

Trust Board Meeting, 6th July 2006 Minutes

Present:

Non-Executive Directors: Juggy Pandit (JP) (chairman)
Marilyn Frampton (MFr)
Andrew Havery (AH)
Richard Kitney (RK)
Karin Norman (KN)
Charles Wilson (CW)

Executive Directors: Heather Lawrence (HL), Chief Executive
Mike Anderson (MA), Medical Director
Lorraine Bewes (LB), Director of Finance and Information
Edward Donald (ED), Director of Operations
Maxine Foster (MFo), Director of Human Resources
Alex Geddes (AG), Director of IM&T
Andrew MacCallum (AMC), Director of Nursing
Catherine Mooney (CM), Director of Governance and Corporate Affairs

In Attendance: Fleur Hansen (FH), Foundation Trust Lead
Nicolas Cabon (NC) (for items 2.2 and 2.3)
Mansoor Zaman (MZ) (for item 3.4)
Paul Hargreaves (PH) (for item 5.1)

1. GENERAL BUSINESS

1.2 Apologies for Absence

No apologies were recorded.

1.3 Declarations of Interest

No conflicts of interest were declared.

1.4 Minutes of the Previous Meetings held 1st June 2006.

The following amendment were made to the minutes:

- P.4, 2.2, second sentence: The word address was replaced with measure. The sentence now reads as follows: The 2006/07 ALE would measure this. (CM)
- P.4 2.2, fourth sentence: The reference to MRSA was removed from this sentence. It now reads as follows: CM suggested that it might be useful to look at handwashing rates.

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

1.5 Matters Arising

2.3.1/Apr/06 Lift Expenditure

This item has been tabled for later in the meeting.

5.2/May/06 Contracted Services

This item has been tabled for part B of the meeting.

8/May/2/06 Benefits of being a Foundation Trust

Comments on the benefits of being a Foundation Trust were passed on to the chairman.

2.3/May/06 Independent Valuation

The independent valuation update would be delivered to a future Board meeting when completed.

1.6/May/06 External Audit

The approval letter for Deloitte's appointment has been written to the Audit Commission.

4.2.1/May/06 Staff Survey

The comparison on harassment and bullying with other trusts will be circulated prior to the August Board meeting.

Action: Comparison on harassment and bullying with other trusts to be circulated prior to the August 3rd Board meeting.

MFo

1.6/Jun/06 Constitution

The revised constitution was forwarded to Monitor.

2.1/Jun/06 Private Patients

The report of Private Patients will be brought to the September/October Board meeting.

1.4/Jun/06 Bank and Agency Staff

This item has been tabled for later in the meeting.

1.4/Jun/06 Performance Report

A review of cancelled operations has been added to the Performance Report which will be tabled later in the meeting.

4.2.2/Jun/06 Ethnicity Report

An update on this will be circulated in part B of the meeting.

2.1/Jun/06 Finance Report

A report on locum spend has been tabled for later in the meeting.

2.2/Jun/06 Performance Report

The following amendments were made to the Performance Report:

- Target graphs on report amended to include names of months on the x axis.
- Average length of stay graph – red line changed to reflect target not average.

6.1/Jun/06 Complaints Report

A comparison of attitude complaints across directorates and action/mitigation information will be added to the next quarterly Complaints Report.

1.6 Chief Executive's Report

HL briefly highlighted a couple of key issues from her report – namely the restructuring of the SHA and the executive move to Verney House. JP commented that he had met with Dr Greener, the new chairman of the London SHA and noted that weekly meetings will be held between David Nicholson the new chief executive and the various chief executives of the London trusts to help get the SHA up and running.

2. PERFORMANCE

2.1 Finance Report, May 2006

LB informed the Board that with the savings profiling updated, Month 2 resulted in an

overspend of £300k on pay and £300k on CIP slippage. LB noted that the key pressure areas were still in medicine, women's and children's and A&E. The Board was asked to note though that each directorate had produced a recovery plan and that these were now being implemented.

In the medicine directorate, due to the closure of a ward in month 1 it was expected to see a reduction in bank and agency spend in month 2 but this had not been realised. In addition there had also been a significant pressure in RMNs, estimated at £150k full year cost pressure. ED said that the existing protocol on deploying RMNs needed to be re-circulated to reinforce good practice in this area. AMC commented that there was an issue around when to use a support worker as opposed to a RMN.

LB informed the Board that the cash position was strong for the end of month 2 being £1.7m above target. This was mainly due to the recent success in liquidating old debt.

In light of the Board to Board on Wednesday 5th July, HL suggested that the updated position on month 3 CIP be forwarded to Monitor to help alleviate some of their concerns regarding CIPs.

Action: Updated CIP position to be forwarded to Monitor.

LB

HL also informed the Board that the medicine directorate continued to have difficulty in delivering an adequate savings plan. An internal recovery team led by the Director of Operations, the HR Director and a senior Financial Account has been asked to work with the Medicine Directorate team, in particular address bank and agency spend. HL also said that the Board would need to determine whether the target of £600k was actually achievable for the medicine directorate. ED commented that their CIP was 5.4% by comparison to other directorates which at 2.5% - LB responded that this was due to the need for medicine to recover last year's overspend. HL commented that the difficulties in medicine were in part due to delayed discharge of elderly patients where the secondary care on offer was not their or their family's first choice. This equates to four beds or one nurse per shift overspend due to delayed discharge. HL said that action needed to be taken by CNLs, consultants and directors to encourage families to move elderly patients on to second choice homes whilst awaiting their preferred home to reduce the length of stay.

Action: Policy to reduce elderly length of stay in medicine to be employed at CNL and consultant level.

ED

ED commented that £861k of the medicine savings plan will be delivered which the Board did not consider to be an acceptable level. HL also suggested that the internal recovery team come up with a plan before the August 2nd Trust Board meeting to identify what robust savings are possible for the medicine directorate. LB commented that she had met with members of the medicine directorate regarding endoscopy the result being that there is money in reserve to allocate to non pay but that they would need to see the position of non pay procedures benchmarked. Therefore, HL commented there was some scope for an improvement in the medicine position and that further work should be done.

Action: Medicine directorate Savings Plan to be presented to the next Board meeting.

ED/LB

The Board then discussed the high pay spend particularly in women's and children's directorate which was a significant pressure for the year to date. ED noted that women's and children's was £252k overspent on pay budgets in month 2. This was being addressed at directorate level through the establishment of bank quotas for medical and nursing staff, with sign-off at General Manager and Clinical Nurse Lead level. ED also noted significant pay pressure in maternity due to overseas recruitment and inefficient off-duty rostering which the directorate would be addressing. A cost pressure of £177k to the end of month 3 was estimated for maternity, on the basis that recent controls would not impact until month 4. There is also a pressure due to having to pay midwives from overseas the qualified rate whilst they are still under induction.

Action: Review pay levels for midwives recruited from overseas whilst under induction. ED/MFo

The Board agreed that further action would need to be taken to make up the shortfall in the savings plans. CW suggested a rolling plan whilst JP said that execs would need to work with directorates to come up with further proposals.

Action: Execs to work with directorates to come up with further savings proposals. Exec. Dir.

The Board then discussed the proposal of reducing the pay overspend by banning the use of agency staff Trust wide. MA and ED both commented that some positions in specialised medical fields, Registered Mental Nurses, medical secretaries and therapies could only be filled by agency staff as there was no bank staff available if cover was required. CW suggested that these fields needed clear identification and that these, subject to GM signoff, be the only acceptable areas for agency use. ED commented that nursing may present problems if there was not sufficient bank staff available to fill shifts – this could result in unfilled shifts. AMC commented that if benchmarking was taken into account, there should be enough nurses in the bank system to fill most, if not all, shifts. AH enquired if shifts had to be absolutely full – MFo commented that shifts often ran below full staffing as it was.

Total agency spend for the first two months of the year was £1.3m running at the same monthly average as last year. The Board agreed that more work would need to be done on this at executive level and that they would need to report back at the next Board meeting. KN asked what areas could be liquidated quickly to provide cash if necessary – LB responded that a freeze could be put on non-essential items such as furniture and some types of training. In summary JP said that the Board cannot police agency staffing or support a blanket ban but did support a policy of using agency staff only when essential.

Action: Positions that can only filled by agency staff to be identified. Exec. Dir.

Action: Further work to be undertaken by the executive team to reduce agency spend and then report back to the August Board meeting. Exec. Dir.

2.2 Performance Report, May 2006

LB told the Board that NC had been invited to present the Performance Report as there had been a number of formatting changes which needed explanation. This had been in part due to the recommendations of KPMG to link KPIs with clinical indicators.

NC informed the Board that the model for the improved report had arisen from the recent development of the Performance Management Strategy which had been presented at the May Extraordinary Board meeting. The changes made to the report had incorporated those recommended by 'The Intelligent Board' and the report was still work in progress and the Board could expect further developments in the future. Some highlights of the report were as follows:

- The Thrombolysis target achievement was poor but determined by factors outside the Trust's control e.g. one had a long ambulance journey to hospital resulting in them not arriving in time to be treated within the 60 minute target.
- Delayed transfers was also an area of concern with 45 so far this year. ED said that escalation rates should be improved and that work should be undertaken with clinical directors to improve this.
- One of the 6 National Targets is for all GUM patients to be seen within 48 hours by December 2008 but the Trust was currently achieving only 49% within 48 hours. LB said though that the internal trajectories would need revising to achieve the target for 07/08. It was also noted that we were not able to distinguish situations where patient choice had adversely affected the numbers and that this concern should be logged with the HCC.

Action: Further work to be undertaken with the GUM directorate on internal trajectories.

LB/ED

- There was discussion on the ethnicity coding – the Trust was currently only achieving 82% of this target. The Board noted that the issue of not being able to distinguish a refusal had been discussed at previous Board meetings and NC pointed out that we were recording this information internally but it was not possible externally. KN noted that our coding achievement was less than other NW London trusts and that we should be doing more work with staff to help them gather ethnicity information. AMC commented whether the membership ethnicity should match the patient profile as 30% of patient data was coded as 'other' and therefore it was difficult to make a comparison.

JP commented that the new style of the Report was very good and the Board extended its congratulations to NC and the Information team.

2.3 Update on Healthcare Commission Improvement Reviews

HL asked the Board to note that the Trust had achieved a good result in the recent Children's Services Improvement Review scoring a 3 out of 4 which was as high a result achieved by any other trust. NC asked the Board to note that the Heart Failure Improvement Review results were expected shortly.

The Board was also asked to note the Acute Hospitals Portfolio results with the Trust achieving 'fair' for Admissions Management and Diagnostic Management and 'excellent' for Medicines Management. The main issue arising from this concerned procedure coding on the waiting list and the facility not being currently available on LastWord. AG said though that this could be resolved.

Action: Procedure coding issue in LastWord to be resolved.

AG

3. ITEMS FOR DECISION/APPROVAL

3.1 Board Memorandum

LB asked the Board to note that the Memorandum tabled at the meeting was not the final version as the mitigations were yet to be agreed and had already been discussed at the pre-Board seminar. It was decided to ask JP to take chairman's action to sign off the Memorandum once the mitigations had been completed. LB asked the Board to pass any concerns about the assumptions on to her. LB said that the Board needed to agree the working capital facility of £18m but that this could not be done until after discussions with Martin Monroe, partner at KPMG. It was decided that available non-execs would join the meeting with Martin Monroe on Tuesday 10th July to ensure that they were satisfied with the choices made prior to submitting the final Memorandum on July 14th. Non-execs who were not available would be circulated the details of what was being proposed to ensure that they are satisfied.

Action: NEDs to attend meeting on Memorandum mitigations with Martin Monroe or circulated details if they cannot attend. Once satisfied, chairman's action may be taken to sign off the Memorandum.

JP/LB

3.1.1 Board Statement

It was noted that the Board would need to approve the Memorandum before this could be signed off. It was decided that JP could take chairman's action to sign the Board Statement once the Board was satisfied with the Memorandum.

Action: Once the Board is satisfied with the Memorandum, chairman's action may be taken to sign off the Statement.

JP/FH

3.2 Self Certification on Governance

CM explained to the Board that the top section of this document, Risk and Performance

Management, had been signed off by the Board at the May extraordinary meeting when the direct evidence for Risk and Performance Management had been submitted. The Board was now asked to approve the second part of the Monitor Self Certification document that relates to Board roles, structures and capacity. The Board discussed the five requirements listed and it was decided to approve the Self Certification document. The chairman signed on behalf of the Board.

3.3 Working Capital Facility

This item was deferred until the August 3rd Board meeting.

3.4 Annual Accounts 2005/06

Mansoor Zaman (MZ) attended for this item. LB informed the Board that the Annual Accounts had been tabled at the recent Audit Committee meeting and they had been approved by the Committee. LB noted that the external auditors Deloitte had reviewed the Accounts and had not identified any major concerns and confirmed their true and fair opinion. The audit had gone entirely to plan. KN identified one correction that was required – on page 23, the use of the word 'segmental'. MZ immediately changed this and returned the edited page to the meeting.

The decision to approve the Annual Accounts was endorsed by the Board. AH extended the Board's congratulations to MZ and his team on achieving such positive results for the audit and the year end accounts process.

4. ITEMS FOR ASSURANCE

4.1 Locum Spend in Women's and Children's

This item was covered under the Finance Report.

4.2 Bank and Agency Costing Comparison

This item was covered under the Finance Report.

4.3 Safer Patient Initiatives

CM briefly informed the Board that this initiative was being funded by the Health Foundation and that the bid was in conjunction with the West Middlesex Trust. CM asked for the Board's support and a non-exec lead. MA commented that the medical staff were supporting this initiative. The Board gave its support and Marilyn Frampton agreed to be the non-exec lead.

5. ITEMS FOR NOTING

5.1 Child Protection Annual Report

PH briefly ran through key issues raised in the Child Protection Annual Report, these included a change in the local and national committee structures and an overview of the Trust's arrangements and activity. The issue of electronic flagging of potentially at risk children was raised and it was decided that this warranted further discussion outside the meeting. PH also said that there was an issue around discharge summaries but that an audit was being undertaken to try and resolve this. The Board also discussed the funding for child protection training and it had been decided that this must be funded from the directorate's training fund. CM said that she would check that the key child protection issues were on the Risk Register.

Action: Check that key child protection issues are on the Risk Register.

CM

5.2 Lift Expenditure

The Board had asked for further information on the recent lift expenditure. ED informed

the Board that an independent assessor recommended refurbishing the lifts in 2002 as they were 10 years old, in a poor state of repair and were constantly breaking down. Installing new lifts was estimated to cost £8m for useful life of 15 years. The refurbishment option was estimated to cost £2.1m with a useful life of 15 years and thus was selected as it represented the best value for money. As a result, lift faults have been halved from 67 to 28 in March 2006. The final phase of refurbishment started in March 2006 and is scheduled to be completed by March 2007, covering the car park, pharmacy, Core 4 and A&E lifts. Lift Bank C has now been completed and been re-designated as a priority for patient transport, in response to the 1000 Good Ideas Campaign.

5.3 Integrated Governance Update

CM informed the Board that the original version of this paper had been taken to the March Audit Committee meeting. CM briefly outlined the seven key themes of the core recommendations of the paper including the Board's strategic direction, and its annual business cycle. Regarding the Board's annual business cycle, CM said that a paper would be brought to the September Board meeting on this laying out the meeting plan for the forthcoming year. CM also said that a paper addressing the committee structure issue would be brought to the September meeting.

Action: Papers on the annual business cycle and committee structure to be brought to the September Board meeting.

CM

Regarding assurance and control, CM said that this has been covered in the Assurance Framework paper but that more attention needed to be paid to external guidance. MFr commented that this was a very important document so JP suggested that integrated governance be revisited at a pre-Board seminar.

6. ITEMS FOR INFORMATION

6.1 Minutes of Audit Committee meeting on 16th May 2006

AH asked the Board to note the minutes of this Audit Committee meeting and said that no key issues required the attention of the Board. AH went on to briefly update the Board on the most recent Audit Committee meeting which had been held on July 4th. The Committee decided to remove training from the Statement of Internal Control, had a briefing from AG on the IT systems and history and signed off the Annual Accounts amongst other items. Also AH said that Roger Miles from Deloitte had raised an interesting issue regarding internal audit's role if the Trust were to become a Foundation Trust. AH said that he would lead a review of this, were the Trust to be authorised.

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 3rd August 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.