

Matters of a PRIVATE NATURE considered at the Meeting of the BOARD OF DIRECTORS held on Wednesday 21st September, 2011, in the Board Room, Northern General Hospital

PRESENT:

	Mr D R Stone (Chair)
Sir Andrew Cash	Ms. K. Major
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
Mrs. S. Harrison	

IN ATTENDANCE:

Miss S Coulson	Mrs. J. Phelan
Mr. N. Riley	

APOLOGIES:

Professor R. Billingsley	Professor A. P. Weetman
Mr. A. Riley	

STH/107/11

Minutes of the Previous Meeting

The Minutes of the previous meeting held on 17th August, 2011 were **APPROVED** and **SIGNED** by the Chairman as a correct record subject to noting that Professor Richmond was present at the meeting and Dr. David Throssell was not present.

STH/108/11

Matter(s) Arising:

(a) Agreement of Contract with PCT Consortium 2012/13

(STH/86/11) The Director of Service Development referred to her written paper (Enclosure B) circulated with the agenda papers. The paper set out the proposed process and timetable to ensure early agreement of the contract terms for 2012/13. It was noted that the process and timetable had been discussed and agreed by colleagues at NHS Sheffield.

The key points to note were:

- The existing contract expired on 31st March 2012
- There was uncertainty about future NHS Commissioning arrangements
- Specialist Services was an area of real sensitivity. Based on current information from the Department of Health there was to be a single national contract for specialised services covering the whole of England. This would introduce an additional contract because Yorkshire and Humber SCG and East Midlands SCG were currently Associates of the single contract with the PCT Consortium. Equally though it would remove the need for separate contracts with each of the other SCGs in England.
- Changes in targets and tariffs
- The Trust needed to identify its QIPP themes by the end of November 2011.

The Director of Service Development reported that she would be attending a meeting on Monday 26th September 2011 with representatives from the PCT Clusters from which she hoped to identify their requirements from the contract.

The Director of Finance emphasised that there was a need for the Trust and NHS Sheffield to work through and resolve the difficult issues at an early stage.

It was essential that all interested parties were committed to agreeing next year's contract by 31st March, 2012 to avoid the Trust being exposed and being placed in a position whereby it was operating without a contract beyond that date. It was essential that "top of office" support/commitment was gained to ensure that this year's arrangements were improved from past years.

It was also essential that the Trust ensured that the staff involved in the process had sufficient time to devote to it.

The Director of Service Development reported that the contract monitoring arrangement was working well so far. It was **AGREED** that she would provide the Board with a monthly update on progress with a more in depth report in December. 2011.

Action: Kirsten Major

STH/109/11

Discussion on morning's visit to Estates Directorate

All members found the visit to the Estates Directorate extremely interesting and well organised. They were impressed by the enthusiasm, professionalism and knowledge of all the staff and how neat and tidy all the areas visited were.

It was recognised that the Estates Directorate were often taken for granted but it was acknowledge they made a significant contribution to the patient experience e.g environment, infection control etc. Their achievements in terms of energy saving initiatives were also extremely impressive and had resulted in significant financial savings.

Members also felt that the visit provided the Board with good assurance that estate functions were safe, well maintained and resilient.

One of the key issues arising from the visit was the need to reduce the estate and to ensure that the Trust was "sweating its assets". The Director of Service Development reported that work on producing an Estates Strategy was underway and the aim was to present the Strategy to the Board of Directors in March 2012.

The Director of Service Development asked that if any member of the Board would like to visit the Estates Directorate at the Royal Hallamshire Hospital they should contact Phil Brennan direct and he would be happy to make the necessary arrangements.

It was **AGREED** that the Trust Secretary should draft a letter for the Chairman to send to the Phil Brennan to thank him and his team for an interesting and informative visit.

Action: Mr. Neil Riley

STH/110/11

Transforming Community Services: Update

The Chief Executive referred to the written paper (Enclosure C) circulated with the agenda papers and updated members on transforming Community Services. The key points to note were:

- Transfer of circa 1400 staff under TUPE from NHS Sheffield provider arm to the Trust had been achieved
- Community corporate management costs had been successfully reduced by £1 million recurrently
- A ninth Care Group had been created. Further discussions would take place regarding which services would make up that Care Group including possible transfers in and out of existing Clinical Care Groups.
- A new Clinical Director had been appointed and had taken up post
- A number of “quick win changes” had been identified for implementation by end of December 2011 in diabetes, sexual health, heart failure, telecare, chronic obstructive pulmonary disease and access to information systems. In respect of telecare it was noted that the Trust had not been shortlisted for the next stage of the DALLAS project.
- Created a shared vision for integrated health services and developed a supporting transformation programme to deliver that vision by 31st October, 2011. A concept paper produced by Chris Linacre had been developed by the 4 Chief Executives into a high level paper focussing on principles. Mr Powell asked if the paper would be submitted to the STH Board of Directors. The Chief Executive explained that as it was a concept paper it was not his intention to present it to the Board at that stage as it did not require the Board’s approval. It would, however, be discussed at the forthcoming meeting of the Board’s Investment Committee.

The Chief Executive reported that since the paper had been written he had been in discussion with the Kevin Taylor, Chief Executive of the Care Trust, regarding the Trust’s action of serving 6 month notice to the Care Trust for the group of services defined under the Business Transfer Agreement as corporate support services. Mr. Taylor had expressed concern that the Trust had not given the Care Trust the opportunity to respond and resolve any problems before serving notice. Sir Andrew Cash acknowledged that concern and had agreed to rescind the notices to allow time for the issues to be worked through with the Care Trust colleagues.

Vickie Ferres declared an interest in this matter as her husband was a member of the Care Trust and therefore she did not participate in the discussion.

The Director of Service Development stated that the ambition was to deliver integrated care in the city and the 4 organisations together with General Practitioners needed to decide how best to progress that.

It was noted that it had not been possible to identify a mutually convenient date for a meeting of the Investment Committee. However, Members were asked to consult their diaries in an effort to identify a date by the end of today’s meeting.

STH/111/11

C.Difficile Action Plan: Update

The Chief Nurse/Chief Operating Officer, referred to her written report (Enclosure D) circulated with the agenda papers.

The key points to note were:-

- The Trust was not currently on the required trajectory to meet its *C.diff* target for 2011/2012.
- The target for the year was 134 and the Trust had recorded 109 cases by the end of August.
- There was a high likelihood of breaching the national target so the Trust trajectory would need to be reviewed.
- No further actions have been added to the action plan to reduce incidence as agreed by the Board in June 2011

- The Trust had invited additional external professional advice from Professors Durden and Stevens, formerly of the Department of Health, and Dr Bharat Patel of the Health Protection Agency in the form of an external review. The overriding purpose of the review was to provide assurance to the Board that everything that could be done was being done to ensure that this position improved as rapidly as possible. The final report had been agreed and received and the action plan would be amended to include the recommendations. The report would be presented to the October Board Meeting.
Action: Hilary Chapman
- An abridged version of the action plan was circulated with the agenda papers showing those actions which were either due to be completed in August or were outstanding.

In addition to the external review the Trust had been visited by a team from Yorkshire and Humber Strategic Health Authority and she would report the outcome of that visit at the October Board Meeting.

Action: Hilary Chapman

The Chairman commented on items 1.2 and 1.5 on the action plan which were assessed as high risk. The Chief Nurse/Chief Operating Officer stated that these two points would remain high risks due to the transfer of orthopaedic services across to the Royal Hallamshire Hospital and winter pressures. The Medical Director confirmed that the transfer of orthopaedics would take place between the end of October and mid-November 2011.

STH/112/11

Health Bill: Update

The Chief Executive and the Director of Service Development updated members on the Health and Social Care Bill. The key changes to the Bill related to the following areas:

- The involvement of secondary care in Clinical Commissioning Groups (formerly GP Clinical Commissioning Groups);
- The extension of Monitor oversight of Foundation Trusts until 2016 to allow FT governors to be further developed to undertake greater scrutiny and performance oversight;
- Foundation Trust Board meetings to be held in public;
- The creation of Clinical Senates
- An enhancement of the role of Health and Well-Being Boards in local; commissioning for health care;
- A change to the failure regime that will require Monitor to identify and intervene problems in advance of failure and crisis;
- A duty to promote integration;
- A relaxation of the deadline for all Trusts to become Foundation Trusts by 2014

In response to a question, the Director of Service Development confirmed that the National Commissioning Board would comprise 8 GPs (4 elected and 4 appointed) and would be served by an Executive Team.

The Board of Directors **RECEIVED** and **NOTED** the update.

STH/113/11

Minutes of the Meetings

(a) **Minutes of the Meeting of the Finance Committee**

The Director of Finance tabled copies of the Minutes of the Meeting of the Finance Committee held on Monday 12th September, 2011.

Mr Powell highlighted the following items:

- Year to Date (YTD) Position – The month 4 position was a YTD deficit of £30.9k against plan after feeding in the proportionate share of £10m (£3.3m) of centrally held contingency reserves.
- Red * Directorates – There were 13 Red* Directorates and 6 Red Directorates at Month 4 which remained extremely worrying.
- P & E Underperformance – there was an underperformance on P&E of £3.1m to date and forecasted to be £6.8m by the year end.

The Chairman enquired if the Commissioners had had any reaction to the Trust's increased activity above plan. The Director of Finance stated that they were still expressing confidence in their demand management plans.

The Board of Directors **RECEIVED** and **NOTED** the Minutes of the Meeting of the Finance Committee held on Monday 12th September, 2011.

STH/114/11

2011/12 Mid Year Financial Review

The Director of Finance led the session and gave a brief presentation (copy attached to these Minutes) which covered the following subjects:

- (a) Financial Position 2011/12
- (b) Delivery of the Productivity and Efficiency (P&E) Programme including the support provided by KM&T
- (c) Strategy/Contracting

Discussion mainly focused on the P&E Programme. To support that discussion the Directorate of Finance tabled a copy of KM&T P&E Project Structure and also provided information relating to Red * Directorates. He explained that a Directorate Performance Management Framework was in place which included:

- Service Line Reporting (SLR)
- SLR Action Plans/Recovery Plans
- Formal Review Meetings
- Reconfiguration/support

He explained that the Trust had done many good things over the last several years but the challenge was getting much bigger. A significant amount of time had been devoted to developing SLR. He explained that SLR was a process that compared the income services earned against the total cost of providing the service. However he pointed out that the shift to SLR still remained some way off at the moment. The process was being refined and developed as a source of understanding.

The Chairman emphasised the challenge posed by the chronic Red* Directorates and the need for them to become financially stable going forwards. The Board could not continue to tolerate any Directorates not being able to meet their budgets. Directorates should be looking at alternative ways of bringing in income. He would like to see a review in detail of those Directorates to identify the reasons for their positions. If the reasons appeared unsolvable it would be necessary for the Trust to look at other ways of addressing them. It was essential that the Trust made sure it was dealing with the root cause of the problems.

The Chief Executive stated that only 3 of the 16 Red* Directorates envisaged getting into financial balance in 2011/12.

The Director of Finance stated that it was the 6th year of 5% efficiency targets and it was the single biggest issue that was driving the difficult financial position the Directorates were facing.

The Medical Director stated that in looking at innovative solutions to the problems one of the major obstacles was the lack of facilities in the community.

Julie Phelan reported that in conjunction with Kirsten Major they were exploring the purchase of a software tool which would provide Directorates with marketing information. The cost was approximately £20,000. It was important that the Trust matched supply with demand for its business.

The Board considered that this wide ranging discussion had been helpful in understanding the complex issues facing Clinical Directorates in addressing their financial challenges and it was **AGREED** that the Chief Executive would present a plan to the October Board Meeting.

Action Sir Andrew Cash

STH/115/11

Service Improvement Programme: Quarterly Update

The Medical Director referred to the Service Improvement Programme Update (Enclosure H) circulated with the agenda papers. This report provided the Board of Directors with a summary of Directorate performance against the 2011/12 P&E Financial Targets at Month 4 and an update on the three Improvement Programmes and related workstreams.

He highlighted the following points:-

- Building Capability & Capacity for Improvement - Working across the organisation, the Service Improvement Team had supported and delivered a series of "improvement sessions" to engage directorate teams in quality improvement and service redesign.
- The Service Improvement Team held a half day course "Quality Care for Less" on the 21st July as an introduction to quality improvement methodology. The session was well attended by delegates from the Trust, from other Hospitals and across the wider healthcare sector including GPs and community services. Excellent feedback was received and a unanimous view that participants would be interested in coming to future events.

Mr. Thompson reported that he had attended the course and found it extremely interesting and recommended other Board Members to attend.

- The Medical Director drew attention to the good work being undertaken in the following areas:-
 - Pharmacy/Medicine Management
 - Enhanced Recovery
 - Day Case rates in General Surgery
 - Hospital at Night
- 27 Consultants were undertaking MBAs at Sheffield Hallam
- The Trust needed to focus on the frail and elderly

The Board **NOTED** the:

- month 4 results which showed financial delivery of £5,517.4m for P&E against a Trust plan of £8,576.1m. This represented a shortfall against target and a shortfall against plan. The under performance was being addressed through the Performance Management Framework.
- range of improvement activities across the three programmes to support, enable and challenge Directorates to deliver service improvements.
- additional consultancy support which had been commissioned by TEG and the opportunities search to inform the 2012/13 Financial Plan.
- that a further update would be presented in December 2011.

STH/116/11

Quarterly Assurance Report on Annual Plan

Trust Secretary referred to the Quarterly Assurance Report on 2011/12 Annual Plan Board Statements (Enclosure I) circulated with the agenda papers. The paper provided the first quarterly update on comments and assurances made in May 2011 and identified additional sources of assurance and in-year risks.

The Board of Directors **RECEIVED** and **NOTED** the Quarterly Update as at 31st August 2011. The next update would be in December 2011.

STH/117/11

Chief Executive Officer Report

The Chief Executive introduced his written report which had been previously circulated with the agenda (Enclosure J). He drew the Board's attention to the following key points concerning performance:

- Emergency Services – The Trust had made a good start to quarter 2 with performance for the quarter to date against the 4 hour standard currently at 96.9%. The target was 95%. The extended range of indicators would apply for quarter 2 and the Trust was now monitoring performance on that basis.
- Cancer Services – As in quarter 1, the Trust faced a challenge in ensuring that the whole range of cancer targets was met in quarter 2. As anticipated, there was a particular challenge with the final month of the quarter (September) and across the cancer sites there was a particular challenge for urological cancers. A detailed action plan was in place in relation to urological cancers and, although challenging, the Trust was reasonably confident that those challenges could be overcome such that the targets could be met. The breach reallocation review was planned to conclude shortly with strong commissioner support for either a revised policy based on comments received from District General Hospitals or the adoption of the policy put forward by STH which was a combination of the current Hull and Christie breach allocation rules which were designed to ensure equity of access for all patients across the network and a fair reallocation of breaches where they occur.

The Director of Service Development reported that there had been resistance to STH's initial proposal regarding the reallocation of late referrals to be entirely DGH breaches rather than shared. As a consequence the Cancer Network had drawn up a new set of proposals that were focussed on improving the patient pathways across the Network. The Cancer Board has agreed to run these revised proposals with effect from October, the results of which would be evaluated in January 2012 in terms of impact on Quarter

3 performance. It was agreed by Cancer Board that the success measures in January will be as follows:

- A minimum of 85% of referrals from District General Hospitals to STH on the GP 62 day pathway will be received by Day 31; and
 - A minimum of 90% of referrals from District General Hospitals to STH on the screening 62 day pathway will be received by Day 31.
- Clostridium Difficile – The Trust would be approaching Monitor to discuss the regulatory implications and the position would be communicated to the public in due course.
- Workforce – The Director of Human Resources reported that staff numbers were down by circa 244 wte by end of September. A number of enables had been put in place to reduce staff and staff costs e.g. enforced retirement, MARS, voluntary purchase of annual leave , MAFS

Vickie Ferres asked if consideration could be given to identifying Dignity Champions within the Trust

He reported the following items which were not included in his written report:

- Libya - He explained that members may be aware from media reports that the Prime Minister had pledged to provide care to 50 Libyan civilians. STH had been identified as one of the 15 hospitals asked to provide that care. The proviso was that it must not be at the detriment of NHS patients and would be fully funded through the DH overseas patients funds. The exercise would be co-ordinated by the London Ambulance Service. The Trust had identified it had 4 Libyan members of staff (3 doctors and 1 domestic) who could provide interpreter services if required.

The Chairman asked if the Trust could provide data on the average wait for treatment across the Trust. The Chief Nurse/Chief Operating Officer agreed to include that information in the next CEO report.

Action: Hilary Chapman

- Industrial Relations – there may be industrial action across the public sector including health re pensions and job cuts. The Director of Human Resources was working closely with the Emergency Planning Team to identify ways of minimising the impact of any such action on the Trust.
- Academic Health Science Centres (AHSC) – The Chief Executive reported that the concept of AHSCs was developing nationally.
- Communications – Julie Phelan reported that a team from the Trust had met with the Overview and Scrutiny Committee and LINKs regarding the Trust's various plans. The Committee gave their general approval to the plans and requested to meet again in 12 months' time.

STH/118/11

For Approval/Ratification:

Board of Directors Terms of Reference

The Trust Secretary referred to the revised Board of Directors Terms of Reference (Enclosure K) circulated with the agenda papers. The only changes made were to the membership eg. removal of Jane Norbron and Chris Linacre and the inclusion of Kirsten Major and Rhiannon Billingsley.

The only point to note was that the Board had not undertaken an After Action Review for some time and that was an identified as a process for reviewing effectiveness.

The Board **APPROVED** the updated Terms of Reference.

STH/119/11

Medical and Dental Staff Exclusions

The Medical Director referred to his previous report to the Board on an individual case. He reported that the member of staff's period of sick leave had now ended. The individual was now going through a return to work programme following a long period of absence.

It was **AGREED** that, as the member of staff had now returned to work and was not excluded, there was no further need to report this matter to the Board.

STH/120/11

Any Other Business

(a) **Board Strategic Session**

The Chief Executive explained that the Strategic Session arranged for Tuesday 27th September, 2011 was cancelled and rearranged for 2.00 pm to 5.00 pm on Monday 21st November, 2011. Members would be notified of the venue. The session would be led by the Director of Service Development.

(b) **Investment Committee**

The Chief Executive confirmed that a meeting of the Investment Committee would be held at 9.00 am – 12 noon on Tuesday 18th October, 2011. Members would be notified of the venue. As it had not been possible to arrange the meeting well in advance of the October Board Meeting it was agreed that the paper on organisational management arrangements and other associated papers would be presented to the November Board Meeting.

(c) **Meeting of Non Executive Directors and Chairman**

As a consequence of the cancellation of the Board Strategic Session on Tuesday 27th September, 2011, the Chairman reported that his meeting with Non Executive Directors which was to be held the same day would now take place immediately following the Trust's Annual General Meeting on Monday 26th September, 2011.

STH/121/11

Date and Time of Next Meeting

The next Meeting of the Board of Directors would be held at 11.00 am on Wednesday 19th October, 2011, in the Board Room, Royal Hallamshire Hospital

Signed: Dated:
Chairman