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GE/SP/AG

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Councillor Erica Oulton  
Commissioner  
Policy Commission for Care Trust Delivery and Health Scrutiny  
Members Room  
County Hall  
Newport  
Isle of Wight  
PO30 1UD

Dear Councillor Oulton

## **Finance Recovery Plan**

Thank you for your letter requesting clarification and confirmation on a range of issues, which I will answer in the same order as your letter. However, I must first apologise for the delay in responding, this was due to the time taken to gather the relevant information from various areas of both Trusts.

### **1. Finance**

- 1.1 We are anticipating circa £15 million in growth. If we achieve breakeven this year we will be debt free in 2006/07. However, given the financial position of the SHA we are not yet clear what funding will be available to the Island. In addition we are still awaiting clarification of what targets the organisation will be required to meet. This will impact on the funding required for delivery and achievement.
- 1.2 There is no clarity yet on the impact of all the pay reforms (Consultant Contract, GP Contract and Agenda for Change). We do not know what the pay award for 2006/07 will be.

### **2. Patient Travel**

- 2.1 "There are specific regulations for certain categories of patients who are receiving financial support from the Government to repayment of their expenses. The PCT does not have general powers to make payments for other patients outside the circumstances in these regulations, although we do have the power to make payments in exceptional circumstances. In any event in exercising any discretion to exercise this power the PCT would be entitled to take into account its resources. Furthermore, if it does decide to make a payment for a particular patient or group it would need to reach this decision on fair and reasonable grounds (and without unfairly discriminating against other patients or patient groups)

In conclusion, therefore the PCT is not obliged to make payments for all patients travelling to the mainland for cancer treatment. It may have power to make payments if it can justify this as exceptional circumstances and that it has reached this decision on fair and reasonable grounds.” This legal advice was provided by Bevan Britten dated 12<sup>th</sup> August.

- 2.2 We have some information which helps to estimate the numbers. The PCT only has exact information on the number of patients who claim reimbursement for cancer and renal treatments. There is a further cohort of patients who travel to the mainland and are able to reclaim costs through the Hospital Travel Costs Scheme if they are on eligible benefits. PCTs do not receive data on these patients as the cost is within the NHS National Tariff for associated attendance. There is obviously no data kept on patients travelling to the mainland who do not claim under either of the above. Nor is any information kept at receiving hospitals of patients travelling with escorts.

The information we can supply is as follows:-

- a) The PCT has a range of Service Level Agreements with mainland providers and currently this involves some 2800 new appointments per annum.

This is not the volume of journeys however as patients travel for subsequent diagnostic procedures, ambulant treatments, therapies, and fittings (such as orthotics), as well as surgical procedures (admissions) and subsequent follow ups. The PCT SLA information is costed at tariff, it does not break down every attendance by age, and the tariff may cover the cost of several elements of treatment which could necessitate more than one attendance. Therefore, even if every new and follow up appointment were to be counted, plus every elective admission, as an assumption that each involves at least one journey, one would still not be able to calculate the actual number of journeys made by island patients.

Estimates for Portsmouth Hospital and Southampton Hospital attendances including new, elective procedures, and follow ups only (as planned in our SLAs for 05/06) are 3496 (inc renal) and 10114 respectively. A proportion of these patients would be claiming from the Local Discretionary Scheme (very small as indicated in the renal figures below) and a proportion from the Hospital Travel Costs Scheme, leaving a proportion unable to claim travel costs.

There are also journeys which would be made outside the above main SLA activity where these are clinically appropriate (Extra Contractual Referrals), and for a variety of other reasons such as follow ups at hospitals where patients have had previous treatment prior to moving to the Island.

The volumes of claims by Cancer and Renal patients who claim from the Local Discretionary Scheme are attached as Appendix A.

- b) Health staff travel to the mainland for a variety of reasons as an essential part of their job or to undertake education and training or attend meetings and during the period April 04 to March 05 there were 3917 warrants issued for cross solent travel.

### **3. Jobs**

- 3.1 It is not possible to give a commitment that there will be no further job losses over the next two financial years given the changing environment within which healthcare is operating.
- 3.2 Some of the savings from redundant posts are included within the Cash Releasing Efficiency Savings, others will be separate.

- 3.3 There are a number of areas that the Island Trusts as well as many mainland Trusts find it difficult to recruit to. These include medical posts (Consultants and General Practitioners), Therapies, Nursing – specifically ITU, CCU, A&E and IT staff. However, the Trusts pursue a variety of initiatives in order to recruit staff as evidenced by the recent appointment of several dentists.

#### **4. Estate Rationalisation**

- 4.1 We can confirm that none of the buildings will be sold until suitable alternative accommodation is found.
- 4.2 The estimated net income from sale of The Kestrels is £300K. The estimated net income for the adjacent land subject to planning approval is £120K.
- 4.3 It has now been decided to move Shackleton House to St Catherine's Ward and for there to be no change involving Halberry Lodge.
- 4.4 Where ever possible people with mental health problems will be treated in the community thus avoiding hospital admission. In order to achieve this we are continuing to build our Home Treatment team of professional mental health workers, including a Consultant Psychiatrist. By December 2005 we will have a full team and plan to provide treatment to 25 service users (at any one time) in their homes. This way of working will reduce the need for inpatient beds.
- 4.5 The current plan is for the sale of Shackleton during this financial year. St Catherine's Ward on the St Mary's site will be refurbished and the Shackleton patients will move into this building. This is not planned to be a long term measure. There are no immediate plans to change the current use of Halberry. Urgent talks and negotiations are taking place between the Local Authority and Private providers to develop more appropriate services in the community setting for Older Persons with organic disorders. The sale of Shackleton will bring in monies to aid the recovery plan. The cost of refurbishment for St Catherine's had previously been identified for other mental health services use and therefore will not impact on the Recovery Plan.

#### **5. Manor House**

- 5.1 A meeting is to take place with respect to the Manor House with Southampton University Hospitals NHS Trust and the Channel Islands. The position of the Channel Islands will be clear following that meeting.
- 5.2 The PCT is currently exploring options for the Manor House and is involving the views of users of the service. It was agreed at the Joint Board meeting in September that the PCT would explore options for the provision of a cost effective facility for cancer patients jointly with the Channel Islands prior to notice being given to the Manor House.

## PAPER B

6. Bed occupancy is currently very high. The Trusts are exploring a range of options which could lead to a reduction in the figure.
7. Jane Wilshaw, or her deputy, will be a regular attendee at the Patient and Public Involvement Forums and the monthly policy commission meetings which undertake the overview and scrutiny of health. Her role will be to ensure the required standards for Public and Patient involvement, as outlined in Creating a Patient Led-NHS (17.03.2005) are met:
  - Overview and Scrutiny Committees - Local Authority Councillors have the powers to review and scrutinise the planning, provision and operation of the health service and to make recommendations for improvement
  - Section 11 of the Health and Social Care Act 2001, places a duty on the NHS to consult and involve patients and the public in the planning and development of health services and in making decisions affecting the way those services operate.
  - Patient Forums are independent bodies made up of volunteers and set up to monitor the quality of the NHS from the patient perspective.

It is expected that through these links the Healthcare Trust and Primary Care Trust will be able to advise and discuss plans prior to them being formally considered by the Joint Healthcare Trust Board thus ensuring a greater understanding of the pressures and opportunities facing health organisations on the Island.

8. Both Trusts recognise the need for a whole systems approach to the planning of health & social care and for this to be shared with Local Authority colleagues in an appropriate forum. The Trust would welcome the reciprocal arrangement you suggest.

We have taken your comments in the spirit you intended and like you we wish to work to improve the quality of healthcare for people on the Island. As you say in your final paragraph, the appointment of Jane Wilshaw as PPI representative, together with her future attendance at the Scrutiny Committee, will I am certain ensure closer working partnerships.

Yours sincerely



Graham Elderfield  
Joint Chief Executive

## APPENDIX A

i) Cancer & ii) Renal

	<b>CANCER</b>	<b>RENAL</b>
<b>02/03</b>		
	£21,074.56	£751.15
No. of Claims	247	6
No. of Patients	181	2
Approx. No. of Crossings	2107	75
<b>¾</b>		
	£24,201.15	£480.15
No. of Claims	258	3
No. of Patients	179	1
Approx. No. of Crossings	2262	45
<b>04/05</b>		
	£38,004.09	£197.10
No. of Claims	398	4
No. of Patients	237	3
Approx. No. of Crossings	3393	18
<b>05/06 (part year - 31.7.05)</b>		
	£13,922.55	£0.00
No. of Claims	140	0
No. of Patients	94	0
Approx. No. of Crossings	1190	0

The cost of return ferry fare at £11 has been used to calculate the approximate number of patient crossings.

At any one time there could be 6-18 (average 11) patients travelling across the Solent for Chemotherapy/radiotherapy. There are very few renal patients who travel for dialysis at Portsmouth as most are dialysed on the Island.