

TRUST BOARD

Minutes of a meeting held at Devon House, Heartlands Hospital

on 24 April 2007

PRESENT:	Mr C Wilkinson <i>(Chairman)</i>	
	Ms M Coalter	Mr A Okuyiga
	Mrs A East	Prof J Perry
	Mrs B Fenton	Dr H Rayner
	Mr M Goldman	Mr R Samuda
	Ms N Hafeez	Mr B Spittle
	Mr P Hensel	
IN ATTENDANCE:	Mrs F Baillie	Mrs C Lea
	Mr I Cunliffe	Mr A Stokes
	Mrs L Dunn	Dr S Woolley

The Chairman welcomed Najma Hafeez to her first Board meeting, following her appointment as a Non Executive Director of the Trust.

1. APOLOGIES

Action

Apologies were received from Dame Jill Ellison.

2. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 27 March 2007 were amended under Item 6, bullet point 6, to read, "the cumulative expenditure to date was £11,552m" and on this basis were approved as a correct record and signed by the Chairman.

The minutes of the meeting held on 28 March 2007 were approved as a correct record and signed by the Chairman.

3. MATTERS ARISING

There were no matters arising.

4. REPORT FROM CHIEF EXECUTIVE

4.1 *Performance Monitoring*

The meeting considered the performance report which set out the performance against the Monitor Compliance Framework to March 2007.

The Trust Board noted that it demonstrated the performance for both Good Hope Hospital and the Trust as stand alone organisations, as well as the combined organisations' performance for the end of March. The performance against the Monitor's compliance framework was amber for Good Hope, the Trust and the combined organisation. The report also set out the executive summary of performance of the monthly and quarterly performance scorecards for March 2007. By the end of 2006/07, the Trust had achieved all of the national targets with the exception of MRSA and thrombolysis. The areas of performance against local targets that had underachieved were:

- Day case rates
- Sickness
- Emergency re-admission rates
- Post-operative mortality
- Clostridium difficile infection rates

The report also set out additional KPIs which were presented to the Board on a quarterly basis to show performance in month and for the full year 2006/07. Improvements had been made in many areas during the year and the two areas of exception against local targets were:

- Outpatient DNA rates
- Choose & Book answered calls

The Trust Board noted that there had been a sustainable increase in sickness over the last seven months with two special causes noted in January and February 2007 where sickness was above the upper control limit. The executive directors had agreed that further statistical analysis would be required to understand seasonal trends and to further analyse sickness by staff group, short versus long term sickness and by directorate. The Board noted that the introduction of ESR would improve the quality of data available for analysis. Mandy Coalter confirmed that extra resources had been put in to increase staff levels so that there was less pressure on staff and that the centralised call centre had been withdrawn as it had no overall significant impact on sickness levels. She confirmed that outstanding long term sickness was currently being reviewed and that staff were being moved steadily through the sickness procedures. It was noted that the sickness levels for the Initial cleaning contract were also high and concern was expressed over the impact of this on Infection Control. It was confirmed that negotiations with Initial were underway to deal with the high levels of absence.

The meeting also noted that the MRSA target for 2007/08 had been reduced to 4.5 cases per month. This was a 50% reduction on the cases in 2006/07 and therefore MRSA would be included in the weekly performance management meetings. There was £300,000 cap/ex to be used for improving isolation facilities across the Trust. The Board noted that the Department of Health team had visited Good Hope for a final review and had agreed with the action plan that had been implemented. It was confirmed

that national targets for C. diff would also be set and these would be published in the next few weeks.

Overall, it was concluded that the Trust had had an excellent year, achieving all of its national targets, with the exception of MRSA, and had achieved continuous improvement in many areas. For 2007/08 the Trust would continue to refine its performance management framework and the performance of Good Hope would be fully integrated into the Trust's combined performance scorecards.

4.2 Combined Key Risks Report

The report set out that the re-evaluation of the combined key risks and the strategic risk register for the Trust and Good Hope which had applied the Trust's assessment, analysis and risk scoring methodologies. With regard to strategic risks, 10 risks had been removed from the Trust's assurance framework following remedial action and 11 from Good Hope would be integrated, managed and monitored through the directorates' management processes. Two risks from the Good Hope register would be amalgamated with risks previously identified on HEFT's assurance framework and 3 further risks would be evaluated and considered as new strategic risks identified in the context of the merged organisation. These risks related to Infection Control, Records Management, DDA requirements, IMT strategy and Capability and Competency of Staff following the merger respectively.

Dr Woolley highlighted two serious incidents which were currently being investigated and were recorded as operational risks. Both incidents were subject to a possible coroner's inquest. She also highlighted a complaint regarding cardiology care which was being re-investigated. The nature of the complainant left the Trust at risk of future litigation or adverse media scrutiny should local resolution be unsuccessful. It was further reported that three serious risks had been removed from the operational risks registers as these would now be managed by the directorate concerned. These related to the fire alarm maintenance programme, the neonatal service and the paediatric lift. The Trust board noted the contents of the report, accepted the risk status shown and approved the actions being taken.

4.3 Legal Issues

The HSE had initiated proceedings against the Trust for contravening the Health & Safety at Work Act 1974. A hearing had been scheduled for 30 April 2007 and the Trust would be represented by Beechcroft LLP and Mark Goldman. It was agreed that Monitor should be notified of the matter.

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4.4 Operations Committee

The meeting noted the progress being made as shown in the Medical Director's report (Medicine) and noted that the Interqual project had formally been closed with a final report to the Operations Committee.

The meeting noted the progress in the areas set out in the Medical Director's

report (Surgery). In particular, it noted that the business case for the replacement ENT-head and neck surgeon replacement post was subject to further analysis in order to review current productivity and efficiency of the ENT consultant firm. An updated business case would be brought to the next meeting of the Operations Committee.

The meeting considered the report from the Director of Asset Management, setting out the issues around cleaning standards, where Initial had recently dropped below the minimum acceptable average score of 94% for March 2007. Sickness continued to be a problem within the Initial contract and discussions over pay were continuing. The meeting also noted the update report on site strategy which incorporated the Heartlands, Solihull and Good Hope sites and the Chest Clinic. Further analysis of the site facilities and environment across all four hospital sites would be undertaken on the basis of a "needs assessment".

4.5 *Report from HR Committee*

The meeting also considered the update from the Director of HR and OD which set out the progress to date on Modernising Medical Careers, European Working Time Directive and Hospital at Night. With regards to MMC, directorates had produced action plans to ensure there would be no disruption to their services.

4.6 *Trust Self Assessment against Healthcare Commission Standards for Better Health and Final Declaration 2006/07 for HEFT and Good Hope*

The final declarations of the Healthcare Standards for the Trust and Good Hope had been previously circulated for the Board to consider.

In summary, the declaration set out that the Trust was in a position to declare:

- "fully met" to the 44 core standards;
- "fair" for "safety" developmental standard;
- "fair" for "clinical and cost effectiveness" developmental standard.

Good Hope was in a position to declare:

- "fully met" against 43 of the 44 core standards;
- "not met" against 1 of the core standards (C4a – Infection Control);
- "limited" for "safety domain" developmental standard;
- "fair" for "clinical and cost effectiveness" developmental standard.

The meeting noted that the Governance teams at Good Hope and the Trust had worked collaboratively in the final quarter of 2006/07 to prepare the self-assessment declarations for each Trust. Similar assessment, analysis and scoring methodologies had been applied to the detailed lines of enquiry. It was further noted that a third party statement from the Governors had been included in the Trust's declaration.

The Board approved the draft declarations for submission to the Healthcare

Commission. It authorised the Chairman and Chief Executive to sign the declaration on behalf of the Trust and it authorised the Chief Executive and the Hospital Director for Good Hope to sign the declaration on behalf of the Trust.

4.6 *Centres of Clinical Excellence*

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5. BOARD COMMITTEE MINUTES/REPORTS

5.1 Audit Committee Minutes 27 March 2007

The minutes of the Audit Committee meeting on 27 March 2007 were noted by the Board.

In particular, it was noted that the accounting treatment for the combined Trusts had been clarified and that the HR issues identified by Internal Audit had now been addressed. External Audit had concluded that the Trust, on the whole, had an effective financial control environment; however there was still room for improvement in the controls around accounting for fixed assets. One further matter of significance related to the merger with Good Hope and the resulting additional cash balances that this would generate. External Audit had expressed concern that the current Treasury Management policy should be reviewed and updated in the light of this. They had further recommended that over-performance income should continue to be managed and monitored.

5.2 Donated Funds Committee Minutes 26 March 2007

The minutes of the Donated Funds Committee meeting on 26 March 2007 were noted by the Board.

5.3 Finance Committee Minutes 26 March 2007 and Finance Committee Report

The minutes of the Finance Committee meeting held on 26 March 2007 were noted by the Board.

The meeting also considered a report from the Finance Committee setting out the financial position of the Trust at the year end. The main financial issues to note were:

1. Financial position - at the end of 2006/07 the Trust had underspent against its operation budgets and declared a surplus of £8.1m.
2. CIP – 100% of CIP had been delivered in 2006/07.
3. Monitor Targets – the Trust had exceeded targets set by Monitor, EBITDA achievement was at 121%, the cash target had been exceeded by £16.8m and the return on assets was higher than target at 7%.
4. Monitor financial risk rating – the Trust had achieved the maximum rating of 5 for 2006/07.
5. 2007/08 LDP – contracts had been signed with the Trust's 3 host commissioners and signed heads of agreement had been received

from every commissioner in the new, enlarged West Midlands SHA and almost all out of area commissioners, totalling 99.97% of total LDP income.

6. Capital – the full year capital expenditure in 2006/07 was £11,171m, which represented 78% of the plan.
7. Risk – the remaining risk to the 2006/07 position related to auditors identifying areas in the final reports where they recommended adjustments.

The Board noted the contents of the report and endorsed the actions contained within it. The meeting then considered the budget setting report which set out a planned start point surplus of £12.7m with a recurrent plan of £11.1m. Inflation had been funded at 5% in tariff with required efficiency savings of 2.5%. The Trust's planned CIP for 2007/08 was £14.2m with a contingency of £2.4m. Reserves had been created for service developments/invest to save schemes and cost pressures. A general contingency reserve of £3m had been created. The Trust Board noted the content of the budget setting report and approved the start point budgets.

The Board noted the key risks to achieving this planned surplus as the non delivery of CIP, restoration of the education and training funding by the SHA, the European Working Time Directive, Modernising Medical Careers and the pay award 2007/08. It was noted that the risk created by any equal pay claims remained as a strategic risk on the risk register.

The Good Hope finance report for month 11 and 12 had been included as part of the report. The interim year end surplus was £1.7m and Good Hope had not drawn down the £3m support offered by the SHA. The Board endorsed the Good Hope month 11 and 12 position.

The meeting also considered a proposal for capital blocks in 2007/08 which set out three blocks namely property, IT and medical and scientific equipment. The Trust Board endorsed the recommendations from CPG and agreed to the consolidation of the capital blocks and to allocate capital expenditure budget of £12.3m to the blocks for 2007/08.

5.4 Private Patient Cap Report

Schedule 4 of the Monitor compliance code stated that a Foundation Trust's private patient income in any year would be capped at a set percentage of total patient income. It had been necessary to recalculate this percentage to include the former Good Hope numbers and a revised schedule 4 needed to be submitted to Monitor within 28 days of the merger. The Trust Board agreed that the private patient income cap percentage should be set at 0.20% and this should be submitted to Monitor as the revised schedule 4.

6. COMPANY SECRETARY'S REPORT

6.1 *Declaration of Interest*

Mr Goldman had resigned his commitment to Centres of Clinical Excellence, following their acquisition of Nations Healthcare. This change would be recorded in the Register of Interests.

6.2 *Tenders*

The meeting noted that Estates and Facilities still used a paper driven process for tendering. The current standing financial instruction required that all tenders were opened by “two senior officers not from the originating department”. It had become increasingly difficult to secure the services of two senior people to undertake this administrative task. The Board authorised the Company Secretary to undertake the duty of opening the tenders and recording this information in the tender register.

6.3 *Standing Orders and Standing Financial Instructions*

The corporate governance arrangements for the Trust were set out in the Constitution, Standing Orders, Standing Financial Instructions and the Schedule of Matters Reserved to the Board. The Standing Orders and Standing Financial Instructions had been updated to an NHS Foundation Trust version. A full set of the revised documents had been circulated to the Board and the Board approved the changes to the Standing Orders and Standing Financial Instructions.

7. ANY OTHER BUSINESS

The Trust had submitted a bid to the Heath Foundation in partnership with local PCTs to fund diabetes training for staff. The Health Foundation would be visiting the Trust on 29 May 2007 and 2 Non Executive Directors were required to attend the presentation. The Chairman and Paul Hensel volunteered to attend on behalf of the Trust.

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8. DATE OF NEXT MEETING

29 May 2007

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Chairman