and promotional materials, professional fees, the costs of recruiting members, and running elections.

There will be costs, after achieving FT, for running Membership and the Members' Council. Again these are not easy to quantify fully, but we are being recommended to allow a generous figure of £10 per member per annum.

There will be some additional costs associated with running programmes for members and for the Council. From consulting with existing FTs we believe that a reasonable initial estimate to run an office with a full-time manager and secretarial support could be in the order of £100,000 per year initially.

Consultation

Question 3

What consultation has been undertaken before the Board took the decision to seek Foundation Status with:-

- *The public*
- *The staff*
- *Other partners*

and what were the views arising from these?

The process of application began after the invitation from DoH was received in the summer of 2004. The Board agreed that we should at least move to the first phase, effectively an expression of interest, and submit a Preliminary Application. Before doing so, and although it was not a requirement of the Department or the FT Unit, a number of meetings were held – PCTs and the Strategic Health Authority in particular – to discuss the views held within the health community about the possible impact of FT status for UHL. The feedback at that stage was positive. We also consulted first wave applicant Foundation Trusts and the FT Unit of the DoH about the process.

After the Preliminary Application was accepted, UHL continued with a range of face-to-face meetings to take soundings from partner organisations and individuals as part of the work towards our Preparatory Application, including PCTs, the Strategic Health Authority, all 10 Members of Parliament, representatives of healthcare in Northamptonshire, Local Authority Leaders, Directors of Social Services, Trades Unions and others. We presented to the joint OSC earlier in the year. This included key "partnership events" at NSPCC, and the Walkers Stadium, which involved a wide-range of stakeholders from PCTs, the Strategic Health Authority, Northamptonshire healthcare organisations, Local Authorities, Universities, PPI Forums and the voluntary sector. The outputs from these discussions helped shape style and content of the developing application and took place before the formal public consultation period.

Furthermore, as a consequence of feedback received, representatives from Leicestershire PCTs are involved in the group responsible for producing the Service Development Strategy (SDS), and both PCTs and PPI Forums are represented on the UHL Foundation Trust Steering Group.

We have held 57 separate formal meetings for staff at many levels through the organisation.

A list of internal and external groups consulted, and the key issues raised, is in Appendix A.

Question 4

What arrangements have you put in place to consult the staff, patients and the public regarding the current application? For example have you organised specific events or roadshows?

The official public consultation period will not end until November 14th, but a list of the contacts made and events held so far is attached (Appendix B). We wrote formally to 289 organisations at the launch, and to a number of others since. Ethnic minority organisations are included in the list in Appendix B and are not annotated separately. We have also run roadshows in local community hospitals in each of the market towns, associated with local media briefings, and have arranged meetings with PPI Forums. We attended the joint OSC on October 4th 2005 and will return on November 9th 2005.

We have distributed 7000 standard copies of our public consultation document (300 in large font), which is also posted on the UHL web-site. We have produced presentations on video, DVD and audio-tape format. There have been radio interviews and items in the Leicester Mercury and other local newspapers.

We have held many meetings for staff during the public consultation period, some in the restaurants and at public venues on the three sites, thereby offering the chance for patients and members of the public to consult with us at the same time. A letter was sent to all staff with their August payslips.

Governance – Make-up of the Members' Council

Question 5

Could you explain the rationale behind the Governance Arrangements and in particular address the following:-

- *why that particular size for the Members' Council – is there scope for this to be increased?*
- *Why an age limit of 16 and how do you propose to get the views of children and young people?*
- *How are the elections to the public constituency to be conducted and the geographical area of the constituency?*
- *Why there is no provision for business and employees representation?*

The size of the Members' Council is a product of a balance between the need to engage as many of our key partner organisations through this body as we can and the requirement to keep the group small enough to work effectively. Since the public/patient constituency seats must by law be in the majority, every extra seat allocated to a partner organisation raises the number of members by 2. We believe that 33 provides a good balance.

We are listening to the views being expressed during the consultation period before deciding on the exact mix of seats allocated to partner organisations, but it is likely that the overall number will remain about the same.

The age of 16 was chosen for children after consultation within the Children's Hospital and with the Children's Federation. The lower limit of 16 is thought to be appropriate, partly because it is an age accepted in law for other purposes. We will, however, seek to engage the views of younger children in other ways.

Elections will be conducted through ERS. Negotiations are presently ongoing. The DoH has published model election rules for NHS FTs and it is a requirement that our elections are carried out in accordance with them. Monitor will check to make sure we have done so.

We have considered including "business" on the Members' Council, possibly replacing one of the seats allocated to other partner organisations.

Employees of UHL will be represented through the 5 elected staff members on the Members' Council. We are uncertain as to why the question of employee representation has been raised separately.

Question 6

What interest has there been from people in becoming members? What are the benefits of becoming a member?

We had a small number of enquiries about membership prior to the first recruitment letters. Since then, we have now started to receive application forms back following the initial mailing. They are currently being processed by Computershare, and the first batch will be scanned shortly. Once the first batch of forms have been signed off as being correct as regards to data collection, automatic scanning of returned forms will begin for upload onto the database. We have also received a high number of online applications, which are also currently being processed and loaded onto the system. At the time of writing we cannot give an entirely accurate picture, but we have certainly already had over 1000 registrations, and a preliminary scan indicates a wide range of sources within the community. More detailed analysis is required.

We will receive 4 weekly membership breakdown analysis reports, which will show us which areas our members are being recruited from, their ethnicities, age ranges, etc. We hope to have the first of these on November 4th 2005.

Members will receive information about UHL, be invited to events, be asked to take part in surveys, join working groups, and be able to take part in elections to the Members' Council.

We are interested in views as to whether other benefits would be seen to be appropriate.

Question 7

Given the imminent restructuring of PCTs do you propose to change their allocated representation on the Members Council?

We are considering this, but have not yet reached a firm decision.

Question 8

What have in mind in respect of Local Authority representation – Member or Officers? What scope is there to increase this representation?

We are open to suggestion as to the best form of representation from Local Authorities.

We have already heard the view that Rutland should have a separate seat and this is actively being considered.

Question 9

What mechanisms do you propose to ensure the Members' Council public constituency is:-

- *representative of the local area?*
- *not dominated by particular interest group?*
- *representative of the gender and ethnic balance of the local area?*

The Director of Nursing is currently developing our membership strategy and is still consulting on it.

UHL is very keen that we gather as wide a representation of city, suburb and rural communities as possible. The first wave of membership recruitment will be analysed and further efforts refined in the light of the mix that has been achieved.

It is expected that FTs will continue to work on the development of the membership and its representativeness after authorisation and throughout its existence.

Governance – Operation of Members' Council and Board of Directors

Question 10

Will meetings of the Members' Council and Trust Board be held in public?

Meetings of the Members' Council will be held in public. There may be committees and sub-groups of the Council that will hold private meetings.

It is intended that the Board of Directors will continue to meet in public, with the option of retaining some business for private discussion in exactly the same way as we do now.

Question 11

Will people and organisation (such the PPIF and O+S Committee) be able to raise issues of concern and have these on the agenda of the Members' Council and Trust Board?

The Members' Council will decide how it will organise its business and determine its agendas. There will be regular interactions between the Members' Council and the Board of Directors.

Effects on Local Health Economy/Services

Question 12

How specifically will obtaining Foundation Status improve the lives and patient pathways of Leicestershire people?

Members of the OSC will be aware of the official Government documents that place FTs in the context of the NHS reform programme.

We believe that FT status will help UHL improve care for the people of Leicestershire, Rutland and beyond in a number of ways:

- It will allow us to recruit patient, staff and public members who will be in a position to influence what we do. We also believe that our members will help us be genuinely patient-centred.
- By being represented on the Members' Council our staff will be able to become more involved in major decisions.
- We believe that FT status will make us more locally accountable for how the budget is spent – so that it meets local needs to the greatest extent possible.
- FT status should make decision-making more local, less bureaucratic and faster.
- FT status will confer on UHL increased flexibility and financial freedom, allowing us to invest our resources wisely, achieve better value for money and, therefore, provide more and better patient care.
- UHL should, as an FT, be able to invest in new services to meet local needs.

We believe that these factors, taken together with the drive to improve access and customer focus that will emerge as the NHS reform programme moves ahead, will give the people of Leicestershire and Rutland better-focussed hospitals, better equipped to meet their needs.

Question 13

As PCTs will move to become commissioning bodies what consideration have you given to your future relationship with the local community hospitals?

UHL will discuss the role of local community hospitals with the newly-emerging PCTs and Strategic Health Authority as and when opportunities arise.

Question 14

As you will acquire freedom to set your own pay and conditions what plans have you to exercise these freedoms?

There are no plans to change staff terms and conditions at present. We are still in the process of implementing Agenda for Change and dealing with the third year of the implementation of the Consultants' Contract.

Question 15

As the major provider of health care services can you give us an assurance that you will continue to engage with other health partners and local authorities to plan the provision and delivery of services?

Definitely; it is not in an FT's interests to create problems with partners – quite the reverse – the better the partnership working, the better and more secure the future of the FT and the successful delivery of high quality health care.

Assurances on Finance and Services

Question 16

Will you provide the O+S Committee with details of the following before submission to the DoH and Monitor:-

- *Summary of your Financial projections?*
- *List of protected assets?*
- *List of non-protected assets and rationale for non protection?*
- *Risk Assessments and how you propose to manage those risks?*

Much of the detail being sought is subject to ongoing work, and firm details are presently not available.

The Director of Finance and Procurement has agreed to undertake informal briefing sessions for OSC, and it is suggested that the FT projections, protected assets and other details listed could be discussed during these.

Question 17

What are you proposing in relation to the private/NHS patient cap?

The proportion of private work to NHS work that we would be able to undertake is fixed. Indeed, we must not exceed it. Private income represents a small part of UHL's total income, and is capped for FTs at the 2002/3 level. It can only increase in proportion to NHS income.

For the record, in the base year UHL's private patient income of £2.2 million was 0.52% of total income.

Additional question posed in e-mail 14th October 2005

Will the "Due Diligence Report" be available?

This may be a slight misunderstanding.

It is presumed that this question refers to the analysis of UHL's base-case SDS undertaken by Ernst and Young (and others) working on behalf of the DoH. The work referred to took place over a number of weeks during the summer and the early autumn. The work has been diagnostic in respect of seeking to improve the readability and robustness of the SDS that will be presented to the DoH in December 2005.

It is not a full report on the present state of UHL's finances, nor even its preparedness for FT. The term "due diligence" is used as shorthand to reflect several reports and analyses provided to UHL and the FT project team. These are designed to assist the Trust to meet the stringent requirements of the DoH to allow an application to be put forward to Monitor for authorisation. The format of these reports, the actions plans and other documents related to them do not, of themselves, provide more than a snapshot of the thinking around a variety of topics at various different time points.