

TRUST BOARD

Minutes of a meeting held at Devon House, Heartlands Hospital on 1 June 2011

PRESENT: Lord P Hunt (Chairman)
Dr A Anwar
Mr D Bucknall
Mrs A East
Ms N Hafeez
Mr R Harris
Mr P Hensel
Dr M Newbold
Mr R Samuda
Mr A Stokes
Ms M Sunderland
Dr S Woolley

IN ATTENDANCE: Ms L Dunn
Mr A Laverick
Mr M Pye (Company Secretary)

Mrs A Hudson (Minutes)

11.79.1 APOLOGIES

Apologies were received from Ms M Coalter, Mr S Hackwell, Ms C Molloy and Mr J Sellars.

11.79.2 APPROVAL OF THE ANNUAL REPORT AND ACCOUNTS

The purpose of the meeting was to approve the final Report and Accounts for 2010/11 together with related documents. It was agreed to discuss and approve each item separately. It was also recognised that Audit Committee had considered each of the documents in substantial detail at a meeting immediately prior to this meeting.

The Chairman requested that, in future, drafts of the Annual Report be circulated at an earlier stage in order to give directors more time to review the documents.

Draft Annual Report

The meeting considered the draft document and the following items and actions were particularly noted:

- Lord Hunt noted that, in the introduction, there is little or no mention of the A&E 4 hour target and the issues that the Trust is currently experiencing to meet the target. It was, however, noted that the former Chairman's statement includes an update on the A&E 95% target. It was agreed that the introduction would be updated to give more prominence to this issue, which Ms Dunn would draft.
- The following terms required clarification and/or explanation "CQUIN" and "EBITDA".
- Further clarity was required on how the Trust was to deal with Risks and Uncertainty.

- Dr Anwar's title to be corrected.
- A discussion on the accuracy of coding was held, Mr Stokes advising that the Trust is slightly above average with regard to accuracy of coding.
- On page 81 of the document it states that the Board have not appointed a Senior Independent Director. As Ms East is the Deputy Chair the document should be updated to reflect this.
- There was some debate around the role of Lead Governor and as the accounts relate to 2010/11 during which time (in part) Mr Roy Shields was the Lead Governor, the document should reflect this.
- Page 87 Mr Harris brought the Board attention to the language used within the member profile summary and was assured by Ms Dunn that this was appropriate.
- Page 90 the Chairman period of service should read 3 years.

It was agreed that following the above changes the Annual Report 2010/11 was approved and the Chairman was authorised to give final approval to any further changes required.

Draft Annual Accounts

Mr Richard Samuda, Chair of the Audit Committee, gave an update on the discussions and challenges at the Audit Committee meeting held immediately prior to the Trust Board meeting:

- PWC have asked that it be noted that they have been very impressed with the annual report and accounts process at the Trust and were very complimentary particularly when comparing HEFT to other trusts they have been working with. The service provided by Ms Angeline Jones and the finance team and by Ms Rachael Blackburn for the Quality Account has been exemplary.
- The Auditors are happy with the provisions and the prudent financial position the Trust is taking.
- The Trust has an agreed £15m overperformance with a discount of £11m non recurrent income in the PCT year end negotiations. It was noted that the level of challenge from GP consortium may grow in the future as contracts get tighter year on year and the ability to earn high levels of overperformance will reduce in coming years. The Trust will therefore need to be able to deliver on CIP.
- Assets and Depreciation. Following Radiology's recent equipment failure and the likely intention to go to managed service, there is an accelerated depreciation and write off of £4m worth of equipment. This gave way to a lengthy discussion on procurement and depreciation. It was noted that going forward the Trust needs to be ensure depreciation appraisal on the life span of equipment is realistic for the specific kit and should generally be between 8 and 15 years.
- It was noted that the financials relating to transfer of Community Services has not been included in the figures.
- A redundancy provision of £4.8m has been made. This is based on the need for savings and headcount restructuring and the Auditors were satisfied that this was a reasonable figure. It should be noted that the provision was based on a three year time frame. Mr Harris considered it important that the Trust Board should ensure it remained sighted on actual costs versus provision and should also not lose sight of the human costs. A media response might usefully be pre-prepared in order to respond to media questions. Ms Dunn advised that other Trusts would also be making these provisions and a statement would be drafted for use if required.

Mr Samuda confirmed that the draft Accounts were approved by Audit Committee for

consideration by Trust Board.

The Trust Board thanked Mr Samuda for his update and approved the Accounts.

The Chairman and the Board extended their thanks to the Finance Team and in particular to Mrs Angeline Jones for the huge amount of work undertaken in producing both the Annual Report and Annual Accounts.

Draft Auditors Letter of Representation

The draft Letter of Representation addressed to PWC was presented by Mr Stokes for approval. The Audit Committee had earlier approved the draft and the Trust Board also approved the letter.

Quality Report

The PWC Quality report was presented for approval. The Quality Report gives details on the quality of services provided to patients. The structure of the Report is mandated by the Department of Health and Monitor. In compiling the Report the Trust set up an internal project team with staff from different specialities and events were held on site with User Groups and stakeholders being invited to discuss priorities for the coming year. Mr Samuda advised that PWC were very complimentary of the processes that the Trust undertook and was assured that the Trust was well organised and looking ahead. Mr Samuda confirmed that the Audit Committee had approved the Quality Report.

The Trust Board approved the Report.

11.79.3 ANY OTHER BUSINESS

None

11.79.4 DATES OF FUTURE MEETINGS

Tuesday 7 June – Education Centre, Good Hope Hospital

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Chairman