

Tel: 01223 597680
Fax: 01223 597670
E-Mail: keith.pearson@eoe.nhs.uk
Website: www.eoe.nhs.uk

East of England Strategic Health Authority
Victoria House
Capital Park
Fulbourn
Cambridge
CB21 5XB

Our ref: KP/RC

Date: Monday, 17 May 2010

Tel: 01223 597500
Fax: 01223 597555

Ms Maureen Donnelly
Chair
NHS Cambridgeshire
Lockton House
Clarendon Road
Cambridge
CB2 8FH

Dear Maureen

Re: Annual Accountability Review meeting 2009 / 10

Thank you for attending the recent annual accountability review meeting held on Friday 14 May 2010. The review focused on the work delivered in 2009/10 and the PCT plans for 2010/11. Please ensure this letter is discussed at your next Public Board meeting.

The meeting was structured into three distinct areas and this letter will be similarly structured. The three areas are strategic plans for 2010/2011; operational performance and PCT development and I shall discuss each area in turn and follow this with a summary.

Strategic Plans for 2010/11

We discussed the PCTs QIPP plans in the context of historic activity growth and the ability of the PCT to deliver these plans. You provided assurance by outlining that the plans are broken down into two broad areas: pure efficiency initiatives, which in 2010/2011 plan to net £17.9m in savings; strategic initiatives, which carry greater risk and in 2010/2011 plan to net £12.3m in savings. A greater focus on pure efficiency and the steps planned to reduce activity in this year, you felt, will offset the risk; and you expect to see the balance shift to "system change" and away from pure efficiency in 2011/2012 and 2012/2013. We reminded you that the 2% non-recurrent funding to support service transformation cannot be used to fund any shortfalls.

You also assured us that there are well developed plans to reduce management costs by 30% and these will support the strategic plans by re-aligning human resources to strategic objectives or "change activities".

We would like to acknowledge and commend the strategic initiatives that the PCT has developed, in particular the new model of commissioning, but we remain cautious about the ability to fully deliver the QIPP agenda.

Operational performance 2009/10

At last years annual accountability review we discussed the need for improvements in public health and disappointingly there remain concerns in a number of areas such as Chlamydia screening and dentistry. Some assurance was provided that targets would be met when year end data is finalised but a more focussed and well planned approach in these areas is expected in this operational year.

Hinchingbrooke Hospital the PCT acknowledged was a major concern and had been for some time; the PCT are currently awaiting the outcome of the Price Waterhouse Coopers report, which is expected imminently, but interim findings and PCT visits to the Trust highlight poor clinical leadership and staffing numbers as considerable contributory factors in the patient safety issues raised. We highlighted that the Hinchingbrooke issue raises questions about governance at the PCT Board as “soft intelligence” from a variety of sources arriving at the PCT had not triggered an earlier response. As a PCT you assured us that lessons had been learned and that measures are being taken to improve Board level information with the inclusion of a variety of other indicators in addition to more focussed performance data. We were greatly encouraged, however, that you view the current issues at Hinchingbrooke as a real opportunity to improve services going forward and you are to be commended for your engagement in the “Next Steps” Project.

A range of operational indicators e.g. 18 week referral to treatment, health care associated infections (HCAIs) and delayed transfers of care were noted as a priority for the PCT at last years accountability review and yet we continue to see poor performance. We sought a further guarantee that the PCT does view these as priority areas and that your Board will demonstrate more rigour and focus in these areas. We discussed broad concerns that Cambridge University Hospital (CUHFT) is currently not performing well in a number of these areas and that engagement with the CEO and Medical Director is key to turning this around; as is the appropriate use of the contractual levers at the PCTs disposal. The PCT acknowledged our concern and re-stated intentions to make significant improvements in 2010/2011 and beyond; to achieve this we noted that the PCT have engaged partners in a system-wide “Leadership Group”, which is at CEO level, and this is proving to be a productive vehicle in achieving engagement across a broad range of operational issues. Also highlighted was the investment the PCT have made in a “patient experience” team which will place greater emphasis on this area of ‘customer service’ type indicators and aims to turnaround the performance in 2010/2011.

PCT development

Firstly we recognised your achievement of improved ratings in the recent World Class Commissioning (WCC) panels, subject to national validation - well done.

We discussed priorities for the coming year and the top three identified by the PCT are: communication, and a move away from silo to a matrix approach to management; improve and support infrastructure to ensure staff are appropriately supported to carry out their duties effectively; a realignment of objectives to your strategy and no longer doing those things which do not match your strategic direction of travel. The need to manage talent within the organisation remains important and we were assured you had plans to redress the balance between “business as usual” and “change agents” with a reconfiguration of staff and the resultant drawing out of talent this would produce. With this in mind we reminded the PCT of its obligations to staff within the NHS Constitution and the need to focus on the four indicators to ensure the delivery and overall improvement of staff satisfaction within the PCT and the local health system.

We recognised the ambitious plans the PCT have to be carbon neutral in five years and suggested the consideration of greater engagement with estates colleagues across the system and the use of appropriate commissioning levers available to support your ambition. You acknowledged that the plans represent a significant undertaking and that the PCT has more to do.

Lastly there remain concerns over the prioritising of investment and the ability to stimulate the market within the local health system.

Summary

In summary, with a new top team in place we are optimistic about the future and we thank the Board for their leadership.

As a PCT we recognise your ability to manage your finances but remain concerned in a number of key areas:

- a range of public health indicators, where we need further assurance that the PCT are focussed on delivery;
- the PCTs ability to deliver ambitious QIPP plans, but we are impressed with the visionary approach i.e. the new model of commissioning;
- a focus on the delivery of patient safety at Hinchingsbrooke, although we recognise there is good PCT engagement in the “Next Steps” project;
- assurance that the PCT is engaging with the CUHFT top team robustly and using appropriate contractual levers to improve performance as we are concerned that they are currently not fulfilling their core functions adequately as a District General Hospital.

We recognise the excellent start to the year and the work that the PCT has begun to undertake, but the remaining level of assurance you need to demonstrate means that formal performance management arrangements will be put in place for 2010/2011 on a **monthly** basis.

We look forward to continuing to work with the PCT through the Performance Team and to meeting again next year for the accountability review.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Keith S Pearson', with a horizontal line underneath.

Keith S Pearson JP
Chairman