

**Meeting of the Board of Directors  
Wednesday 28 June 2006**

**Present**

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

**1.0 Chairman's Welcome and Introduction**

Andy Windross, Chairman opened the meeting.

**2.0 Apologies for Absence**

Apologies were received from Jessica Crowe, 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<sup>th</sup> May 2006 and matters arising**

The minutes of the previous meeting were agreed as a true record. Nancy Hallett, Chief Executive noted that an agreed actions section had been added to the minutes. The actions from the last meeting were reviewed as follows:

- Caroline Clarke, Director of Finance & Information confirmed that the hospital properties referred to were indeed protected. Further investigation was

required and if appropriate a business case would be returned to the Board for discussion.

- Ms Clarke confirmed that the Standing Financial Instructions and Standing Orders had received a final proof read and had been approved by the Audit Committee
- Ms Hallett confirmed that the Trust's response to the Healthcare Commission consultation document had been sent.

## **5.0 Chairman's Report**

Andy Windross, Chairman, reported that Ian Luder had been reappointed to the DoH Financing Facility Advisory Committee for a further year.

Mr Windross also reported that the lease had been signed with the metropolitan police regarding the police office at the front of the hospital. Andrew Panniker, Director of HR and Environment confirmed that the Trust will control the building works for this project.

## **6.0 Chief Executive's Report**

Nancy Hallett, Chief Executive asked Pauline Brown, Director of Corporate Development to give an update on the Local Counter Fraud Investigation. This item is recorded in Reserved Business.

Ms Hallett reported that members of the executive team had visited Monitor recently and would now continue to attend monthly meetings. Ms Hallett explained that they had been informed at the meeting that the Trust could be in breach of its terms of authorisation and as such Monitor had a legal representative in attendance. A written summary was still awaited from Monitor. Ms Hallett described the main focus of the meeting as being on the Financial Recovery Programme and assessing whether the Trust had the capacity and resources to deliver this. Monitor had commented that the Programme was well described and had also been very positive about the decision to approve the Perinatal Centre business case in terms of future developments.

Ms Hallett reported that the Trust had received a very successful visit from Paul Deighton, Chief Executive of the London Organising Committee for the Olympic Games and his team on 8 June. It was noted that the Homerton was being referred to as the 'receiving hospital for the 2012 Olympic Games' on the Olympic website.

Ms Hallett reported that the Lady Mayoress of the City of London, Tessa Brewer would be visiting the hospital on 4 October 2006.

Ms Hallett explained that Cox Ward would have all beds closed by the end of this week as part of the Trust Financial Recovery Plan. The reality of the situation for staff would then start to be felt.

Ms Hallett also reported that the Trust had been randomly selected for a visit from the Healthcare Commission (HCC) tomorrow. They had given 10 days notice of the one day visit which was to assess the Trusts compliance against 5 selected health care standards. The HCC wished to see evidence of how the Board of Directors received the necessary assurance to sign off the declaration. Ms Hallett noted that compiling the evidence for this short notice visit was extremely time consuming.

## **7.0 Corporate Governance & Hospital Secretary's Report**

### **7.1 To receive the Annual Report 2005/06**

The final version of the Annual Report was received.

Ian Luder, Non Executive Director requested that information on the A&E attendances over the past few years be added to the printed version of the Annual Report. This would add some context to the 4 hour access target figures. The PUCG and A&E attendances would be clearly split out. Eric Sorensen, Non Executive Director enquired regarding the number of copies to be printed. Pauline Brown, Director of Corporate Development reported that copies would be sent to a target audience only such as GP's and limited numbers would be printed. Ms Brown agreed to try to action the request to add A&E attendances to the printed version.

### **7.2 Monitor Q4 Report and Action Plan in response**

Pauline Brown, Director of Corporate Development explained that the Trust senior management team was now required to attend a meeting with Monitor every month. The Trust was required to continue monthly returns regarding core standards compliance and 12 month rolling liquidity forecasts. The Trust had been given an in-year financial rating of 2, a governance risk of amber and a mandatory services risk of green.

A letter had been sent to Monitor detailing Trust proposals to ensure the A&E access target is achieved. A copy of this letter was available in the Board papers.

### **7.3 Foundation Trust National Governors' Forum**

Pauline Brown, Director of Corporate Development presented a paper which summarised the proposal for a National Forum for Foundation Trust Governors by the Foundation Trust Network. The Council of Governors response was not to

offer support for this forum at the present time. The Board of Directors discussed this issue and agreed the Council of Governors' response.

#### **7.4 Response to Monitor consultation – Developing the Compliance Framework: Clinical Quality and Service Performance**

Pauline Brown, Director of Corporate Development presented the consultation document from Monitor. This focuses on how failure to comply with clinical responsibilities will be identified and how Monitor will work with the Healthcare Commission. The Foundation Trust Network (FTN) response was included in the Board papers. The Board of Directors broadly agreed with the FTN response and in particular agreed with the concerns raised over the regulatory and reporting overlap of the new proposals and existing requirements by the Healthcare Commission and NHS Litigation Authority.

Ian Luder, Non Executive Director commented that the system of rolling 4 week averages that was being proposed made it much more likely that the trust would breach the targets. There was a discussion regarding the burden of regulation and the resources required to comply with this.

Professor Kate Costeloe, Non Executive Director agreed with the FTN response but felt the Trust response should be stronger. Professor Costeloe expressed concern that the focus on national targets meant that the other trust priorities and local standards were often overlooked.

Ms Brown agreed to draft a Trust response to the consultation paper by the end of June.

#### **7.5 Update on NED appointments including Chair appointment**

Pauline Brown, Director of Corporate Development reported that the Nominations Committee had met last week and recommended a candidate for appointment as Non Executive Director for Finance. The appointment would be made by the Council of Governors on 31 July. It was also reported that the Nominations Committee had agreed to wait until the appointment of Chair before recruiting to the second NED post.

Ms Brown reported that the Chair appointment was progressing and an advert had been placed in this week's Sunday Times. A job specification would be finalised on the 5 July. The Board of Directors agreed that an advert should also be placed in the Wednesday Guardian.

## **8.0 Business Planning & Performance Management**

### **8.1 Month 2 Finance and Performance Report**

Caroline Clarke, Director of Finance & Information presented a report summarising the financial and performance position to the end of May 2006. The format and content of the report had been revised to incorporate feedback received since last month. The predicted monthly run rate was also presented.

Ms Clarke reported that the Trust is showing a positive income variance of £198k against a negative expenditure variance of £545k giving a year to date deficit of £348k. The issue of NHS debt was discussed and Ms Clarke reported that City & Hackney PCT was still withholding 5% income payments. This had originally been due to the coding information from inpatients. Recently the PCT had withheld the payment due to concerns regarding outpatient data. A meeting was being held with the PCT to try to resolve this issue. Ian Luder, Non Executive Director asked to be informed if this issue was not resolved at the meeting.

Tracey Fletcher, Director of Planning & Service Development explained that the main issue with the outpatient data was the new to follow up ratios. Ms Fletcher explained the process being followed to improve the quality of the outpatient data which involved a combination of the information, EPR and data quality teams working together. The code upgrade to EPR was also presenting opportunities to review the 'rules' in the EPR system to ensure they worked as expected.

Ms Fletcher reported that there were 97 discharge summaries un-coded at the end of quarter 4. This figure was accurate and differed slightly to the figures in the Board papers. Ms Fletcher explained that a policy and plan for ensuring that in future the discharge summaries are completed within 10 days of discharge would be taken to Clinical Board next week.

Andy Windross, Chairman asked if activity levels had reduced due to work by the PCT to reduce acute care activity. Ms Clarke explained that some activity targets had been set lower in the expectation that this would happen but it was too early to assess the impact. Eric Sorensen, Non Executive Director enquired about how case mix changes could be modelled to show potential changes in income. It was agreed that capacity planning needed to improve in this way and the Trust needed to get better at anticipating and predicting such changes in future.

Ms Clarke agreed to present the pay budgets at the next Board of Directors meeting which would help the Board to understand the context of the bank and agency figures from the balanced scorecard. Andrew Panniker, Director of HR and Environment explained that there are some examples where a decision has been taken to continue employing agency staff as this was more cost effective for that particular service. Ian Luder, Non Executive Director suggested that the agency and bank figures could include a line of agency pay that is 'outsourced'.

This would identify the areas where a management decision of this type had been made. Mr Luder enquired about the bank and agency figures within the diagnostic departments. Ms Fletcher explained that this was mainly due to recruitment difficulties within both radiology and pharmacy. Mr Luder suggested that outsourcing of pharmacy services could be considered. Ms Fletcher agreed to look into testing value of service in respect of this.

Ms Fletcher reported that the A&E access target was now at 98.1% and the Trust was very close to achieving the target for the first quarter. Nancy Hallett, Chief Executive confirmed that Monitor required quarterly achievement of this target whilst the Healthcare Commission looked at the annual overall figure.

## **8.2 Financial Recovery Programme (FRP) Report**

Tracey Fletcher, Director of Planning & Service Development presented a written update as of 15 June and reported that progress was being made with the appointments to the agreed posts to support the Financial Recovery Programme. The FRP Steering Group had also started to meet fortnightly.

Ms Fletcher reported on the recent visit to Monitor and findings from a visit to South West London Mental Health Trust. This Trust had recently achieved cost savings of £8m in one year. The visit had been very useful and provided an opportunity to look into the anomalies between the Homerton plan and other Trust recovery plans.

Ms Fletcher reported that Monitor were keen for the Trust to engage a consultancy firm to support the Financial Recovery Programme. The Board agreed that a clear specification would need to be agreed if a consultancy firm were asked to come into the Trust. Ms Fletcher explained that two consultancy firms had offered to provide a free assessment for the Trust. To this end both consultancies would be spending a day in the Trust over the next 2 weeks and would provide a report and recommendations at the end of their visit.

Ms Fletcher presented the finance report and tables and talked through the presentation. The Board were provided with paper copies of the tables printed on A3 paper. Ms Fletcher talked through the projects within the report that were either a significant risk or behind on timescales. Ms Fletcher explained that the redundancy costs for project 6g were currently exceeding pay expenditure and therefore an options paper was being prepared to identify how workload could be reallocated and to clarify any other associated costs of the proposed change. An outpatient consultation paper for project 2a was due in the next few days and would be a potentially contentious issue.

Ms Fletcher explained that the clinical directorates had been asked to identify up to 8 posts each as part of project 13b. The corporate directorates would also be scrutinised as part of 15a.

Eric Sorensen, Non Executive Director emphasized the importance of tracking the savings and that there were several projects within the plan that the Board would need to follow progress carefully on. Professor Costeloe, Non Executive Director asked how the Board could satisfy themselves that a clinical service was not going to be compromised in terms of quality and safety. In particular quality is difficult to measure. Nancy Hallett, Chief Executive emphasised that the savings had to be made and that the Trust's established risk processes would need to be relied upon to highlight any risk issues.

Ian Luder, Non Executive Director enquired about the secretarial review. Ms Fletcher explained that an options paper was being prepared and would be ready for review in 4 weeks time.

Ms Fletcher explained the tables in appendix 2 which showed the planned forecast, actuals and variances on a month by month basis. The Board agreed that the presentation of both appendices was very helpful and provided essential tracking information that was essential to the monitoring of the programme.

### **8.3 Connecting for Health and Cerner Contract Negotiations update**

This item was recorded under reserved business.

## **9.0 Clinical Governance**

### **9.1 Healthcare Commission Core Standards Inspection Visit**

The Board noted the Healthcare Commission visit scheduled for tomorrow which had been discussed earlier in the meeting. The meeting will focus on the following five standards; C3, C4c, C20b, C22a and c, C22b

### **9.2 SUI Update**

The Board noted that one new SUI had been declared since the last Board meeting and that 3 SUI's had gone to the Patient Safety Committee.

## **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**

Nancy Hallett, Chief Executive confirmed that Mr Stephen Hay would be in attendance at the next Board meeting.

### **14.0 Dates of forthcoming meetings**

Wednesday 27 September 2006  
Wednesday 25 October 2006  
Wednesday 29 November – Away Day

<b>AGREED ACTIONS FOR NEXT MEETING</b>	<b>BY WHOM</b>
Investigate the feasibility of including the A&E attendance figures in the printed version of the Annual Report	PB
Response to Monitor consultation – Developing the Compliance Framework: Clinical Quality and Service Performance	NH
Initial investigation to test value of service for pharmacy	TF
Presentation of Pay Budgets to Board of Directors	CC