

**MINUTES OF THE SCRUTINY REVIEW - WHITTINGTON HOSPITAL/APPLICATION FOR
FOUNDATION TRUST STATUS
TUESDAY, 11 SEPTEMBER 2007**

Councillors Bull (Chair), Egan, Newton and Winskill

LC1. APOLOGIES FOR ABSENCE

Whittington Hospital Patient and Public Involvement Forum

LC2. URGENT BUSINESS

None.

LC3. DECLARATIONS OF INTEREST

None.

LC4. TERMS OF REFERENCE

A number of initial observations were made by the Panel:

- There was concern at the number of consultations being undertaken locally and the impact that this may have on local health services and their patients. In addition to the Whittington Foundation Trust application, it was reported that consultations were also being undertaken by Haringey PCT (Primary Care Strategy) and Barnet, Enfield and Haringey (Clinical Strategy). Impending consultations were also noted to include the London NHS Strategy (Framework for Action) and further Foundation Trust status applications from Barnet, Enfield & Haringey Mental Health Trust and North Middlesex Hospital.
- The Panel noted that equalities issues were very important in the Whittington Hospital's application for Foundation Trust (FT) status, especially how this may impact on other local health services and the people that use them.
- The Panel were keen to understand what impact the review of London NHS services (Framework for Action) would have on health services provided at the Whittington. In particular, Panel Members required further clarification on what were the implications of the independent status of Whittington Hospital Foundation Trust and its involvement in the London review consultation (i.e. what role would the Whittington have in the review process once being independent of NHS control?).
- In this scrutiny review the Panel would be seeking to assess why the Whittington has applied for FT status, how the Whittington would use new freedoms allowed under Foundation Trust status, the impact Foundation Trust status will have upon Haringey services and the people that use them and consider the adequacy of planned consultation process by the Whittington.

Agreed: The Panel agreed that the aims and terms of reference as set out in the documentation be approved.

LC5. EVIDENCE FROM WHITTINGTON HOSPITAL NHS TRUST

MINUTES OF THE SCRUTINY REVIEW - WHITTINGTON HOSPITAL/APPLICATION FOR FOUNDATION TRUST STATUS

TUESDAY, 11 SEPTEMBER 2007

Susan Sorensen, Director of Strategy & Performance and Deputy Chief Executive and Siobhan Harrington Director of Primary Care presented an overview of the Whittington's Hospital application for Foundation Trust status and responded to Panel questions. A summary of the discussions that subsequently took place is provided below:

Background to application

- The Whittington was told it could apply for FT status in the 2006/7 business planning cycle having met the required standards. The Whittington Hospital will therefore be part of the 7th wave of applications for FT status. The decision to seek FT status was unanimous among current Whittington Board.
- The acute sector must continually 'horizon scan' to ensure that business plans recognise and respond to anticipated events. In this context, the Whittington had been required to make some tentative assumptions about the outcome of the London review of NHS services.
- It was emphasised that this was a genuine application which would be thoroughly assessed by the scrutinising body (Monitor). It was noted that not all NHS trusts had been successful in their applications for FT status, indeed, some had been deferred for further developmental work before they can resubmit their application.

Local Health Economy

- The Whittington Hospital indicated that it was aware of the issues that may arise with many local health agencies in transformation at the same time. It was reported that there is ongoing dialogue with both Haringey PCT and NHS London to ensure that local and regional developments are planned coherently and that services do not fragment.
- The Whittington indicated that it was committed to maintaining a strong network of local health care provision. Even though the Whittington will be independent of NHS control once acquiring FT status, it will retain a strong interest in maintaining clinical networks which naturally extend over many acute sector sites (such as the North Middlesex Hospital). Similarly, under the London NHS review (Darzi), emphasis will be on developing effective care pathways which will maintain links between acute sector sites.
- It was pointed out that the Whittington was particularly keen to maintain links with the primary care sector, hence the development of the innovative post of Director of Primary Care at the hospital. This role will help the Whittington to maintain an awareness of community developments and provide a focus for ongoing consultation processes between the two sectors.
- The Whittington sought to reassure the Panel about private sector provision from the site under FT status. It was indicated that there would be no benefit from incorporating private sector health care provision (i.e. treatment centre) within the hospital business model, as the FT would have a much tighter business case for all services provided in the future.

London NHS Reconfiguration

- Concerns were raised about the future of the Whittington Hospital in the context of the review of NHS services in London. There was a general indication that

MINUTES OF THE SCRUTINY REVIEW - WHITTINGTON HOSPITAL/APPLICATION FOR FOUNDATION TRUST STATUS

TUESDAY, 11 SEPTEMBER 2007

Primary Care Trusts (as commissioners of services) would lead the way in shaping the nature and level of acute sector provision across London (subject to Darzi model and principles). Thus, it would be local PCTs which would ultimately shape the nature of services provided through the Whittington and other acute sector hospitals.

- The impact of the Whittington acquiring FT status upon the wider health economy was a concern to Panel Members. New financial freedoms together with greater autonomy to determine governance arrangements may confer a competitive advantage to the Whittington Hospital FT over other acute trusts in the area (i.e. The North Middlesex Hospital). There was some anxiety as to what implications this may have for 1) the availability of services across both sites 2) patients ability to choose services.

Governance & Accountability

- Although FT's are independent of NHS control, public accountability will be maintained through reporting and monitoring processes established with Monitor: a government agency that specifically regulates FT's. Monitor has already established a quarterly inspection and assessment processes with the Whittington in the lead up to their formal application and these will continue if FT status is attained.
- The Board of Directors will have responsibility for day to day running of the Hospital. The board will consist of 12 Directors (6 Executive and 6 Non Executive) and the Chair. 29 representatives will make up the Members Council which will include, patient, public and staff representatives and other local stakeholder organisations (i.e. PCTs, LA's). The Members Council would have powers to appoint the Chairman and Non Executive Directors to the Board.
- The value of public accountability through the role of the Members Council was questioned by the Panel. The Panel were concerned that the ability of the Members Council to guide and influence decisions taken by the Board of Directors may be limited, given that it will not have an indicative budget and will have limited opportunities to meet with the Board. It was also noted that that the only direct link between the Members Council and the Board of Directors was the Chairman (who presides over both).
- Further clarification was sought as to the accountability of the Chairman's role within new governance arrangements at the Whittington, particularly in their duty as Chair of both the Board of Directors and the Members Council. Whilst it was noted that this role may provide a link between the two management bodies of the FT, there was a concern that this placed considerable singular authority within the role of the Chairman.
- Panel Members indicated that further work needed to be undertaken to explain the nature of the relationship between the Board of Directors and the Membership Council. If FT status was to represent greater patient and public accountability, further involvement of the Membership Council in decision making processes was needed.
- Further details as to how Executive Directors will be identified, appointed and remunerated within the new Foundation Trust was also sought.

Finance

MINUTES OF THE SCRUTINY REVIEW - WHITTINGTON HOSPITAL/APPLICATION FOR FOUNDATION TRUST STATUS
TUESDAY, 11 SEPTEMBER 2007

- New financial freedoms will be one of the key benefits of Whittington gaining FT status. With FT status, the Whittington will be able to access new sources of financial support and do so more efficiently than under current NHS financial processes. This may enable the Whittington to respond to patients needs more quickly as there is 'less bureaucracy' in planning and developing new services.
- Each Foundation Trust is subject to rigorous financial planning and monitoring standards set by Monitor. Each FT is allocated a financial borrowing limit based on the assessed accounts. Whilst borrowing can be from private or public sources, the FT cannot breach these total borrowing limits.
- The Panel discussed what the implications would be of FT that failed (either financially or through poor governance). Recent evidence would seem to suggest that in such circumstances, a FT would be taken over or forced to merge with a more successful FT.
- With the maintenance of the Payment By Results (PBR) system, where acute sector providers are remunerated at the same rate for hospital services, there is no incentive for cost cutting between competing acute sector hospitals.
- If a financial surplus is recorded by a FT at the end of the accounting year this money is not subject to any external controls. A financial surplus cannot therefore be reclaimed by wider NHS bodies. Financial surpluses can be retained by the FT for future investment or redirected to service areas at the discretion of the FT Board.
- It was recorded that the intention of the Whittington was to plan for an operating surplus at the end of the first financial year as a FT. This would be in line with surpluses recorded at other FT's.

Staff

- Then Whittington will have greater flexibility and autonomy to vary staff employment and conditions within FT status. The Whittington indicated that it had no plans to vary conditions from national pay agreements. The Whittington have undertaken consultations with Staff Side (Trade Union) representatives in the furtherance of their FT application..

Standards & Monitoring

- Even though Foundation Trusts are independent of NHS control, the Hospital will still be subject to service standard inspections as carried out by the Healthcare Commission. The Whittington will also still be subject to core standards as set out for other acute trusts. Current arrangements for recording and publishing of standards data will be maintained.

Consultation

- The Whittington has undertaken a wide ranging programme of consultation events and meetings with staff, patients, public and other services in the locality. The local Public and Patient Involvement Forum have also been kept informed of developments as the hospital's application for FT status has progressed.

It was noted that the Whittington Hospital has an Open Day on the 26th September from 14.00–18.00.

**MINUTES OF THE SCRUTINY REVIEW - WHITTINGTON HOSPITAL/APPLICATION FOR
FOUNDATION TRUST STATUS
TUESDAY, 11 SEPTEMBER 2007**

A copy of the presentation that was made to the Panel is attached for information.

LC6. EVIDENCE FROM INDEPENDENT ADVISER

Joy Tweed, is a member of the Health Scrutiny Support Programme (at the Centre for Public Scrutiny) and an Associate Lecturer at University of Westminster. A brief summary of the main points that were discussed with the Panel are summarised below:

- To date 73 NHS Trusts have acquired FT status. Although the stated policy of ensuring that all acute sector NHS trusts become FT's is still in place, it is unlikely that this will be achieved by the target date of 2008.
- The Governor role will be critical in the new governance arrangements for the FT, particularly in developing links with different stakeholder groups. As Governors may be from a wide range of lay communities, there will need to be an explicit commitment to train and develop those elected to Governor Role to ensure that they can fulfil these duties effectively.
- Further information is required as to how the Whittington planned to develop the Membership of the FT. In particular, details of how patients and members of the public are to be engaged and recruited into the Membership. This was important as this is the mechanism for ensuring that local people are adequately represented in the Membership and subsequent election to the Council.
- The Darzi review (of London NHS services) will have important implications for FT's and the wider acute sector, especially as to how new commissioning arrangements will work (practice based commissioning). It was noted that there is a need to develop such commissioning capacity.
- With the creation of FT's, it has been inevitable local disputes have arisen between commissioners and providers concerning variations in the nature and level services provided. With the right of appeal to the Secretary of State no longer available, Monitor has assumed this regulatory role. It was noted however, that Monitor appeared unwilling to get involved in such local disputes, instead recommending local dialogue as a solution.
- The Panel indicated that it would like to learn more about the experiences of other FT's, particularly in relation to 1) governance issues - the work of the Membership Council and relationship with the Board 2) financial position – costs of recruiting Membership and maintaining Membership Council 3) benefits that have been derived from new freedoms conferred through FT status. The Panel asked the independent adviser if some further information could be obtained from 2 or 3 FT's in relation to these areas.

Agreed: Independent adviser to obtain information from other FT's in respect of governance, benefits of new freedoms and finances.

- The Panel indicated that a visit to the Whittington Hospital would be helpful to guide and inform decision making.

**MINUTES OF THE SCRUTINY REVIEW - WHITTINGTON HOSPITAL/APPLICATION FOR
FOUNDATION TRUST STATUS
TUESDAY, 11 SEPTEMBER 2007**

Agreed: Panel visit to Whittington Hospital be arranged before the next meeting (4th October).

LC7. EVIDENCE FROM WHITTINGTON HOSPITAL PATIENT & PUBLIC INVOLVEMENT FORUM

A representative from the Whittington Hospital PPI Forum was not able to attend. This Forum is meeting on the 18th September to develop a written response to Whittington Hospital consultation, which the Review Panel will also receive.

Agreed: Whittington PPI Forum be invited to attend the next meeting (4th October, 7.00 p.m).

LC8. NEW ITEMS OF URGENT BUSINESS

None.

LC9. DATE OF NEXT MEETING

Agreed: Thursday 4th October 7.00pm Haringey Civic Centre (Committee Room 1)

Cllr Gideon Bull

Chair