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Sheffield Teaching Hospitals NHS
NHS Foundation Trust

Matters of a PRIVATE NATURE considered at the Meeting of the BOARD OF DIRECTORS held on Wednesday 20th April, 2011, in the Board Room, Royal Hallamshire 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
Ms. S. Harrison	Professor A. P. Weetman
Ms. K. Major	

IN ATTENDANCE: Miss S. Coulson, Mr. A. Riley, Mr. N. Riley

Dr. A. Gibson, Ms. J. Bond, Ms. J. Drakeley } Item STH/40/11

STH/38/11

Minutes of the Previous Meetings

The Minutes of the Meetings held on:-

- Wednesday 16th March, 2011 were **APPROVED** and **SIGNED** by the Chairman as a correct record.
- Friday 25th March, 20112011were **APPROVED** and **SIGNED** by the Chairman as a correct record subject to the inclusion of Professor Weetman on the list of attendees

STH/39/11

Matter(s) Arising

(a) Transforming Community Services

(STH/30/11(a)) The Chief Executive reported that the transforming of Community Services was progressing well but emphasised it was a complicated process.

Mr. Andrew Riley reported the following points:-

- The Business Transfer Agreement had been agreed and signed by the due date and therefore the TUPE and legal transfer of services had gone ahead on 1st April, 2011.
- As agreed at the Investment Committee a Service Transition Team had been established and would meet on a weekly basis.
- Work was progressing to integrate the provider arm corporate management into the Trust's corporate management structures. Each Corporate Directorate had completed their proposed structures and Mark Gwilliam and Andrew Riley had been through them in detail with the Executive Directors. There would be an action plan for each member of staff transferring.

- The consultation period with the Unions would commence at the beginning of June 2011 for one month. Any notice periods would be served after the consultation period. The plan was to complete the integration of the corporate structures by 1st October 2011.

- Work had commenced to identify integration opportunities for clinical services. The target was to complete the clinical review and review of management structures by 31st July, 2011 followed by a one month consultation period and any changes implemented by 1st October 2011. The Service transformation was being led by Kirsten Major as part of the Corporate Strategy Review.

- The meeting of the Investment Committee arranged for 30th April, 2011 had been rescheduled for 18th May 2011 by which time all the necessary preparation would have been completed.

The Chief Executive made members aware that there was an industrial relation issue relating to the recognition of GMB. The Trust did not recognise GMB and there were a small number of GMB staff working in community services.

The Trust was working hard on the human aspect of bringing the two organisations together.

The Chairman queried the financial side of transforming community services. The Director of Finance reported that there was a balanced financial plan which covered most of the risks. The key risk was the delivery of the efficiency requirement for the current year (£2 million). The plan was to hold a financial review meeting with community services in the next few months as were being held with all Directorates. The Director of Finance was not aware of any risks to be concerned about.

The Chairman stated that Board members were keen to hear what the planned changes were as soon as possible. The Chief Executive explained the vision that was emerging was that a 9th Care Group would be formed comprising community services coupled together with Chris Linacre's work on unscheduled care.

Ms. Ferres expressed the need to be careful in managing the perception of forming a 9th Care Group.

It was **AGREED** that Board Members would receive a further update at the Board's Strategic Session to be held on 16th June 2011.

Action: Sir Andrew Cash/Mr. A. Riley

STH/40/11

Clinical Update: Hospital at Night

Dr. Andrew Gibson, Ms. Julie Bond and Ms. Julie Drakeley were in attendance for this item.

Professor Richmond explained that Hospital at Night had begun several years ago in smaller hospitals to help them meet the European Working Time Directive. In the early part of 2010, the Workforce Project Board wished to revisit Hospital at Night and looked at whether the Hospital at Night project could be delivered at the Royal Hallamshire Hospital.

The Hospital at Night Team grasped the opportunity and delivered the project on time. The project had had significant benefits for patient safety and in the support given to junior medical staff.

Dr. Gibson gave a presentation on the project and explained that the concept behind Hospital at Night was that the most appropriate person attended the patient.

It was acknowledged that it was difficult to quantify financial efficiencies but the emerging evidence was positive.

The next stage was to roll out Hospital at Night to the Northern General Hospital. It was also acknowledged that the Trust needed to see if the Hospital at Night concept could be applied to the twilight hour periods (from 4.30 pm to 10.00 pm) and weekends.

One issue arising from the presentation was that the Hospital at Night Team required office accommodation (3 offices in total) at the Northern General Hospital from which to work and any help the Board could give in identifying such facilities would be extremely welcome.

It was **AGREED** that Dr. Gibson and his team should attend the Board again in late Autumn 2011 to report progress.

STH/41/11

Minutes of the Meetings

(a) Minutes of the Human Resources Committee held on Monday 14th March 2011

The Board **RECEIVED** and **NOTED** the contents of the Minutes of the Meeting of the Human Resources Committee held on Monday 14th March, 2011. Ms. Norbron highlighted the following reports:-

- Recruitment Strategy – Defining the Affordable Workforce

  Ms Norbron pointed out that this was an extremely important piece of work which linked the Trust's headcount with the financial position in each Directorate. The Director of Human Resources reinforced that point and reported that it would require a significant effort from Human Resource staff, General Managers and Finance staff to identify what was the Trust's affordable workforce.

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

The Board **RECEIVED** and **NOTED** the contents of the Minutes of the Meeting of the Healthcare Governance Committee (HCGC) held on Monday 21stMarch, 2011. Ms. Ferres apologised for the oversight in not circulating the Patient Experience Report and the Infection Prevention Quarterly Update and Programme with the agenda papers. These reports would be presented to the May Board Meeting. She highlighted the following points:-

- Hospital Mortality Rates – The Medical Director reported that the Trust's current performance was 82. On rebasing it was 91 which was significantly lower than the national benchmark and better than comparable provincial teaching hospitals. He pointed out that that was a good position to be in but he emphasised that there was no room for complacency. The Chief Executive queried how length of stay reductions would affect Hospital Mortality Rates and the Medical Director undertook to pursue that point and report back to a future meeting.

  Action: Professor Mike Richmond

- Never Event – The Medical Director reported an incident of a retained surgical swab during an emergency surgical procedure. The swab count had been

incorrect and was checked and rechecked. An x-ray of the affected area, using a C Arm, was undertaken in the operating theatre and the senior clinician was of the view that the swab could not be identified. The operation was completed and the patient went to ITU. The following day a further x-ray with a wider view was taken and the Radiologist identified the retained swab. The patient went back to theatre and the swab was removed by open laparotomy.

The Medical Director reported that there had been a similar incident some 12 months ago. Following that incident the policy for dealing with such incidents had been revised and implemented. The revised policy had apparently not been followed on this occasion. A full report was being concluded.

Ms. Ferres stated that the Healthcare Governance Committee were concerned that the policy had not been followed and awaited the full report.

(c) Minutes of the Meeting of the Finance Committee held on Monday 11th April, 2011

The Director of Finance tabled copies of the Minutes of the Meeting of the Finance Committee held on Monday 11th April, 2011, which the Board **RECEIVED** and **NOTED**. Mr. Powell highlighted the following points:-

- Position on 2011/12 contract negotiations – The Director of Finance reported that the contract had still not been agreed.
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He made comments on the following significant areas:-

- Technical pricing - The technical process of re-pricing the baseline contract value was largely complete from the STH perspective

- Emergency readmissions within 30 days was a contentious issue. The STH stance was that this represented a re-pricing loss which must be offset against any other pricing gains in any neutrality debate. This could cost the Trust £8 million.

- Activity – NHS Sheffield were determined that there was no increase in activity. They wanted STH to allow its outpatient waiting lists to go up as they believed the Trust could still deliver the 18 weeks target

- QIPP - Progress in consolidating the NHSS QIPP plan remained slow (£20 million of savings). The Trust had challenged NHS Sheffield around the Financial Plan generally.

  The Chief Executive emphasised that the imperative was to work with NHSS to effectively redraft their QIPP plan. It needed to focus on reducing emergency admissions, reducing spend on continuing care and on elective commissioning (reducing demand for Orthopaedics and making decisions on raising referral criteria for other services).

He felt that within the last few days the position had been reached where that most of the information was now on the table. However he was still unhappy about the emergency readmissions issue.

Mr. Powell stated that, whilst looking forward to next year made sense, NHS Sheffield had significant financial problems in the current financial year and were asking the Trust to take on £20 million of the £27 million of savings that they had to find.

The Chief Executive reported that in a meeting held on Tuesday 19th April, 2011, Ian Atkinson, Chief Executive, NHS Sheffield, promised to provide the Trust with a proposal by 21st April, 2011. The Chief Executive emphasised that STH needed to took great care as the Foundation Trusts that were in difficulty in 2010/11 all signed contracts which were not deliverable and therefore the Trust should not enter into any contract which it felt was not deliverable.

If the Trust did not feel that the proposal was agreeable it would need to engage a third party e.g. the Strategic Health Authority to help resolve the position.

- Directorate 3rd Cut 2011/12 Financial plans – The Director of Finance explained that he was in the process of reviewing the plans and exploring how to address the £8 million gap.

- Proposal for further consultancy input into delivery of P&E – The Board noted that a specification for further consultancy to assist with delivery of P&E was being drafted. The Chief Executive felt that without the help of PWC and McKinsey the Trust would not have made the savings it had in the last few years. The Director of Finance stated that it was difficult to identify impact of specific interventions but felt that they provided pace and focus.

  The Chief Executive stated that every other provincial teaching hospital had brought in additional assistance.

  Board members felt that the Trust needed to have some kind of guaranteed return for its investment e.g. no gain no fee agreement.

  The Board would be further appraised on this issue.

- Monitor "Key learnings from Regulatory action in 2010" – Board members received and noted the document circulated with the Minutes of the Finance Meeting.

(d) Minutes of the Meeting of the Audit Committee held on Tuesday 12th April, 2011

Mr. Donnelly reported that the Minutes of the Meeting of the Audit Committee held on Tuesday 12th April, 2011 were not yet available for circulation, but he wished to highlight the following points:-

- The process was underway for appointing External Auditors for the next 3/4 years. Expressions of interests had been received from 5 firms. These would be shortlisted to 3 and interviews would take place on 7th June, 2011. The interview panel comprised Mr. Donnelly, Mr. Powell, Mr. Priestley, Mr. Riley and a Governor.

- Internal Audit Plan – Following the Board's recent visit to Pharmacy, Internal Audit had been asked to conduct a scoping exercise around pharmacy waste to decide whether it should be included in the Audit Plan.

- Going Concern Concept – The Board agreed at its March Meeting that the Accounts should be prepared on a going concern basis. Since then more information had come to light. However, the Audit Committee did not feel that there was anything that would alter that decision. The Board of Directors **RECONFIRMED** its decision that the Trust should go forward as a going concern.

STH/42/11

Provisional 2010/11 Financial Position

The Director of Finance referred to his written paper circulated prior to the meeting which provided the Board with the key high level financial results for 2010/11 as per the unaudited Accounts. He highlighted the following points:-

- The Unaudited Accounts showed a surplus for 2010/11 of £2.45m compared to the planned surplus of £6.7m. However, when the position was adjusted for impairments (non-cash technical write-down of fixed asset values) the position was approximately £2.9m better than the 2010/11 Monitor Annual Plan position.

- Also, in addition to the internally generated resources assumed in the 2010/11 Capital Programme, the I&E position generated a further £3m of working capital benefit. This would initially be used to strengthen the Trust's "balance sheet" but could be used for further capital investment in the future.

- Turnover for 2010/11 was £806.7m which was an increase of 2.2% over the 2009/10 figure. Income from "activities", ie patient care services, in 2010/11 was only 1.6% higher than in 2009/10.

- The pay bill had increased by 3.5% over 2009/10 levels and drugs costs increased by 3.4%. The combined depreciation and PDC dividend charges reduced by 12%.

- The value of the Trust's Non-Current (Fixed) Assets grew by just £2.7m to £390.8m. This was the net effect of capital investment less depreciation and impairments.

- Cash balances totalled £64.9m at 31st March 2011 but of this £25m was committed to the 2011/12 Capital Programme and just under £13m reflected income received in 2010/11 but deferred for use in future years. Further analysis of the working capital position was required but it was likely that the true uncommitted cash position was around £20m.

- Total borrowings (FTFF loans plus PFI debt) totalled £54.5m at 31st March 2011.

The Board **NOTED** the satisfactory financial results as per the Unaudited 2010/11 Annual Accounts

STH/43/11

2011/12 Capital Programme and 5 Year Capital Plan

The Director of Finance referred to his written paper (Enclosure F) circulated with the agenda papers. He explained that the Board approved a 5 year Capital Plan last spring. However the Trust faced new pressures and as part of the 2011/12 Business Planning process a number of unavoidable new commitments had been identified:-

- A&E Expansion (estimated £2m)
- Increased IT investment (£1m per annum from 2012/13)
- Increased funding for Major Medical Equipment Replacement to offset budget shortfalls (£2m)
- NGH additional car parking (£0.7m)

He reported that given the current financial climate it was deemed no longer appropriate to rely on the £6.7 million per annum of I & E surpluses previously assumed to supplement the Capital Plan. Therefore the 5 year Plan/Capital Programme had been revised and refreshed.

The significant schemes within the Capital Programme were:-

	2011/12	2012/13	2013/14	2014/15
	£M	£M	£M	£M
WiFi Project	1.3	1.2		
Laboratory Rationalisation	8.7	4.5		
RHH Critical Care	4.6	2.0		
NGH Ultrasound	1.9			
NGH Car Parking	1.2		0.7	
A&E Expansion	0.2	1.2	0.6	
RHH Endoscopy/Decontamination	2.0			
Chest Clinic/Respiratory Outpatients	0.9	2.5	0.4	
Diabetes/Endocrinology Outpatients			1.0	
Catering Infrastructure	2.2	1.3	3.2	
Replacement Cath Lab	0.9			

He also highlighted the following key points:-

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- 5 Year Plan/Capital Programme balanced following actions to reduce ring-fenced budgets and scheme costs.
- No flexibility for further significant schemes before 2015/16.
- Small over commitment on 2011/12 Capital Programme but unlikely to be a problem given the size of the Programme and historic levels of slippage.
- Capital planning/prioritisation and scheme "value engineering" will be crucial in securing maximum value for money from limited resources.

The Board of Directors:-

- **APPROVED** the Capital Programme as set out in the Appendix of the report

- **NOTED** the risks outlined in Section 4 of the report.

- **NOTED** the importance of capital planning/prioritisation and "value engineering" in securing maximum results from limited capital and revenue funding.

STH/44/11

Discussion on Visit to SITraN (Sheffield Institute for Translational Neuroscience)

All members of the Board found the visit well organised and extremely interesting even though the information presented in the various presentations was very technical and a little overwhelming. Members were extremely impressed by the building, its environment and the facilities it provided for research activities and education.

One issue which was raised by Professor Pam Shaw during the visit was the fact that she was trying to attract a Professor of Psychiatry to join the team but in order to do that she required the support of the Sheffield Care Trust which regrettably was not forthcoming at the present time. The Chief Executive agreed to pick up this issue with the Care Trust and would arrange a meeting. It was also suggested to Professor Shaw that it would be a good idea if she were to invite the Board of the Care Trust to visit the Institute so that they could see the excellent work that was undertaken there.

Professor Weetman felt that the Team had not highlighted enough that they were on the cusp of developing new compounds for treating difficult diseases such as motor neurone disease, muscular dystrophy

It was **AGREED** that the Trust Secretary should draft a letter for the Chairman to send to the Professor Shaw and Professor Ince to thank them and their team for an interesting and informative visit.

Action: Mr. N. Riley

STH/45/11

Chief Executive Officer Report

The Chief Executive presented his report (Enclosure G) previously circulated with the agenda papers and was pleased to report that the Trust had performed well throughout 2010/11. He elaborated upon the following topics.

- Emergency Services. The Trust had worked hard throughout quarter 4 to provide an appropriate service for patients who attend as emergencies and at the end of quarter 4 the Trust's performance was 97.5% for those patients attending A&E and either being seen, admitted or discharged within 4 hours.

- Cancer – The Trust had struggled in previous quarters to ensure that the percentage of patients who had breast symptoms where cancer was not suspected meet the target had proved extremely challenging. However, as a result of the action taken both within the Trust and with our partners across the health community the Trust was now confident it would achieve 95% performance for this target in quarter 4 (the target being 93%) and was in a sustainable position to ensure that this target was met going forward. The Chief Executive reported that a complete review of all 6 cancer targets was to be undertaken by the Director of Service Development.

- CQUINS - The Trust agreed a CQUIN scheme with its commissioners led by NHS Sheffield for 2010/2011. The scheme was worth £9 m and contained 33 schemes. The Trust achieved £7.9 m of this funding through successful or likely achievement of 29 of the schemes. For the following schemes, the Trust was likely to receive either partial or no payment:-

  - Venous thromboembolism (VTE) risk assessment
  - Responsiveness to personal needs – adult inpatient survey
  - Proportion of women breastfeeding on discharge
  - Cancellation of elective procedures

- Activity - At the end of February 2011 the level of elective inpatient activity was 1.6% below target compared to a 2.1% at the end of January 2011 but higher than last year. New outpatient activity was 0.2% below target and follow ups 1.6% above the reduced target. Non elective activity was 4.7% above expected levels and waiting lists for both inpatients and outpatients fell during the month. The performance against the 18 week targets in February 2011 was above target for both non admitted and admitted patients. Referrals were approximately 1.6% below expected levels for the year to date compared to 1.4% below at the end of January 2011.

- Financial Position. At the end of month 11, the Trust was overspent by £10.7m against its allocated budgets which equated to 1.5% of turnover. This was a small deterioration of £9.4k during February 2011. This was the second month in a row where the Trust had virtually broken even in month.

  The Trust had managed its reserves prudently to ensure its overall financial health at the year end. Out of the remaining central reserves £12 m had been identified as uncommitted. This largely represented unused contingency reserves, delays in financial plan commitments (cost pressures/potential investments) and release of accruals/provisions made at last year end which, with hindsight, had been shown to be

prudent. Whilst this was a much larger value than in prior years, it largely derived from the financial recovery plan imperative to avoid committing reserves. In recognition of the size of the available uncommitted contingency reserves, the month 11 results had been adjusted to reflect the release of the year to date proportion of the £12 m referred to above. Hence £11m had been released to reduce the year to date position against the financial plan to an underspend of £295k. The implications of those actions were a cause for concern as most of the uncommitted reserves arose for one off reasons and would not be available in the current financial year. Hence the operating deficit continued to provide a better indication of the underlying position which would roll forward into the current financial year and which the financial plan approved at the March Board sought to address.

- Infection Control

  - MRSA Performance - 0 cases of MRSA bacteraemia were recorded during the month of March. The full year performance was 9 cases of MRSA against a target of 13. This was the same number of Trust attributable cases as recorded in 2009/2010.

    The target for 2011/2012 was 10 so the Trust would need to continue to perform at its current level to achieve that target.

  - 2010/2011 C.Diff Performance - In March, the Trust recorded 14 positive samples. This was 3 cases below our in-house indicator and 14 under the contract plan for the month. The full year to date performance was 184 cases of C.diff against a contract target of 304 and STHFT target of 201. This was an 8% reduction in the C.diff rate for the Trust during 2011.

    The target for 2011/2012 was 134 and the Trust would therefore need to improve by a further 27% to achieve that target.

    The health community performance was always one month in arrears to allow for the allocation of cases in Sheffield residents treated in other hospitals. The position in February was year to date performance of 263 against a year to date target of 408.

  - MSSA - Trust had recorded 14 attributable cases of MSSA bacteraemia to the Health Protection Agency in March 2011. It was expected that the Trust would be set a reduction target for MSSA bacteraemia from April 2012.

    After three months, the total Trust attributable cases of MSSA stood at 27.

- NHS Listening Exercise - On 6th April 2011, Prime Minister David Cameron, Deputy Prime Minister Nick Clegg and Health Secretary Andrew Lansley launched the Government's listening exercise on NHS modernisation.

  The Secretary of State also announced that a new group of patient representatives, doctors and nurses would be brought together to listen and report back to Government. This group, to be known as the new "NHS Future Forum" would be chaired by Birmingham GP and former Royal College of General Practitioners Chairman Steve Field and would provide a valuable channel for the thoughts and opinions of patients and staff on the ground. The Chief Executive reported that Professor Hilary Chapman was a member of the Forum which was meeting that day and over the next 8 weeks.

  Ms. Major reported that the Bill moved Foundation Trusts to be undertakings and therefore open to full European competition.

The Chief Executive reported that a group of Teaching Hospitals had come together and formed a group called Shelford Group. The group had met in London and had submitted a paper to No. 10 Downing Street stating that the tariff was not covering the cost of running Teaching Hospitals. The group had been invited to a meeting on Tuesday 26th April, 2011 at No. 10 Downing Street to meet the Government's Health Advisor and had also been invited to dinner with Prime Minister David Cameron.

The Chairman sought confirmation of progress with Phase I and II of the P & E Programme. The Chief Executive confirmed that £28 million of savings had been identified and a myriad of schemes were underway within Directorates and Care Groups. Actions to identify the £8 million gap were also being undertaken.

The Chairman referred to reports in the media by Kings Funds that 15% of patients were waiting more than 18 weeks. The Chief Executive explained that this issue part of the contract negotiations. Sheffield PCT felt that the Trust could lengthen its waiting times and still meet the 95% target for admitted and non admitted patients. However the Trust did not agree with that modelling and was not prepared to take that course of action.

The Chairman expressed concern at the percentage of outpatient appointments cancelled by both the hospital and patients. He requested that action needed be taken to reduce the level of cancellations.

In addition to the items contained in his written report the Chief Executive informed the Board on the following issues:-

- David Nicholson was to visit a central GP consortia on 4th May, 2011

- Academic Directorates – 3 of the Trusts existing Directorates (Neurosciences, Cardiovascular and Specialised Medicine) had been identified as Academic Directorates. An Academic Director would be appointed in each of these Directorates and would sit on their management teams. The change was to enable the Directorates to become more research focussed.

  A further 3 Directorates would be identified in a second waive.

Professor Weetman reported that Cancer Research Centre status had been achieved for Sheffield. This was a very significant step in attracting future funding.

STH/46/11

Assurance Framework and Top Risk Report

Assurance Framework

Trust Secretary referred to the Assurance Framework (Enclosure H) circulated with the agenda papers. He pointed out that this was a rebuild rather than a redraft of previous versions and the document was now much more meaningful and was now much better aligned with the Trust's current Strategy. Further work on it would be required once the Trust's Strategy had been refreshed. The Framework now contained only strategic risks which were better defined and sharpened up. The gaps in controls and assurances had been updated and that had led to a greater understanding of where the gaps were

He expressed his thanks to Executive Directors for the time and effort they had given as part of the rebuilding process.

The Draft Assurance Framework was presented to the Audit Committee on 12th April, 2011 and to TEG on 13th April 2011 and amendments to the Framework were made in response to issues raised.

The Chairman stated that this should be a 'live' document and that the gaps in control identified needed to be actioned and he would expect to see evidence of that when the Framework was next presented to the Board.

Action: Mr. N. Riley

Top Risk Report

The Trust Secretary referred to the Top Risk Report (Enclosure I) circulated with the agenda papers. He pointed out an error on the Executive Summary. The 5th bulletpoint should read " The Impact of Transforming Community Services ……"

He explained that in response to a request by the Chief Executive in December, the Chief Nurse/Chief Operating Officer had led a risk assessment of *Care of Older People*. This had been included in draft form in the report, for information. Further work was underway involving key stakeholders to finalise the risk entry. Ms. Ferres felt that the term "Operational inefficiencies" (page 34, point 3) used in the "Care of Older People " risk gave the impression of blaming older people although she acknowledged that this was not probably the intention.

The Chairman commented on the "Care of patients with mental health needs in an acute setting" risk and that the current residual score was 15 against a target residual score of 4. He commented that if this was a serious risk the Trust needed to take action in a more focused way. The Medical Director recognised that this was an area in which the Trust was not doing as well as it should. However, he stated that a significant amount of work was being done in this area:-

- Provision of Mental Health Liaison teams in A & E extended to weekends from summer 2010. Discussions between SHSC and STH, aimed at developing proposals for long-term improvements in waiting times, continue.
- SHSC/STH/SYP holding meetings to consider options for closer working arrangements.
- Concerns about unacceptable delays in the transfer of patients from STH to a SHSC acute psychiatric bed continue: improving quality via contracting being explored.

The Board of Directors **RECEIVED** and **NOTED** the Assurance Framework and Top Risk Report.

STH/47/11

Arrangements for Selection and Recruitment of a Chairman

The Trust Secretary referred to his written paper (Enclosure J) circulated with the agenda papers which set out the process for the recruitment and selection of a new Chairman.

Members discussed the issues set out in section 3 and the following points were noted:-

- Use of executive search agency – The Board **SUPPORTED** the use of an executive search agency to assist the Trust in ensuring the widest range of candidates for the post of Chairman, although they emphasised the importance of ensuring that it received value for money from the exercise. The Trust Secretary would lead a process to identify an agency and would be supported by two members of the Nomination Committee.

  Members felt that the successful agency should meet the Board to obtain members' views on the type of person the Trust required.

- Role of Senior Independent Director – the Board **AGREED** that the Senior Independent Director should act as the conduit for the views of the Board concerning potential

candidates for the post of Chairman and that, in particular, the Senior Independent Director should be a full member of the appointment panel.

- Vice Chair of Governors Nominations Committee – The Board **AGREED** with the proposal that the Vice Chair of the Nominations Committee should lead the recruitment and selection process on behalf of Governors and that the Vice Chairman of the Nominations Committee should also Chair the appointment panel.

- Role and contribution of Chief Executive – The Board **AGREED** that the Chief Executive should be a full member of the Selection Panel given the importance of the relationship between Chairman and Chief Executive in working effectively in partnership in order to take the Trust forward in what would clearly be difficult and challenging times.

- External Assessor – The Board **AGREED** that the appointments panel should be supported by an external assessor who would be an advisory member of the panel and that a suitable assessor should be the existing Chairman of a comparable Trust to STH, i.e., a large and complex acute trust and thus able to fully understand the range of issues which the organisation and its Chairman would be facing. The Trust Secretary would take the lead in identifying possible assessors. The final choice would be determined jointly by the Vice Chairman of the Nominations Committee and the Board's Senior Independent Director.

- Budget – The Board **APPROVED** a budget of £35,000 (£25,000 for the cost of the executive search agency and £10,000 for the recruitment costs) for the recruitment process but emphasised that the Trust must ensure that it received value for money in terms of the executive search.

The Board of Directors **APPROVED** the timetable for the appointment of the Chairman as set out at Appendix A.

STH/48/11

For Approval/Ratification:-

(a) Common Seal

Trust Secretary tabled an amended schedule of documents for sealing.

The Board of Directors **APPROVED** the affixing of the common seal to the following documents:-

- Contract between STH NHS Foundation Trust and Jarvale Construction Limited for the refurbishment of the front elevation including window replacement of the Clocktower Building at the Northern General Hospital (£367,712.00)

- Lease between STH NHS Foundation Trust and Alliance Medical Limited for the Pet Scanner Facility at the Northern General Hospital (rent - £26,904.20 per annum)

- Novation Agreements and Consultant's Collateral Warranties for the Broomcross Building at the Weston Park Hospital

- Contract between STH NHS Foundation Trust and Henry Boot Construction Limited for the refurbishment of the Ground Floor Renal Wing on E Floor at the Northern General Hospital (£773,027.100)

(b) Business Case for the Central Campus Critical Care Unit

The Director of Finance referred to the Business Case for the Central Campus Critical Care Unit which was circulated with the agenda papers (Enclosure L).

He explained that the need to replace the Critical Care Unit at the Royal Hallamshire Hospital had been around for quite some time for a number of reasons and the opportunity now presented itself to enable that to happen.

A number of options had been explored and after a detailed option appraisal K Floor at the Royal Hallamshire Hospital had emerged as the preferred location where physical space existed to build a new unit with a maximum capacity of 29 beds.

A thorough review of the original scheme had been undertaken achieving a cost reduction of £2.2 million. The Business Case had been to TEG a few times and they agree that there was nothing more to be done around reducing the cost. The scheme was built into the 5-year Capital Programme. Subject to Board approval, the Unit would be operational by May 2012.

The Board of Directors:-

- **APPROVED** the business case for the new Critical Care Unit at the Central Campus

- **APPROVED** the sum of £6.8 million currently earmarked in the 2011/12 Capital Programme/5 Year Capital Plan

STH/49/11

To Receive and Note

(a) Programme of Board Visits 2011/12

The Trust Secretary referred to his written paper (Enclosure M) which set out the programme of Board visits for 2011/12. He highlighted the fact that the programme included a number of visits to Community Services and therefore the timing of Board meetings may alter depending on the location of the visit.

Members felt that it would be helpful if the Board Meeting could be held at the site of the visit if at all possible. The Trust Secretary would look to do that if a suitable venue was available otherwise the visit may be scheduled for the end of the Board meeting.

Action: Mr. N. Riley

STH/50/11

Any Other Business

(a) Children's Hospital

The Chief Executive raised working jointly with the Children's Hospital about how its future need for additional ward accommodation could be met.

(b) Board to Board Meetings

Given previous discussions at today's meeting the Chairman felt that it would be worthwhile organising a Board to Board Meeting with the Sheffield Care Trust. The Trust Secretary would consider the matter.

STH/51/11

Date and Time of Next Meeting

The next Meeting of the Board of Directors Meeting will be held at 11.00 am on Wednesday 18th May, 2011, in the Board Room, Northern General Hospital