

**Meeting of the Board of Directors
Wednesday 24 May 2006**

Present

Andy Windross	-	Chairman
Nancy Hallett	-	Chief Executive
Tracey Fletcher	-	Director of Planning & Service Development
Guy Young	-	Director of Nursing & Quality
Caroline Clarke	-	Director of Finance
John Coakley	-	Medical Director
Pauline Brown	-	Director of Corporate Development
Ian Luder	-	Non Executive Director
Eric Sorensen	-	Non Executive Director
Professor Kate Costeloe	-	Non Executive Director
Jessica Crowe	-	Non Executive Director
Sallie Rumbold	-	Minute taker
Matthew Hayday	-	In attendance

1.0 Chairman's Welcome and Introduction

Andy Windross, Chairman welcomed the Board and introduced Matthew Hayday as the new Associate Company Secretary. Matthew is on secondment from Barts and The London Trust until October 06.

2.0 Apologies for Absence

Apologies were received from Andrew Panniker, Director of HR & Environment

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 26 April 2006 and matters arising

The minutes of the previous meeting were agreed as a true record.

5.0 Chairman's Report

Andy Windross, Chairman had nothing additional to report that was not already on the agenda.

6.0 Chief Executive's Report

Nancy Hallett, Chief Executive reported that a meeting had been held with Michael Kerrin the new CEO for St Josephs Hospice and that it had been agreed that Homerton will host the medical contracts for St Josephs in future.

Ms Hallett gave an update on the planned visit by the London Organising Committee for the Olympic Games on 8 June.

Pauline Brown, Director of Corporate Development gave an update on the Local Counter Fraud Investigation which is recorded in 'reserved business'.

Caroline Clarke, Director Finance & Information reported on the progress of discussions with Connecting for Health and explained that a workshop has been planned for June to begin to draw out the practicalities of moving to a contract with the Southern Cluster. This should help the Trust to assess the potential complications and loss of independence that may result. Ms Clarke agreed to bring a paper to the June Board of Directors to allow proper consideration of the pros and cons to this potential decision. Ian Luder, Non Executive Director requested an update regarding the Cerner contract. It was agreed that this would be covered under point 7.2 on the agenda.

7.0 CORPORATE GOVERNANCE & HOSPITAL SECRETARY'S REPORT

7.1 To receive and approve the Annual Plan 2006/07

Nancy Hallett, Chief Executive presented the Annual Plan for 2006/07 and explained that a revised version had been emailed last night. This updated version did not materially change content but improved upon the style and flow of the document. The Annual Plan must be finally submitted to Monitor by 31st May.

Caroline Clarke, Director of Finance & Information confirmed that the Trust will be reporting a planned deficit of just over £1 m for 06/07 which also takes into account the cost incurred in implementing the financial recovery programme. Ms Clarke also reported that the Annual Plan includes a proposal to extend the working capital facility from £11m to £15 m to ensure continued performance against Monitor's liquidity metric. The Board agreed these two main principles within the Plan.

Jessica Crowe, Non Executive Director enquired about point 2.4.3 related to the Trust considering asset sale and leaseback options for equipment and buildings. Ms Clarke confirmed that a review of all maintenance contracts was planned. Ms Clarke also confirmed that Board approval would be sought before any action was taken particularly around any potential sale of buildings. It was agreed that further work needed to be undertaken to explore this particular option before being considered by the Board.

Eric Sorensen, Non Executive Director commented that the Chief Executive summary of the year contained within the Annual Plan could be more upbeat and positive. Ms Hallett agreed to review the language and tone of the summary.

Ms Crowe commented on the Risk & Performance Management section (page 26) of the Board statements and asked for confirmation of the processes in place to assure the Board of compliance. Ms Clarke replied that the Audit and Risk Committees served this purpose and suggested that a summary of the work of these committees should come to the Board more frequently to better demonstrate the governance processes.

Andy Windross, Chairman confirmed that the Board now agreed to sign off the Annual Plan with the agreed changes reflected.

7.2 To receive and approve the draft Annual Report & Annual Accounts

Nancy Hallett, Chief Executive asked the Board to approve the Annual Report. Ms Hallett explained that the Annual Report is read more widely and therefore also describes the services that the Trust is actively developing in 06/07.

The Board approved the draft Annual Report and delegated final approval to the Audit Committee.

Caroline Clarke, Director of Finance & Information presented the Annual Accounts. The draft management representation letter from KPMG was approved, with final approval being delegated to the June Audit Committee. Ms Clarke reported that some final adjustments could still be made following the auditors review which was being undertaken currently.

Ms Clarke confirmed that the final audited figures would be presented to the June Audit Committee. Ms Clarke explained that the Trust rating from Monitor would therefore be a '2' due to the Trust reporting a deficit and the continued low liquidity rating. It was still unclear how the Healthcare Commission will treat this and at this stage it is unknown whether a deficit of £700k will be significant or not in terms of the effect on ratings. Ian Luder, Non Executive Director emphasized that the deficit represented a very small percentage of the budget overall.

The Board discussed the EPR implementation and agreed that a section should be added to the Annual Accounts to note that the implementation of EPR had resulted in an inability to accurately record and code activity for a period of time and that this had resulted in a significant impact on income. It should also include reference to ongoing contract negotiations with Cerner. Ms Clarke confirmed that monthly service payments had been withheld from Cerner during December 05 and January 06 and that this had been accrued within the accounts.

Ian Luder, Non Executive Director enquired about 'protected assets' and whether this related to the houses on Clifden Road. Ms Clarke confirmed that the Clifden Road houses were protected assets as required within the Foundation Trust guidance. Mr Luder suggested that as these houses were not currently used for clinical services that the Trust should apply to have them 'unprotected' in case they were required to be sold at a later date. Ms Hallett confirmed that social services and the Mental Health Trust both used these houses as office accommodation. The Board agreed that this required further discussion if relevant at a later date and Ms Clarke agreed to bring a Business Case to the Board when more information was available.

7.3 To Receive and Ratify SFIs and Standing Orders

Caroline Clarke confirmed that the amendments from the previous Board meeting had now been made. The limit for Standing Orders had been increased to £100k and the auditors had also agreed this change. A report would be returned to the Audit Committee in 6 months. A number of typos were noted within the documents by the Board and Ms Clarke agreed to review and make the necessary changes via the Audit Committee.

The Board of Directors agreed to ratify the SFIs and SOs with the agreed changes.

7.4 To receive a verbal update on the Non Executive Director Appointment Process

Pauline Brown, Director of Corporate Development explained the appointment process and confirmed that interviews would be held on 22nd June. The adverts were now in the Financial Times and Guardian and quite a lot of interest had already been received.

7.5 Monitor Quarter 4 Governance Compliance

Pauline Brown, Director of Corporate Development confirmed the non compliance against the emergency care target. The Trust did not achieve the emergency care target for quarter 4 but it did for the year overall. The declaration also contains remedial action being undertaken which includes a review of patient processes and work to increase triaging to the Primary and Urgent Care Centre.

Eric Sorensen, Non Executive Director enquired whether the emergency target was now stable. Nancy Hallett, Chief Executive reported that an additional middle grade doctor had been added during quarter 4 due to increasing activity but that this addition had now been withdrawn again and A&E were back to their budgeted establishment. Tracey Fletcher, Director of Planning & Service Development confirmed that Dr Henderson's Consultant replacement would be

arriving in June and an additional middle grade would be available on nights from June due to a regular rota agreement with Barts and The London.

8.0 BUSINESS PLANNING & PERFORMANCE MANAGEMENT

8.1 Month 1 Finance, Activity and Performance Report

Caroline Clarke, Director of Finance & Information presented the balanced scorecard and asked the Board for comments on its content, presentation and usefulness. The Board agreed the balanced scorecard as helpful and asked the Finance Committee to comment on the detail.

Ian Luder, Non Executive Director queried how revenue was estimated from uncoded activity and the numbers involved. Tracey Fletcher, Director of Planning & Service Development explained that invoices are submitted to the PCT based on estimates of the HRGs that this activity would fall into. Ms Fletcher confirmed that there was a risk for the Trust if this activity was never coded or if the estimates were found to be wrong. Ms Fletcher explained that there were processes in place to ensure that all activity is coded accurately which meant that the risk of this was low. Ms Fletcher confirmed that good practice was being followed in terms of discharge summaries which were now reviewed for accuracy and quality by consultants in a way that was not possible before EPR.

Ms Clarke confirmed that the percentage of coded activity was continuing to rise and was much better than a few months ago. Ms Clarke reported that the aim was for 98% of activity to be coded by the 14th of each month. Ms Clarke agreed to consider a better way of presenting this trend to the Board.

Pauline Brown, Director of Corporate Development asked if MRSA rates could be included in the balanced scorecard. The Board agreed that minimum data already collected within the Trust would be sufficient on the scorecard.

Professor Costeloe asked where the Neonatal Unit activity was appearing on the balanced scorecard. Ms Clarke confirmed that this was within the 'other' section which could be disaggregated in future.

Nancy Hallett, Chief Executive commented that the Board should be mindful of the work involved in collecting this data and compiling the balanced scorecard and that this should not detract the information team's attention away from other important reporting issues.

Ms Fletcher emphasized the risk around ensuring that GPs get timely and accurate information from the Trust as invoices will be monitored more rigorously via individual GP practices in the shift to Practice Based Commissioning.

8.2 Financial Recovery Plan

Tracey Fletcher, Director of Planning & Service Development reported progress with the Financial Recovery Plan. Ms Fletcher explained that the recent visit to see Stephen Hay at Monitor had confirmed the need to have a sustainable and longer term recovery programme which was adequately supported in terms of structure and resources.

Ms Fletcher presented an update paper which reflected this thinking in terms of making sure the programme looked beyond the projects themselves, ensured a degree of ownership within the organization and had a clear communication strategy.

Ms Fletcher described the 3 additional posts identified to provide support to the overall programme and to support the clinical teams in delivering the projects within the programme. These posts were as follows:

- Senior Clinical Manager (doctor)
- Information analyst support
- Project management support

Ms Fletcher explained that this will require an 'invest to save' approach and that £150k had been identified to fund this support over the next year. Ian Luder, Non Executive Director asked about appointments to these posts. Ms Fletcher confirmed that the analyst and project manager would be appointed as fixed term or substantive posts and the medical manager would be a secondment of a Consultant from within the Trust for 6 months only in the first instance.

Andy Windross, Chairman asked for clarity regarding consultancy firms. Nancy Hallett, Chief Executive explained that the Trust had now met with 3 accountancy firms and that the plan was to ask one of the firms to come into the Trust towards the end of June to audit the Financial Recovery Programme. This audit process would provide a double check and confirmation that the Trust had a plan that was robust and achievable.

Ms Fletcher presented the proposed Programme Board structure and the role of the Programme Board and Steering Group. The Board had already started meeting and the Steering Group is due to begin meeting next month. Ms Fletcher confirmed that the communication strategy was in the process of being written and would be presented at the next Board meeting.

Ms Fletcher reported that all the phase 1 projects were now in progress. Phase 2 plans would be clarified within the next 2 weeks. Jessica Crowe, Non Executive Director asked how the Board will be able to view and monitor progress with the Programme. Ms Fletcher confirmed that a summary progress paper will be presented to the Board each month.

8.3 Race Equalities Scheme

Pauline Brown, Director of Corporate Development presented the Race Equalities Workforce and Employment Report on behalf of the HR team. The report represented an annual update against targets set last year.

Ian Luder, Non Executive Director noted that the report was easy to read and well presented. Mr Luder commented that internal promotions from within Band 5 and 6 were significantly better than a few years ago.

Professor Costeloe commented that real numbers were required within the report to allow better interpretation and an understanding of whether they were statistically significant or not.

Nancy Hallett, Chief Executive noted that the report could be misinterpreted and it was agreed that a balanced narrative was required within any document that was made public to ensure correct understanding. The Board agreed that the report should state where it was 'statistically invalid' and state clearly where the numbers were too small to be significant.

Ms Brown noted that the report also assumes the workforce is local but in fact this is not true and many members of the Trust workforce are from out of the borough, therefore a comparison against Hackney community figures might not be appropriate. It was agreed that some contextual information such as the national picture would be helpful within the report.

Ms Brown asked if the Board felt confident that the Trust was acting within the Race Equality Scheme. The Board agreed that they felt confident that the Trust was embracing the spirit of the Race Equality Scheme as well as fulfilling the legal requirements.

9.0 CLINICAL GOVERNANCE

9.1 SUI Update

Guy Young, Director of Nursing & Quality presented the SUI update. It was noted that 3 new SUIs had recently been added but that they were not connected.

9.2 Healthcare Commission Consultation

Guy Young, Director of Nursing & Quality presented the Foundation Trust Network (FTN) response to the Healthcare Commission: Developing the Annual Health Check 2006/07. Mr Young explained that the Annual Health Check process was now at the end of the 1st year. The Healthcare Commission had produced a consultation paper regarding the assessment of 06/07 ratings. The

FTN had responded to this consultation and the Board agreed to declare the Trust's support for the FTN response but also felt that the Trust should submit a separate response to the consultation. Nancy Hallett, Chief Executive agreed to draft a letter to the Healthcare Commission.

9.3 Maternity Services Update

Guy Young, Director of Nursing & Quality presented a confidential paper describing the process that had been undertaken since the autumn when an influx of complaints had been received from users about the quality of care received in maternity services. Mr Young explained the work that had been undertaken to address this which included disciplinary action initiated against a small number of staff. A Maternity User experience group had also been set up to try to understand where the problems were arising. A picture of poor leadership had been emerging which had generated confusion and poor morale. A number of actions had been agreed including the development of standards, changes to structure and the establishment of effective working relationships within the midwifery management team. A panel approach to requests for flexible working had also been introduced.

Mr Young reported that there had been some acknowledged improvements in the user experience. Mr Young also reported to the Board that the Head of Midwifery had now resigned from her post and that this had taken immediate effect. Mr Young confirmed that an interim arrangement with an 'acting Head of Midwifery' would be put in place as quickly as possible.

Andy Windross, Chairman, discussed feedback to the Board of Governors on maternity services user improvements.

10.0 Policy, Strategy and Innovation

There were no presentations at this section of the meeting.

11.0 Papers for Information only

There were no papers for information presented.

12.0 Ratification of Consultant Appointments

There were no consultant posts to ratify at this meeting

13.0 Any Other Business

The Board as a whole gave consent for the following personal information to be disclosed in the Annual Accounts:

- Name and title

- Age
- Salary
- Other remunerations
- Golden hellos/compensation for loss of office
- Benefits in kind
- Increase in pension
- Accrued pension

A separate form had been received from Andrew Panniker, Director of HR & Environment, who had given his apologies.

14.0 Dates of forthcoming meetings

Wednesday 26 July 2006

Wednesday 27 September 2006

Wednesday 25 October 2006

AGREED ACTIONS FOR NEXT MEETING	BY WHOM
Information on protected status of hospital properties	CC
Final proof read and approval of SFIs and SOs via Audit Committee	CC
Submission of consultation response to HCC	NH