

<p style="text-align: center;">Meeting of the Board of Directors Wednesday 26th April 2006</p>

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
Andrew Panniker	-	Director of HR & Environment
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	-	Minutes taker

1.0 CHAIRMAN'S WELCOME AND INTRODUCTION

Andy Windross, Chairman welcomed the Board and opened the meeting.

2.0 APOLOGIES FOR ABSENCE

Apologies were received from John Coakley, Medical Director

3.0 DECLARATION OF INTERESTS REGARDING ITEMS ON THE AGENDA

Ian Luder, Non Executive Director declared an interest in the Perinatal Business Case item and explained that his firm had been engaged in advice in connection with the Perinatal Centre

Professor Kate Costeloe declared an interest in the Perinatal Business Case as a Neonatal Consultant.

Jessica Crowe, Non Executive Director declared an interest in the Employee Engagement Project in point 10.2 on the agenda

4.0 MINUTES OF THE PREVIOUS MEETING HELD ON 5TH APRIL 2006 AND MATTERS ARISING

The minutes of the previous meeting were agreed as a true record of the meeting with the following amendment:

7.1 The word 'grateful' to be removed

Nancy Hallett, Chief Executive confirmed that the launch of the new lecture theatre had now been deferred from June until the autumn.

5.0 CHAIRMAN'S REPORT

Andy Windross, Chairman confirmed that a letter had been sent to all staff and governors confirming that he will be leaving.

6.0 CHIEF EXECUTIVE'S REPORT

Nancy Hallett, Chief Executive confirmed that all items were covered later on the agenda. Pauline Brown, Director of Corporate Development gave an update on the Local Counter Fraud Investigation on behalf of the Medical Director. This is recorded in reserved business.

7.0 CORPORATE GOVERNANCE & HOSPITAL SECRETARY'S REPORT

7.1 Appointment to Board Position

Pauline Brown, Director of Corporate Development reported that the Nominations Committee of the Council of Governors had met and agreed to proceed to appoint 2 Non Executive Directors. Ms Brown confirmed that a constitutional change would be required to increase the number of NED's and it had therefore been agreed to progress the appointment of 2 Ned's offering a deferred starting date for one candidate subject to the to the constitutional amendment being confirmed by the membership. Ian Luder, Non Executive Director wished to note the helpful and supportive attitude of the Council of Governors towards appointing an additional Non Executive Director which was appreciated. Ms Brown also confirmed that the process for appointing a new Chair would start in June.

The Nominations Committee had also reappointed Ian Luder for a second term of 3 years and this would go to the next full Council of Governors for ratification.

7.2 Monitor guidance on annual plan for 06/07

Pauline Brown, Director of Corporate Development presented Monitor's Annual Plan Advice to Foundation Trusts. Ms Brown explained that the intention was to bring a draft version of the Trust Annual Plan to the Board in May. Ms Brown confirmed that the draft plan would be available for Board members prior to the meeting.

7.3 Annual Health Check: Declaration of HCC Core Standards

Guy Young, Director of Nursing & Quality presented a draft copy of the Trust's final declaration to the Healthcare Commission of compliance with the Core Standards for Better Health. Mr Young reported that over the course of the year evidence had been gathered and collated in the Dr Foster database. This database had also been assessed by Internal Audit and the NE London Healthcare Commission representative. Mr Young reported that despite efforts by the Trust it had not been possible to obtain comment from the local Patient Forum. The Trust had sought comment from the Governors.

The Board agreed to ratify the statement of compliance and for this to be signed off electronically by listing the members present at this Board.

7.4 Ratify SFIs and SOs

Caroline Clarke, Director of Finance & Information presented the updated Standing Orders and Financial Instructions which had been revised in line with Best Practice for Foundation Trust Hospitals. Ms Clarke confirmed that the papers had been submitted and agreed at the March Audit Committee.

Ian Luder, Non Executive Director raised the issue of competitive quotations. Currently competitive tenders are required where the value is above £40k. Mr Luder recommended that the Trust consider raising the limit to £100k. This issue was discussed by the Board and supported by Andrew Panniker, Director of Environment. It was agreed that procurement time would be freed up by avoiding adverts and sealed tenders. However the Board wished to emphasise that value for money needed to remain assured and 3 quotes would still be required. After discussion, the Board agreed to progress the recommendation for raising the limit to £100K for requiring competitive tendering. Ms Clarke agreed to ask the auditors to review this suggestion and to update the Standing Financial Instructions to reflect this change.

Ms Clarke confirmed that the Audit Committee would review the audit of compliance with this addition to the Instructions to ensure that risk was minimized. Tracey Fletcher, Director of Planning & Service Development noted that the new business case format and procedures would bring more rigour to the overall process.

Jessica Crowe, Non Executive Director pointed out that points 6, 7 & 8 on 8.3 of the Standing Financial Instructions should have 'not' added. Ms Clarke agreed to amend.

7.5 Receive and ratify business continuity plan

Guy Young, Director of Nursing & Quality presented the Trust's Business Continuity Plan (BCP) to the Board. Mr Young explained that the plan had been kept as brief and concise as possible and represented an overarching strategy which was supported by numerous local documents. These local documents included the Major Incident Policy, Bed Management Guidelines and Flu Pandemic Plan which covered the details of the response required.

The Board agreed to ratify the Business Continuity Plan.

8.0 BUSINESS PLANNING & PERFORMANCE MANAGEMENT

8.1 2005/06 year end position: finance, activity and performance report

Caroline Clarke, Director of Finance & Information presented the Finance and Performance Report for the year ended March 31st 2006. Ms Clarke confirmed that the annual accounts were currently being prepared and that the financial data presented in the report was presented as draft and may be subject to technical adjustments. Ms Clarke reported that the overall position had slightly improved with an out turn deficit of £631K. Draft accounts and the draft annual plan would be presented at the May Board meeting.

Ian Luder, Non Executive Director requested clarification regarding the estimated invoices to the PCT for coding. Ms Clarke explained that a conservative estimate had been assumed in the figures as clarification was still required around the accuracy of the activity data. Mr Luder also asked for an update regarding the Cerner contract and assumptions within the financial figures regarding potential mitigation. Ms Clarke confirmed that no payments had been made to Cerner during the last quarter of the year and this had been included in the assumptions for end of year figures.

Tracey Fletcher, Director of Planning & Service Development gave a performance report and confirmed that the emergency care target, outpatient waiting list, in patient and day case waiting lists and cancer targets had all been achieved at year end. Ms Fletcher reminded the Board that the Trust had reported some breaches in 05/06 and although the numbers were low it was unknown whether or not this would affect the final Trust rating. Guy Young confirmed that acute Trust ratings would be announced in July 06.

8.2 Financial position 2006/07

Caroline Clarke, Director of Finance & Information presented a paper outlining the financial position after taking into account the financial recovery plan and projects identified to date. Ms Clarke confirmed that £6.1m had now been identified through the financial recovery plan to date. Ms Clarke explained that the next item would explain the recovery plan in more detail.

Ms Clarke explained the cash and loan position for next year and the need to strengthen the Trust's working capital position. She also confirmed that the Chief Operating Officer for Monitor would be meeting with the Trust next week, at the Trust's requests.

Ian Luder, Non Executive Director stated that the Trust should aim to achieve an in-month break-even position by August, as outlined in the draft budget paper. This may mean that the Trust would have a small deficit in 2006/07, but that the plans were realistic and achievable and would return a surplus in 2007/08.

8.3 Financial recovery plan

Tracey Fletcher, Director of Planning & Service Development presented a document describing the projects and initiatives identified to release the required savings of £6,946K. Ms Fletcher explained that the Financial Recovery Plan was described in two phases. Phase one included five projects which would maximize productivity and allow the identified posts to be removed by beginning of July. The removal of posts and bed capacity would need to be

matched by action from the projects to ensure that this was sustainable operationally before the winter busy period.

Ms Fletcher described the process of monitoring progress of the Recovery Plan which was via a weekly meeting of the 'Financial Recovery Team'. All projects would have clear implementation plans with timescales attached. Four of the projects had previously been identified earlier last year and included as part of the Trust strategic plans to improve patient experience and hospital efficiency.

Ms Fletcher reported that the release of £4m was within phase 1 plans and a further £2.9m had been identified within phase 2. Further work was still required. Ms Fletcher also explained the work around HRG tariffs and local costs which would be undertaken over the coming weeks. Ms Fletcher confirmed that within phase 2 a further 42 posts would have to be reduced. Outpatient procedure income and the release of 18 Consultant PA's were also included in phase 2. There was also work around reducing non pay costs in service areas. Ms Fletcher reiterated that all projects needed to be carried out thoroughly and realistically.

Ms Fletcher reiterated that even if the current Financial Recovery Plan was successful there would still be a non recurring shortfall of £800K at year end.

Eric Sorensen, Non Executive Director confirmed that this would be the beginning of a difficult 2 years of extreme hard work for the Trust if the plans were to be successful. The goal of achieving break even in August 06 would then need to be followed by continued hard work over the next 2 years. Mr Sorensen confirmed that the presentation format of the Recovery Plan was very helpful and clear.

Mr Luder, Non Executive Director reiterated that there were still some risks within the plan and that not all the savings had yet been identified. Mr Luder also wished to note that targets and quality of care may well be at risk later this year and it was agreed that these issues would be returned to Board for discussion.

Nancy Hallett, Chief Executive stated that it was essential that the Trust did not lose sight of a long term future for the hospital. Andy Windross, Chairman commented that using the plan to ensure the Trust becomes more efficient and improving patient care in the process was a good way of turning this difficult time into a positive one.

Mr Windross noted that at this stage the draft budget showed a small year-end deficit but that further work was required before a final plan was agreed. Ms Hallett confirmed that Monitor would be enlisted to gain experience from other Trusts on this issue. Mr Windross summarised the discussion and confirmed that this would be a 2 year plan, the Trust would aim to operate within income by August 06, there was a risk around savings yet to be identified and assurance would be needed as described to ensure everything possible was being done. The final budget would be submitted to the Board in May as part of the Annual Plan submission to Monitor.

8.4 Connecting for Health contract novation update

Caroline Clarke, Director of Finance & Information presented an update paper on discussions that have taken place with Connecting for Health (CfH) around future potential contract arrangements. Ms Clarke confirmed that further work would take place over the next few weeks to understand the options more fully. The contractual issues being considered were complex. The financial benefits of moving to a CfH contract would need to be weighed

against the potential loss of independence. Ms Clarke confirmed that a decision paper would be returned to the Board in June.

9.0 CLINICAL GOVERNANCE

9.1 SUI Update

Guy Young, Director of Nursing & Quality reported that the list of SUI's was reducing and that the review and monitoring process via the Patient Safety Committee was working well.

9.2 Receive and ratify Trust Major Incident Policy

Guy Young, Director of Nursing & Quality presented the updated Major Incident Policy which had previously been circulated electronically. The Board agreed to ratify the policy.

10.0 POLICY, STRATEGY AND INNOVATION

10.1 To receive the Perinatal Business Case

Tracey Fletcher, Director of Planning & Service Development presented the Perinatal Centre business case to the Board. Ms Fletcher described the background to the proposal and the history of the pan London agreement on the number of Perinatal Centres and future network flows of patients. Ms Fletcher also explained how future local maternity and neonatal demand had been assessed and presented within the business case. Ms Fletcher reported that the business case now demonstrated affordability and was felt to be realistic and achievable.

Ms Fletcher described some of the assumptions that had been made in compiling the business case. There is no tariff price currently for neonatal services and an assumption of a 5% local price increase had been made which was felt to be realistic. No assumptions had been made around the maternity tariff price. Ms Fletcher confirmed that a 2% year on year tariff price reduction had been worked into the business plan. A loss of income due to cot closure during the building work had also been included within the business case.

Pauline Brown, Director of Corporate Development requested further information regarding Obstetric and Gynaecology (O&G) consultant costs. Ms Fletcher explained that the cost of £70K related to the cost of 8 PA's. Ms Fletcher confirmed that no provision for an increase in O&G Consultant costs had been included. Ms Fletcher confirmed that the O&G consultant team were currently meeting the 40 hour a week Labour Ward Consultant cover requirement and that timescales for an increase to 60 hours a week were still unknown. The O&G team were currently looking at the division of workload between gynaecology and obstetrics and the skill mix required for the future.

Jessica Crowe, Non Executive Director asked whether the Perinatal Centre proposal took into account cultural issues in the community. Ms Fletcher explained that the design phase would include user involvement to ensure this. Andrew Panniker, Director of Environment reported that the environmental impact of the new building would be considered further during the planning application process but was thought to be minimal. Ms Crowe also queried the costs allowed for inflation within the proposal. Caroline Clarke explained that standard public sector figures were used. Mr Panniker agreed to keep this issue under review.

Ms Clarke confirmed that tenders would be returned to the Board for consideration. Eric Sorensen, Non Executive Director asked for timescales to be confirmed. Mr Panniker explained that the next step was the tendering process followed by planning application in October. The aim was to commence building work in April / May 2007.

Ian Luder, Non Executive Director commented that written confirmation from the Strategic Health Authority (StHA) on the pan London network agreement would add reassurance. Ms Fletcher agreed to try to source this from the StHA.

The Board agreed to accept the business case (Option B) and thanked Ms Fletcher and her team for the thorough work involved in compiling the proposal.

10.2 Employee Engagement Project

Pauline Brown, Director Corporate Development presented a report on the Employer Engagement Project. Ms Brown confirmed that the project had highlighted the willingness of staff to be involved but that associated resource costs would require posts to be funded if Homerton were to continue to engage in this project in the future. A further 2 months funding had recently been secured.

11.0 PAPERS FOR INFORMATION ONLY

11.1 Subcommittees of the Board of Directors

Papers were received from the Audit Committee held on 9th March 2006.

12.0 RATIFICATION OF CONSULTANT APPOINTMENTS

There were no consultant posts to ratify at this meeting

13.0 ANY OTHER BUSINESS

Nancy Hallett, Chief Executive reported that the visit from Paul Deighton, Chief Executive of the London Organising Committee for the Olympic Games had been confirmed for June 8th.

14.0 DATES OF FORTHCOMING MEETINGS

Wednesday 28th June 2006
Wednesday 26th July 2006
Wednesday 27th September 2006