Chelsea and Westminster Healthcare NHS
NHS Trust

Minutes of the Public Meeting of the Trust Board held on 27th May 2004.

Present: Non-Executive Directors
Jenny Hill (Chair) Marilyn Frampton Andrew Havery

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
Anna Croft, Associate Director of Service Development (item 1.4.1 only)

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1. GENERAL MATTERS

1.1 WELCOME
The Chairman welcomed the members of the public.

1.2 APOLOGIES FOR ABSENCE
Apologies were received from Heather Lawrence, Chief Executive, Juggy Pandit, Chairman and non-executive directors Charles Wilson and Professor Ara Darzi.

1.3 MINUTES OF THE MEETING HELD ON 29th APRIL 2004
The Minutes were agreed as a correct record and signed, subject to the following amendments:
1.6.3, 2nd/3rd sentence should read:
……..and new pressures of £25 million. The gap of £6 million had subsequently been reduced to £3 million, but arbitration would be inevitable.
1.6.4, 2nd para, 2nd sentence should read:
……..the SHA had decided that it should not proceed immediately and had raised issues relating to financial balance.
1.6.4, 3rd para, 2nd sentence should read:
……. and this raised issues about quality.

1.4 MATTERS ARISING FROM PREVIOUS MEETING
1.4.1 NHS FOUNDATION TRUST STATUS
Anna Croft updated the Trust Board on the extensive revisions to the focus of the Service Development Strategy, which had been grouped into five distinctive areas: – HIV, Women and Children's, Acute Patient, Burns and Short stay/elective surgery. KPMG had been retained to advise the Trust. There remained a lot of work on the activity and financial modelling side, and they might also assist with that work. Demands on the finance department remained considerable and would continue to grow over the coming months.
The first draft of the constitution had been received from Cobbett's and some initial

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comments had been made. The Trust Board would need to approve the constitution prior to submission on the 18th June.
Andrew MacCallum would be taking forward the Governance arrangements.
In respect of the membership drive, a mail out to patients would commence the following week. Approximately 300 expressions of interest had been received. The Department of Health had suggested that thousands of members were required to hold a meaningful election, and had requested weekly updates.
The elections for Members' Council would be conducted by an external body.
At the Trust Board on 14th June, the Board would need to approve the key documents that make up the submission:

TB - 14th June

- The Service Development Strategy and Financial Forecasts
- The Human Resources Strategy
- The Membership Development Strategy
- The Governance Tables
- The Constitution
- The Response to the Consultation

Final drafts would be submitted on Monday 7th June.

1.4.2 OPEN DAY
The Chair and the Trust Board formally thanked staff, and Jennifer Rogers and her team in particular, for their work on Open Day.

1.4.3 STANDARDS FOR BETTER HEALTH
Comments had been received from Marilyn Frampton, who would be attending a seminar on the subject.

1.5 CHIEF EXECUTIVE'S REPORT
Andrew MacCallum presented the Chief Executive's Report.

1.5.1 SENIOR STAFF APPOINTMENTS
An appointment to the position of General Manager, Medicine had not been made. Andrea Carter had agreed to continue to act whilst the post was re-advertised.

1.5.2 DECEMBER MEETING
This meeting would be held on 16th December 2004, not 23rd December as originally proposed.

1.5.3 AWAYDAY
The Awayday scheduled for 24th June had been deferred, because of the additional Trust Board meeting on 14th June.

1.5.4 RECOVERY PLAN
The Trust had detailed plans for each of the major strands of work. These plans would come into operation from the beginning of June and therefore additional savings would have to be made to offset the delayed start.

1.5.5 TREATMENT CENTRE
The SHA had approved the Treatment Centre and written confirmation was awaited.

2. PERFORMANCE

2.1 FINANCE REPORT
Lorraine Bewes presented the report, which showed a year end position of £5.207

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million deficit. The month 11 report had highlighted the considerable risk factors within the forecast, including Patient Choice income, the adequacy of provisions and disputes on Cheyne. An analysis of the movements from the previous month had been set out in the report. The Trust had received £500,000 from the NWL Patient Choice reserve but the level of provision for doubtful debt had had to be increased specifically for PALS, HIV risk share and Westminster flexibility. There had been an adverse expenditure position, reflecting pay, largely reflecting consultants' contracts and non-pay reflecting overspends previously reported.

Draft accounts had been submitted based on a position of a year end deficit of £5.207 million. The Trust was pursuing, as a matter of urgency, whether a review of the building asset life could be achieved in time to be taken into account in the Finance Performance rating, which would have the potential to resolve a large part of the Trust's underlying deficit.

The Chair asked if there would be a cash benefit. Lorraine Bewes replied that this was quite a complicated technical question and was being worked through with the SHA and the Trust's external adviser.

Andrew Havery asked that the report from the District Valuer be made available to the non-executives, for them to understand the process. LB

Edward Donald said that should the Trust be successful, there would be a potential impact on performance indicators. The Trust, in conjunction with the SHA, would have to lodge an exceptional case with CHAI.

The Trust Board noted the financial position at the end of March.

2.2 <u>BUDGET 2004/2005</u>

Lorraine Bewes presented the paper, and said that the Trust had agreed a balanced budget position with the SHA. The paper set out full budget proposals for Trust Board approval. The Trust had presented three options for activity funding to the SHA and host PCT:

- activity to deliver Local Health Delivery Plan (LHDP), 6 month maximum wait;
- 2003/2004 outturn indication activity funded through LPC;
- activity to deliver 9 month maximum wait.

The Trust's best position was option 1 with a gap of £2.3 million. The SHA had supported the plan to deliver LHDP activity. The SHA had supported a 9% uplift from the host PCT and had asked the PCT to review its offer of 7.3%.

The budget reflected a number of key assumptions, which had been listed in the paper.

Lorraine Bewes highlighted the key risks: - the asset revaluation, the savings target of 3%; the cap on non-NICE drugs cost pressures: and particularly the recovery of private patient costs in full.

Marilyn Frampton noted that the balanced budget plan did not factor in the pay back of the previous year's deficit. Lorraine Bewes said that it had been assumed that this could be resolved through the asset life review, and had been flagged to the SHA, which had not required the deficit pay back to be reflected in the financial plan for 2004/2005. If the Trust was required to pay back the deficit, this would add a further £5.2 million to the gap in 2004/2005.

Lorraine Bewes said that the savings plan of 3% was challenging, particularly as this was on top of making non-recurrent directorate savings in 2003/2004 recurrent. This was currently with General Managers/department heads to work out detailed savings plans.

Lorraine Bewes said that the operational budget in the sum of £206.4 million had been set as the baseline for the Trust. The financial plan based on capacity to achieve the LHDP was the best option for the Trust. Modelling had shown that the deficit would get worse if activity was reduced, and was supported by the SHA.

The Chair expressed concerns about approving such a high risk budget. Andrew

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Havery considered that the Trust Board was not in a position to approve the budget. Any agreements reached with the SHA or PCTs needed to be in writing.
Edward Donald said that it would be difficult to proceed and sign off service level agreements without a financial plan. Written confirmation had not been received. He would expedite the matter by putting in writing to PCTs the Trust's position. ED

The Trust Board supported the full operational budget of £206.4 million, subject to written confirmation on all shared risks and assumptions. These would be tracked carefully by the Trust Board.

2.3 SAVINGS PLAN

Lorraine Bewes presented the paper, which updated the Trust Board on the detailed plans identified and progress on completion to date. Target plans had been assigned to Executive Leads. Delivery would be monitored weekly through the Executive meeting and the monthly Budget Control Group. Executive Leads were accountable for ensuring that a profiled savings plan was developed bottom up with Directorates within the next few weeks and directorates were responsible for identifying and removing expenditure and income lines from their budgets.
The Chair asked about the workforce implications. Clare McGurk said that she and Andrew MacCallum were undertaking work on the adjustments required to the balance between registered/non-registered nursing time, and ensuring that training capacity was in place.
The Chair said that the Workforce Confederation's non-recurrent funding had been cut by 5%, and that the Trust's bid for continued funding for training and infrastructure should be made urgently. Andrew MacCallum said that he would feed back on target areas and risks as soon as possible.
The Chair welcomed the day surgery review, which would require clinical input. Mike Anderson said that there was a national focus and the Trust should comply with the norms for any given activity.

The Trust Board noted the progress with delivering the savings target for 2004/2005, and commended the new format.

2.4 PERFORMANCE MANAGEMENT

Edward Donald presented the report which provided information about the Trust's performance for the period ending 30 April 2004. Due to a failure in patient administration processes, 4 patients had breached the 17 week maximum wait target, 3 orthopaedic patients had breached in the reporting year 2003/04 (counts as 6 breaches) and 1 plastic surgery patient breached in the current year (counts as 2 breaches).These departments were well run and had not experienced this length of delay in making an appointment for a patient previously. A Serious Untoward Incident review was being conducted.
All appointment referrals were not made to a single point and the Trust was working with GPs and IDX to improve efficiency.
Performance had reduced to 92.4% in relation to the 4 hour emergency care target. Effort was being directed to 'on take' teams to raise awareness of the importance of this target and to find out what improvements could be made. By December 2004, the target would be 100%.
Marilyn Frampton noted the increase in emergency attendances. Edward Donald said that the change in the GP contract was a contributory factor. There was a surge in attendees towards late afternoon/early evening.
Edward Donald noted that planned admissions had also increased.
The key risk areas for the Trust in relation to 2004/05 performance would continue to

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be the access targets (17 week waits, 9 month waits and 98% of A&E patients waiting <4 hours) along with delivery of the financial plan.

Marilyn Frampton noted the long waits being encountered by mental health patients. Edward Donald said that an Action Plan would be brought to the September meeting and noted this long standing problem would be taken forward by the Urgent Care Network and North West London SHA. ED – TB Sept.

The Trust Board noted the report.

2.5 SERVICE LEVEL AGREEMENT 2004-2005

Edward Donald briefly updated the Trust Board, as the subject had been covered under earlier papers. The SHA was backing the Trust for the delivery of the LHDP, with its host PCT. The Trust would have to ensure that there were no patients waiting in excess of six months, no outpatients waiting in excess of thirteen weeks and 100% achievement of the Accident and Emergency Department target. Funding of 9.3% to the baseline budget was required. There was 9% growth in the health economy. The PCT had offered 7.3% growth. The Trust had written to all PCTs in the area to confirm performance activity. If 9% was not forthcoming from PCTs within North West London and Wandsworth, the Trust would go to arbitration.

The Trust Board noted the update.

3. STRATEGY/DEVELOPMENT

3.1 There were no items under this heading.

4. GOVERNANCE

4.1 There were no items under this heading.

5. ITEMS FOR APPROVAL/INFORMATION

5.1 EQUALITY AND DIVERSITY

Clare McGurk presented the Equality and Diversity Action Plan 2004/2007. The delivery of the plan would be led through the Trust's Equality and Diversity Steering Group, covering both the service and employment issues. Edward Donald would be the executive lead for service and Clare McGurk for employment. Training for Board members had been provided three years previously and a refresher course would be organised.

The Chair noted the thoroughness of the approach.

Edward Donald commented that he was pleased to be taking the lead role for service issues in such an important area. The tasks had been agreed with the executive team and would be integrated into corporate and directorate business plans and performance targets. Specific equality and diversity targets would be incorporated in senior managers' performance management framework.

The Chair suggested that Equality and Diversity be one of the topics for the Annual General Meeting.

Marilyn Frampton said that she was pleased that the importance of complaints had been recognised in the Action Plan.

The Trust Board approve the Action Plan.

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5.2 NATIONAL STAFF SURVEY 2003 – ACTION PLAN

Clare McGurk presented the Action Plan, which had been developed with staff representatives, and highlighted the following key points:

- an organisation wide stress risk assessment to establish stressors and ensure corporate and directorate plans to address these;
- compliance with the requirement to meet the reduction of junior doctors hours in line with national requirements of 58 hours by the end of August – an Action Plan would be brought to the next meeting; — CMcG – TB June
- the importance of communication and staff involvement; and
- the reduction in the number of staff experiencing harassment, bullying and abuse.

The Chair said that the involvement of Facilities staff was important.

Clare McGurk said the Action Plan would link with Improving Working Lives and the HSE Inspection. She hoped to be able to inform the Trust Board of a possible solution for a crèche/nursery within the next few months.

The Trust Board approved the action plan.

5.3 SECURITY MANANGEMENT

Edward Donald presented the paper, and outlined the main objectives and requirements of the security management strategy 'A Professional Approach to the Management of Security in the NHS'.

The Chair commented on the importance of a link with the Customer Care Strategy.

Andrew MacCallum considered the document to be disappointing, and that there should be one strategy for staff, patients and visitors. There was an emerging problem in respect of notes kept by staff on visitors.

The Trust Board:

- **approved the appointment of the Director of Operations as the Security Management Director;**
- **appointed Jenny Hill as the non-executive lead; and**
- **agreed to defer appointment to the Local Security Specialist role until receipt of the job description from the Counter Fraud and Security Management Service (CFSMS);** — Communication Sub-Group
- **asked that issues be taken forward by the Communications Sub-group.**

5.4 PAY MODERNISATION

Clare McGurk updated the Trust Board on the pay offers to consultants, which would be sent out that week. The average offer was for 11.4 programmed activities (PAs) and responses would be required by 7th June. Mike Anderson said that the Trust had been firm in its approach to time allowable and remunerable for non-clinical activity. A mechanism for appeals had been established. New consultants would be appointed on the basis of 10 PAs.

6. QUESTIONS FROM THE MEMBERS OF THE PUBLIC

There were no questions.

7. ITEMS FOR INFORMATION

There were no items under this heading.

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8. MINUTES OF SUB COMMITTEES

The Trust Board received minutes:

8.1 Audit Committee, 19th April 2004

Andrew Havery highlighted the following points:

- The Spot Check Report had been published some six/nine months previously. Management had accepted the weaknesses and made improvements. The Trust would re-perform the work itself to identify progress or any areas which were still a problem;
- Alex Geddes would be invited to attend any future meeting where IT was on the agenda;
- There had been some poor Controls Assurance scores, but these were in non-core areas. A scrutiny process had been agreed for the following year, whereby the Governance Committee would take responsibility for the detail and the Audit Committee for process;
- There was a need to raise awareness of fraud and this would be a key topic at the next Audit Committee. All directors were invited to attend the presentation.

The Chair said that the links between the two committees had been established and the way forward agreed.

8.2 Communications Sub-Group, 29th April 2004

The minutes were received.

8.3 Governance Committee, 9th March 2004

The Chair said there had been an important discussion on governance and a proposed top level structure had been tabled for discussion.

It had been agreed that Marilyn Frampton would also sit on the Governance Committee.

9. ANY OTHER BUSINESS

9.1 Non- Executive Role

The Chair said that Heather Lawrence had suggested that the executives should discuss how to better engage with the non-executives. Similarly, the non-executives should meet separately to discuss how they could make a better contribution and share expectations of the executives.

9.2 NSF Older People Implementation Group

Andrew Havery was nominated as Chairman of the Group.

10. DATE OF THE NEXT MEETING

10.1 14th June 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.