

## Trust Board Meeting, 4<sup>th</sup> May 2006 Minutes

### Present:

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <b>Non-Executive Directors:</b> | Juggy Pandit (JG) (chairman)<br>Marilyn Frampton (MFr)<br>Richard Kitney (RK)<br>Karin Norman (KN)                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Executive Directors:</b>     | Heather Lawrence (HL), Chief Executive<br>Mike Anderson (MA), Medical Director<br>Lorraine Bewes (LB), Director of Finance and Information<br>Edward Donald (ED), Director of Operations<br>Maxine Foster (MFo), Director of Human Resources<br>Alex Geddes (AG), Director of IM&T<br>Elliot Howard-Jones, (EHJ), Interim Director of Strategy and Service Development<br>Andrew MacCallum (AMC), Director of Nursing<br>Catherine Mooney (CM), Director of Governance |
| <b>In Attendance:</b>           | Fleur Hansen (FH), Foundation Trust Lead<br>Marianne Loynes, Monitor<br>Tania Sang, Monitor<br>Rona McKay (RMK), Emergency Planning Lead (for item 5.1)                                                                                                                                                                                                                                                                                                                |

### 1. GENERAL BUSINESS

#### 1.2 Apologies for Absence

Apologies were recorded from Andrew Havery and Charles Wilson.

The chairman also welcomed Prof Richard Kitney from Imperial College to the Board as academic non-executive director.

#### 1.3 Declarations of Interest

No conflicts of interest were declared.

#### 1.4 Minutes of the Previous Meeting held 6<sup>th</sup> April 2006

There were a number of spelling/grammatical corrections:

- p. 1: Catherine Mooney should be Director not Director-Elect (CM)
- p. 5, first paragraph, final line: should be completed not complete (CM)
- p. 5, 2.3.2, issue 2: KN asked for more clarification on what cash releasing efficiency is. MFr also asked what generics refers to – LB clarified that it is inflation, not generic drugs.
- p. 1, final paragraph: the final minutes are the 'province' of the chairman not the 'providence' (MFr)
- p. 6, second paragraph: AMC asked that it be noted that he said AfC was an evaluation of people's current jobs, not being paid the correct amount for their position.
- p. 8, 4.1, fourth paragraph: KN asked that it be noted that she was referring to the differing amounts of detail across directorates, rather than suggesting that more work needed to be done solely in the Medicine Directorate.
- p. 2, final line of section 1.4: this sentence should read that the 'minutes

were agreed as a true and accurate record subject to the changes above'.  
(CM)

HL asked the Board to note that in future the minutes will be sent out for review prior to the rest of the Trust Board papers. This had not been possible this month due to FH being on annual leave.

Subject to the changes listed above, the minutes were agreed as a true and accurate record.

## **1.5 Matters Arising**

### **5.1/Aug/05 Child Protection Quarterly Report**

MA informed the Board that the Healthcare Commission would be in touch with the Trust if required and therefore this matter could be removed.

### **1.6/Mar/06 Connecting for Health**

AG informed the Board that a number of meetings with Connecting for Health (CfH) and GE had been held and that the Trust was still awaiting further information from GE. AG will report back to the Board at the next meeting.

### **2.2/Feb/06 Delayed Discharges**

Information on this has been included in the April Performance Report.

### **3.1/Mar/06 Corporate Plan**

This has been tabled for later in the meeting.

### **1.7/Apr/06 Members' Council**

AMC updated the Board that a Members' Council Induction Pack was being drawn up and that the content should be finalised next week. JP suggested that the draft pack be tabled at the extraordinary Board meeting on May 9<sup>th</sup>.

**Action: Members' Council Induction Pack to be presented to the May 9<sup>th</sup> extraordinary Board meeting.**

**AMC**

### **2.3.1 /Apr/06 Generator Upgrade**

ED informed the Board that the generators had passed their most recent all day test and that the Trust was working with Haden to take over full responsibility for them.

### **2.3.1/Apr/06 Lift Expenditure**

ED informed the Board that this matter would be taken to the June Facilities Assurance Committee which would then report back to the following Trust Board.

**Action: Report on Lift Expenditure to be brought to the July Trust Board.**

**ED**

### **2.3.2/Apr/06 AfC for Contracted Services**

This has been tabled for Part B of the meeting.

### **5.1/Apr/06 Outpatient Prescribing**

An audit of length of prescribing in the Outpatients Department will be presented to the next General Matters meeting.

**Action: Report on length of outpatient prescribing to be brought to the next General Matters meeting on June 13<sup>th</sup>.**

**ED**

### **2.2/Apr/06 Bank and Agency Costs**

This will be addressed under the Finance Report.

### **2.2/Apr/06 Performance Report**

The amendments were made to the Performance Report.

## 1.6 Chief Executive's Report

### Service Level Agreement Update

HL asked the Board to note that the SLA with our host PCT, Kensington and Chelsea, had been agreed for the first time in April. The Board extended its congratulations to Lorraine Bewes and her team on negotiating the agreement in record time.

### Performance

HL asked the Board to also note the excellent achievement in meeting all core performance targets to year end 05/06.

### External Audit

HL informed the Board that the Audit Commission was proposing to extend the appointment of Deloitte as the Trust external auditors for another year until the end of 2006/07. HL enquired as to whether the Audit Committee would need to clear this first – it was recorded that they did not. Therefore it was agreed that Deloitte should be appointed for a further one year term.

**Action: Approval for Deloitte's appointment is given to the Audit Commission.**

LB

### Corporate Plan Update

HL informed the Board of the new three corporate priorities:

- Excellence in teaching;
- Customer services; and
- Equality and Diversity.

JP suggested that there should be a corporate objective to ensure that the Trust has an excellent costing system and knows all its costs at patient level.

**Action: Costing corporate objective to be added to the Corporate Plan.**

EHJ

### Standards for Better Health Declaration

HL informed the Board that the final declaration had been submitted today and CM added that the Overview and Scrutiny Committee comments had been received and a response had been made to the OSC but they had declined to change their commentary. We have noted this in our submission.

### Senior Appointments

HL informed the Board that interviews are currently underway for the Deputy CEO and Director of Strategy positions and that it was hoped that the Deputy CEO position could be decided before the end of the week.

### A New Ambition for Old Age

HL asked the Board to be aware of new DoH guidance for old age. HL highlighted that this is not hugely new for the Trust as it already has many of the measures it suggests, and the appropriate staff, in place.

At this point AMC asked the Board to note that the Trust had been shortlisted for two National Patient's Association awards. They are for Helen Brown and the Rev Steven Smith for Privacy & Dignity Innovation for their Charter for Privacy and Dignity and Rosalind Wallis for the Most Promising Innovation of the Year for her Introduction to Bardex IC Cathether.

## 1.7 NHS Foundation Trust Application

HL asked the Board to note the attached timetable of key dates in the Foundation Trust application process. In particular the Board seminars scheduled for May 9<sup>th</sup>, 10<sup>th</sup> and 19<sup>th</sup> which would focus on the financial plan and SDS respectively. The meeting on May 10<sup>th</sup> would also address Board competencies with Jennie Hill in attendance to lead this discussion. The Board was also asked to note the Extraordinary Board meeting on the

afternoon of May 19<sup>th</sup> which would be the final sign-off for the documents that are being submitted on May 22<sup>nd</sup>.

HL also highlighted that a mock Board to Board had been arranged for June 7<sup>th</sup> with the NWLSHA and that another was intended to be arranged for June 20<sup>th</sup> in the lead up to the Board to Board with Monitor on July 5<sup>th</sup>.

HL informed the Board that the meeting held with Monitor on May 3<sup>rd</sup> addressing the constitution, governance arrangements, consultation process and the membership strategy had gone well. Some additional documentation would be required and JP and MFr would be working with CM and AMC to ensure that these were submitted.

At this point HL asked the Board to inform her of any areas that they would specifically like to cover in the lead up to authorisation.

HL highlighted progress with the SDS – Directors are currently updating their respective sections and appropriate areas (such as the risk matrix) would be discussed at the Trust Board seminars.

AMC informed the Board that membership currently stood at 10,619. The membership drive in the hospital itself was currently slowing down and the focus would shift to telephone canvassing in order to reach the target of 14,000. The number of staff members was 698 which roughly equates to one in three – this is relatively low but work was being done around induction etc to increase this number.

AMC highlighted that there had also been a good level of feedback from the elections and the aim was to receive a feedback form from every candidate. AMC mentioned that the Members' Council induction pack was being worked on and that this would be presented to the next Trust Board meeting.

## **2. PERFORMANCE**

### **2.1 Finance Report, March 2006**

JP extended the Board's congratulations to the Trust in achieving an overall position for the twelve months to March 2006 that was in line with the plan and was also in surplus.

LB laid out the highlights of the report:

- All statutory financial duties had been achieved.
- The Trust had not only broken even but has made a surplus.
- Lived within cash and capital budget limits.
- Achieved return on capital employed target of 3.5%.

LB informed the Board that the only potential risk related to the provision for disputed debt but that she was confident that there was adequate provision.

LB asked the Board to note item 27 of the report concerning the nursing bank and agency spend analysis. The increase in hours amounted to a 7.4% change from 2004/05 to 2005/06 but the average cost per hour had in fact been reduced by 1.5%. After accounting for a 3.225% increase in pay rates, the real change in average cost per hour was a reduction of 4.7%. This reduction had been achieved due to the shift from agency to bank usage. In addition LB informed the Board that although vacancies remained static, there was still scope for improvement in bank and agency spend.

KN enquired as to what was happening to the bank and agency recruitment rate. MFO informed her that through the Capacity Plan, HR was attempting to flex between temporary workers and create a balance between agency and permanent staff. MFO noted also that bank and agency staffing was now a positive issue – the balance had been achieved and they now provided enhanced flexibility in the workforce.

**Action: A costing comparison of bank and agency staff versus permanent staff be brought to the July 6<sup>th</sup> Board meeting.**

**MFo**

JP enquired as to the ratio of bank to agency staff – MFo said that it was around 80/20. Whilst the Trust would seek to employ more bank staff, in some cases agencies would pay for training etc, making agency staff more cost efficient. MFo also said that the Trust was considering phasing out special rates for bank and agency nursing staff which would also help efficiency and help make them more cost effective on weekends and bank holidays. AMC suggested that bank staff were the Trust's internal flexible workforce but also warned of potential rostering issues. ED noted that software tools were available to deal with these issues.

JP enquired as to why, under item 24, private patients had made a contribution less than planned? Was this due to the pricing being too low? ED replied that pricing is routinely checked against other Trusts and providers and that Chelsea & Westminster is in line with other organisations. JP asked then was the issue around costs to which HL highlighted the ongoing nurse rostering issue. JP asked that this issue be revisited.

**Action: Paper on private patients to be brought to a future Board meeting.**

**LB**

LB continued on to talk about the sustainability of the cash forecast. She said that a significant improvement in debtor control had delivered the cash plan and was expected to continue with realistic improvements in debtor cycle and that the brokerage had been reduced to c£6m. JP noted that given that cash was a significant issue for the initial Foundation Trust application, that the cash position and working capital was a very good achievement.

## **2.2 Performance Report, March 2006**

LB asked the Board to note that all key access targets had been achieved. Though two Healthcare Commission targets were coded red (Ethnic Coding and Delayed Transfers) the Board should note the grading was against the top band so there had been an achievement in part. The Rapid Access Chest Pain Clinic (RACPC) was in danger of not achieving but A&E Trolley Waits were improving.

LB said that the Ethnic Coding issue was being addressed through the Data Quality Group and that the Trust was looking to employ a system of identifying patients that refused to disclose their ethnic origin as opposed to non-collection.

HL enquired as to the effect of the July 7 bombings on cancelled operations – LB responded that if this was excluded the rate dropped from 6.4% to under 5%. KN enquired as to what defined the various types of cancelled operations and in particular what exactly was meant by 'surgeon unavailable'. MA explained that this could be due to their previous list overrunning and agreed that some clarity was required on these.

**Action: Review of how cancelled operations data to be presented at a future Board meeting.**

**MA/NC**

## **2.3 Savings Plan 2006/07**

LB informed the Board that the cost improvement target for 2006/07 was £10.6m of which £1.7m was carried over from last year. This would require a cost efficiency target of 2.5% for directorates. LB noted that concentration would be required to complete Trust wide initiatives of which most were directed at pay items including productive rostering. LB also asked the Board to note that a saving requirement of £600,000 was included in the plan.

JP enquired as to the possible contribution from an estate revaluation – LB responded that an independent valuation was planned and that an update would be brought to the Board when the valuation had been completed.

**Action: Update of independent valuation phasing to be delivered to the Board**

**LB**

**when completed.**

JP enquired as to what assumptions had been made regarding Lastword – the EPR system. AG said that the current contract is the annual fee plus additional costs but that the cost should be lower than last year's figure of £930,000. AG informed the Board that there would be no additional cost if the Trust retained Connecting for Health software but otherwise, they would need to negotiate with GE.

CM commented that it was difficult to gather what the impact would be for directorates and that perhaps a risk assessment should be done. ED replied that savings plans had taken risk into account i.e. minimum impact expected. HL noted that savings plans still need to be completed for HIV/GUM and the Medicine directorates. ED responded that HIV/GUM would meet the plan whilst Medicine still had a deficit challenge but was improving and would work to achieve the plan. KN suggested that it would be useful to track changes and consolidate the corporate service indicator in one area.

**Action: The above changes be made to the Savings Plan.**

**LB**

### **3. ITEMS FOR DECISION/APPROVAL**

#### **3.1 Consultant Appointments**

The Board approved the following consultant appointments:

Consultant Physician and Gastroenterologist: Dr Marcus Harbord  
Consultant for John Hunter Clinic: Dr Sarah Day

HL asked the Board to note that the first appointment is a replacement post.

#### **3.2 Corporate Plan**

JP highlighted once again that there should be an objective around management and understanding patient level costs. HL noted that there was still a need to insert the financials into the plan but that the objectives had been subject to SMART and SWOT analysis. There are still some issues around a couple of objectives and these have been highlighted in grey in the plan. EHJ responded that progress is being made in linking back with directorates and whilst four or five were not obviously measurable, they would stay in the plan as important organisational goals. CM reiterated that the objectives formed the basis of the Assurance Framework and must be SMART. Suggestions were made for measurement tools – for example the SOLE system that students use for measuring teaching.

There was also discussion around the audience for the Corporate Plan and HL asked the Board to note that this is the Trust's business plan and not directed at a public audience. CM said that last year's objectives also needed to be considered in formulating this year's.

**Action: A comparison to be made between this year's and last year's corporate objectives.**

**CM**

It was agreed that further analysis was needed to ensure that the objectives were SMART. It was decided that the amended version with the financial activity added would be brought to the next Board after being cleared by the executive director.

KN felt that the plan should be written so that it was easily comprehensible to the lay reader. After discussion it was felt that the plan was a working document for the management of the Trust but a version for the public should also be prepared

**Action: Executives to quantify objectives where possible and undertake SMART analysis and report back to Monday Execs meeting.**

**Exec. Dir.**

#### **3.3 SDS Risk Grading**

JP summarised the discussion at the pre-Board Seminar which was focused on the SDS risk grading. It was decided that there would be a reassessment of HIV funding and that this along with Payment by Results, CIP, Burns, Demand Management and Patient Choice were the main issues.

LB noted that the risks had now been agreed and that the risk matrix used for scoring had been reviewed. Adverse risks and opportunities had been identified and a hierarchy had been formed to determine which risks would feature in the base case. It was decided that the Board would look again at this at the Board Seminar on May 10<sup>th</sup> once HIV had been reassessed.

**Action: HIV to be reassessed and scenarios be returned to the Board Seminar on May 10<sup>th</sup>.**

LB

#### 4. ITEMS FOR ASSURANCE

##### 4.1 CNST Report

CM informed the Board that there had been a change in legislation which would require CNST to make annual periodic payments rather than fixed payments. In light of this, NHSLA has written to CEs outlining Trust's responsibilities if they were to withdraw from CNST. Therefore HL had asked for a paper to assess the value of CNST.

CM asked the Board to note that CNST gives the Trust insurance as well as assurance in managing claims and that if we opted out, the costs could potentially be much higher. HL noted the apparent high incidence of brain damage claims being brought against the trust in the Women's & Children's Directorate. CM added that all claims had risen across the Trust and it was suggested that a report be brought back to the next Board meeting.

**Action: Report on claims to be brought to a future Trust Board meeting.**

CM

There was then discussion around Directors' Liability if the Trust were to reach Foundation status. JP suggested that external insurance needs to be considered and that an assessment on this should be brought to the next Board.

**Action: Report on whether external insurance will be required as a Foundation Trust for the next Board meeting.**

LB

The Board confirmed the value of the CNST scheme and agreed that it was in favour of continuing with it.

##### 4.1 Workforce Report

##### 4.2.1 Staff Survey Action Plan and Board Assurance

MFo reported on the results of the 2005 National Staff Survey and noted that significant improvements had been made on last year's survey. There were some inconsistencies relating to work/life balance and working extra hours but overall the report was very positive. Wards and departments and their areas for improvement have been addressed in the action plan.

JP enquired as to where the Trust stood in relation to other Trust's regarding harassment and bullying – MFo said that this information would be added to the report. MFo informed the Board that going forward, it would be important to fully utilise appraisals so that staff know what their key deliverables are.

**Action: Comparison with other Trust for harassment and bullying be added to the report.**

MFo

##### 4.2.2 Workforce Ethnicity Report 2005/06

MFo asked the Board to note that this report provides information about the Trust's workforce and potential workforce by ethnicity for the following areas:

- Recruitment
- Training
- Promotion
- Employee Relations
- Joiners & Leavers

MFo asked the Board to note the requirement to publish this report under the Race Relations Act and particularly how the ethnicity compared to our local population. JP suggested that it would be useful for further analysis by staff group to be done.

**Action: Breakdown of disciplinary action by directorate and data on turnover and length of employment be added to the report.**

**MFo**

**Action: Comparison with other trusts to be added to the report.**

**MFo**

MFo said that the results would be presented at the next Ethnicity & Diversity Group meeting and that the report had also been taken to the 3MTUC meeting.

### **4.3 Inpatient Survey**

AMC informed the Board that for the 2005 Inpatient Survey, 850 questionnaires had been sent to recent patients to which there was a response rate of 48.4%. The report showed that the Trust performed significantly better than the average for six questions and significantly worse for one. In comparison to the 2004 survey, the Trust performed significantly better for nine questions and did not perform significantly worse for any which was a very good result.

The report then goes on to recommend five key actions which should drive patient satisfaction even higher. Of these, the communication of the survey results is already underway and ward-based reports are being developed. MA noted that targeting patients ward by ward should help improve the results, which were above average in comparison to other Trusts in London.

The action plan was approved by the Board.

## **5. ITEMS FOR NOTING**

### **5.1 Influenza Update**

AMC asked the Board to note that the paper was authored by Rona McKay, Emergency Planning Lead and not himself as suggested on the coversheet.

AMC informed the Board that the paper highlighted the main points of the Draft Influenza Pandemic Plan. As the potential impact of a pandemic changes daily, all Trusts were required to ensure that they have adequate provision. The Trust has incorporated a possible pandemic as part of the major incident plan which can function for a one day or over a number of months. The suspected impact on the Trust would be an additional 5000 emergency attendances, 3,500 extra admissions and 600 deaths.

RMK highlighted one of the key tools of the plan was the use of action cards for different areas/departments of the Trust such as HR, A&E and Communications. RMK said that the Plan would be updated frequently as and when new guidance is received from the centre. LB noted that a pandemic had been considered in the risk scenario modelled in the SDS.

AG enquired as to the impact on staff which RMK said would be significant based on a 25% staff hit rate. Anti-virals would be provided to infected staff and MFo informed the Board that a pro forma was being tested to identify key staff and also key family carers. MFo also said that bank staff that would be willing to work were being identified as well as contacting recently retired staff. RMK noted that the Trust has five staff members on the NWL pandemic planning steering group.

## **5.2 Minutes of the Facilities Assurance Committee meeting 2<sup>nd</sup> March, 2006**

ED asked the Board to note the minutes. CM pointed out that on the cover sheet any queries should be forwarded to Helen Elkington, not any amendments as stated.

JP asked for an update on the relationship with Haden. ED informed the Board that Haden had brought in their head office which has put much needed systems and processes in place however there was still significant improvement to be made. LB asked where the Trust stood contractually – ED said the contract expired next January. LB suggested a timeline should be put in place for improvement and it was decided that the Facilities Assurance Committee should come back with a recommendation for the Trust Board at the September meeting.

**Action: Facilities Assurance Committee to report to the September Trust Board on the performance of Haden.**

**ED**

## **5.3 Minutes of the Clinical Governance Assurance meeting 28<sup>th</sup> March, 2006**

CM asked the Board to note the draft minutes. CM suggested that minutes should be approved by their relevant committee before being presented to the Trust Board. JP responded that this would result in very long delays as the committees generally only met bi-monthly. JP suggested that the chairman and lead director for each committee be charged with informing the Trust Board of any significant changes to the minutes, after approval by the relevant committee.

## **6. ITEMS FOR INFORMATION**

There were no items under this heading.

## **7. QUESTIONS FROM MEMBERS OF THE PUBLIC**

There were no questions from the public.

## **8. ANY OTHER BUSINESS**

There was no other business.

## **9. DATE OF THE NEXT MEETING**

The next meeting is scheduled for 1<sup>st</sup> June 2006.

## **10. 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 concluded in the second part of the agenda.