

Matters of a PRIVATE NATURE considered at the Meeting of the BOARD OF DIRECTORS held on Wednesday 16th March, 2011, in the Board Room, Northern General Hospital

PRESENT:

	Mr. D. R. Stone (Chair)
Sir Andrew Cash	Mrs. J. Norbron
Professor H. A. Chapman	Mr. V. Powell
Mr. J. Donnelly	Mr. N. Priestley
Ms. V. Ferres	Professor M. Richmond
Mr. M. Gwilliam	Mr. I. Thompson
Mr. C. Linacre	

APOLOGIES:

Ms. S. Harrison	Professor A. P. Weetman
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IN ATTENDANCE:

Miss S. Coulson	Mrs. J. Phelan
Mrs. S. Bailey	Mr. A. Riley
Ms. K. Major	Mr. N. Riley

Ms. S. Carman (item STH/32/11)

Prior to commencement of the Meeting, the Chairman welcomed Ms. Kirsten Major to her first Board of Directors Meeting and noted that it was Chris Linacre's last meeting. The Board expressed its appreciation to Chris for his significant contribution to health services in Sheffield over many years.

STH/29/11

Minutes of the Previous Meetings

The Minutes of the Meeting held on Wednesday 16th February, 2010, were **APPROVED** and **SIGNED** by the Chairman as a correct record.

STH/30/11

Matter(s) Arising

(a) **Transforming Community Services**

(STH/19/11) The Chief Executive updated members on the progress around transforming community services. The key points to note were:-

- The other 2 Foundation Trusts had now given their approval and the strategic health authority had also given their approval of the business case.
- With regard to the Business Transfer Agreement, NHS Sheffield was happy to agree to a 3 year contract. However the DoH had stepped in and made a policy decision that it should be a 12month rolling contract. As a consequence of that decision, the Trust had built in a clause into the contract regarding termination costs.

Mr. Powell expressed his concern that he felt that that decision was commercially inappropriate. The Chief Executive reassured Board Members that he did not think it was anything that the Trust should be overly concerned about.

The Business Transfer Agreement was with NHS Sheffield for signing and a meeting had been arranged for the following week.

- Transition – the integration of non clinical staff was due to be completed by the end of April 2011.

The integration of clinical was due to be completed by the end of the 1st quarter of the financial year.

- Investment Committee – As previously agreed, the Chief Executive felt that the Investment Committee should meet before the end of April, 2011.

Action: Mr. N. Riley

- Communications – The measures letter had gone out from their current employer to all 1600 staff affected by the transfer of services. With regard to STH staff affected by the transfer the Director of Human Resources had met with Staff Side and it had been agreed that the Trust would hold 3 staff meetings for those staff.
- The Transition Team, lead by Andrew Riley, was up and running and an Expert Panel had been established

The Chief Executive reported that overall everything was progressing well.

The Chairman sought and received confirmation of availability of funding for costs of management costs reductions.

The Board noted the communications and staff engagement process to welcome staff transferring from provider services. Visits to a number of community services would be included in the Board of Directors' Visit Programme for 2011/12.

Action: Mr. N. Riley

The Chairman emphasised the importance of a mechanism for ensuring effective and timely delivery of performance monitoring.

The Board of Directors **RESOLVED** to ratify the acquisition of Community Services ad detailed at the February Meeting of the Board of Directors subject to the signing of the Business Transfer Agreement.

(b) Commercial Banking Facilities and 2011/12 Working Capital Facility

(STH/24/11/(c) Further to discussions at the February Meeting, the Director of Finance confirmed that Santander was an approved Bank. He pointed out that they were new to corporate banking in this country and were perhaps not quite as established in supporting corporate banking requirements as perhaps some other banks. However, he emphasised that they would not want to fail in that respect and he felt that it was an acceptable risk.

STH/31/11

Minutes of the Meetings

(a) Unadopted Minutes of the Meeting of the Healthcare Governance Committee held on Monday 21st February, 2011

The Board **RECEIVED** and **NOTED** the contents of the Minutes of the Meetings of the Healthcare Governance Committee (HCGC) held on Monday 21st February, 2011. Ms. Ferres highlighted the following points:-

- CQC Compliance – The first CQC compliance report, produced as part of the compliance framework, had been circulated with the agenda papers (Enclosure B1) for information. The report provided evidence that the Trust regularly monitors compliance. The Medical Director drew attention to Appendix 2 of the report and explained how the colour coding worked.
- Hospital at Night – The HCGC felt that it would be good idea if Hospital at Night formed part of a future clinical update session for the Board of Directors. The Medical Director reported that the HCGC had approved the Hospital at Night Policy which was an important document. The Trust had developed and delivered a new way of working in the organisation and although it was early days it would appear that it was proving clinically successful at the Royal Hallamshire Hospital. The plan was to roll out Hospital at Night to the Northern General Hospital site from August 2011.
- Legionella Water Steering Group – The HCGC received the Water Quality Report which set out the progress and changes being made including:-
 - The Trust had moved to a different Legionella Consultancy (Oakleaf Technical Services)
 - The Trust Policy for the Control and Management of Legionella had been updated and issued in March 2010.
 - Whilst there were no strategic plans to re-plumb Charles Clifford Dental Hospital (CCDH) risk assessments were ongoing. No known cases of infection had arisen from water at CCDH.

The Legionella Water Steering Group was in place and working effectively.

- Inquests – the outcome of 2 Inquests were noted.

STH/32/11

Regulation Update: Presentation

The Medical Director introduced this item and explained the scope of the presentation by Ms. Sandi Carman, Head of Patient and Healthcare Governance (copy of presentation attached to Minutes).

The presentation covered the requirements of the following regulatory bodies:-

- Care Quality Commission (CQC)
- Monitor
- National Health Service Litigation Authority (NHSLA)
- Health and Safety Executive (HSE)

It was noted that a final decision would be taken on whether the Trust was in a position to achieve NHSLA Level 2 following the mock visit on 22nd March 2011. The consequences of going for Level 2 and failing would result in the Trust being relegated to Level 0 (currently at Level 1). It was also noted that the 2011 assessment would exclude Community Services.

The Chairman thanked Ms Carman for her detailed and informative presentation.

2011/12 Financial Planning

(a) 2011/12 Financial Plan/Income & Expenditure Budgets

The Director of Finance referred to his written paper (Enclosure C) circulated to Board Members prior to the meeting.

The key points to note were:-

- (i) A balanced plan maintaining the same level of planned surplus (£6.7m) as in 2010/11.
- (ii) However, this relied on the delivery of £36m of Efficiency Savings and a successful outcome to contract negotiations with the main Commissioner Consortium.
- (iii) With regard to the contract negotiations, NHS Sheffield was seeking to reduce its expenditure with the Trust by £20m compared to 2010/11 outturn. Plans to achieve this were still unclear but a £20m income loss, even if as a result of reduced activity, would have major financial consequences for the Trust.
- (iv) A updated 2011/12 Financial Plan may be required after the contract negotiations are completed.

He highlighted the following risks:-

- (i) Impact of emergency admissions with 30 days
- (ii) Impact of NHS QIPP Programme
- (iii) Transforming Community Services
- (iv) The delivery of £36 million efficiency savings

Other risks were detailed in Appendix B of his report.

Vic Powell expressed his concern at the scale of the financial challenge facing the Trust and felt it was crucial that NHS Sheffield declared their intentions so that the Trust could plan accordingly. He queried the need to set aside monies for redundancies.

The Chairman emphasised that the plan had to be achieved one way or another. He also stated that it was essential that the contact with NHS Sheffield was agreed before the start of the next financial year although this had not happened in the past. In the absence of agreement, the Trust would need to prepare plans on the assumption that NHS Sheffield would be reducing spending with the Trust by £20 million.

A series of meetings with NHS Sheffield had been arranged for the following week in order to make progress on the matter.

The Board of Directors

- (i) **APPROVED** the 2011/12 Financial Plan and Income and Expenditure budget proposals identified in this report, summarised in section 3 and identified in more detail in Appendix A.
- (ii) **NOTED** the major issues and risks which would need to be managed if a positive financial position was to be achieved, particularly the need for a satisfactory contract agreement and the need to deliver £36m of efficiency gains.
- (iii) **NOTED** the challenging financial environment facing the Trust in future years.

(iv) **AGREED** that a further 2011/12 Financial Plan update would be provided when the outcome of the 2011/12 contracting round was known.

(b) 2011/12 P & E Plan

The Chief Executive referred to the written paper (Enclosure D) circulated to Board Members prior to the meeting.

The Trust Secretary explained the public facing nature of the paper. A copy of the paper had been requested by the Health Service Journal as part of a Freedom of Information Request. However the request had been received before the paper had been prepared and therefore it was not disclosable at that time. However he expected to receive a further request in due course to which the Trust would have 20 days to respond.

Such requests were becoming more frequent and it had implications for how the Board worked. The Chairman felt it would be helpful if the Board was better informed of the implications. The Trust Secretary agreed to bring forward proposals to the April Board Meeting on how the Board should deal with these issues generally. It was also agreed that discussion on this matter could take place at the forthcoming Board Time Out.

The Chief Executive made a presentation on the Productivity and Efficiency Plan 2011/12 supported by the Medical Director and Chief Nurse/Chief Operating Officer.

The Chief Executive explained that change was necessary so that the Trust could secure the future delivery of safe, quality healthcare for those most in need. In order to achieve that the Trust needed to be as cost effective and efficient as possible by ensuring that it provides the right care, at the right time, in the right location.

The P & E Plan for 2011/12 fell into two phases, phase 1 from March 2011 to 30th June 2011 and phase 2 from July 2011 onwards. The plan was to achieve £30 million of savings in Phase 1 and £6 million in Phase 2.

The presentation focussed on Phase 1 and covered the savings within the following workstreams:-

- Clinical Service Improvement
- Corporate
- Workforce
- Directorates

Details of the estimated savings within each workstream were set out in the accompany paper (Enclosure D)

During discussion the retirement review was highlighted. The Chief Executive explained that the Trust Executive Group (TEG) had considered this matter extremely carefully and the actions to be taken were all legally permissible under current legislation and in accordance with the Trust's Retirement Policy. He sought the Board's supporting taking these actions. The Director of Human Resources had discussed the retirement review with Staff Side who full understood the position in order to avoid any necessary redundancies in the future.

Vickie Ferres expressed her concern. She felt the review was about selection based on the age of the individual and she would not support such an approach. John Donnelly also stated he was struggling that, just before the law changed, the Trust was taking action to force staff of a certain age to retire. Jane Norbon stated what

was not clear was the business case and whether this approach was necessary based on labour turnover/bank and agency staff. However she was prepared to accept the judgement of the Executive Team if they felt that this was the right course of action. Iain Thompson also agreed to support TEG's decision.

The Board of Directors **RESOLVED** to **APPROVE** this element of the Workforce Programme.

The Chairman thanked the Chief Executive and colleagues for a detailed presentation and asked how progress would be monitored. The Chief Executive explained that TEG would change its arrangements in order to monitor and measure progress via the Productivity Management Office and also additional meetings of the Finance Committee would be required. Jane Norbron suggested that some kind of tracker document would be useful so that Board Members could track progress.

The Board of Directors:-

- (i) **APPROVED** the 2011/12 Productivity and Efficiency Plan proposals identified in the report and summarised in the attached Appendix.
 - (ii) **NOTED** the additional savings required to achieve a balanced 2011/12 Financial Plan and noted the risks which would need to be managed to deliver the planned schemes.
 - (iii) **AGREED** that an update on the 2011/12 Productivity and Efficiency Plan would be presented to the May Board of Directors meeting.
- (c) 2011/12 Contract Negotiations:

The Board of Directors **NOTED** the contents of the Director of Finance's report circulated with the agenda papers on the 2011/12 contract negotiations with the PCT Consortium.

The key points to note were:-

- The existing Contract would be extended into the early months of 2011/12;
- There were difficulties in agreeing the activity targets with NHS Sheffield, particularly the proposed QIPP schemes to reduce activity;
- The emergency readmissions provisions in the final PbR guidance pose a significant threat to the Trust;
- The CQUIN scheme and other quality and performance indicators were being resolved;
- Only very limited service developments were being considered;
- Reaching financial agreement by 31st March, 2011, looks exceptionally challenging.

STH/34/11

Chief Executive Officer Report

The Chief Executive presented his report (Enclosure E) previously circulated with the agenda papers and elaborated upon the following topics:-

- Performance - In overall terms, the Trust continues to perform well against the vast majority of its targets and obligations as it approaches the year end.

Emergency Services – The Trust has performed significantly better in quarter 4 than it did in quarter 3 and the current position is that performance against the current

emergency services target was 96.7% in January 2011 giving a year to date position of 97.4%.

He emphasised the Trust's efforts and attention to maintain the 18 weeks position.

➤ **Infection Control**

MRSA - 0 cases of MRSA bacteraemia were recorded during the month of February. The year to date performance remained 9 cases of MRSA against a year to date target of 11.

C.Diff Performance - In February, the Trust recorded 10 positive samples. This was 7 cases below the Trust's in-house indicator and 18 under the contract plan for the month. The year to date performance was now 170 cases of C.diff against a year to date contract target of 282 and year to date STHFT target of 184.

MSSA - For February, 4 Trust attributable cases of MSSA bacteraemia were recorded. It was currently expected that the Trust would be set a reduction target for MSSA bacteraemia from April 2012. After two months, the total Trust attributable cases of MSSA stood at 13.

Norovirus - During February the Trust had continued to experience some disruption caused by outbreaks of Norovirus. At times this had had an impact on service delivery but the disruption had not been widespread or significant.

➤ **Appointments – Simon Morritt, Chief Executive of NHS Bradford, had been appointed Chief Executive of the Children's Hospital NHS Trust and would take up the post in 6 months' time.**

STH/35/11

For Approval/Ratification

(a) **Quality Report: Final Draft**

The Medical Director referred to the draft Quality Report for 2010/11 circulated with the agenda papers. He explained that the report was presented in draft format due to the production timeframe and it contained some gaps as some of the quality data was not available until the financial year end.

The five key priority areas for 2011/12 were:-

- Improving the care received by older people using our services
- Improving the diagnosis and treatment of venous thromboembolism
- Reducing the incidence of hospital acquired infection
- Continued improvement in stroke care services and
- Reducing the number of elective operations cancelled for non clinical reasons

Over the last 6 months engagement had taken place with LINKs, Overview and Scrutiny, NHS Sheffield and Trust Governor representatives which had helped to shape the above priority areas.

Despite a significant amount of time being spend on trying to make the document readable and accessible to the public he emphasised that that was not possible given the mandated text which followed the DoH and Monitor guidance.

A final draft of the report would be submitted to LINKs and the Overview and Scrutiny Committee prior to the final report being presented to the Board of

Directors. Members should forward any comments on the report to the Medical Director by the end of March 2011.

Ms Ferres felt that the report did not adequately describe all the good work the Trust did around nutrition and the care of older people. She felt that the Quality Report needed to be supported by a more engaging document for the public which contained more detail about the services provided.

The Communications Director reassured Ms Ferres that the Trust's intention was to produce a supplement around the Trust's achievements and that would be produced to coincide with the Annual Public Meeting.

The Board of Directors **RECEIVED** and **APPROVED** the contents of the draft Quality Report 2010/11 prior to formal consultation with partners.

(b) Eliminating Mixed Sex Accommodation: Update

Chief Nurse/Chief Operating Officer introduced her written paper circulated with the agenda papers (Enclosure G). The report provided members with an update on the Trust's current position on eliminating mixed sex accommodation including the need to declare whether the Trust was compliant with the national definition to 'eliminate mixed sex accommodation where it is in the overall best interests of the patient or reflects their patient choice'.

She emphasised that whilst the Trust's facilities were compliant with eliminating mixed sex accommodation, operational pressures within the Trust would mean that the Trust was at risk of breaches. A breach would result in the Trust receiving a fine of £250 per patient affected per day from April 2011.

The Board of Directors **NOTED** the content of the report and **SUPPORTED** the declaration of compliance with eliminating mixed sex accommodation.

STH/36/11

To Receive and Note

(a) Medical Staff Exclusions

There were no medical exclusions to report.

(b) Robert Francis Enquiry: Update on the Assurance Review Action Plan

The Trust Secretary referred to the report circulated with the agenda papers (Enclosure H) which provided members with an update on progress against the Mid-Staffordshire Assurance Review Action Plan.

He reported that the Trust was making good progress and 28 of the 31 actions had been completed. The remaining 3 would be linked to the Healthcare Governance Committee Action Plan to ensure appropriate monitoring and oversight.

The Board of Directors **RECEIVED** and **NOTED** the progress report.

(c) Patient Services Plan 2010/11

The Board of Directors **RECEIVED** and **NOTED** the 3rd Quarter Update of the Patient Services Plan Objectives 2010/11.

(d) Register of Interests 2010/11

The Board of Directors **RECEIVED** and **NOTED** the register of Interests subject to noting a few minor amendments and one addition under Ms Ferres' entry.

(e) Late Tender

The Trust Secretary referred to the report circulated with the agenda papers (Enclosure K) which described the background to a late submission of a tender, the reasons for its acceptance and the remedial action taken to prevent a repeat occurrence.

Standing Orders required such matters to be reported to the Board of Directors.

The Board of Directors **RECEIVED** and **NOTED** the report and the remedial actions taken.

STH/37/11

Date and Time of Next Meeting

The next Meeting of the Board of Directors would be held at 11.00 am on Wednesday 20th April, 2011, in the Board Room, Royal Hallamshire Hospital