West Hertfordshire Hospitals NHS
NHS Trust

Paper 28/07

Trust Board
Minutes of Meeting
Thursday 11th January 2007
Hertsmere Borough Council

Present

Board of Directors

Thom Hanahoe	Chairman
Robin Douglas	Non Executive Director
Martin Saunders	Non Executive Director
Colin Gordon	Non Executive Director
Katherine Charter	Non Executive Director
David Law	Chief Executive
Graham Ramsay	Medical Director
Sandy Hogg	Interim Director of Finance & Turnaround
Nick Evans	Director of Business Development
Gary Etheridge	Chief Nurse

Board Members – Non Voting

Sarah Childerstone	Director of HR
Sarah Shaw	Director of Planning
Alfa Saadu	Deputy Medical Director

Officers In Attendance

Mark Jarvis	Trust Secretary
Sue Fay	Associate Director of Communications

		Action:
1/07	**Chairman's Opening Remarks:** The Chairman welcomed members of the public to the meeting. He said that the Trust Board would continue to meet in Council Chambers as often as it was possible to book them. He said that every effort would be made to ensure meetings were arranged in venues that were accessible to those members of the public who wished to attend.	
02/07	**Apologies** None were received.	
03/07	**Minutes of the Previous Meeting** These were approved subject to the addition of the	

	following statement at the end of the last paragraph on page 4 (minute 228/06). SH said that she had asked Internal Audit to look at issues within the Finance Department and would present a further paper to the Finance and Performance Committee in relation to the immediate actions required within the Finance Department.	
04/07	**Matters arising from the Minutes** **228/06.** It was noted that SH was continuing to make enquiries as to how the error relating to the R&D budget setting process had occurred. The paper detailing the levels of income needed and associated capacity assumptions for next year was being prepared. It was noted that work by the PCT in relation to their long-term commissions plan was still being undertaken and that implications for the Trust would be reviewed in due course. **232/06.** It was reported that the amendments to the Performance Report in respect of the risk reporting were being made. **233/06.** It was noted that work was in hand to provide the Board with a report on the Action Plans for those areas within the Standards for Better Health portfolio that were non compliant. **235/06.** It was noted that the Board would receive a report on both the Equalities Framework and the work of the Black and Minority Ethnic Network at the March meeting.	NE/GE GE SCh
05/07	**Chief Executive's Report** **Judicial Review.** DL reported that the Board had responded to the legal challenge made on behalf of a local resident in respect of the decisions taken at the Board Meeting on 16th November 2006. Forward Look. DL said that the Trust was beginning to make an impact on the financial position although a significant amount was still to be achieved. He thanked the Board for their support in helping to deliver the improvement. He also felt that improvements were being seen through the performance reports. He felt that the improvements in both finance and performance would help to create a strong and stable base from which to move forward.	
06/07	**Financial Report** SH introduced the report. She reminded the Board that	

	the overall objective was to ensure that the year-end deficit did not exceed £11.5m. She said that the turnaround plan had been refreshed to ensure delivery of £16m worth of savings but that there remained a further £9m of savings to be achieved which were considered to be at risk of not being delivered. She said that the overall total to be delivered was £26m which if achieved would be significantly important as it would mean that the Trust would start 2007/08 with a balanced monthly run rate. She acknowledged that some of the measures currently in place might not be sustainable in 2007/08 unless there were changes in practice. She emphasised the need to continue to drive down the pay bill costs across the organisation. In relation to additional income SH reported that negotiations were continuing with the local PCT to agree a year-end figure. She said that it was likely to be at least £4m although this could increase. In relation to expenditure SH said that the project management office arrangements had been successful in drilling down into the divisional budgets and identifying improvement on a line-by-line basis. She said that this process would deliver £9m worth of savings by the year-end. SH highlighted the detail in table 11 of the report which identified the level of associated risk in delivering the remaining turnaround measures. She said that she was confident that everything was in place to deliver those savings but that it was essential to maintain the momentum and to keep track on progress being made within the Divisions. SH confirmed that in her opinion the overall position was in line with the year-end plan and that delivery was moving in the right direction. SH drew the Board's attention to references in the summary report to issues within the Finance Department. She said that she was in the process of refreshing the action plan and expected this to lead to improvements in the department's capabilities overall and in the way the Board received reports. She said that the Board Report and FIMs return were now creditable and that Bentley Jennison Consulting were working with the Department to support the Executive in ensuring appropriate and effective processes were re-established within the team. TH said that it was gratifying to note the improvements	

	that were being made and that there was a possibility of achieving the £11.5m control total. He said that such an achievement would be very positive for the Trust and demonstrate to patients and the community that the Trust were able to live within the resources available to it. He also expressed a personal thank you to SH for the input and time she had given to the Trust over recent months. KC raised concern about the remaining gap between what had been delivered and that which was still required by the year-end. SH said that appendix 6 of the report showed the phasing and classification of the savings programme. She reminded the Board that a number of the plans were expected to deliver in the latter months of the year because of the work needed to put together credible work programmes to deliver the identified savings. She said that the PMO process was designed to keep on top of the actions and measures being taken and that evidence to date was that this process was working. KC asked when the Board would be in a position to discuss the year-end forecast. SH said that Month 9 would provide a much clearer position of the likely year-end forecast. She said that it would be reasonable to expect the Board to be able to discuss this further at the March meeting. MH sought reassurance that the recent improvements in reporting were sustainable. SH said that in the light of improvements being made in the department, the appointment of an interim Finance Director and the process in place for appointing a permanent Finance Director and the re-engagement of Bentley Jennison to help at an operational level within the Department she was confident that recent improvements could be sustained. CG sought clarification on whether the capital budget would overspend at year-end. SH said that it was not uncommon for capital budgets to show an over commitment but that these usually came back into line as a consequence of slippage against capital schemes. She agreed that it would be helpful for future reports to indicate actual spend as well as forecast spend. SS agreed to prepare a report on capital expenditure for the next Finance and Performance Committee. The Board noted the Month 8 report and the forecast income and expenditure position.	**SH** **SS**

07/07	**Annual Audit Letter** DL introduced the item. He outlined the purpose of the Annual Audit letter. He said that it provided a summary of the work undertaken by the external auditors and their assessment of the actions undertaken by the Trust over the last year. He confirmed that the actions set out in the letter were consistent with those to which the Trust was working.. He said that there was still a lot of work to be done to improve the internal financial processes and that this had been borne out by the weak score given to the Trust as part of the Auditors' Local Evaluation process, part of the Healthcare Commissions Annual Health Check. TH commented that the letter was a fair reflection on the Trust's position; recognising the poor track record in some areas but gave credit to the improvements made in relation to Board level understanding of the issues, senior management commitment to delivering improvements and the robustness of plans. He confirmed that the Board would expect to see regular reports on the progress being made against the recommendations. RD commented that the new Assurance Committee would need to take a lead role in ensuring progress in a number of the areas. It was agreed that through the Chief Executive, regular updates on the implementation of the recommendations would be made to the Board. The Board noted the Annual Audit Letter.	**DL**
08/07	**Performance Report** NE introduced the report. He said that it provided an update as at November 2006 and had been discussed at the Finance and Performance Committee on 18th December. He highlighted the following areas: • There had been three MRSA bacteraemia reported in November. This was a substantial drop compared to the same period last year and was evident that the action plan implemented by the Trust was working. • Future references to the risk register would contain more analysis. References to	

equipment, the lab care machine and the defibrulator had all been resolved and the lifts in the maternity block were currently being refurbished.

- The Trust continued to maintain the 98% target for 4 hour waits in A&E. This placed the Trust in the upper 50% of Trusts in the country and was a testament to the staff in the departments.
- There had been 3 breaches of the in-patient waiting times standard as patients were not able to accept alternative dates offered to them in December.

NE said that future reports would be broader in scope and contain details of the new measures required to be reported on.

MS sought clarification on the position in relation to the PCT requirement that patients should be not treated earlier than 20 weeks and whether in fact the Trust was able to offer shorter waiting times. NE confirmed that the PCT did not wish the Trust to see patients before 20 weeks and that in some specialties appointments could be offered sooner. He also stated that it was not possible to give a clear indication of exactly how many patients might be affected by the PCT's decision as it was complicated by the decisions taken to reduce capacity in line with commissioning intentions. MS was concerned that as it was not possible to reduce the fixed costs associated with the capacity reductions: services were not operating optimally and therefore being less productive than they might otherwise be.

DL confirmed that at the weekly meetings between Chief Executive of the PCTs and Acute Trusts there were regular discussions about the management of waiting times. He said that the current agreements had been reached with the predecessor organisations and that discussions with the new PCT in relation to next year were encouraging. MH emphasised the need to understand more fully why it was the Trust was able to offer treatments more quickly in certain specialties. He said that clarity was needed as to whether this was because of improvements in productivity or whether it related to greater capacity than the demand for services warranted. NE confirmed that in some instances there was more capacity than needed and that actions were being taken to address such circumstances. He also said that the distribution of services across the three sites contributed to the speed with which it could be possible to see patients as more resources were available to meet the agreed

	commissioned levels. He said that at the point services were reconfigured it would be essential to ensure the balance between capacity and demand was resolved. DL reminded the Board that there were pressures to reduce waiting times further with the introduction of the 18-week target. It was agreed that a report should be made to the Board on progress and actions being taken to achieve the Target. TH raised concern that little progress seemed to be being made in relation to the rates of readmission. He sought clarification on the drivers that were impacting upon these rates. GR said that reducing length of stay and levels of hospital acquired infection did impact upon readmission rates as there were occasions when people were discharged too early and that one of the reasons for readmission was a consequence of clostridium difficile becoming evident post discharge. He did not feel that the situation in regard to readmission rates would be completely under control until service reconfigurations had taken place. CG raised concern about the workforce data and in particular the numbers of staff in post. He wished to see the necessary adjustments to the numbers to reflect the move of Burns and Plastic services to the Royal Free Hospital and the movement into the Trust of Paediatrics from the Hertfordshire Partnership Trust. He also sought an update on the work being undertaken to determine the optimum size of the organisation for the future. SCh said that discussions were on going across the Trust to plan for the future size of the organisation. She anticipated the first cut of the work to be available in three to four months times. She also said that discussions were in hand with the workforce information team to review the data presented in the performance reports. TH felt that there was a disproportionate number of cancelled operations being reported. He also asked for future reports to show actual numbers as well as overall percentages. DL commented that the reasons behind the levels of cancellation were a combination of poor theatre planning, some physical and equipment constraints and as a consequence of the financial pressures. He said that discussions were ongoing within the Surgical Division to look at ways of reducing the level of cancellations overall.	**NE** **NE**

	TH raised a concern that certain known strategic risks were not identified in the risk register. DL agreed that the Executive Team should review strategic risks and ensure that these were properly reflected in future reports. The Board noted the report.	
09/07	**Outline Business Case St Albans** SS introduced the item. She confirmed that minor changes had been made to the report received by the Finance and Performance Committee on 8th January which had led to the late distribution of the final paper. She said that she was able to confirm the cost plan of £998,000 and that this plan had been based on the expected outcome of the tendering process which would be known during the week commencing 15th January. She said that the Trust would be seeking strategic capital funding from the Strategic Health Authority to undertake work at St Albans City Hospital in order to move forward with the development of an elective treatment centre. She said that subject to the Board's approval the business case would be submitted to the SHA Executive Team for their consideration on 29th January. She asked for the Board's approval for Chairman's Action to be taken to sign off the full business case documentation once it had been finalised subject to there being no change in the overall financial position. SH said that she had agreed with the SHA that a contextural statement on the budgetary position would be provided in the business case in section 1.8. She said that other information for this section of the business case would reflect the information provided to the Board in the financial report. She said that the SHA were aware that the business case represented an invest to save proposal which improved patient care and was fundamental to the Trust's overall financial recovery. SS reminded the Board that in view of the potential legal challenge it would not be possible to undertake any service changes that affected the move of emergency care services from Hemel Hempstead or change anything that was irreversible. She said that it was important to maintain momentum on those aspects that were not directly affected by the legal challenge. KC sought clarification on the level of savings to be achieved by implementing changes at St Albans and also raised concern that the costs of the St Albans	

	changes had risen from £0.25m to £1m. SS said that the developments at St Albans would save approximately £326,000 but that this would increase should it be possible to implement fully the recommendations agreed by the Board in November. She also said that the £0.25m estimated costs were net and were purely for the changes required for the day case surgery element of the services changes. She said that the £1m estimated costs included a number of other elements of service reorganisation on the St Albans site. KC asked whether there would be similar changes in the costings for the Watford development. SS said that the Watford figures were unlikely to increase by the same level as they already included a significant element of gross rather than net costs. The Board approved the business case to be submitted to the SHA and approved Chairman's Action in signing off the business case for submission.	
10/07	**Internal Communications** SF introduced the item. She said that the information contained in the paper was taken from the work she was undertaking as part of her Masters thesis. She said that in undertaking the research she found that there was still a lot of work to be done to improve communications overall. She said that staff were confused by the lack of consistent messages and context for those messages and were concerned that information was often delivered late. She highlighted that her findings indicated that there were no effective feedback loops and that the "grapevine" appeared to work more effectively than more formal processes. She said that she had found a lack of joined up problem solving and a lack of team working. She highlighted that staff had indicated that they wished to see more face-to-face communication especially within their own teams. People had indicated that they wanted an end to information overload but more timely information with greater context. Staff had indicated that they wanted the Trust Board to be more visible and for the overall Trust strategies to be communicated more effectively and that there should be more two-way communications. She reported that staff wanted to see an enhanced intranet site but an end to the over use of "all staff" emails. SF highlighted that actions were already being taken	

	but felt that they needed to be moved forward more quickly. She emphasised the need for more streamlined messaging and was looking at introducing an “air traffic control” approach which would provide a better understanding of the issues coming up and the best approaches to be taken in responding to them. She also said that regular communications audits would be undertaken, that team briefing would be reviewed with a greater emphasis on more face to face and team meeting arrangements. She said that she would wish to introduce a scheme of Staff Ambassadors who were kept fully briefed and up to date on issues and who could ensure that the appropriate information was communicated across the organisation n a timely way. She also said that she hoped to establish a communications review panel within the Trust. Picking up on the issue of visibility she recommended an increase in the opportunities for the Board to work more closely with staff and encouraged the approach of the Board spending time and working with staff at an operational level. The Board thanked SF for a comprehensive piece of work, concurring with many of the issues highlighted and agreeing the approaches to improving communications. In addition it was felt that the Trust needed to work on a protocol for the use of emails as there was a general feeling that current usage was paralysing the organisation. SS said that she would be holding regular open sessions for staff to come and talk to her about issues relating to the Delivering a Healthy Future strategy. These would be rotated around the sites. She also said that an intranet page was being developed to provide further information as well as enhancements to the current web page. RD said that it was important to understand why communications were important. He emphasised the need to ensure that the processes helped deliver key messages on strategy, exercised leadership, that they helped release innovation thereby allowing things to happen. He said the focus should be on engineering dialogue across the organisation and there should be more attention to the content rather than the process. SCh said that the work that SF had presented was a good reflection of the current situation and the improvements needed. She hoped that the staff survey, due out in February, would provide a further opportunity to make improvements. She said that a	

	recent presentation by SF to the Staff Joint Consultative Committee had been well received by Trade Union Representatives. She also emphasised the need to ensure that there was an effective appraisal system as all the research showed that this was an effective way of engaging people effectively. TH emphasised the need to have a system that was effective and fully embedded in the organisation. MH expressed the view that internal systems needed to be effective, clear and deliverable and did not create expectations that the organisation was not able to deliver. SF agreed that it would be necessary to prioritise the improvements that were being proposed. CG suggested that messages needed to be short and succinct and repeated regularly in order that people understood what was being said. TH felt that given the comments about the intranet greater priority should be given to improving the current system and asked the Executive to review the current level of priority being given to revising and improving the IT infrastructure. He also agreed that it would be a good opportunity for Board members to get closer to some of the organisational issues if they were able to spend time with operational staff. The Board agreed, therefore, that a programme of "back to the floor" sessions would be developed. The Board noted the report and the recommendations on improving the current communications processes.	**DL**
11/07	**Finance and Performance Committee** TH said that the items discussed at the 18 December meeting had been covered in the reports to the Board. He highlighted the specific actions that the Committee had agreed in relation to the financial reporting to the SHA, the creation of divisional budgets for temporary staff and the work to improve the workforce data. The Board noted the report.	
12/07	**Audit Committee** MS reported that the Audit Committee on 15 December had considered the draft Annual Audit letter and had spent time discussing reports from the external audit team as well as the standard reports from the internal auditors and the Trust's financial governance reports. The Board noted the report.	
13/07	**Approval to Use Trust Seal**	

	The Board approved the use of the Trust seal for the item identified in the paper.	
14/07	**Summary of Board and Committee Meetings 2007** These were noted.	
15/07	**Emergency Business** There were no items of emergency business.	
16/07	**Questions from the Public** A comment was made that the level of investment at St Albans City hospital was a waste of public money given that the development might be temporary because of the proposed surgi centre at Hemel Hempstead. Clarity was sought on whether there had been any change in the position to build the surgi centre. TH emphasised that decisions regarding the future of the surgi centre were not in the Trust's gift. He confirmed that it was still Department of Health policy to develop such a centre although questions had been raised about the appropriateness of such a development. He said that the future of the surgi centre would be considered as part of the Acute Services Review being undertaken by the PCTs. DL emphasised that work at St Albans City Hospital was part of a process to enable other changes to be made subject to the outcome of the legal challenge. He commented that had the Board agreed to move elective services to Hemel Hempstead the level of investment needed would have been in the region of £2m. Concern was raised about the potential increased risk to patients from hospital acquired infection as a consequence of increasing the level of activity at Watford General Hospital given the lack of isolation facilities. GR acknowledged that reducing rates of hospital acquired infection was a key priority and that there were fewer single rooms in the current configuration that was thought to be ideal. However, he emphasised that levels of infection were reducing as a result of targeted actions. He felt that there was every prospect of eradicating Cdiff by the time the Acute Admissions Unit was operational. The poor level of capital investment and in particular the current condition of the lifts in the maternity block	

	and at Hemel Hempstead were raised as concerns. SS confirmed the report made by NE that work was currently being undertaken to refurbish the lifts in the maternity block. DL acknowledged that there had been historic under investment because of the financial position and therefore it was essential to deliver the changes that would achieve financial stability in order to ensure investment could be made in years to come. Clarity was sought on when the Hemel Birthing Unit would re-open. DL confirmed that consultation on the unit would be included in the wider consultation on the Acute Services Review. He also stated that should it be financially viable he would like to see the unit re-open. A question was raised regarding the timescale to appoint to a post of respiratory technician. DL explained that the post had been filled by an agency employee and he had asked the Division to look at using a less expensive agency. He acknowledged that there might have been a short gap on service provision but understood that this post had now been filled. A request was made to provide information on the number of patients on non urgent waiting lists. NE agreed to respond to the request. It was felt that the closure of the road outside of Tudor wing at Hemel Hempstead had led to chaotic situations and poor traffic flow. SS said that the closure had happened as a result of an earlier Health and Safety Executive recommendation and as a result of assessing the cost implications of establishing a suitable foot path along the road side. She was not aware of any issues that the closure had raised. Concern was raised about the relative disadvantage electronic booking would have on those people who did not have access to the system. NE said that this had been noted as a concern. A question was raised about what impacts patients were likely to see as a consequence of the current savings strategies.	**NE**

	DL emphasised that the over riding requirement was to sustain safe patient services. He said that there had been a recent stock take of decisions made and some adjustments had been made in the light of concerns from clinicians. One of the visible signs of the savings was the reduction of out patient services to four days a week but he hoped a return to a five day service would be possible in due course. Assurance was sought that there was sufficient intermediate care services available for those patients discharged early from acute care. GR said that actions would continue to be taken to reduce length of stay where it was safe to as a way of reducing the risk to patients of things like infection and to save money. However, he agreed that alternative services needed to be available and said that the Trust was looking at the possibility of providing some degree of intermediate care services and working more effectively with community nursing services. A question was raised regarding the likelihood of receiving additional income from the PCT for over performance. SH said that negotiations were on going with the PCT and SHA. Clarity was sought on the reference in the Annual Audit letter to “misstatements. SH said that she suspected that this related to items that were not material to the income and expenditure position and would be adjusted in the next set of accounts. DL said that he thought it related to provisions made in respect of Agenda for Change and the Consultant Contract but would check and confirm this. It was suggested that the Trust should look into the possibility of offering those patients who might be prepared to make a financial contribution to their care if they were able to be treated sooner than the current PCT policy permitted to do so. DL did not feel that the current framework allowed for this approach.	**DL**
17/07	**Date of Next Meeting** The date of the next meeting was confirmed as 8th	

	February 2007.	