

**Notes of Trust Board meeting
 Thursday 9am 31st August 2006 – 09.30 am
 Council Chambers Dacorum Borough Council**

Present:

Board of Directors

Thom Hanahoe	Chairman
Robin Douglas	Non-Executive Director
Mahdi Hasan	Non Executive Director
Colin Gordon	Non Executive Director
David Law	Chief Executive
Gary Etheridge	Director of Nursing, Midwifery & Risk
Graham Ramsay	Medical Director
Phil Bradley	Acting Director of Finance

Board Members – Non Voting

Sarah Shaw	Director of Planning
Simon Colbert	Director of Estates and Facilities
Alfa Saadu	Deputy Medical Director
Ian Campbell	Director of Operations

Officers in Attendance

Mark Jarvis	Trust Secretary
Sue Fay	Associate Director of Communications

		Action:
163/06	<p>Chairman’s Opening Remarks:</p> <p>The Chairman welcomed members of the public. He reminded people that this was a meeting of the Board in public and not a public board meeting. He said that questions from the public would be taken at the end of the meeting up to a maximum time limit of 30 minutes. He advised that any questions remaining unanswered should be addressed in writing to the Trust Secretary who would arrange for answers to be sent. The Chairman also announced that in future Trust Board papers would be available for collection from Trust Offices as well as sets</p>	

	<p>being available at the meeting. He also reminded people that papers were accessible via the Trust website.</p> <p>The Chairman announced that Carolyn Hughes had stepped down from her post of Director of Finance to concentrate on matters relating to the Trust's financial recovery plan. He said that the Trust would be advertising for a replacement in the near future and that in the interim Phil Bradley would be acting as Director of Finance.</p> <p>The Chairman welcomed Colin Gordon to his first Board meeting.</p> <p>The Chairman announced that the Trust's Annual General Meeting would be held at 9am on 28 September in Cheere House where the annual report would be presented.</p>	
164/06	<p>Apologies:</p> <p>Apologies were received from Nick Evans and Martin Saunders.</p>	
165/06	<p>Minutes of the previous meeting:</p> <p>It was noted that GR was present at the meeting. Subject to that amendment the minutes were signed as a correct record.</p>	
166/06	<p>Matters arising from the minutes</p> <p>134/06 Consultation about restructuring the Trust. DL reported that more detailed information about the costings would be available on the website shortly together with other information regarding transport and access.</p>	
167/06	<p>Chief Executive's Report</p> <p>Children's Emergency Services. DL reported that there had been a high level of public concern and press coverage regarding Paediatric Emergency Services in recent weeks. He said that the Hertfordshire Partnership Trust had written to him advising that they were unable to sustain the current configuration and that they had no alternative but to close the Hemel Hempstead Paediatric Emergency Service with immediate effect. He reassured the Board that measures were already in place for the safe management of children, taking forward the issues that had arisen from the recent serious untoward incidents. He said that the move of the service to Watford would be consulted on by the Hertfordshire Partnership Trust.</p>	

167/06(i)	<p>DL confirmed that as a consequence of the changes there would be a programme of communication to ensure that parents knew and understood where to take children in an emergency. He said that letters would be sent to schools, playgroups etc to ensure that information was available as widely as possible.</p> <p>Pathology Services – Market Testing Proposal. DL invited the Board to consider the proposal contained in the paper to work with other colleagues across Bedfordshire and Hertfordshire to market test the pathology services. He said that this would mean issuing an advert through the official journal of the European Union. He emphasised that it was not intended to privatise the services but to identify a potential private sector partner with whom the NHS could work collaboratively. He emphasised that the Pathology Network Board recognised the potential to improve current services through this arrangement, which would benefit patients and help maintain and sustain services. He confirmed that it was intended to continue to provide “hot lab” services on the acute hospital site with the other services potentially being provided more remotely.</p> <p>MH wanted to ensure that the working relationship and strategy for such a collaborative approach was clear and explicit between the NHS and any potential private organisation. He also wished to ensure that in retaining services on the acute site, these would be sustainable in critical mass terms.</p> <p>The Board approved the proposal set out in the paper.</p> <p>Consultation Update. DL said that the initial phase of information dissemination had largely been concluded, although activities were continuing to distribute leaflets to the public at every opportunity. He said that the consultation was now moving into a period of discussion and dialogue with groups and that a number of Question Time and Round Table events had been organised. He confirmed that it was intended to bring a proposal to the Board at its meeting on 16 November.</p> <p>TH reported on the meeting with St Albans City and District Council Overview and Scrutiny Committee on 30 August. He said a number of concerns had been raised regarding</p>	
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	<p>the closure of Hemel Hempstead Hospital. He said that members of the Trust had emphasised that the hospital was not closing, and the investment in health care was not being reduced, but that services were being reconfigured in order to deliver better care. MH emphasised that the underlying communication strategy needed to respond to the needs of the public and be based on sound logic. RD suggested that Citizens' Panels would be a positive contribution to the consultation process.</p>	
<p>168/06</p>	<p>Financial Report</p> <p>Month 4 Finance Report</p> <p>PB introduced the report. He highlighted the following:</p> <ul style="list-style-type: none"> • At the end of Month 4 the Trust was £6.7million overspent, £0.5 million above the planned position • The current forecast outturn was for approximately £20 million overspend at the end of the financial year • Areas of high overspend were drugs, blood products, MSSE, prosthesis and reduced divisional income • Agency costs had reduced this year on the 2005/06 level • Work continued to identify schemes that would achieve the final £6 million of savings at cost centre and expense code level • The cash position would remain tight, although recent support provided via the East of England Strategic Health Authority was welcome • £1.1 million of the £9.5 million capital programme budget had been spent so far this year • The Better Payment Policy showed that the value of invoices paid within 30 days was 33.73% against the target of 95%. Some of the additional cash recently received would go towards improving the overall percentage and bring creditor days below the current 75 days. <p>TH commented that the financial position was serious and over the coming weeks decisions made by the Trust to deliver the financial stability required would be significant to the future of the organisation.</p> <p>During discussion the following points were made:</p> <ul style="list-style-type: none"> • The Trust would need to identify savings in excess of the £12 million controlled total in order to ensure 	

delivery of the required amount.

- Consideration should be given to compiling a list of things the Trust would no longer be able to do to meet financial targets
- If line managers were to achieve their savings total they needed clarity on exactly what was required of them.
- Consideration should be given to taking a stronger central control of the actions required to deliver the savings, although it was recognised that central action had already been taken in respect of restricting the use of temporary staff and tighter controls on vacancy approvals.
- Given the current position and the point in the year, it was noted that the likelihood of having to introduce more draconian measures to achieve the £12 million control total seemed inevitable.

The Board noted the current position.

Financial Recovery

PH introduced this paper. He highlighted that the key piece of work related to finalising budgets in order to ensure the full £15.5 million worth of savings were identified at cost centre and expense code level.

During discussion the following points were made:

- There needed to be both a bottom-up and top-down approach to identifying additional areas of saving
- It was unreasonable to apply pressure on the divisions as the year end approaches in order to get them to identify further savings
- There needed to be a close liaison between the Trust and PCTs to ensure mutual understanding of each others positions and the impacts on the Trust of any further PCT reductions
- The establishment of the new PCT should be seen as an opportunity to improve the future commissioning processes and day-to-day relationships
- The Trust needed to ensure that it was suitably positioned to respond to change and ensure that its business models were effective enough to achieve the outcomes required in the future.

The Board noted the overall financial position.

169/06	<p data-bbox="391 197 909 226">Performance Management Report</p> <p data-bbox="391 233 1149 262">IC introduced the report and highlighted the following:</p> <ul data-bbox="443 310 1247 1896" style="list-style-type: none"><li data-bbox="443 310 1187 415">• The Trust continued to miss the MRSA trajectory. The final report from the DoH Team had been received but had been very disappointing<li data-bbox="443 422 1214 527">• The reduction to a score of 2 for the risk associated with inadequate maintenance provision of defibrillators was accurate<li data-bbox="443 533 1170 638">• There had been an increase in the level of readmissions, but this had related to a relatively small numbers of patients<li data-bbox="443 644 1170 749">• A new information governance toolkit had been published, although it was not yet possible to re-evaluate the scores<li data-bbox="443 756 1247 861">• There continued to be issues relating to data quality, although due to significant efforts by divisions the first quarter completion should be achieved<li data-bbox="443 867 1247 1014">• Workforce data was not up-to-date and there were discrepancies between information in the performance report and finance report. A new system of reporting was being looked at<li data-bbox="443 1020 1230 1083">• Improvements were being made with complaints, although issues remained within the surgical division<li data-bbox="443 1089 1235 1152">• A&E targets had been sustained, although one week in July had dropped below 98%<li data-bbox="443 1159 1187 1201">• Outpatient and elective targets remained on track<li data-bbox="443 1207 1219 1354">• GP referrals were showing a reduction on last year, although it was difficult to check this against agreed plans. It was agreed that plan data should be included in future reports<li data-bbox="443 1360 1230 1465">• A check was being made to determine why the rapid access chest pain clinic was reporting less than 100%<li data-bbox="443 1472 1247 1619">• There was still a considerable way to go in order to achieve the national target for Choose and Book, although the overall improvement relied on GPs using the service<li data-bbox="443 1625 1214 1730">• Delayed transfer of care figures showed an upward trend, however this was felt to be a recognition of more accurate reporting<li data-bbox="443 1736 1235 1841">• Although the cancer standards had been maintained, the next report would show a breach of the two-week reporting standard<li data-bbox="443 1848 1187 1896">• PEAT were generally acceptable, although SACH was disappointing	
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	<ul style="list-style-type: none"> • Given the Trust's position on the public health areas, it was felt that messages should be put out to the public <p>During discussion the following points were made:</p> <ul style="list-style-type: none"> • Although the impression given by the numbers in relation to Fractured Neck of Femur were not good it should be noted that the numbers were very small • Staff within the A&E Departments were to be congratulated on continuing to maintain the 98% target and for delivering significant improvement on the position earlier in the year • The high level of cancelled elective admissions needed further investigation and improvement. It was felt that better control and management of the lists on a day-to-day basis was required • The presentation of the information relating to the care environment needed to be reviewed and more up-to-date data to be presented • The report showed that there were significant positive aspects to the Trust's overall performance and colleagues were to be congratulated for ensuring continued improved performance <p>The Board noted the performance report.</p>	IC/SVC
170/06	<p>Infection Control</p> <p>GR briefed the meeting on the current position in the Trust in relation to MRSA and Clostridium Dificile. He said that the current trajectory for MRSA bacteraemia this year was very similar to last year. He said that the infection control team from the Department of Health had been explicit about the need to reduce these numbers as quickly as possible and that there should be a concentration of effort in the high risk areas of ITU, line insertion and catheterisation. He emphasised that a significant complicating factor was the high level of MRSA colonisation in the community which inevitably impacted on the levels of infection within the hospital. He also suggested that the current length of time to identify a patient's MRSA status was adding further to the difficulties within the hospital. He said that grant funding had been applied for to change the method used for determining diagnosis as this would be an expensive, but worthwhile, development. He also emphasised the need to work closely with GPs to put in place appropriate regimes to reduce the level of community colonisation, but this would</p>	

	<p>also require additional funding.</p> <p>In relation to Clostridium Dificile, GR said that this was a more significant problem than MRSA. He said that a league table of Trusts was being produced. West Hertfordshire Hospitals Trust would be identified as the sixth worst Trust in the country and the third worst in relation to patient days. He said that this was in part related to the constant pressures within the Trust. He said that research funding had again been applied for in order to institute a bowel management trial, which it was hoped would reduce the incidence of Clostridium Dificile. He said that there were a number of other interventions being introduced over the coming weeks, which would contribute to an overall reduction.</p> <p>The Board noted GR's report.</p>	
171/06	<p>Service Level Agreements – Quarter 1 performance</p> <p>PB introduced the paper and highlighted the following:</p> <ul style="list-style-type: none"> • The high value SLAs had been signed with agreed activity and financial envelopes • The Trust continued to seek financial agreements with those SLAs still outstanding • 81%, approximately £122 million, of the SLA value now fell under Payment by Results • Coding of admitted patients had significantly improved and would be above 99% for the quarter • Work continued on key manual outpatient activity to ensure that it was computerised and therefore billable by the National Freeze date of 15 September • Work on the block elements of the SLAs was continuing with some sharing of data with PCTs. It was noted that this needed to be completed by 30 September • Demand for first outpatient appointments in some specialities was above planned levels • It was noted that PCTs had been notified and asked for a decision whether to reduce future appointments or whether they would be in a position to pay for additional activity. St Albans & Harpenden and Hertsmere PCTs had indicated that they would pay for over-performance, whereas Watford & Three Rivers and Dacorum PCTs had not. The Trust would therefore be instigating a quota system for these 	

	<p>PCTs for new referrals, returning those above the monthly target.</p> <p>During discussion the following points were made:</p> <ul style="list-style-type: none"> • Over-performance on SLAs now potentially meant under utilisation of resources later in the year, which would mean having sufficient flexibility to reduce services as activity reduced • Services were being resized to meet actual demand • Attention needed to be paid to whether the quota system created undue pressure on the requirement to deliver on the access targets • Activity that was returned to PCTs who were unable to commission additional activity would probably seek to use any under utilised capacity within other contracts • There needed to be a continued dialogue with PCTs to ensure that there was a mutually agreed way forward in delivering the respective organisations' objectives <p>It was agreed that DL would write to Ann Walker outlining the difficulties faced within the Trust in relation to SLA performance and suggesting that there should be a health systems approach to managing the overall position.</p> <p>The Board noted the report.</p>	DL
172/06	<p>Burns and Plastic Surgery Services</p> <p>IC introduced the paper and PB briefed the Board on the financial aspects. PB highlighted that the financial plans for 2006/07 included both expenditure and income for a full 12 months for the services. He highlighted that from 1 October the Trust would lose the income but also the expenditure. He said that activity levels were down for the first quarter of 2006/7 compared with the same period last year. He indicated that the major impact of the transfer of services would be the loss of contribution to the Trust's overheads. He stressed that the full detail of the financial impact would only be known once the transfer had occurred and the Trust had full income and expenditure figures available for the full six month period. He indicated that the financial impact of the transfer would be between +£2.6 million and -£1.8 million.</p>	

	<p>IC reported that discussions at the Finance and Performance Committee had focussed on the issue of staff transfers and the potential for there to be any redundancy costs. TH emphasised that although further legal advice may be required, once posts transferred to the Royal Free Hospital, anybody disputing the suitability of alternative employment would be an issue for the Royal Free and not for West Hertfordshire.</p> <p>IC briefed the Board on proposals by the Royal Free Hospital to consult staff on the transfer of services to the Hampstead site. He said that some services would remain at Mount Vernon.</p> <p>During discussion the following points were made:</p> <ul style="list-style-type: none"> • There was likely to be a cost legacy but it was important to the Trust to remain on top of it and consider appropriate actions to reduce this as much as possible • All aspects of the transfer should be reviewed to ensure there was no unidentified exposure • All residual issues associated with the site needed to be addressed and a report made to the Board • Clarity was needed on the actual financial implications of the transfer • The transfer of RAFT to the Royal Free should be made with full liabilities transferring to the Royal Free Hospital <p>It was agreed that a further report outlining all of the risks and financial impact should be made to the Finance and Performance committee on 25 September and where necessary Chairman's action should be agreed on any items requiring decisions.</p>	<p>NE</p> <p>NE</p>
173/06	<p>Risk Progress Report</p> <p>GE introduced the report and updated the Board on the overall risk agenda. He said that the risk action plan continued to move forward and sought approval for the revised Terms of Reference for the Risk Management committee.</p> <p>The Board noted the report and approved the revised Terms of Reference.</p>	
174/06	Health and Safety	

	<p>DL briefed the Board on the issues that had led to earlier prosecutions by the Health and Safety Executive. He said that actions had been taken to address most of the issues highlighted by the Health and Safety Executive. He said that the paper highlighted two areas where actions were still required and sought the Board's approval for the use of capital monies to undertake electrical testing and the pedestrianisation of the area of the Hemel Hempstead site beyond the short stay car park outside of Tudor Wing.</p> <p>The Board approved the expenditure.</p>	
175/06	<p>Standards for Better Health</p> <p>GE introduced the report. He highlighted the progress that had been made to date and said that detailed action plans were now in place to address the targets. He confirmed that all the domain action plans had been updated and that organisational leads had been asked to provide evidence to ensure compliance. He confirmed that the action plans included the developmental standards.</p> <p>RD felt that it was important that the action plans did not just relate to achieving the standards for the standards sake, but that the overall objective was to ensure improvement in patient care. MH suggested that there was an opportunity to link a number of strands together, including Standards for Better Health, Risk Management and the Audit reports received by the Trust. TH agreed that it was important to synergise some of the organisational processes and that this should be looked at as part of the future development of the organisation.</p> <p>The Board noted the report.</p>	
176/06	<p>Investment in the Eastern Region Collaborative Procurement Hub</p> <p>PB introduced the report. He said that following the publication of the Gershon Efficiency Review, the Department of Health established a supply chain efficiency programme. The programme had the stated aim of establishing collaborative procurement hubs coterminous with the new SHA boundaries. He said that it was intended that a nationwide network of procurement hubs would sit above existing supply organisations and cover the entire NHS commercial spend. For the East of England this</p>	

	<p>amounted to approximately £1.5 billion.</p> <p>PB emphasised that the initial focus of the procurement hub would be to utilise national rather than local contracts to generate savings. Cash releasing savings in the first year had been prudently calculated at approximately £650,000 with accumulative saving of £4.1 million over the next three years. PB confirmed that all of the NHS organisations within the East of England were being asked to join the procurement hub. It was emphasised that the Trust would need to make an annual contribution of £172,000 per year from April next year as a member of the Procurement Hub organisation, but that there would be no costs incurred within this financial year.</p> <p>RD, whilst accepting that it was right to approve membership of the procurement hub, drew the Board's attention to claims made previously about potential in previous changes to procurement arrangements but that had not been realised.</p> <p>The Board approved the proposal for the Trust to become a member of the East of England Collaborative Procurement Hub.</p>	
177/06	<p>Finance And Performance Committee</p> <p>TH said that although the committee had met on 21 August it had not been quorate and therefore no decisions had been taken or recommendations made to the Board.</p>	
178/06	<p>Investing In your Health Programme Board</p> <p>RD reported on the meeting held on 8 August 2006. He said that progress was in line with the project plan. He reminded the Board that the Watford development would be subject to a review as part of the national PFI affordability programme, which was anticipated to be some time in the autumn. He suggested that the presentation received by the Project Board on site development and affordability should be made to the main Board in the future. He said that links were now being made with the new health bodies to ensure that all previous commitments remained in place.</p> <p>SS confirmed that Adult Care Services had now joined the Project Board and that innovative ways were being looked at to deliver the overall PFI scheme.</p>	

	<p>TH reminded the Board that Investing in Your Health was a county-wide initiative, looking at the long term development of health services in the county. He said that an important juncture had now been reached and that important decisions were expected to be made over the next few months.</p> <p>It was agreed that the Board should receive a formal presentation on the site development and affordability at a future meeting.</p>	MJ
179/06	<p>Emergency Business None</p>	
180/06	<p>Questions from the Public</p> <p>Service Level Agreements. Clarification was sought on the actions that would be taken should the SLA volumes be fulfilled before the end of the financial year. DL commented that there would be a potential for patients to be turned away, but that the Board was working hard to ensure that this was avoided. He said that work continued with the PCTs to ensure that there was sufficient capacity to meet need, however this would depend on funding being available to commission additional activity.</p> <p>Hemel Hempstead Site. Clarification was sought on a reference in Paper 174/06 to the current consultation being on the future of the Hemel Hempstead site, rather than services provided. SS apologised for the confusion in the reference. She confirmed, however, that at the conclusion of consultation there would be a review of estate utilisation to ensure the most effective use of building needed for the provision for health care. Concern was expressed that any changes in the access arrangements to the site would create other problems in terms of a potential build up of traffic in the town. SS and SVC agreed to keep the arrangements under review.</p> <p>A question was raised about why it was necessary to remove so many services from Hemel Hempstead which in turn may create further problems at Watford because of the potential overcrowding, which could lead to an even greater risk of infection. GR emphasised that the proposal was not to close Hemel Hempstead hospital and that there would be some enhancement of services on the site. He confirmed that the CT scanner would be moved from Hemel Hempstead to Watford, but that consideration was being</p>	

	<p>given to leaving the MRI scanner on the site. TH emphasised that services were not being cut, rather the proposal was to relocate certain services to provide a better critical mass, therefore enhancing the services available for those people who needed to access them. He confirmed that the amount of resources being invested across West Hertfordshire was being maintained. DL acknowledged that people would be losing service proximity, but reiterated that services were not closing.</p> <p>Financial Position. In response to a question about whether changes would be necessary if the Trust were in financial balance, GR acknowledged that if there were adequate resources to run good emergency services on two sites the Trust would be seeking to do that. However, he emphasised that given the overall funding position it was essential to ensure that resources were used as effectively as possible, configured to deliver the greatest possible efficiency. TH also emphasised that regardless of the financial position, the Trust would always be looking at opportunities to improve efficiency and reduce costs.</p> <p>The Board was asked to comment on the recent decision of the Director of Finance to step down and whether the constant change of Finance Directors was an acceptable position. TH said that there had been four changes of substantive Directors of Finance in the last seven years and the reasons for this varied. He acknowledged that the Trust's history of financial difficulty made the position of Director of Finance particularly pressurised and that this had contributed to the turnover at Director level. He also confirmed that a significant effort was being put into ensuring that the selection criteria for the new Director of Finance was robust.</p>	
181/06	<p>Date of Next Meeting The date of the next meeting was confirmed as Thursday 19 October at 0930 hrs.</p>	