

**District of Easington Partnerships Scrutiny Committee**

**Director of Finance**

**Executive Summary**

**Report Title:**

Health Governance Update Report

**Purpose of report:**

The purpose of this report is to provide a health governance update to the Partnerships Scrutiny Committee and outline arrangements in preparation for the final declaration against the core standards. This update is in 3 key sections: Section 1 – Declaration against the core standards, Section 2 – Approach to the developmental standards, Section 3 – Preparation for the final declaration.

**Recommendation:**

It is recommended that the Partnerships Scrutiny Committee consider this report and note progress being made in regard to the significant lapse, positive assurances received and preparation in place for the final declaration.

**Report prepared by:**

Michael Houghton - Head of Health Governance

**Date:**

16 January 2006

## Directorate of Finance

### Progress on Standards for Better Health

#### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide a health governance update to the Partnerships Scrutiny Committee and outline arrangements in preparation for the final declaration against the core standards. This update is in 3 key sections: Section 1 – Declaration against the core standards, Section 2 – Approach to the developmental standards, Section 3 – Preparation for the final declaration.

#### 2. BACKGROUND INFORMATION / KEY ISSUES

##### SECTION 1 – DECLARATION AGAINST THE CORE STANDARDS

###### *Interim Declaration Update*

- 2.1 The interim declaration was successfully submitted to the Healthcare Commission by the 31 October deadline. A confirmation receipt to this effect was received by the PCT.
- 2.2 The Healthcare Commission has completed the cross-checking stage of the interim declarations submitted and used this to develop a risk profile for each Trust. As part of the *annual health check*, the Healthcare Commission announced their visits and spot checks of compliance against the core standards which will include around 120 NHS Trusts, representing approximately 20 percent of organisations. The programme of visits and spot checks includes 10 percent of all Trusts most at risk of not meeting the core standards and a further 10 percent which are randomly selected. Unfortunately, individual organisations were not named in the announcement and Trusts selected for a visit or spot check will be contacted by the regional Healthcare Commission team. A number of Local Trusts have since been for a random visit.
- 2.3 A series of *Inspection guides* have been published by the Healthcare Commission. The guides are intended as a resource for Assessment Managers to use when undertaking visits and spot checks on compliance against the core standards. An example inspection guide is attached and the Healthcare Commission is keen to stress that the guides do not add any additional requirements to those published in earlier guides e.g., *Criteria for assessing the core standards*. As part of the PCT's ongoing self assessment against the core standards, each lead manager for the core standards has been asked to review the inspection guide(s) relevant to them in terms of compliance. This will be followed up by a review meeting with each lead manager/group to consider compliance against the core standards, linked to the self assessment process for the final declaration. The review meeting will include a member of Internal Audit to assist in informing the Head of Internal Audits Opinion for 2005/06. This approach will avoid duplication of effort.

### *Primary Care Contractors and Commissioning*

2.4 In 2005/06, the PCT is required to make reasonable enquiries as to compliance against the core standards by independent contractors and commissioned services. This is achieved by reference to existing mechanisms, i.e. QOF, Executive Committee and contract monitoring arrangements. It is important that the PCT builds on these processes over during this year in preparation for a greater emphasis of these areas in the annual health check from next year. In preparation, the following workstreams have been established:

- An assessment of compliance against the core standards and their relevance has been completed for Community Pharmacy, Dental and Ophthalmic services. The reviews have been undertaken with the involvement of the relevant Executive Committee member or service member, service development group, reference to the appropriate Royal College or Society with assistance of the Primary Care Development Manager, Emma Champley. This approach has enabled greater awareness of the standards within these services and agreement of a forward development plan to strengthen current arrangements to meet the standards;
- A review of progress against meeting the core standards by GP Practices is currently ongoing in conjunction with the QOF assessments co-ordinated by Sue Grogan, Head of Primary Care, Alison O'Hare, Head of Clinical Governance. This process incorporates a review of clinical governance developments;
- Meetings/workshops are being organised with each Local Implementation Team (LIT) to establish links between their work programme and attainment of the core and developmental standards. For example, a session has already been held with the Older Peoples NSF LIT and a forward programme agreed;
- Discussions are being held with Ian Coates, Head of Commissioning and Performance to review commissioning and contracting arrangements to ensure that the core and development standards are captured in these processes and subsequent monitoring arrangements.

### *Progress – Significant Lapse*

2.5 The PCT declared a significant lapse against meeting core standard C4d, medical devices. An action plan to address the gaps was developed. Margaret Stacey, Nursing Projects Manager was appointed project manager to oversee the implementation of the action plan. Significant progress has been made and the following actions have been taken:

- A policy for the safe use and management of medical devices has been approved
- A new IT system to provide a medical devices register will be operational on the 20<sup>th</sup> January 2006;
- A service level agreement is being developed with North Tees and Hartlepool NHS Trust to provide training, advice, servicing and maintenance.

Margaret Stacey presents monthly progress updates to The Risk Management Committee. The Risk Management Committee is anticipating that the actions to meeting this core standard will be completed by the target date of the 31 March 2006.

## Assurances

- 2.6 The PCT was externally assessed against the Improving Working Lives, Practice Plus in November 2005, which was led by Julie Hanson. The PCT was successful in gaining Practice Plus providing significant positive assurance towards compliance with a number of core standards, including:

C7 a & c	Health care organisations apply the principles of sound clinical and corporate governance and undertake systematic risk assessment and risk management
C8 b	Health care organisations support their staff through organisational and personal development programmes which recognise the contribution and value of staff, and address, where appropriate, under-representation of minority groups.
C 11 a	Health care organisations ensure that staff concerned with all aspects of the provision of health care are appropriately recruited, trained and qualified for the work they undertake
C11 b	Health care organisations ensure that staff concerned with all aspects of the provision of health care participate in mandatory training programmes
C11 c	Health care organisations ensure that staff concerned with all aspects of the provision of health care participate in further professional and occupational development commensurate with their work throughout their working lives.
C20	Health care services are provided in environments which promote effective care and optimise health outcomes by being a safe and secure environment which protects patients, staff, visitors and their property, and the physical assets of the organisation
C23	Health care organisations have systematic and managed disease prevention and health promotion programmes which meet the requirements of the National Service Frameworks and national plans with particular regard to reducing obesity through action on nutrition and exercise, smoking, substance misuse and sexually transmitted infections.

## SECTION 2 – APPROACH TO THE DEVELOPMENTAL STANDARDS

### *Developmental Standards – Approach by the Healthcare Commission*

- 2.7 The developmental standards represent standards of good practice which healthcare organisations should be increasingly aiming to deliver. The standards are designed to promote a culture of continuous improvement in service quality, safety and performance.
- 2.8 Within 2005/06, the Healthcare Commission has begun to assess progress in meeting some of the developmental standards through improvement reviews. For example, both the tobacco control and substance misuse improvement reviews incorporated a number of developmental standards within the terms of reference.
- 2.9 The Healthcare Commission has announced that they intend to consult on proposals for an assessment framework against the developmental standards in 2006/07.

Consultation will be in early 2006 and it is likely that the proposals will suggest a focus on one or two of the domains such as safety or clinical and cost effectiveness as well as taking into account the department of Health's better metrics project.

#### *Progress in the PCT*

- 2.10 The PCT is taking part in two improvement reviews, tobacco control and substance misuse which will feed into the annual assessment rating for 2005/06. Further improvement reviews are announced for 2006/07, heart failure and adult mental health. Others under consideration for 2006/07 include, chronic obstructive pulmonary disease and diabetes.
- 2.11 In addition, the PCT is involved the better metrics project and has begun to use and develop the metrics in close consultation with the Department of Health's project lead.
- 2.12 The PCT's has rightly focused on the core standards during 2005/06. In anticipation of the Healthcare Commissions assessment framework for the developmental standards, a focus is now needed on the developmental standards. The PCT's integrated governance framework, business planning and service strategy development processes provide the ideal vehicle to integrate delivery against the developmental standards. It is likely that a number of elements within the developmental standards are already being delivered or planned through the above processes.

### **SECTION 3 – PREPARATION FOR THE FINAL DECLARATION**

#### *Summary of Requirements – Final Declaration*

- 2.13 The process for the final declaration is broadly similar to the interim declaration with two notable differences. Firstly, the PCT will need to include the outcome of any Healthcare Commission visit or spot check in the interim declaration into account when making the final declaration. Secondly, the PCT will be required to seek comments from stakeholders as before but the Healthcare Commission will provide specific questions to use when seeking comments.
- 2.14 The submission date for making the final declaration is 30 April 2006. The final declaration covers the period 1 October 2005 to 31 March 2006 and should include any significant lapses in meeting a core standards or instances where there is a lack of assurance and remedial action taken or ongoing (if this will continue beyond 31 March 2006).
- 2.15 The checking process will commence in May 2006 and selective inspection of around 20 percent of Trusts will follow in June and July 2006. These processes are similar to those undertaken in the interim declaration except that at this stage, any significant lapses adjudged by the Healthcare Commission will be published as a qualification to the final declaration and will affect the PCT's performance rating.
- 2.16 The final performance assessment rating for the PCT will be published in October 2006.

*Outline of key steps for final declaration*

2.17 A number of key steps to meet the requirements for the final declaration are outlined below:

- Continue to review compliance against the core standards with particular reference to assurances received by the PCT and any new guidance from the Health Care Commission (**October 2005 – March 2006**);
- Make arrangements for stakeholders to receive and comment on the final declaration (**December 2005**);
- Directors and relevant groups to undertake a compliance assessment against the core standards, taking any new guidance and assurances into account, for the final declaration, subject to Board ratification (**end of February 2006**);
- Undertake a peer review with Durham and Chester-le-Street PCT and bench mark with other PCTs in County Durham and Darlington (**end of February 2006**);
- Final declaration and any questions from the Healthcare Commission will be forwarded to key stakeholders for consideration and comment (**by mid March 2006**);
- Final declaration will be considered and approved by PCT Board (**April 2006**);
- Final declaration, including stakeholder comments will be submitted to the Healthcare Commission on or before (**30 April 2006**);
- Head of Audit opinion and External Audit opinion for 2005/06 forwarded to the Healthcare Commission (**by May/June 2006**);
- PCT to liaise with the healthcare Commission's regional team in regard to the follow up and selective inspection process for the final declaration (**up to September 2006**).

The process for 2006/07 will commence from the 1 April 2006.

*Reconfiguration Implications for the Declaration*

2.18 The Healthcare Commission has provided the following advice in their frequently asked questions facility on how they will deal with Standards for Better Health in regard to merged trusts:

***Merged trusts***

***Q. How do trusts that are merging handle the draft declaration?***

***A. The Healthcare Commission is under a duty to conduct an annual review of the provision of health care by and for each English NHS body and certain cross-border SHAs. Therefore, if organisations are in the process of merging, we require a declaration for each legal entity. For example, where a number of PCTs are merging and will become a legal entity on April 1st 2006, it will be necessary for the new board to submit a declaration for each of the former organisations covering the required period between April 1st 2005 and March 31st 2006.***

- 2.19 Given the above guidance and timetable for reconfiguration it is clear that each existing PCT board will be required to prepare and submit a final declaration covering 1 April 2005 to 31 March 2006.
- 2.20 It is not clear from the above guidance whether the existing PCTs will be required to submit a declaration up to the date they are dissolved if the new PCT is created after 1 April 2006.
- 2.21 It is clear that the annual performance rating based on the declaration, improvement reviews, use of resources assessment and meeting existing and new performance targets will be given for each existing PCT. It is extremely important that a clear focus is maintained on this important agenda, as the new PCT will assume responsibility for the annual performance rating and any respective improvement plan from the former PCTs.
- 2.22 The Chief Executives of the PCTs in County Durham and Darlington have agreed a project for the management of the reconfiguration. Part of this plan includes a workstream on Policy and Governance, which was being led by Helen Byrne, Deputy Chief Executive. Terms of reference have been agreed by the project board and the key objectives / deliverables for this workstream are to:
- Identify relevant Department of Health requirements and best practice within individual PCTs' for policy and integrated governance frameworks with reference to work undertaken within:
    - Standards for Better Health
    - Assurance strategies and frameworks
    - Clinical Negligence Schemes for Trusts (CNST) assessments
    - Improvement reviews, etc;
  - Confirm the must do policy and integrated governance requirements to be achieved and maintained through to 31 March 2006, during the early months of the Shadow Board and new PCT Board;
  - Clarify the overarching policy framework and operational procedures for an integrated governance framework needed for a newly configured PCT, taking into account the Health Integrated Governance Handbook, due to be published by the Department of Health;
  - Work collaboratively with other workstreams to ensure that relevant policy and integrated governance arrangements/requirements are identified and highlighted to a future Shadow Board and new PCT Board;
  - Identify the key steps and activities required to establish the policy integrated governance framework for a single reconfigured PCT e.g. current requirements to the year end, issues for the shadow board and new PCT Board;
  - Develop a plan to implement policy & integrated governance framework;
  - Establish workstream to develop an implementation plan for consideration by the Shadow Board and ultimately, the new PCT Board.

A meeting of the workstream leads is being held on 18 January 2006 to review progress and prepare a report covering the key messages and next steps.

### **3. RECOMMENDATION**

- 3.1 It is recommended that the Partnerships Scrutiny Committee consider this report and note progress being made in regard to the significant lapse, positive assurances received and preparation in place for the final declaration.

**Report prepared by: Michael Houghton**

**Date: 16 January 2006**

**Director's name: Joe Corrigan**

**Date: 16 January 2006**

### **Background papers**

- a) *Assessment for Improvement: The Annual Health Check, Criteria for Assessing Core Standards.* Healthcare Commission, 2005.
- b) *Assessment for Improvement: The Annual Health Check, Criteria for Assessing Core Standards; Information for Primary Care Trusts.* Healthcare Commission, 2005.
- c) *Assessment for Improvement: Inspection Guides.* Healthcare Commission, 2005
- d) *Interim Declaration on the Core Standards, Easington PCT, 2005*