Chelsea and Westminster Healthcare NHS
NHS Trust

Minutes of the Public Meeting of the Trust Board held on 24th June 2004.

Present: Non-Executive Directors

Juggy Pandit (Chair)	Professor Ara Darzi	Marilyn Frampton
Andrew Havery	Jenny Hill	Charles Wilson

Executive Directors
Mike Anderson, Medical Director
Lorraine Bewes, Director of Finance and Information
Edward Donald, Director of Operations
Andrew MacCallum, Director of Nursing
Clare McGurk, Director of Human Resources
Alex Geddes, Director of ICT

In Attendance: Sue Perrin, Head of Corporate Affairs
Patricia Small, Head of Legal Affairs (item 3.2 only)
Julian Norman Taylor, Consultant Obstetrician (item 3.3 only)

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1. GENERAL MATTERS

1.1 WELCOME
The Chairman welcomed the members of the public.

1.2 APOLOGIES FOR ABSENCE
There were no apologies.

1.3 MINUTES OF THE MEETING HELD ON 24th MAY 2004
The amended minutes of 24th May were agreed as a correct record and signed.

1.4 MINUTES OF THE MEETING HELD ON 14th JUNE 2004
The Minutes of the 14th June would be received at the July meeting.

1.5 MATTERS ARISING FROM PREVIOUS MEETING
The Trust Board was updated on the following:

1.5.1 FINANCE REPORT
Lorraine Bewes confirmed that the District Valuer's report had been made available to non-executive directors.

1.5.2 BUDGET
Edward Donald confirmed that letters had been circulated to PCTs setting out the principles for Service Level Agreements (SLAs), together with a letter to the Finance Director of the SHA confirming the principles from the SHA perspective. Both Kensington and Chelsea and Wandsworth PCTs had agreed SLAs based on Local Health Delivery Plan Targets.

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1.6 CHIEF EXECUTIVE'S REPORT

Heather Lawrence reported that the deadline for submission of the Trust's application for Foundation Trust Status had been met, and strategies for Service Development, Human Resources and Membership had been submitted, together with the Governance Arrangements and Tables. The downward revaluation of the estate had been accepted by the District Valuer. The External Auditors had agreed to the adoption of the independent valuation for the purpose of the 2003/2004 Accounts, which would potentially reduce the deficit in the draft Accounts from £5.2 million to £0.4 million.

The Trust had asked the SHA and the Department of Health for support in making the necessary amendments to enable the Trust to apply to CHAI to have the revised accounts position reflected in the performance rating assessment instead of the draft month twelve position.

The Department of Health had allowed only the depreciation associated with the revised valuation, not the dividend benefit, giving a recurrent £3.4 million benefit to the Trust and reducing the 2003/2004 deficit to £1.8 million. It was not known if the dividend benefit would be allowed for the year 2004/2005. The first call against the £3.4 million benefit in 2004/2005 would be to payback the 2003/2004 deficit, unless a sector wide solution was found.

The Savings Plan had been set at £3.9 million, with no impact on capital expenditure, which although challenging, was possible to achieve. Should the Trust be required to repay the £1.8 million overspend, it would be in an extremely stressful position.

Heather Lawrence said that a meeting had been arranged with the Department of Health to discuss how the revaluation should be accounted for in 2004/2005. Budgets had been set on the basis of the Trust paying the higher dividend, and a reduction in this would require the balance to be shared across the health economy or for it to be carried by the Department of Health.

The Chair noted that the Trust had been penalised for the last ten years by a fundamental error through no fault of its own. Heather Lawrence said that the inability to correct this error would result in the Trust not achieving three stars.

Lorraine Bewes confirmed that the asset revaluation would be factored into 2005/2006 budgets. This represented £6.6 million recurring.

Edward Donald hoped that it would still be possible to put an exceptional case to CHAI, and for other significant contributory factors to be taken into account: - the failure of the SHA and the PCT to deliver promised funding; the unwillingness to commit to a joint recovery plan; the withdrawal of the facility to transfer capital to revenue, which had been afforded to other Trusts within the Health Economy; and the lack of recurrent support.

The Trust Board expressed grave disappointment that the Department of Health had not agreed to the correction of the error in the 2003/2004 Accounts and hoped that it would be resolved with no detriment to the Trust in the 2004/2005 Accounts. .

Heather Lawrence said that the membership drive was ongoing, and a letter would be sent to all staff with the payslips, inviting them to become members.

2. PERFORMANCE

2.1 FINANCE REPORT

Lorraine Bewes presented the report, which showed that the overall financial position of the Trust at Month 2 had been an overspend of £0.667 million. Income had shown an adverse variance of £0.03. SaFF income had been shown at the value of the Trust's proposals to PCTs that month and would be updated the following month when there would be a clearer position on the outcome of SLA negotiations. Kensington and Chelsea PCT and Wandsworth PCT had signed up in

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principle to a six month wait activity plan. Hammersmith and Fulham PCT was expected to sign up to a nine month wait activity plan.
Expenditure had shown an adverse position of £0.64 million. Pay budgets had been £0.26 million adverse, all of which related to nursing and midwifery agency. Non-pay had been £0.383 million overspent, most of which was attributed to the anticipated higher than budgeted cost of the Carillion contract extension. The Trust had successfully reduced the cost pressures on the new contracts.
The Trust was forecasting that it would meet the year end break even target, on the planning assumptions submitted to the SHA. However, there was a considerable risk within the income position and the challenging savings targets.
Edward Donald noted that the cost of delivering the six month inpatient and thirteen week outpatients Local Health Delivery Plan (LHDP) had not been distributed into Month 2 budgets, as the income had not been confirmed. Directorates were working to deliver the six month position and the costs of doing this had been partly reflected in the overspends and partly off-set by non-recurrent savings elsewhere.

The Trust Board noted the financial position at Month 2 and the potential changes to the 2004/2005 Budget following the revaluation of the estate.

2.2 UPDATE ON THE REVALUATION OF THE ESTATE

This item had been covered under the Chief Executive's report.

2.3 PERFORMANCE MANAGEMENT

Edward Donald presented the report which informed the Board of the Trust's performance for the period ending 31st May 2004. An additional appendix had been included to show activity measured in FCEs by comparison to plan. Future reports would show activity broken down by PCT.
In the first quarter, Emergency Care performance was likely to remain within the red band of performance (93%) due in part to the significant increase in A&E attendees and in emergency admissions.
In respect of the Emergency Care target of 98% of patients being assessed, treated, admitted or discharged within 4 hours by March 2005, 92.6% had been achieved during May.
Investment plans were being developed by clinical directorates, following confirmation of £500,000 funding from K&C PCT for 2004/05. This would enable a further improvement in performance, the aim being to achieve 96% in quarter 2.
Overall elective admissions had increased by 5.2%. Within this overall increase, day case admissions had increased by 8.6% and inpatient admissions had decreased by 2.2% The reduction in inpatient admissions was directly related to the increase in emergency admissions. Accident and Emergency attendances had continued to increase and would be discussed with the PCTs.

The Trust Board noted the report.

2.4 SERVICE LEVEL AGREEMENT 2004-2005

Edward Donald said that, as discussed earlier in the meeting, the Trust had almost completed negotiations. Any not completed by the end of the month would be subject to arbitration.

The Trust Board noted the update.

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3. STRATEGY/DEVELOPMENT

3.1 NHS FOUNDATION TRUST STATUS

Copies of the Service Development Strategy, Membership Development Strategy, Human Resources Strategy, Constitution and Governance Tables were circulated. Heather Lawrence said that the Trust would build on the Service Development Strategy independently of whether/when the Trust progressed its application for Foundation Trust Status. Business Cases would be developed and the membership drive continued.

3.2 CHEYNE CENTRE

Heather Lawrence said that the Trust had prepared a response to the Consultation on the future of the Cheyne Day Centre for approval by the Trust Board. It had been intended that, at the end of the consultation period, this response would be considered along with other responses, by the Kensington and Chelsea PCT Trust Board at its July meeting, when it would make a decision.

Heather Lawrence had subsequently been informed that the PCT did not want the Trust to make a recommendation until all other responses had been formally considered. The PCT had said that a joint decision should be made by the two Trust Boards. This change of position had occurred subsequent to a legal challenge to the consultation process.

It was noted that The Trust Board, at its meeting in February 2003, had resolved to ask Kensington and Chelsea PCT to lead the further consideration of the issues on behalf of and in consultation with other relevant organisations and families. Additionally, it had been understood from Steven Peacock, who had attended on behalf of the PCT, that the difference in funding would be underwritten. On that basis, the Trust had decided not to seek emergency closure of the Centre. Heather Lawrence tabled a letter from the Director of Nursing at the PCT, which stated that the PCT could not fund the difference between cost and income for the centre.

Patricia Small advised the Trust Board that she had attended a meeting with the SHA and the PCT, following a legal challenge by a member of the public under Section 11 of the Health and Social Care Act. The Act stated 'it is the duty of everybody to which this section applies to make arrangements with a view to securing, as respects health services for which it is responsible, that persons to whom those services are being provided are, directly or through representatives, involved in and consulted on the planning provision of those services; the development and consideration of proposals for changes in the way those services are provided: and decisions to be made by that body affecting the operation of those services'. The SHA had asked the PCT to undertake the consultation and the process had been correctly followed.

Patricia Small said that, although the consultation had been undertaken in the name of the PCT only, the Chief Executive of the PCT had considered it more equitable for the decision to be taken by the two Trust Boards and for joint responsibility to be taken. The PCT had requested that staff views be well represented.

Heather Lawrence said that representation of staff views should be part of the PCT's consultation process. The Chairman said the views should be brought by the staff themselves – the Trust Board did not represent staff.

The Trust Board had been consulted as part of the process, and therefore considered it appropriate to put forward a view.

The Trust Board resolved that a letter be sent to the PCT expressing the view that the Centre did not comply with clinical governance requirements; it was inappropriate for a hospital to be running an educational service; and, for the unit to be financially viable, there would have to be enough demand and willingness to pay to break even. HL

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3.3 ASSISTED CONCEPTION UNIT REVIEW

Edward Donald presented the report which identified that the Assisted Conception Unit (ACU) had been established as a 'not for profit' service, which should be the basis for assessing its contribution to the Trust. The ACU was integral to the Gynaecology Department, supporting on-call rotas at consultant and junior level, whilst contributing to research output, enhancing the reputation of the department for clinical excellence.

There was likely to be a shift in funding arrangements from self-pay to NHS, following NICE guidance. This service was expected to be a growth area within the NHS. The key operational constraint was the ability to recruit and retain trained embryologists.

There was a waiting list for an initial consultation of 8/12 weeks, followed by a month's delay to start the treatment programme. The lack of capacity could be resolved by recruitment to the second (vacant) embryologist post. Julian Norman Taylor explained that two good candidates had been offered the post in February, but both had refused.

The ACU needed to carry out 363 cycles per annum to break even, with IVF/ICSI cycle numbers increasing by 4 to 11 per week.

A price increase had been implemented. Debt control procedures had been improved and it was intended that the increased income should fund a new post of ACU Business Manager.

Marilyn Frampton referred to Option 3, Transfer of Service, and the possibility that the ACU would be more effective as part of a larger clinical unit. This could be either by way of another service provider running the service at the Trust, or by the Trust providing the services for other units.

Edward Donald said that the embryologist must be in post by the end of October in order for the ACU to break even.

Heather Lawrence asked that a full business case be brought to the Trust Board within the next few months and that monthly updates be received. She suggested that HFEA be asked to review and carry out an option appraisal on appropriate service provision. ED

The Trust Board supported the appointment of a embryologist, but did not support the appointment of a Business Manager.

The Trust Board asked for monthly reports giving the number of cycles and financial performance. ED/LB

4. GOVERNANCE

4.1 There were no items under this heading.

5. ITEMS FOR APPROVAL/INFORMATION

5.1 DOCTORS IN TRAINING

Clare McGurk presented the paper, which outlined the current position and action being taken towards implementing the New Deal and Working Time Directive. The New Deal for doctors in training included an agreement to reduce average weekly hours of actual work to 56, as well as a range of other targets related to rest and other type of rota worked. At March 2004, 90% of medical training posts at the Trust had met the New Deal targets, However, the target date for full achievement of the targets had passed – the Trust aimed to achieve 100% full compliance by September 2004.

The European Working Time Directive applied to doctors in training from 1st August 2004. As of that date, all doctors in training should get 11 hours of continuous rest in each 24 hour period. The directive also limited average weekly hours of work to 58 over a 17 week reference period, including all hours required to be on site whether resting or working. This would further reduce to 48 hours by 2009. The report set out an action plan for the remaining areas of attention for both New Deal Implementation

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and European Working Time Directive Implementation.
Mike Anderson outlined the aims of the Hospital at Night project, which was working towards compliance with the 2009 targets. The Trust had made good progress in developing more integrated teams working across professions and specialties, particularly in relation to night cover. General Surgery had moved to a system whereby Specialist Registrars were no longer resident, the impact of which was being monitored. Options for Plastic Surgery and Anaesthetics were being considered.
Jenny Hill commented on the high level of complaints relating to maternity services. Mike Anderson said that the project would not impact on this service; there would continue to be a dedicated Obstetrician.

The Trust Board approve the Action Plan.

6. QUESTIONS FROM THE MEMBERS OF THE PUBLIC
There were no questions.

7. ITEMS FOR INFORMATION
There were no items under this heading.

8. MINUTES OF SUB COMMITTEES
The Trust Board received minutes:

8.1 Communications Sub-Group, 24th May 2004
Charles Wilson said that the Annual Report had been the main agenda item, and a first draft had been received.

8.2 Governance Committee, 11th May 2004
Jenny Hill said there had been a useful summary of the Controls Assurance process.
It had been agreed that the Committee should become an assurance board, ensuring that priorities were being addressed and on track. Governance arrangements were to be redrawn and circulated for comment before the next meeting. Three monthly governance reviews of directorates were to be re-established.
Marilyn Frampton noted that the ACU Ethics Committee was not currently a sub-committee of the Trust Board.

9 ANY OTHER BUSINESS
9.1 There was no other business.

10. DATE OF THE NEXT MEETING
10.1 29th July 2004

11. CONFIDENTIAL BUSINESS
The Chairman proposed and the Trust Board resolved that the public be now excluded from the meeting because publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be concluded in the second part of the agenda. The items to be discussed related to commercial matters and individuals.