

**Meeting of the Board of Directors
Wednesday 28th November 2007**

Present:	Michael Cassidy	-	Chairman
	Nancy Hallett	-	Chief Executive
	Tracey Fletcher	-	Director of Operations
	Pauline Brown	-	Director of Corporate Development
	Dr John Coakley	-	Medical Director
	Caroline Clarke	-	Director of Finance
	Guy Young	-	Director of Nursing & Quality
	Andrew Panniker	-	Director of HR & Environment
	Jessica Crowe	-	Non Executive Director
	Kate Costeloe	-	Non Executive Director
	Michael Keith	-	Non Executive Director
	Stephen Hay	-	Non Executive Director

Minutes: Sallie Rumbold - Deputy Director of Operations

1.0 Chairman's Welcome and Introduction

Michael Cassidy, Chairman opened the meeting

2.0 Apologies for Absence

Apologies were received from - Eric Sorensen, Non Executive Director
- Ian Luder, 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 24.10.07 and matters arising not covered elsewhere on the agenda

The minutes were agreed as an accurate record of the previous meeting. All actions had either been completed or were on the agenda.

5.0 Chairman's Report

Michael Cassidy, Chairman reported on the very positive recent governors seminar on the Annual Health Check.

6.0 Chief Executive's Report

Nancy Hallett, Chief Executive reported on the recent awards received by the Trust. Awards had been received for Innovation in Information Technology and also for Nurse Leadership. There had also been some success with the national merit awards for consultants.

Ms Hallett reported that Jackie Harvey had started as the interim Chief Executive of City & Hackney PCT to cover for Laura Sharpe's planned leave of absence.

Ms Hallett also reported on the recent review of maternity services by the Healthcare Commission. The initial results had given Homerton a rating of 'weak'. A group led by Guy Young, Director of Nursing & Quality and John Coakley, Medical Director had been validating and reviewing the submitted data as it was felt strongly that this rating was not a fair assessment of the maternity service at Homerton. It had subsequently become apparent that most Trusts in London had also received a 'weak' rating. The patient survey section of the maternity review had been published and this had revealed that Homerton had one of the highest scores in London and had not been listed as one of the 13 outliers quoted in the press. Dr Coakley explained the science and methodology behind the scoring system which was a mixture of patient and staff views and data submitted by Trusts. Mr Young gave some examples of questions in the patient survey.

Ms Hallett explained that a letter had been drafted to the Healthcare Commission expressing Trust concerns about the ratings and the methodology used. A press statement would also be prepared. The overall ratings were expected to be published in January. The Board expressed concern about the effect the ratings would have on staff morale. Whilst acknowledging that there were always areas for improvement the Board agreed that the rating appeared to be an unfair reflection of the very good and safe maternity service provided at Homerton.

Ms Hallett also reported that the hospital had been very busy recently. 408 A&E attendances had been recorded in one day this week which was the highest ever. There was now a shortage of beds in the hospital as high admission rates from A&E had also been experienced.

7.0 Corporate governance

7.1 Board Assurance Framework 2007/08

Pauline Brown, Director of Corporate Development presented the Q2 Board Assurance Framework which considers the effectiveness of each control and highlights risk areas to the Board. Risks of over 12 were noted. Three new control risks had been added but had not scored highly and were being dealt with by local action plans. A report on the clinical coding risk was provided later in the agenda.

7.2 Corporate Manslaughter Act

Ms Brown presented a paper which gave an overview of the Corporate Manslaughter & Corporate Homicide Act 2007. The purpose of the paper was to remind board members of their responsibilities in this respect. Ms Brown explained that the Act related mainly to senior management and corporate failings but individuals could also be charged. The Board were reminded that Guy Young, Director of Nursing & Quality is the designated board member for risk. Ms Brown would arrange for Bevan Brittan to provide an update seminar on these legal obligations following the December Board meeting.

7.3 Research and Development report

Professor Kate Costeloe presented the report which described the continued implementation of changes in research and development with the NHS consequent upon the publication of 'Best Research for Best Health'. Professor Costeloe explained that due to slippage in implementing changes described in Best Research for Best Health the rate of reduction of the 'Culyer' NHS R&D levy had been slower than predicted and in 2008/9 a sum of £258k - £331k would be received by the Trust. The levy would fall to zero after this.

Professor Costeloe also explained that R&D finances in the Trust were now more transparent. Professor Costeloe described the national developments of particular relevance to Homerton and the potential threats. The hours of the R&D Manager were also discussed and it was agreed that 20 hours/week was currently sufficient but needed to be kept under review.

7.4 Buildings and Property Insurance Update

Caroline Clarke, Director of Finance presented a paper recommending that the Trust obtain insurance cover for consequential loss. The options highlighted by the Risk Committee were discussed and considered. The Board agreed that the Trust should take out insurance for consequential loss with an excess of £5,000 and coverage of £30m. Ms Clarke agreed to check if a flu pandemic would be covered.

7.5 Appointment of Director of Finance

Nancy Hallett, Chief Executive reported that 2 candidates had been shortlisted with interviews set for the 11th December. The pre meet of the interview panel would be at 11am.

8.0 Business Planning & Performance Management

8.1 Finance Report Month 7

Caroline Clarke, Director of Finance presented the Month 7 finance report. Ms Clarke explained that the financial position at the end of October was higher than predicted but without the expected cost rises. It was assumed that costs would rise in the winter period. Ms Clarke reported that the cash position remained good and that the overall planned position this year was holding up and predictions had therefore been reasonably prudent. Ms Clarke reported that City & Hackney PCT had declared a £10m under spend. The Trust was currently compiling a list of bids to be submitted to the PCT for a mixture of recurrent and non recurrent funding against this under-spend. In total London would be declaring a £300m surplus.

8.2 Financial Position 2008/09

Ms Clarke summarised the main changes to the PbR tariff in 2008/09. Changes to the obstetric tariff and the loss of specialist top ups would result in a net loss to the Trust of

£1.5m, in a year where the tariff was supposed to be stable. Future price measurements would cause greater instability when the NHS moved to Version 4 of the HRG's

Ms Clarke explained that there would be an inflationary uplift of 1.5% overall. The base case for 2008/09 assumed activity values would be down on plan as the activity plan had been too high this year. Non pay cost pressures still needed to be factored in. In reviewing the planned surplus it was anticipated that some reserves could be released back to the I&E position and still provide adequate contingency for next year.

The productivity target levels were discussed and at just under 3% would be £4m. Ms Clarke explained that this had been discussed at Clinical Board and a detailed paper would be compiled for the December Board of Directors meeting. In December it was anticipated that there would be some clarity around potential cost savings projects.

Michael Cassidy, Chairman asked about the cost of prescribing. Ms Clarke explained that the new pharmacy IT system would provide better monitoring information in future. Mr Cassidy also asked about cash balance and interest. Ms Clarke explained that the Finance Committee followed Monitor guidance on this issue and had also set up three new accounts. Advice was taken from an established treasury management consultancy, Sector.

8.3 Performance Report

Pauline Brown, Director of Corporate Development presented the performance report to end of October, the KPI tracking report and monthly contract monitoring report. Three supplementary reports were also attached covering the A&E target, 18 week target and coding.

Ms Brown reported that the recent coding audit had highlighted a 47% inaccuracy rate although the effect on income was variable. Tracey Fletcher, Director of Operations summarised the recommendations as mainly immediate training of clinical coders, ongoing maintenance training and audit, continuous learning and feedback to clinicians. Ms Fletcher explained that the implementation of this project plan started next week and a report on progress would be presented to the Audit Committee.

Ms Brown reported that the emergency care target was now in excess of 98% and had been so for the past few weeks. Ms Fletcher answered questions on this issue. Mr Cassidy asked about the PUCC audit that was referred to in the written update report. Ms Fletcher explained that this was being led by the public health department at the PCT and that they were working with the Trust on this. The audit would be retrospective. Jessica Crowe, Non Executive Director asked about the variation in numbers of breaches per week. Ms Fletcher explained this was partly due to activity levels and partly presentation of patients late in the day. Weeks with high numbers of breaches were usually characterised by one or two very high breach days. Ms Fletcher was writing to the PCT on this matter and would circulate the report to Board members too.

Ms Brown reported that current reported staff sickness levels were thought to be inaccurate due to issues in the interface between the electronic staff record and payroll which meant that return from sickness dates were not being recorded accurately. A team led by Andrew Panniker, Director of HR & Environment were currently investigating. However it was noted that bank and agency usage had increased which was probably due to staff sickness so an increase in overall levels was probably real. A more detailed report would return to Board in December.

Ms Brown reported that clostridium difficile cases had increased in October but the trust was still on target for the year. The patient experience tracker had also shown an increase in negative responses in October. This was thought to be due to some new questions being introduced and also clinical areas being very busy with less time to encourage patients to use the tracker.

8.4 Perinatal Development

Andrew Panniker, Director of HR & Environment presented a paper which provided a programme and finance update for the Perinatal Development. Mr Panniker confirmed that a pre-tender estimate would come to the Board on the 19th December and a revised business case would come to the 26th March 2008 Board meeting. At this point a decision would be made to appoint a contractor. Mr Panniker explained that there had been 3-4 months slippage so far. Due to a shortage of contractors and costs related to the Olympic development the inflationary costs would be higher than originally anticipated. Borrowing costs had also increased.

Mr Panniker explained that the original costs had been £9 and were now estimated at just under £11m. The revised figures included extra works and additional opportunity works for when wards were decanted. The opportunity works included general maintenance to ventilation, lighting, medical gases and power supplies. The plan was to try to refurbish existing areas to the same high standards as the new areas and to take the opportunity if possible to do this. This would now all be fed back into the revised business case and returned to Board of Directors in March 2008. Mr Panniker reported that a project accountant had now also been appointed to deliver the revised business case.

Caroline Clarke, Director of Finance explained that the two issues were ensuring a value for money assessment and the factoring in of the extra costs. A decision would then need to be made about the capital costs.

Jessica Crowe, Non Executive Director asked about the increased cost in fees. Mr Panniker explained that this mainly related to the additional works and other fees had already been included. Mr Panniker would check the accuracy of the £200k project accountant fees listed.

9.0 Clinical Governance

9.1 SUI Update***

This was discussed under reserved business.

9.2 Dignity in care report: action plan update

Guy Young, Director of Nursing & Quality presented a progress report on the actions arising from the Healthcare Commission inspection in March 2007 related to dignity and respect. Similar inspections were carried out in 22 other trusts and the findings were published in October this year. The report for Homerton found no evidence that the Trusts declaration of compliance was inaccurate. However four areas of improvement were recommended. Mr Young explained the actions that had been taken. The difficulties in maintaining single sex bathrooms and the need for patients to not pass across the path of a different sex bay were discussed. This was noted and the recommendations resulting from discussions with Clinical Board would be returned to Board in due course. Mr Young also noted that positive comments had been received from the inspection team regarding patient feeding but this had not been reflected in the written report.

9.3 Risk Strategy

Mr Young presented the Corporate Risk Strategy for approval. Mr Young explained that the NHSLA would be visiting the Trust for a reassessment on 4th and 5th December. Professor Kate Costeloe commented that a section should be included in the strategy specifically about the Infection Control Committee. Mr Young agreed to make this change. The Board approved and ratified the strategy.

10.0 **Human Resources Governance**

Nancy Hallett, Chief Executive gave an update on recent HR processes, which included a Employment Tribunal taking place this week. Ms Hallett confirmed that an intensive piece of work was being undertaken to secure improvements where required in Trust HR processes.

11.0 **Strategy and Policy**

11.1 City and Hackney PCT commissioning strategy plan 2008/09 – 2012/13

Caroline Clarke, Director of Finance presented a summary of City & Hackney PCT's Commissioning Strategy Plan for information. Michael Cassidy, Chairman asked if the Trust had a programme of work with GPs. Ms Fletcher reported that Vanessa Cooke was now in post as Primary Care Liaison Manager with this as her sole remit. The Board expressed their support for this work.

11.2 Reducing infant mortality interim report

Pauline Brown, Director of Corporate Development presented the interim report from the 'Reducing Infant Mortality' project funded by Team Hackney. Homerton are the lead agency for this project which focuses on vulnerable pregnant women. The findings were so far very positive and funding will run to March 2008. Professor Kate Costeloe commented that this was a fascinating project which was already showing some positive outcomes particularly in relation to Service Development opportunities. The working relationship with Team Hackney was acknowledged as very positive.

11.3 Healthcare in London briefing

Nancy Hallett, Chief Executive gave a brief update on Healthcare for London. A consultation exercise is expected.

11.4 Clinical Leadership

Ms Hallett explained that this paper was for noting by the Board and the next steps had been supported by Clinical Board who had considered this issue to be important. Professor Costeloe commented on the importance of having some flexibility within contracts and also the importance of growing leaders from within the organisation who often had great loyalty to the service. Succession planning was also acknowledged as important.

11.5 Academic health centres of the future

John Coakley, Medical Director presented a paper outlining pilot projects that the National Institute for Health Research are establishing to develop models for conducting applied health research which can then be translated in improved outcomes. This work is through health community wide partnerships between academia and the NHS. Dr Coakley reported that a meeting had taken place regarding this with the Medical School recently. Of note was that

funding bids would have to be collaborative in future and successful bids would need to be matched by new funding. Ms Hallett confirmed that the Trust had undertaken to support the medical school in this and that Barts & the London Trust would be the lead trust.

12.0 Papers for Information Only

The following papers were noted:

- Draft Board of Directors, Board Committees & Council of Governors meeting schedule for 2008/09
- Risk Committee minutes of meeting 23rd October 2007
- Council of Governors minutes of meeting 18th October 2007

The Infection Control Committee would be added to the sub committee list.

13.0 Any Other Business

No other business was discussed.

14.0 Dates of forthcoming meetings

Wednesday 19th December 2007

Wednesday 30th January 2008