Board of Directors Meeting 27 May 2010
Extract of approved minutes

Present

Non-Executive Directors	Prof. Sir Christopher Edwards	CE	*Chairman*
	Andrew Havery	AH	
	Colin Glass	CG	
	Prof Richard Kitney	RK	
	Karin Norman	KN	
	Charlie Wilson	CW	
Executive Directors	Heather Lawrence	HL	*Chief Executive (in part)*
	Lorraine Bewes	LB	*Director of Finance*
	Mark Gammage	MG	*Interim Deputy Chief Executive/HR Director*
	Mike Anderson	MA	*Medical Director*
	Andrew MacCallum	AMC	*Director of Nursing*
In attendance	Catherine Mooney	CM	*Director of Governance and Corporate Affairs*
	Lucy Hadfield	LH	*Interim Director of Strategy*

CE recapped on the Board seminar. He notified the Board of CG's decision not to extend his term of office due to business commitments. It is in the constitution that the Board agrees the requisite skills and experience of a new Non-Executive Director (NED). Ann Bourne from Saxton Bampfylde will contact members of the Board for their opinions. He noted that the Board had previously discussed recruiting a legally qualified company secretary. However, we are now not in a position to increase the costs of the Board, therefore we would want a legal background for the new NED in order to get legal input into the Board.

We also have a template from previous work which CM will circulate to help with discussions. **CM to circulate person specification for NED.**

1 GENERAL BUSINESS

1.1 Apologies for Absence **CE**

Heather Lawrence participated via teleconference where indicated.

1.2 Declaration of Interests **CE**

None.

1.3 Minutes of the Meeting of the Board of Directors held on 29 April 2010 **CE**

These were approved as a true and accurate record of the previous

meeting with the following change:
- p.3 item 2.1 'surplus' to be replaced with 'favourable variance'.
CW was not at the meeting but asked for more information on theatre consumables and LB outlined the issues.

CG said he thought he could reduce the phone bills but the information provided was not detailed enough e.g. there was not enough information on the use of mobile phones and the cost.
LB to ask Bill Gordon to contact CG, for CG to clarify the information he requires. **LB**

1.4 Matters Arising **CE**

2.2/Mar/10 Performance Report – February 2010
MG reminded the Board that KN had asked about waiting times for calls to be answered. He said that we have 8,000 calls a month. The average waiting time had peaked at 7 mins but is now down to 3 mins which is still too long. The Trust plans to get to 1 min by the end of the year. MA clarified that calls go straight through and not via the switchboard.

CE expressed his concern that this was an issue the Board was not aware of, and MG explained that the executive team were not aware but had taken action once the issue had been raised.

CE said that we must value patients' time more e.g. another area of concern was phelebotomy waiting times. CE was unclear if this has improved since he started and as a Board we should be more aware of such issues. CE suggested that we should be looking at complaints and trends in order to identify such problems. AMC pointed out that we did pick up concerns around admissions and appointments through our review of complaints and was a result it is one of our corporate objectives.

CG wondered if we could be more sophisticated about managing calls. CE agreed that the current situation was unacceptable. The Board would welcome a discussion with the Executive about what they feel should be monitored, e.g. outpatient waiting times, venepuncture waiting times, phone calls. The problem is that people think poor service is the norm.

2.15 KN joined the meeting.

MA said we need to think about different ways of communicating. Phone calls are difficult and there is no record. AH said e-mails are used in the United States for communication. MA agreed that this was a way but that the problem is that no income is attached to this method of care. AH asked if there is a telephone tariff or e-mail tariff, that we can use as a way to decrease costs. LH said there is a virtual tariff and we will offer this as part of the outpatient bids. KN suggested we look at a booking system which would allow for e-mail cancellations.
Look into a system for e-mail cancellations. **MG**
Executive team to identify areas for regular monitoring which impact on patient care. **HL**

1.7/Apr/10 Chief Executive's Report
CE reminded the Board that we had already reported two MRSA bacteraemia cases in one month. The problem was one of education i.e. failure to follow the guidance. MA said we have reinforced the rules through the Divisions and he is confident that they have taken the message on board. The challenge is monthly new starters and he is not confident that we get to these staff. AMC confirmed that the training pack says 'do not use unless trained'. CE asked if we can get doctors on a list and only those on the list can take blood. AMC said that another approach would be to have only a small number allowed to do it. MA said he would rather pursue the educational approach at the moment and come back to alternatives if that did not work. .

3.2.2/Apr/10 Three Year Corporate Plan
This item is on agenda.

3.3/Apr/10 Strategic Finance Options Assessment
LB reported that this is being done and a report will be ready by the end of June. She said that we needed some external advice which we will tender for.

3.5.3/Apr/10 Mid Staffordshire Report
This item was deferred to a further Board meeting as HL was not present.

3.6/Apr/10 Sustainable Development Management Plan
MG reported that Combined Heat and Power (CHP) does not decrease electricity on-site, but it means we take more from waste than our primary source. We have to report on total energy consumption. CE said the main point is that efficiency from the grid is about 30% and if we put in a local plant it will be 85-90% more efficient.

3.9/Apr/10 Medical Illustration Contract
LB said the contract has not been finalised yet and we are negotiating on price and contract duration. **LB to report back in 6 months.** **LB**

1.5 Chairman's Report **CE**

HL joined via teleconference.

CE reported that the strategy for London NWL has been put on hold. He noted that Sir Richard Sykes has resigned. CE commented on the new world of GP commissioning and building relationships with GPs is very important and we now have GPs leading 'improvement' work. HL said we need to be careful we do not go too far without knowing the direction of travel.

CE said we were asked to contribute £188k to the strategy development and he had raised a number of queries. A great deal of money has already been spent and the government want to decrease spending by management consultants and it is unclear what the benefits are for us.

MA said that it was clear from a meeting he attended recently that GP views would be very important. LB noted that PCTs budgets are top sliced by 2% to fund development.

1.6 Council of Governors Report including Membership Report **CE**

CE said he was unclear about what the new government wants to do with Foundation Trusts. Andrew Lansley, Secretary of State for Health, wants things to be much more local.

With respect to the membership report, he said we needed to meet Monitor's reporting requirements and try and enhance our profile and increase our membership. One of the issues is a low penetration in Wandsworth and we should talk to David Finch, one of the governors and a GP in Wandsworth.

CG said that there was a very good meeting recently of the Council of Governors Membership Sub-Committee meeting which he attended. Discussions included focussing on quality rather than quantity and ideas such as using GP surgeries for recruitment.
CG wondered about having an event for GPs. CE said we are very fortunate in having an Open Day and DK agreed saying that it was superb. CE said we need to think through how we can relate better to GPs. AH suggested we should perhaps go to them. LH confirmed that GPs would like to work with us more closely.

1.7 Chief Executive's Report **HL**

Open Day
CE said he echoed the view that it was an excellent Open Day event.

Community Services
LH reported that we have been shortlisted for Richmond and Hounslow Community Services and invited to a stakeholder event on 7 June and a presentation on 17 June. The emphasis seems to be on clusters and she thinks Imperial want to be at hub of community services.

NHS London CEO Briefing
CE asked HL how she thought the leadership for GPs will be provided. HL replied that one route could be via the Academic Health Science Centres or via the specialist commissioners. CE said that Andrew Lansley said it was reasonable for GPs to have a conflict of interest between provider and commissioner. HL said she thought he will use Professional Executive Committee chairs to lead commissioning. CE said perhaps he will use the structure of the Health Innovation Education Cluster (HIEC) to get people around the table. He asked HL whether she thought GPs are well enough represented on the HIEC. HL felt not and said it was important to get GPs with influence involved.

2 PERFORMANCE

2.1 Finance Report – April 2010 **LB**

LB reported that we have under spent in the first month of 10/11 but we have not closed the gap on the cost improvement that we require. LB highlighted the assumptions set out on the front page. CE said governors want to know what the impact of the CIP is and to be reassured that there will be no impact on patients. LB and MG both confirmed that the approach is not to affect patient care but to look at efficiency e.g. merging wards, improving theatre efficiency.

MA said one potential impact on patients was withdrawing some outpatient dispensing services.

CG asked about debtors (point 7) and whether people are late and if we need to chase. LB said that it is not as high as it looks as not all are due. KN asked what our reserves were. LB responded that we have a £2m general contingency, 25% of the CQUINs payment is not in the plan and there are some specific reserves, the total being £3-4m at the moment.

HL to prepare a summary of the impact of CIPs on services. **HL/LB**

2.2 Performance Report – April 2010 **LB**

CW asked for clarification on 3.5 and 3.6. LB replied that we had breached the 62 day target but it does not take us below the target

3 ITEMS FOR DECISION/APPROVAL

3.2 Urgent Care Centre (UCC) **HL**

HL available by phone.

HL said that Andrew Lansley likes UCCs and said that we must find a way of doing it without a deficit. She thought we should consider would we still want to look at reviewing A&E services if the UCC were not to proceed.

CE was concerned that the original tariff of £68 was derived from the wrong premise, which was a nurse led service. HL said we cannot proceed with a service that leaves us with the risk. MA reported from a meeting he had attended where it was clear that we were still a way apart on the tariff. Some of that is about the model of care but the net position is that we are not saving what was anticipated. He noted that GPs are very keen to make it work.

CE said the UCC is an opportunity to build a better interface with GPs, and is not just about urgent care. He said it was a very circumscribed model of A&E but things may now have changed. LH said the commissioners cannot understand why more money cannot be taken out of the system.

3.3 Adoption of Annual Accounts for year ended 31st March 2010 and Auditors' Report **LB**

HL available by phone.

LB said the Audit Committee met and have reviewed the annual

accounts and changes have been made as a result. Some extra information was circulated.

The External Auditors report confirms that the only outstanding action is the post balance sheet review, which they will do after signing.

She said that there are changes to depreciation as a result of residual value change. It is a technical point and does not affect income or expenditure. LB asked the Board if it is happy to adopt the accounts and authorise LB and HL to sign tonight and Deloitte's partner tomorrow. The deadline is 8th June.

AH said that there had been a comprehensive summary of the position at the Audit Committee meeting and internal audit gave substantial assurance. The only issue was access for leavers to Windows (i.e. IT) to be followed up.

He also reported that the committee had considered the Quality Report. It seems that there is a full discussion in the report of the position including the lack of data where this is the case. The Audit Committee confirmed that based on the work undertaken there was no reason to suppose that the report is accurate.

He said the Statement on Internal Control (SIC) was discussed. He noted an amendment had not been made. CM confirmed this was an oversight and would be done.
With respect to the pension scheme, LB said she can confirm that the statement is correct. The number of complaints since the Electronic Staff Record (ESR) was implemented were reviewed and we are only aware of one, which was about a pension being stopped.

CE confirmed he was happy and congratulated LB and team for producing the accounts in such a straightforward way and early.

CM to amend SIC for HL to sign. **CM**

3.4 Audit Committee Annual Report* **AH**

This item was taken as read.

3.5 Annual Plan and sign off for submission to Monitor **LB**

LB said this was the second time the Board had looked at the Annual Plan to be submitted to Monitor.

She outlined the paper. The first part reflects the strategic objectives in Appendix 1. It covers 9 areas of focus. The Board had been presented with the draft plan consisting of 10% CIP this year, then 10% next year and then 5%, based on the capital programme and asked that this was revisited. She said that we are overcommitted by £3m, have taken £8m out of the capital programme and have revisited opportunities for more activity. The net result is that we plan to deliver a 4 rating but 7% CIP for 2011/12 then 6% CIP for 2012/13. This is a bit of a holding position, and we need to do something quite radical because this will be very challenging. The process is that we

submit, Monitor does its own assessment and then has a discussion with us. One of the issues is impairment to the value of building. The current policy is a five year full valuation and an interim 3 year valuation. The valuation is not a market value but the cost to rebuild and costs have been reducing. This raises the issue about whether we should recognise volatility on an annual basis. This has been discussed with Monitor who have said that it is below the EBITDA line, out of our control and they will take it out when determining our risk rating. AH asked for a paper to the next Audit Committee meeting.

CE said that we should recognise that this is challenging, and particularly the changes made to the profile of capital.

Page 3 of the paper summarises assumptions. A pessimistic view of the Urgent Care Centre has been taken and a prudent assumption of the costs of energy and infrastructure which have been reduced by £1m.

Regarding Netherton Grove LB said we had assumed 5% ROI is required.

CE said he assumed that the government will take the private patient cap off and asked if we did not have the cap what could we generate. LB replied that we would work to full capacity in maternity and could do 70 – 90 deliveries per month without a further build, however we do not know if we can get custom. LB confirmed that we make a profit and on the current rate we are likely to breach the cap.

It was noted that there is potentially a private patient market for plastics and bariatrics and low priority procedures and it was suggested that this was discussed at the Away Day on 25 June.

3.5.1 Monitor Annual Plan – self-certification declaration **CM**

CM outlined the requirements for self-certification. The paper contained information to support the declaration. She reported that the clinical quality section had been considered by the Assurance Committee on behalf of the Board and the Assurance Committee recommended that this could be signed. She drew the Board's attention to the self-certification on performance where it was proposed that we highlighted a potential risk due to our target for MRSA and our performance in month 1.

The proposed submission was attached as appendix 1.

The Board approved the submission.

3.6 Assurance for Quality Report **CM**

A further version of the Quality Report was tabled. CM explained that the paper had been discussed in some detail at the Audit Committee. The aim of the paper was to support the Chief Executive Officer's statement about accuracy of the report.

She noted two additions to the paper. The section in the Quality Report on the assurance statement had been considered by the Board previously and the information on clinical audit in the audit section had been provided by each of the relevant audit leads.

She said we had included in the report where we were not happy with the data and what we had done or were going to do e.g. emergency surgery targets and the incidence of VTE.

The Board approved the assurance report and confirmed it supported the Chief Executive Officer's signature.

3.7 Approval of Quality Report **CM**

CM outlined the main changes since the first draft. This included a more specific target for VTE and a more challenging one for falls.

The Board approved the quality report.

3.8 Workforce (incl E&D) Report **MG**

MG said that the report serves several purposes including ensuring we have a motivated workforce and meeting our legal requirement to ensure that there is no bias.

He said that it helps in management of staff and services to patients that the workforce represents the community it serves. Agency usage has dropped dramatically and we have increased establishment by 130 staff but maintained the pay position. There is a tension between decreasing the workforce and getting staff to work in other areas. There are less BME staff in senior positions and they are more likely to be involved in employee relations. It is not unique to Chelsea and Westminster Hospital NHS Foundation Trust. Research is being undertaken at Bradford University in this area. The key thing is the action we take.

CE said it was a good and comprehensive report and there appeared to be no significant problems. CG asked if there are things coming through re education that will have an impact. AMC said that there are good opportunities for development in the Trust. CE said there have been discussions at Medical Education England and he is due to meet Andrew Lansley to present a report on the implications of the European Working Time Directive (EWTD) on training. This is embargoed so he is unable to discuss this, but the emphasis will be on the way consultants work.

In response to a question re appendix 13 and breakdown by ethnic groups MG responded that we are training managers to avoid unintentional bias.

3.9 Code of Governance disclosure of corporate arrangements and statement of compliance **CM**

CM asked the Board to confirm the statement for 09/10 based on the assurance. This was approved.

CM also highlighted the main changes to the Code for 10/11 and the actions that were required. These will be addressed.

3.10 Air Therapy Contract **LB**

LB said that this is not a new service, it is about changing the way we obtain supplies. The PCT prefer devices fitted at home as it reduces clinic costs. MA confirmed that we have a contract with the Ministry Of Defence (MOD) for this and as we employ MOD consultants there is a link.

The Board approved the contract.

3.12 Remuneration Committee TOR* **HL/MG**

CE noted that the proposed addition by the Remuneration Committee was already included.

The terms of reference were agreed.

3.13 Register of Seals Report Q4* **CM**

The Board noted the report.

3.14 Medicine Directorate Improvement Action Plan

HL available by phone.

HL said she is still concerned that we have global figures but AMC confirmed that we now have a breakdown of wards. He said it would be useful to have a trigger system as for maternity e.g. if there are more than an agreed level of agency staff, this should be escalated.

CE said he had had a discussion with a consultant gastroenterologist and wondered if it would be helpful if CE chaired a meeting with the consultants. HL said there must be collaborative working and suggested meetings should continue as now with all clinicians represented.

4 ITEMS FOR INFORMATION

4.1 Assurance Committee Minutes – 8 March 2010 **CW**

This item was taken as read.

4.2 Audit Committee Minutes – 19 March 2010 **AH**

This item was taken as read.

4.3 Finance & Investment Committee Minutes – 22 April 2010 **CE**

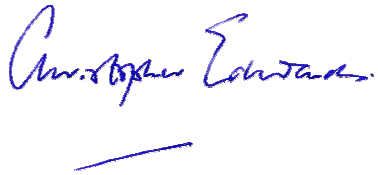
This item was taken as read.

5 ANY OTHER BUSINESS

None.

6 DATE OF THE NEXT MEETING – Thursday, 24 June 2010

Signed by



Prof. Sir Christopher Edwards
Chairman