

**Meeting of the Board of Directors
Wednesday 28th January 2009**

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| Present: | Michael Cassidy | Chairman |
| | Nancy Hallett | Chief Executive |
| | Pauline Brown | Chief Nurse & Director of Governance |
| | Dr John Coakley | Medical Director |
| | Anna Anderson | Director of Finance |
| | Andrew Panniker | Director of HR & Environment |
| | Sallie Rumbold | Acting Chief Operating Officer |
| | Stephen Hay | Non-Executive Director |
| | Professor Chris Griffith | Non-Executive Director |
| | Eric Sorensen | Non-Executive Director |
| | Imelda Redmond | Non-Executive Director |

Minutes: David Bridger Head of Governance

1.0 Chairman's Welcome and Introduction

Michael Cassidy, Chairman, opened the meeting.

2.0 Apologies for absence

David Stewart Non-Executive Director

3.0 Declaration of interests regarding items on the agenda

There were no declarations of interest.

4.0 Minutes of the previous meeting held on 17.12.08 and matters arising

Anna Anderson, Director of Finance informed the Board that an amendment had to be made to the restatement of balances submitted to Monitor. This was a minor alteration moving a deferred income from one column to another. A copy of the restated balance sheet was provided for the Board.

5.0 Chairman's Report

Michael Cassidy, Chairman referred to the comment received in a KPMG report (Annual Planning process) stating that Board meeting minutes did not always allow for an understanding about how decisions were made (although the decision was clear). It was agreed that fuller discussion would be minuted and would aim to include options rejected as well as those accepted.

6.0 Chief Executive's Report

Nancy Hallett, Chief Executive informed the Board of the good news regarding the award of a CBE in the new years honours to Professor Kate Costelo. The Board jointly congratulated her on the award.

Ms Hallett reported that the Trust had recently cared for a patient with Lassa fever. The case had been widely reported in the media. Dr John Coakley, Medical Director provided further detail regarding the case. The patient had been an inpatient for two weeks prior to transfer to a specialist treatment centre. During this period approximately 400 staff had direct or indirect contact with the patient. All staff had been contacted and advised regarding the potential risk. He assured the Board that there was a very low risk to staff from this infection and that the Health Protection Agency (HPA) have been involved and are working with the Trust. The HPA complimented the Trust on its management of the incident and the staff knowledge and application of universal infection control precautions.

7.0 Corporate Governance

7.1 Annual Health Check

Pauline Brown, Chief Nurse & Director of Governance provided an update with regard to the process for self assessment against the Standards for Better Health. Ms Brown notified the board that the leads for individual standards had provided feedback regarding areas of risk regarding compliance with the individual standards. She highlighted those areas of partial compliance and the actions required to ensure full compliance, some of which had previously brought to the Board's attention. Evidence to support compliance with the standards is in the process of being gathered.

Stephen Hay, Non-Executive Director enquired whether this process was carried out annually. Pauline Brown responded that this was the case but the Trust had completed a more comprehensive mid-point assessment this year. The process also requires NED sign-off and they will need to be aware of significant lapses and plans in place to ensure full compliance.

Prof. Chris Griffiths, Non-Executive Director asked if there are normally this many areas where compliance was only partial. Pauline Brown responded that this was as a result of a more thorough and vigorous assessment of the Trust's position against the standards.

The Board acknowledged the potential risks to compliance with the core standards.

7.2 Hygiene Code Action Plan

Pauline Brown presented the action plan drawn up to address the failures identified by the Healthcare Commission Hygiene Code Inspection. The plan focuses on the four areas identified in the improvement notice and she provided the Board with detail of the progress with each area. These were as follows:

- **Board sources of assurance:** The key source of board assurance is from the Infection Control Committee (ICC). The terms of reference of the ICC have been reviewed and the Director of Infection Prevention and Control (DIPC) is now the chair of this committee with responsibility to report directly to the Board. Board information is received via the DIPC quarterly reports but has previously not received adequate information on the key metrics and risks. Future reports will provide information on key infection control (IC) risks and a balanced score card of key indicators. This is currently under development.
- **Audit of Trust IC policies:** The monitoring of compliance with IC policy has been sporadic with the Board not being aware of what has and has not been done. The Trust has now introduced an audit tracker to comprehensively monitor and track audit of compliance with policy. Additionally the Trust has introduced a Matrons Monitoring Group, accountable to the ICC, with responsibility to receive, monitor and take action on compliance audits. The Matrons report will form part

of the DIPC quarterly report. The audit programme covers all areas of the code and is based upon best practice.

- Infection Control Training: To address this area of concern the Trust has put in interim arrangements to provide annual updates training for all staff. This is aiming to provide training for approximately 60% of staff by the end of February. However the key compliance issue is related to the lack of a suitable system for the maintenance of training records as has already been highlighted to the Board in a recent KPMG audit report. The trust is considering two systems for training records one linked to Careware and one linked to the Electronic Staff Record (ESR). The pros and cons of both systems were considered by the Board and based on the evidence provided supported a system linked to ESR in the longer term.
- Decontamination (endoscopy): The Trust has completed capital works within the endoscopy department and there is now a clear dirty to clean flow system in place. An external decontamination expert has been employed by the Trust to review systems in place. A decontamination monitoring group has now been established to take the ongoing work forward and monitor standards. A cleaning policy has recently been introduced. Regarding the Trusts bedpan washers Andrew Panniker provided the Board with an update of actions taken to address issues raised. The Trust has been trialling a macerator on one ward and whilst this appears to be satisfactory there are issues of storage, cleaning and issues associated with drainage of the waste. A programme of daily checks for all existing washers has been established and all had been condition checked and replaced where required. The Trust has now purchased new bedpans and has begun replacing bedpan holders.

The deadline for submission of the action plan is 6th February however the ongoing improvement plan will continue and the Hygiene Code Group will look at the new code of practice and its implementation to ensure it is embedded in the Trust. The action plan itself is being reviewed to provide a more succinct document. The Trust is to be re-visited on 11th February and is planning a dry run inspection prior to this using an external reviewer.

The Board endorsed the action plan and acknowledged the potential risks to compliance with the Hygiene code and core standards.

7.3 Monitor Q3 Governance Return

Pauline Brown presented the Q3 Monitor Governance Return. She informed the Board that they will need to sign declaration two. This is due to the Hygiene Code improvement notice and the failure to meet the Q3 emergency care performance target. The Trust believes it has achieved 95% for Q3 against the 62 day cancer target. However there is a small risk to this target for Q3 as the deadline for uploading data is not until the end of the first week in February and therefore until that time we will be unable to confirm compliance. The Board agreed with the recommendation provided.

7.4 HCAI Inspection: Contributory Factors and Lessons Learned***

This item was discussed under reserved business.

7.5 Charity Accounts, Annual Report and Audit

Anna Anderson, Director of Finance presented the Charitable Funds Annual Accounts and Report for 2007/08. These were to be considered as the Board is a corporate trustee. The accounts have been examined by the Audit Commission, who made no

changes. Both documents have been approved by the Charitable Funds Committee. She recommended that the Trust adopt the accounts and the annual report which have to be submitted to the Charity Commissioners before 31st January. It is planned that the Trust's appointed fund raisers will present to the February Board meeting. The Board noted the contents of the report and accounts.

8.0 Business Planning & Performance Management

8.1 2009/10 business and financial plan overview

Anna Anderson, Director of Finance presented a paper summarising progress to date on business and financial planning for 2009/10. She provided a breakdown of the current financial picture which identifies a gap of approximately £8m as a result of 3% cost improvements built into the tariff, one off savings in 2008/09 to be replaced, activity cost pressures, new cost pressures and net loss of income. Ms Anderson outlined progress on cost improvements being developed across the Trust divisions which realistically are estimated to meet circa £2m so far. This figure is being validated.

Ms Anderson explained that the Trust has been underperforming on contract activity levels partially as a result of growth assumptions which may have been unnecessary. Non elective activity levels have also been slightly lower than in the same period last year but it was questioned as to whether this was statistically significant. The Trust needs to be as realistic as possible in assessing activity levels for next year. Additionally, changes under Healthcare for London may have a significant impact over the longer term. She highlighted that changes in the tariff may provide a small net gain after taking into account the reduction in MFF but until the final version of the tariff is released this cannot be fully assessed.

Ms Anderson the Trusts key priorities and these were:

- Focus on the CIP and savings across the divisions
- Establish a central team led by the new Chief Operating Officer to identify further savings
- Re do the calculations on the new tariff once available
- Re-evaluate what can be done to increase activity/income

Nancy Hallett explained that it will be a significant challenge for the Trust to meet the £8m budgetary shortfall and she was not confident that this could be achieved. The level of risk is very high and there is a significant degree of uncertainty as to where this situation will lead us. The Homerton is not alone in this situation and other Trusts, particularly in London, need to consider similar financial difficulties.

Stephen Hay added that given the current national economic situation this will not only be a challenge for the year ahead but also for 2010/11 which needs to be considered strategically now.

Michael Cassidy, Chairman asked if the above require further Board or Finance Committee engagement. It was agreed that the Board should support Ms Anderson's plan and that an Extraordinary Finance Committee should be held to take this work forward. It was agreed that this issue will become a standing item on the Board agenda.

8.2 Finance and activity report month 9 position

Anna Anderson presented the Month 9 finance and performance report. She reported that the financial position at Month 9 continues to be strong with a surplus to date of £4.1m. The variance from plan can be accounted for by unutilised reserves and higher

than expected interest from investments. The income position this month was better than expected as activity did not drop as much as forecast in December. There is uncertainty as to what will happen in the remaining months and this needs to be assessed to inform next year's plan. Interest earned from investments will be considerably lower next year.

Performance challenges remain particularly the A&E waiting times for which the Trust has received a diagnostic visit from the SHA.

Stephen Hay enquired the increase in receivables outstanding. The increase in 1- 60 days reflects recent billing for activity above plan, Anna Anderson will confirm reasons for the increase in 90-120 day bills outstanding.

8.3 Service Line Management (SLM)

Anna Anderson presented a paper describing progress made against the project plan to implement service line management in the Trust. It was indicated that good progress had been made and the Trust is on target to produce service line reports monthly from 2009/10. The recent audit by KPMG provided a number of recommendations which are being implemented. The project is ongoing and has received good input from clinical staff.

Stephen Hay informed the Board that KPMG had indicated that other Trusts are using SLM strategically to inform decisions about services and that the Board needs to ensure it remains on top of this. It was felt that the Board needed a fuller discussion regarding SLM and that Neil Thomas from KPMG should be invited to join a Board discussion. It was acknowledged that the Trust needs to consider how surplus and deficit specialties should be dealt with.

The Board noted the progress being made and supported the initiative.

8.4 Perinatal developments

Andrew Panniker, Director of HR & Environment updated the Board on the ongoing development works in the Trust. The refurbishment of Templar had had problems with certification which have now been addressed and this was handed over on Monday 26th January. Work will commence on Turpin and Graham refurbishments on Monday 2nd February. With regard to the major perinatal development there had been problems with the concrete used for the second floor which had failed its crushing test and the Trust is awaiting the final results. This could lead to delays with development of the second floor if the concrete has to be replaced. Liability for this rests with our contractors. He also reported that there had been no further developments with the legacy funding from GE.

9.0 Clinical Governance

9.1 SUI Report****

This item was discussed under reserved business.

9.2 Safeguarding Children Review

Pauline Brown provided an outline of the HCC safeguarding children review process. The board were informed that the Trust is scheduled to be assessed in January on the effectiveness of our safeguarding arrangements. This will take the form of a self assessment against core standards. The potential risks to compliance have previously been presented to the Board and are currently being addressed. The Board acknowledged the report and the potential risks to compliance.

9.3 Healthcare Associated Infection (HCAI) Registration

Pauline Brown provided the Board with an update regarding the HCAI registration process. A statement of compliance signed by the CEO on behalf of the Board needs to be submitted by 6th February. Currently the Trust only partially meets the standards. Ms Brown had discussed this with the HCC and they had indicated the Trust will be in a position to tick the compliance box (Compliance with actions in place). The HCC will look at the registration after the forthcoming hygiene inspection. The Board supported the signing of the statement.

9.4 DIPC report Q3

Dr Daniel Krahe acting Director of Infection Prevention and Control (DIPC) joined the meeting to present the Q3 DIPC report. He stated that the Trust had 2 MRSA bacteraemias reported in Q3 bringing the total to 9 with a target of 12. The Trust had reported 12 cases of CDI in Q3 bringing the total to 43 with an amended target of 58. These figures indicated the Trust was on track to not exceed the target. The Trust had no cases of GRE reported. He provided the board with details regarding the one SUI and three other untoward incidents that the infection control team had been investigating. A performance report against the Hygiene code is to be presented and discussed at the next ICC. He also updated the Board regarding the implementation of actions arising from an antibiotic prescribing policy audit.

It is intended that future DIPC reports will include a balanced score card and a matrons report to provide the board with greater assurance regarding measures to improve infection control in the Trust. The Board acknowledged the contents of the report and thanked Dr Krahe for his time.

9.5 HCC – Emergency Department Survey 2008: London Trusts

Dr Coakley, Medical Director presented the results of the patient survey of Emergency departments carried out by the HCC. Nationally the response rate had been 40% with 35% for London and 29% for the Homerton. In the report the Trust had been benchmarked against other London Trusts. Generally the Trust had performed well against other London Trusts. The report had been disseminated around the Trust. The Board noted the contents of the report.

10.0 Human Resources Governance

10.1 Human Resources update

Andrew Panniker informed the Board that there is one case relating to maintaining high standards in medicine currently under review.

10.2 Consultant appointments

No appointments to ratify

11.0 Strategy and Policy

11.1 Healthcare for London – verbal update

Nancy Hallett provided an update of the review into Healthcare for London. As previously reported the Trust had been successful in passing the quality criteria for the provision of trauma and stroke services. The PCT world class commissioning assessment report is due to be published in the forthcoming week. It is uncertain what will happen as a result of this assessment. Once published this will be brought to the Board for consideration.

11.2 North East London PCT provider landscape review – verbal update

Dr Coakley, Medical Director, provided an update to the Board on work currently being undertaken across North East London. This work is intended to examine the provision of acute hospital services in particular. The context is one of perceived poor performance in terms of finance and targets. Following a series of meetings of Chief Executives and Medical Directors from the area, six work streams have been identified. These are: Urgent Surgery; Urgent Medicine; Children's Services; Complex Care; Planned Care; Maternity and Newborn. Each stream has representation from clinicians across the area, and a nominated lead. Dr Coakley and Dr Gill (Medical Director Newham Hospital) have been appointed Clinical Directors with responsibility for three work streams each. The timescales are very challenging, with provisional recommendations expected by April 2009. There will have to be a period of public consultation, which will take place in the context of current consultations about Stroke Care by NHS London.

12.0 Committee Reports

Clinical Governance: this was not discussed as this currently presents to the Risk Committee.

Audit Committee: Stephen Hay provided a verbal update from the Audit Committee of 17th December 2008. Internal audit had reported on the Trusts progress towards service line reporting and two policies were discussed (Fraud & Corruption Policy and Raising Concerns at Work Policy). Both required incorporation of comments and are due for recirculation.

Risk Committee: There were no exceptions to report.

13.0 Any Other Business

Pauline Brown notified the Board that appraisals for all Directors are due in March. To facilitate this the Trust will use a straight forward online self assessment and individual Directors will be contacted in the near future to arrange these.

Andrew Panniker requested the appointment of a Non-Executive chair for the Cleanliness Committee as this was a requirement. It was considered that given other commitments that this may not be possible and will need discussion with the CEO outside of the Board meeting.

The Joint Board of Directors/ Council of Governors meeting is planned for the 12th February and the agenda for this will need to be drawn up. It was felt that this will need to be deferred to March 19th so that the Annual plan can be presented and discussed.