

**Trust Board  
 Minutes of Meeting  
 Thursday 14<sup>th</sup> December 2006  
 Beechen Grove, Watford**

**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:
223/06	<p><b>Chairman's Opening Remarks:</b></p> <p>The Chairman welcomed everybody to the meeting. He commented that this was his first Anniversary meeting as Chairman and said that it had been a year of substantial change. He reflected on the organisational changes that have taken place at SHA and PCT level as well as the internal changes within</p>	

	<p>the Trust, including the appointment of three new Non Executive Directors.</p> <p>TH said that the year had been challenging for the Trust with a number of adverse reports reflecting the overall financial position and the improvements that were required in respect of quality of care. Despite these reports however, TH said that the Trust had achieved a lot including significant improvements in A&amp;E performance, maintenance and improvements in the outpatient, elective and cancer targets together with improvements in respect of cleanliness and catering.</p> <p>TH commented that despite the challenging financial position of the Trust a number of important changes were now beginning to have an impact although there was still a significant amount of improvement needed to achieve financial stability. He also said that moving forward with Delivering a Healthy Future in West Hertfordshire would be the major focus of the Trust's work into the New Year.</p> <p>TH commented that he had recently met with all the volunteers that work within the Trust. He wished it to be placed on record that he was impressed with their dedication and commitment to the Trust over many years and for their continued support. He also wished to say thank you to the Trust staff for their hard work and commitment over the last year.</p>	
224/06	<p><b>Apologies</b></p> <p>Apologies were received from Mahdi Hassan.</p>	
225/06	<p><b>Minutes of the Previous Meeting</b></p> <p>These were signed as a correct record.</p>	
226/06	<p><b>Matters arising from the Minutes</b></p> <p>There were no specific matters arising. TH took the opportunity to make reference to the fact that the Trust had received a letter from Leigh Day &amp; Company, a firm of solicitors in London, on behalf of a local resident challenging the decision of the Board made on 16<sup>th</sup> November. He said that information had been requested under the Freedom of Information Act and that a judicial review challenge could follow. He said that the Trust would respond to this initial letter by 2<sup>nd</sup> January 2007 following legal advice.</p>	

227/06	<p><b>Chief Executive's Report</b></p> <p>DL said that following the Board's decision last month planning for the changes at St Albans City Hospital and the Acute Admission Unit at Watford General Hospital were beginning to take shape. He said that regular reports would be made to the Board.</p> <p>In relation to the overall financial position, DL reported that through the Project Management Office arrangements a much more rigorous process was now in place to ensure there was tighter control and better understanding of the overall financial position. He particularly wished to thank Sandy Hogg for the support she had given to the current arrangements and understanding of the position. DL also said that discussions were taking place between the Trust, PCT and SHA in relation to the recently declared financial position of the PCT. He said that the Trust was working together with the PCT to identify potential areas in which the Trust could support them in reducing their financial gap. He said that there had been positive dialogue between the Medical Management Team and Professional Executive Committee of the PCT who had recently met together.</p> <p>DL reported that following a discussion with the Medical Management Team a new workstream on productivity would be established. He said that this would support the Medical Management Team in taking a strong a lead in achieving the necessary improvements in overall productivity.</p> <p>In summary DL felt that the organisation was moving forward and that there was now a greater opportunity to focus on delivering good quality care and achieving financial stability.</p>	
228/06	<p><b>Financial Report</b></p> <p>SH introduced the paper. She highlighted the following key issues:</p> <ul style="list-style-type: none"> <li>• The year continued to be challenging with the end of October overspend position totalling £11.3M compared to the year-end control total of £11.5M. The actions required between November and March would therefore be significant in order to meet the control total.</li> </ul>	

- The emphasis continued to be on restricting spending to the lowest possible level.
- Progress was continuing to be made in relation to reductions in temporary staff numbers and therefore cost.
- Clinical spend would be reduced in all areas as long as this did not compromise patient care. Decisions on all expenditure was now being taken at the highest level within the Trust and being reviewed on a weekly and monthly basis.
- Every effort was being made to ensure that plans were fully implemented, where necessary targeted resources were being made available.
- Internal Audit and other appropriate tools would be used to police the mandated actions.
- Action was being taken to mitigate the financial risks associated with the transfer of Burns and Plastics to the Royal Free Hospital and the transfer of Acute Paediatrics into the Trust.
- Every effort was being taken to ensure that the Trust maximised its income from all available sources.
- Discussions were on-going with the West Hertfordshire PCT regarding the level of additional income to be paid as a result of over performance.

SH reported that since the Finance and Performance Committee meeting on 7<sup>th</sup> December two changes had been made to the Financial Information Management System (FIMS) return. She said that a shortfall in the MADEL funding of £1.5M was now being shown and that following an error in the R&D budget setting process a shortfall of £2.7M was now being shown. On this later point SH confirmed that she was making further enquiries as to how the error occurred and would brief the Board in due course.

SH said that she continued to be concerned about certain aspects of the working arrangements within the Finance Department but that an improvement plan would be put in place. She said that some measures had already shown positive improvements, especially with regard to the Turnaround work programme but there were still some basic systems that needed to be improved.

During discussion the following points were made:

SH

	<ul style="list-style-type: none"><li>• It was positive that shortcomings within the Finance department were being identified and actions taken.</li><li>• Every effort must continue to be made to achieve the control total as this would provide a firm foundation for the future as well as demonstrating the Trust's commitment to controlling over expenditure.</li><li>• A settlement needed to be reached with the PCT in respect of additional income for over activity as this would be a contributory factor to achieving the control total.</li><li>• Further pressures were being applied to non-pay spend up until the end of the financial year.</li><li>• It was hoped that a draft budget for 2007/08 would be brought to the Board in February with a final budget in March.</li><li>• Before the Board considers the 2007/08 budget the whole of the organisation needed to be aware of the implications and consequences of the proposed budgets and Managers should be in a position to have agreed them. The Board would be looking for assurance that the organisation understood the consequences of the proposed budgets.</li><li>• The year-end forecast outturn has been set within a range but would be dependent upon a positive outcome of the external negotiations with the PCT, continued implementation of the turnaround programme and the implementation of a proper forecasting model.</li><li>• Discussions with the PCT in respect of next years commissioning would be focussed on ensuring that any further changes in the commissioning intentions were based on sound proposals and improvements in the overall productivity of the system. It was anticipated that the PCT would continue to seek alternatives to hospital based care but that it was unlikely the SHA would support changes that were likely to destabilise elements of the health system.</li><li>• The Trust would need to be explicit about what level of service it will be able to provide for the resources PCTs make available.</li><li>• PCTs were developing a long term commissioning plan to 2010/11 which was aligned with the modelling tool being used by the Trust.</li></ul>	
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	<p>Following discussion it was agreed that a paper would be produced detailing the levels of income needed and the associated capacity assumptions for next year which should in due course be sent to the SHA.</p> <p>It was further agreed that a report should be made to the Board on the outcomes of the modelling work being undertaken by the PCT in relation to their long term commissioning plan.</p> <p>The Board noted the report and the forecast income and expenditure position at the year-end.</p>	<p><b>SH</b></p> <p><b>NE</b></p>
229/06	<p><b>Delivering a Healthy Future in West Hertfordshire</b></p> <p>SS tabled a paper which provided a strategic update on the Delivering a Healthy Future in West Hertfordshire programme following a meeting of the Investing In Your Health Programme Board. She highlighted the following:</p> <ul style="list-style-type: none"> <li>• The County Overview and Scrutiny Committee had confirmed that it would not be undertaking any further scrutiny of either the consultation process or the decisions taken by the Trust Board on 16<sup>th</sup> November.</li> <li>• The East of England Strategic Health Authority had published an analysis of the hospital services provided throughout the East of England. The outcome of this would form the first stage of the Acute Services Review announced by the SHA in September. The document confirmed that the PCT's review of "Investing in Your Health" should be used as the mechanism for all service reconfiguration decisions in Hertfordshire.</li> <li>• The West Hertfordshire PCT endorsed the Trust's decision regarding option 1 at their Board meeting held on 29<sup>th</sup> November.</li> <li>• Progress on the implementation of "Delivering a Healthy Future in West Hertfordshire" will be monitored and evaluated by the Investing in Your Health Programme Board.</li> <li>• The new PFI hospital at Watford was still expected to open mid 2014. The key milestones within the project were currently under review as a consequence of a number of factors out-with the Trust's control that would alter the delivery of key milestones within the programme. A detailed piece of work would take place in</li> </ul>	

January to replot the anticipated changes to the programme. The revised programme would be submitted to the Board and progress reported on an exceptional basis.

In respect to the work programme for “Delivering a Healthy Future in West Hertfordshire” SS emphasised that the current process for delivering the business cases would normally take between 18 months to 3 years. She said that the SHA had agreed with the Trust that this could be significantly shortened.

SS reported that following discussion at the Finance and Performance Committee on 7<sup>th</sup> December it had been agreed that two business cases would be submitted. The first would cover the proposals for St Albans City Hospital and be presented to the Board in January for onward submission to the SHA. The second business case would cover the remaining elements affecting Watford and Hemel Hempstead General Hospitals and would be presented to the Board in March. It was noted that the second business case would require Department of Health approval because of the level of capital funding required.

SS confirmed that detailed work on costings and workforce implications were being undertaken and there was a possibility that some additional one of funding could be made available.

SS presented an overview of the developing plans for the Acute Admission Unit at Watford General Hospital. She highlighted the following:

- The AAU would be adjacent to the Accident and Emergency Department.
- Car parking would be increased.
- There would be improved access for emergency vehicles.
- The Post Graduate Medical Centre would be relocated.
- Improvements would be made to existing services within the Princess Michael of Kent block.
- There would be direct links between the AAU and PMOK at both ground and upper levels.
- The AAU would be divided into three floors. The ground and top floors would be bed based services with the first floor accommodating all of the technical support.

	<p>GR confirmed that all patients would be nursed in the AAU, only going to the general wards when absolutely clinically necessary. He said that this would mean that general wards would not receive admissions out of hours or overnight. He said the AAU would be intensively managed with two or three ward rounds per day, access to diagnostic services and should lead to a reduction in the overall length of stay by about 40%.</p> <p>During discussion the following points were made:</p> <ul style="list-style-type: none"> <li>• Facilities would be available for friends and families to be accommodated.</li> <li>• There would be a significant proportion of single room accommodation and six bedded bays which would provide improved arrangements for the management of infection control related issues.</li> <li>• Once the new hospital is built the AAU building would remain on site and be used for an alternative function.</li> <li>• Children would continue to use the existing children's emergency department which would be expanded and become 24 hours. Children would not be seen within the adult AAU.</li> </ul> <p>The Board noted the content of the briefing paper.</p>	
230/06	<p><b>Performance Management</b></p> <p>NE introduced the report and highlighted the following:</p> <ul style="list-style-type: none"> <li>• Bacteraemia levels continued to reduce.</li> <li>• Two new items had been added to the risk register namely the late booking of elective surgical patients and the inadequacy of coding leading to income loss.</li> <li>• Data completeness was still an issue although it was expected to achieve 100% in the second quarter.</li> <li>• The roll out of infloflex was still not 100% effective although this was being picked up by GR.</li> <li>• Further action was being taken in relation to sickness absence with the establishment of a workstream to look at this aspect of workforce management.</li> <li>• The use of bank, agency and locum staff was</li> </ul>	



	<p>reducing although bank levels were still quite high which was a reflection of historic decisions taken in respect of vacancy controls.</p> <ul style="list-style-type: none"> <li>• Although A&amp;E targets had been sustained in October it had been more difficult during November to meet the national target.</li> <li>• Achievement of the Choose and Book target continued to improve although this was now beginning to present problems in relation to the control of overall work loads.</li> </ul> <p>GR commented that of the 7 bacteraemia's reported since September to the present time in December only 1 was identifiable as hospital acquired representing only 1 avoidable bacteraemia.</p> <p>The Board noted the report.</p>	
231/06	<p><b>Safeguarding Children – Progress Report</b></p> <p>GE introduced the report. He wished the Board to note progress in respect of the following:</p> <ul style="list-style-type: none"> <li>• The appointment of a new named doctor.</li> <li>• The training of 800 nurses and other professionals in relation to child protection issues.</li> <li>• The implementation of the action plan following the Climbié enquiry.</li> <li>• The audit programmes in place in those areas of the Trust where children were seen and admitted.</li> </ul> <p>RD pointed out that the NSPCC had developed a useful self-assessment tool kit which the Trust may wish to consider using.</p> <p>The Board noted the report.</p>	
232/06	<p><b>Risk Progress Report</b></p> <p>GE introduced the report. He said that there was now a positive culture within the organisation for reporting risks and appropriate processes to mitigate them.</p> <p>RD commented that although it would be good for the Trust to achieve level 3 CNST it was important to ensure that the Trust did not spend a disproportionate amount of time to get through the assessment given other priorities.</p>	

	<p>KC suggested that given risk was reported in a number of different Trust Board papers it would be helpful to be able to identify where progress was being made. It was agreed that GE would link with NE and SH to address issues of risk reporting in the various Board reports.</p> <p>The Board noted the report.</p>	<b>GE/NE/SH</b>
233/06	<p><b>Standards for Better Health Progress Report</b></p> <p>GE introduced the report. He said that a lot of work had been done across the Trust and that significant improvements were being seen in the core and developmental standards. He said that the Trust was now showing compliance across 40 of the core standards although there still remained some where evidence of compliance was lacking.</p> <p>It was agreed that GE would report back to the Board with action plans for those areas that were currently non compliant.</p> <p>The Board noted the report.</p>	<b>GE</b>
234/06	<p><b>Patients Services Progress Report</b></p> <p>GE introduced the report. He confirmed that the final strategy would be brought back for ratification at the February Board meeting following which there would be a formal launch across the Trust.</p> <p>The Board noted the report.</p>	
235/06	<p><b>Equalities Framework</b></p> <p>TH advised the Board that there was a national requirement to publish the framework by 5<sup>th</sup> December and therefore he had taken Chairman's action subject to any points or issues being raised at the Board meeting.</p> <p>SCh introduced the framework. She said that it was a single equalities framework for the organisation and that it encapsulated race, disabilities and equality. She advised the Board that there would be further legislation later in the year in relation to gender equalities which would be incorporated. She confirmed that action plans would be put in place to</p>	

	<p>ensure the framework remained a living document.</p> <p>During discussion the following points were made:</p> <ul style="list-style-type: none"> <li>• The Board should receive regular information on compliance and commitment to the equalities agenda against a set of agreed data.</li> <li>• Relevant information relating to black and minority ethnic issues should be presented to the Board.</li> <li>• The emerging patient strategy needed to be linked to the equalities framework.</li> <li>• The Trust needed to find ways of improving the capture of ethnic data.</li> </ul> <p>It was agreed that regular reports would be made to the Board on both the equalities framework and the work of the black and minority ethnic network.</p> <p>It was further agreed that the Executive should discuss the action plan and priorities for the equalities framework in order that this could be managed effectively.</p> <p>The Board endorsed the equalities framework.</p>	<p><b>SCh/AS</b></p> <p><b>Exec Directors</b></p>
236/06	<p><b>Finance and Performance committee</b></p> <p>TH confirmed that all of the items discussed at both the 20<sup>th</sup> November and 7<sup>th</sup> December meetings had been covered in other agenda items.</p>	
237/06	<p><b>Emergency Business</b></p> <p>There were no items of emergency business.</p>	
238/06	<p><b>Questions from the Public</b></p> <p>Clarification was sought on the patient pathway for those patients being admitted to the AAU and requiring surgery. GR confirmed that post surgery patients would be returned to the AAU. He also confirmed that the high dependency, critical care unit, paediatrics and maternity patients would continue to use these services as now.</p> <p>A concern was raised regarding the level of cuts being made by the Trust in relation to clinical staff. DL acknowledged that the Trust was having to take actions that were not particularly palatable however</p>	

discussions had recently taken place with senior clinicians and some adjustments made to decisions taken earlier. He said that there was a robust feedback mechanism to ensure that the consequences of actions taken were reviewed and where appropriate adjusted. GE emphasised that patient safety would not be compromised.

Clarification was sought as to whether staff made redundant would receive any additional enhancements over and above redundancy pay. SCh confirmed that redundancy arrangements were based on national policy and were not Trust specific. She said that the usual arrangements were that redundancy payments were calculated on the basis of an individual's age and length of service.

Clarification was sought on whether the Watford site had suitable infrastructure resources to accommodate the proposed AAU. It was confirmed that extra electrical plant would be provided for the AAU.

A question was asked whether there was currently an issue of MRSA within the maternity unit and whether there was any shortage of cots in the special care baby unit. It was confirmed that neither of these was the case.

Clarification was sought on the source of data for reporting levels of breast-feeding. AS said that the data was drawn from information gathered in relation to a mother's intention to breast-feed and at post natal visits.

A question was asked about the level of savings to be achieved as a consequence of closing parentcraft classes. DL said that the Trust was currently spending £22,000 on these services which were staffed by temporary staff. He said that in line with decision to reduce the use of temporary staff these services had to be removed. He stressed that the reduction in the service had the support of midwives who had advised that these reductions could be made without impacting on patient care.

Concern was expressed about the overall position in the Trust following the annual health check report. TH emphasised that the Trust was working hard to address all of the issues raised and that many of the issues covered in the Board meeting would go towards

	ensuring improvements both in relation to finances and levels of patient care. He stressed that the Trust had moved significantly over recent months and that it was hoped these improvements would be reflected in future reports.	
239/06	<b>Date of Next Meeting</b>  The date of the next meeting was confirmed as 11 <sup>th</sup> January 2007.	