Chelsea and Westminster Healthcare NHS

NHS Trust

Minutes of the Public Meeting of the Trust Board held on 7th July 2005.

Present: Non-Executive Directors
Juggy Pandit (Chair) Karin Norman

Executive Directors
Lorraine Bewes, Director of Finance and Information
Edward Donald, Director of Operations
Maxine Foster, Director of Human Resources
Alex Geddes, Director of Information Communications and Technology
Andrew MacCallum, Director of Nursing

In Attendance: Pippa Roberts, Acting Director of Governance and Corporate Affairs
Sue Perrin, Head of Corporate Affairs

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1. GENERAL MATTERS

The meeting took place on the day of attacks on London transport and, as a consequence, some directors were unable to attend. The Chairman proposed and the Trust Board agreed that only urgent items would be discussed. Other items would be deferred to the August meeting.

1.1 WELCOME AND REMARKS BY THE CHAIRMAN

The Chairman welcomed Karin Norman and a member of staff.

1.2 APOLOGIES FOR ABSENCE

Apologies were received from Professor Ara Darzi, Marilyn Frampton, Andrew Havery and Charles Wilson - Non-executive directors, Heather Lawrence, Chief Executive Mike Anderson, Medical Director and Acting Director of Strategy and Service Development..

2. PERFORMANCE

2.1 FINANCIAL REPORT – MAY 2005

Lorraine Bewes presented the report, which showed an overall financial position of £818,000 deficit, and outlined the key points. The income position included £200,000 under recovery of private patient income. There had been an improvement in the overall pay position, resulting in a favourable variance.

The savings target had been underachieved. The target for the year was £4.958 million (before income loss savings), of which £0.953million was within the directorates and the balance of £4.005million currently retained centrally. Savings plans had been identified within Women and Children's and HIV/GUM directorates, with savings still to be attributed to other directorates. Some directorates were currently showing an underspend, as a result of the savings target not having been factored in.

The position did not account for the reduction of £0.6million on Kensington and Chelsea PCT, and further income risk should there be a reduction to PCT baselines. The current assessment had assumed a potential reduction on 2004/2005 out-turn of

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£2.9million across all Service Level Agreements including HIV. It was not possible to give a more accurate estimate of the impact, at this stage.

Lorraine Bewes said that the year would be challenging for the Trust with regards to cash. Brokerage of £8.5million had been carried over from 2004/2005 and would have to be repaid. In addition, there was a cash shortfall of £1.8million due to the Department of Health's mechanism for handling the payback of the 2003/2004 deficit, which needed to be resolved. There were also significant cash requirements to fund the Agenda for Change salary increases. There was an urgent requirement for the development of a robust cash management strategy. The internal Auditors, Bentley Jennison had undertaken a review of the Treasury function, and recommendations would cover a change in the process, which would tighten up the working capital flow and an appropriate format for a Board report. Lorraine Bewes noted that Foundation Trusts were not permitted to roll forward brokerage.

Edward Donald said that authorisation of Bank and Agency staff was at General Manager level. However, controls would be re-instigated for areas not performing.

Edward Donald noted the overrun of the Treatment Centre, which had resulted in the continued expenditure associated with staff working in three different theatre areas.

The Chairman said that urgent attention was required in respect of the private patient deficit. Lorraine Bewes said that the Board would receive a strategy for the development of the service together with a business case for a General Manager. It was believed that there was scope for increased private maternity services.

Lorraine Bewes noted the need to differentiate between private and overseas patients, who generally came through the Accident & Emergency Department. Overseas income had decreased as a result of the Assessment Centre. The budget had been based on previous trends and a provision for bad debts had been made.

Lorraine Bewes confirmed that private patients were asked to pay in advance or provide a credit card imprint. 'Self payers' were required to pay 100% of the estimated cost.

Edward Donald noted that the Unit did not have a trading account. The Board needed to be aware of the break-even point for private practice to understand if it was actually making a profit or loss rather than under or over-performing on an income target.

The Chairman asked that there be a full discussion by the Board. LB

**The Trust Board noted the financial position at Month 2.**

2.2. ANNUAL ACCOUNTS

Lorraine Bewes tabled the Annual Accounts, which had been updated following the comments made at the Audit Committee. The detailed comments made by Andrew Havery, Chairman of the Audit Committee, including page by page proof reading and cross casting, had been incorporated. The External Auditors had then again reviewed the Accounts. Lorraine Bewes said that she was satisfied that all changes had been made. The External Auditors had found an error in one reconciliation and therefore further testing had been undertaken. This had been completed and it was expected that the External Auditors would give an unqualified opinion. Any issues would be brought to the attention of the Trust Board in the management letter. The Accounts had to be approved, signed by the Chief Executive and submitted by 15th July. The Chief Executive was not present at the meeting because the hospital was on full alert, and therefore the Accounts could not be signed until the following day.

The Chairman noted the increase in 'other debtors'. Lorraine Bewes said that this was driven largely by private patient debt. The provision made had been assessed and deemed adequate.

The Chairman said that there had been a significant increase in freehold values.

Lorraine Bewes said that this was partly as a result of indexation, which was normal.

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However, there had been a significant increase on the base valuation, which was being disputed. The effect of this had been an increase in capital charges over 2004/2005.
Maxine Foster asked if the delay in payment of invoices was related to the cash flow. Lorraine Bewes said that this was not the reason - the internal process in respect of authorisation needed improvement. A business case was being developed for an on-line process. In the interim, her department was chasing the authorisation of payments.
Lorraine Bewes noted that the pension detail was outstanding for one of the directors.

**The Trust Board approved the Annual Accounts 2004/2005, subject to the inclusion of the missing information (noted above).**

**The Trust Board authorised the formation of a sub-committee, comprising the Chief Executive and the Director of Finance and Information for the sole purpose of signing the Annual Accounts 2004/2005.** Chair/HL/ LB

3. STRATEGY/DEVELOPMENT

3.1 There were no items taken under this heading.

4. GOVERNANCE

4.1 MATERNITY RISK MANAGEMENT STRATEGY 2005/2006

Pippa Roberts presented the Strategy, which had been developed in conjunction with the Trust wide strategy and policy, and aimed to supplement it by providing a service specific focus to risk management within Maternity. She noted that the department was subject to its own CNST assessment.
Pippa Roberts said that the strategy clarified reporting arrangements and dovetailed into the overall Risk Management Strategy. The Maternity Risk Management Committee had approved the strategy.
Pippa Roberts said that she had assessed the strategy against CNST requirements and confirmed that it was compliant.

**The Trust Board endorsed the strategy.**

Maxine Foster and Pippa Roberts left the meeting.

5 ITEMS FOR APPROVAL/INFORMATION

5.1 RACE EQUALITY SCHEME 2005/2006

Edward Donald presented the paper, which set out the Trust's Race Equality Scheme, as required by the Race Relations Act. It identified how the Trust was fulfilling its legislative duties, the strategic direction over the next three years and the priorities for action.
The Trust had undertaken a number of initiatives in 2004/2005 to identify key areas of development, timetable actions and allocate the resources needed to bring about lasting organisational change. The Director of Operations was the lead executive responsible for monitoring both the Trust's overall compliance with the requirements outlined in the Scheme and progress against the actions. A formal report would be made to the Equality and Diversity Steering Group and to the Trust Board annually. The Steering Group would be established as a sub-committee of the General Matters Trust Executive and would monitor compliance and progress, reporting relevant issues to the Board. The Black and Multi-Ethnic Staff Association would also be able

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to monitor the Trust's compliance and progress.

Progress in complying with the general and specific duties was included as part of the NHS system, being a component of both the national 'Improving Working Lives' programme (under which the Trust had recently achieved Practice Plus Status) and the annual 'star rating' of NHS trusts. During the recent star rating evaluation, the Trust had achieved 98% compliance for workforce monitoring and 80% for patient monitoring.

Edward Donald said that the paper outlined the Trust's strategic aims and commitment to Equality and Diversity. Nine key themes formed the basis of the Diversity and Equality Framework. As an example, the impact of E-recruitment on the ethnic mix of applicants would be assessed together with the use of media targeted at minority groups.

An innovative training and development approach had been taken where the top 200 'influencers and opinion formers' in the Trust had been identified and put through mandatory Equality and Diversity workshops, developed in partnership with the Metropolitan Police Service. The Trust Board had attended an Equality and Diversity Awayday, identifying key actions, which had been included in the Race Equality Scheme.

In 2005/2006, the Trust would submit its patient profiling data to the London Health Observatory to undertake a health equality audit. This was already being undertaken for HIV and would be extended to the rest of the Trust.

The Chairman asked about the establishment of further groups to address specific needs. Edward Donald said that the groups were self-organising and would feed into the Steering Group. However, they would not be formal groups.

Karin Norman said that an interest group could be formed, whose interests could not be supported by the Trust, possibly a group with extremist views. Edward Donald noted the point and said that he would re-word the relevant paragraph (in 'Keeping our staff informed') to refer to a link with 'recognised' groups.

A question was asked in respect of the separate monitoring of race relations complaints. Andrew MacCallum believed they were, and would confirm. AMacC

**The Trust Board endorsed the report, subject to the amendment noted above.**

6. QUESTIONS FROM THE MEMBERS OF THE PUBLIC

6.1 There were no questions.

7. ANY OTHER BUSINESS

7.1 All other business was deferred.

8. DATE OF THE NEXT MEETING

8.1 4th August 2005

9 CONFIDENTIAL BUSINESS

9.1 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 item to be discussed related to the Outline Business Case for Decontamination Services.