

REPORT TO: Executive Board

DATE: 2nd November 2006

REPORTING OFFICER: Strategic Director – Health & Community and
Strategic Director - Children & Young People

SUBJECT: Consultation on Royal Liverpool Children's NHS
Trust application for Foundation Status.

WARD(S): Boroughwide

1.0 PURPOSE OF REPORT

1.1 To agree on the key issues and concerns in response to the application for Foundations status by the Royal Liverpool Children's NHS Trust.

2.0 RECOMMENDATION: That

- (1) HBC seeks clarity and reassurance as to what Foundation Status will actually mean for the residents and families of Halton in receipt of patient care;
- (2) reassurance is sought that high cost and low caseload interventions will not be under threat in the context of a market driven by choice and competition;
- (3) clarification should be sought as to whether the funding arrangements, assessment of need, nature of the workforce and the range of provision will change as a result Foundation status;
- (4) the Trust should make clear their policy on generating income;
- (5) clarification should be sought with respect to the composition of the council of governors and the process for selecting representatives; and
- (6) the impact of this policy (i.e. to foster innovation and change in acute hospitals) on the ability of PCTs to invest in preventive, primary, community and intermediate care should be carefully monitored by the Healthy Halton Policy and Performance Board (PPB).

3.0 SUPPORTING INFORMATION

3.1 Under Health & Social Care Act 2003, the Royal Liverpool Children's

NHS Trust has applied to become an NHS Foundation Trust. The consultation period of 12 weeks commenced Monday 31 July 2006 and ends on Monday 23 October 2006.

3.2 Foundation Trusts will be at the cutting edge of a wider programme of public sector reform with the intention of offering more diversity and patient choice, enabling leadership, innovation and initiative to flourish as part of the local health economy, and replacing central control from Whitehall with accountability to the local community. There been a lot of national debate about what the policy really means and what impact it might have, not only for health care provision, but for NHS structures and NHS principles. What is clear, is that they will differ from NHS Trusts in three distinct areas:

- Governance arrangements;
- Performance management arrangements;
- Financial freedoms and flexibilities.

3.3 The general context of this proposal is complex. Primary Care Trusts (PCTs) as a whole are having to cope with a huge number of demands, including the introduction of an internal market under Patients' Choice and Payment by Results, Practice based Commissioning and Agenda for Change. Within this context, PCTs will be severely challenged in order manage this huge agenda of reform.

3.4 Patients' Choice and Payment by Results may also challenge attempts to provide care on an equitable basis because of the re-introduction of the internal market. Similarly, there may be a risk to partnership working, as a result of the freedoms and privileges associated with Foundation Trust status combined with the potential perverse incentives arising from Payment by Results.

3.5 . When an organisation becomes a Foundation Trust, it will:

- Have more autonomy in making decisions about services provided.
- Be accountable to members (staff, patients and local people) rather than directly to the Secretary of State.
- Remain part of the NHS.
- Be accountable to NHS Commissioners through legally binding contracts.
- Be approved by the Independent Regulator 'Monitor' (which authorises and monitors NHS Foundation Trusts).

3.6 The key questions which arise from any application for Foundation status are as follows:

- . How will local people benefit?

- Will local people have more say in the way services are provided?
- What are the risks and benefits for the local health and social care economy?
- How can equity of access, high clinical standards and planning to meet local needs be assured?
- Does the capacity exist to deliver the changes required?
- What aspects of Foundation Trust applications and implementation require further scrutiny?

3.7 The consultation document provides very limited details of their intentions to develop services in community settings and to improve hospital premises. The composition of the council of governors also requires further consideration. In particular, it is unclear why 2 places have been allocated to universities and the geographical coverage is limited. Furthermore the process for selecting representatives on the council of governors is unclear.

3.8 A small but significant number of Halton residents receive specialized and expensive treatment. In some cases the level of care increases as the child gets older and the condition develops. Where choice and competitiveness are to be the key drivers for change, there is a concern that it may these very interventions which are cut given the high costs and low numbers involved. In such a scenario, for local residents to have to travel further would highly detrimental.

3.9 Children's Services are in the process of further developing a pooled budget for a wide range of services affecting children and young people. This will entail a single referral, assessment, plan and review. It is unclear if the funding arrangements, assessment of need and the range of provision will change as a result Foundation status.

3.10 The opportunity to generate income is clearly an attractive one. These benefits could be undermined, however, if clear parameters are not established around what is appropriate within an environment populated by vulnerable and impressionable people.

3.11 The following link is provided to the relevant Trust's webpage and to the consultation document: (Appendix 1 http://www.alderhey.com/RLCH/FT_introduction.asp).

3.12 This report has been to a special PPB on 4 October comprising the Healthy Halton and Children & Young People PPBs.

4.0 POLICY AND OTHER IMPLICATIONS

4.1 The Trust's continued drive to make further improvements to local services through the greater autonomy and freedoms associated with

Foundation Trust status will undoubtedly create incentives for change and accelerate the pace of modernisation across the wider health economy.

Whilst the services provided by the Trust are clearly of value and of huge benefit to the patients involved, this is at the expense of monies which could be spent on low-level intervention.

5.0 OTHER IMPLICATIONS

5.1 None

6.0 RISK ANALYSIS

6.1 Failure to influence could result in users from Halton being disadvantaged, hence putting more pressure on social services either as children or later on life.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 None associated with this report.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972.

8.1 Attached Appendices.