

EAST AND NORTH HERTFORDSHIRE NHS TRUST

**Minutes of the Trust Board meeting held in public on Wednesday 19th December 2012
at 2.00 pm in the Lister Education Centre**

Present:	Mr Ian Morfett	Chairman
	Mrs Alison Bexfield	Vice Chairman
	Mr Nick Carver	Chief Executive
	Mrs Dyan Crowther	Non-Executive Director
	Mr Neil Dardis	Director of Operations
	Miss Jane McCue	Medical Director
	Mr Julian Nicholls	Non-Executive Director
	Dr Karen Pettit	Non-Executive Director
	Ms Angela Thompson	Director of Nursing & Patient Experience
	Mr Paul Traynor	Director of Finance
	Mr Douglas Smallwood	Non-Executive Director
In attendance: From the Trust:	Mr Stuart Gavurin	Non-Executive Director (Designate)
	Mr Greg Allen	Director of Workforce and Organisational Development
	Mr Stephen Posey	Director of Strategic Development
	Ms Jude Archer	Company Secretary
	Mrs Victoria Fisher	Trust Secretary
	Ms Samantha Gibbens	Finance Manager
External:	Mr Steve Powell	BT
	Mr Paul Raynor	3M Healthcare

ACTION

12/229 CHAIRMAN'S OPENING REMARKS

12/229.1 The Chairman began by thanking the Director of Nursing for the presentation at the beginning of the meeting of a video produced by her team on the prevention of pressure ulcers. This was a major focus within the Trust at the present time and the video, which had been entered for a regional award, sought to reinforce the core messages of the campaign.

12/229.2 The Chairman announced formally that the Trust had now received approval from the Department of Health (DH) and HM Treasury for the final stage of Phase 4 of *Our Changing Hospitals* (OCH). This was excellent news for Hertfordshire and would bring to a conclusion the consolidation strategy that the Board had put in place some years earlier. The Chief Executive and his team were to be congratulated on achieving the final approval, particularly in light of the delays in receiving this. They had shown exceptional resilience and judgement, and had managed the difficulties extremely well.

12/230 DECLARATION OF INTERESTS

There were no declarations of interest relevant to the agenda.

12/231 QUESTIONS FROM THE PUBLIC

There were no questions from members of the public.

12/232 APOLOGIES FOR ABSENCE

There were no apologies.

12/233 MINUTES OF THE PREVIOUS MEETING

12/216.25 In relation to the Workforce Report, the Director of Nursing reported that the final figure for the cohort of nurses that had joined the Trust in October had been slightly lower than the 58 cited in the minutes. She would confirm the final total with the Trust Secretary.

**Director of
Nursing**

Subject to this amendment, the Board approved the minutes as an accurate record of the meeting of 28th November 2012.

12/234 MATTERS ARISING

The Board reviewed the actions log and was satisfied that all actions were either completed or on track for completion.

12/235 CHIEF EXECUTIVE'S REPORT

12/235.1 The Board reviewed the Chief Executive's monthly report, which captured the major themes of the past month and gave an overview of the issues discussed by the Executive Committee, as well as an update on recent developments. The floodlight scorecard showing the Trust's performance against key indicators was appended to the report.

12/235.2 The Chief Executive expressed his delight that the Trust had finally received approval for the new ward and theatre blocks as the final stage of Phase 4 of the OCH programme. It was encouraging that a large part of the subsequent publicity had been handled by the Divisional Director for Surgery, as Project Director, thus demonstrating the clinical leadership that had always been at the heart of the project. Another milestone had been achieved in early December with the official opening of the new combined Heat and Power Plant, which formed part of Phase 0 (the infrastructure phase). The Chief Executive paid tribute to the whole Executive Team for these and all their many achievements within the various phases of the OCH programme.

12/235.3 The Care Quality Commission (CQC) had carried out an unannounced inspection of the Lister Hospital on 6th and 7th December. The initial verbal feedback was positive and the draft report was now awaited.

12/235.4 The Executive Committee summary report was a new feature of the Chief Executive's report, and he invited comments on the format of this section. The report outlined the key topics discussed as well as summarising the areas that the Committee monitored on a regular basis.

12/235.5 The Chief Executive also reported that for reasons of commercial confidentiality the Board would be discussing issues relating to the Surgicentre run by Clinicienta/Carillion in the Part II meeting, and in particular the reputational harm being done to the Trust.

12/235.6 Mr Smallwood welcomed the Executive Committee summary

report and also asked what type of detailed evidence the CQC had requested in relation to its visit. The Medical Director explained that the material was wide-ranging, covering all the various ways in which the Trust ensured that learning points were disseminated.

- 12/235.7 Mr Smallwood sought clarity on the contents of the approval letter from the DH, appended to the report, in relation to its reference to a mixture of loans and public dividend capital (PDC) to fund the developments. The Director of Finance confirmed that the PDC element would provide a more affordable way of accessing longer term capital but the issue would come back to the Board for discussion as part of its foundation trust (FT) application.
- 12/235.8 Noting that the Executive Committee monitored mortality rates on a weekly basis, the Chairman queried whether its review included the Summary Hospital-level Mortality Indicator (SHMI) as well as the Hospital Standardised Mortality Ratio (HSMR). The Chief Executive explained that it was not possible to review new SHMI data every week since this was only updated on a quarterly basis, but the Committee reviewed different aspects of mortality data each week (eg by site). It was well sighted on the SHMI data although, as the Medical Director pointed out, this was always several months in arrears.

12/236

STRATEGIC ISSUES

Quality Governance and Risk Management Strategy

- 12/236.1 The Board considered the Quality Governance and Risk Management Strategy 2012, which had been endorsed by both the Risk and Quality Committee (RAQC) and the Audit Committee. As the Board had requested, this was a new document that pulled together the Quality Strategy, the Risk Management Strategy and the CQC assurance process.
- 12/236.2 The Company Secretary explained that the RAQC had requested some minor amendments, which had now been incorporated. It had also asked that a one-page summary be produced for use throughout the organisation, highlighting the key messages.
- 12/236.3 Mr Nicholls commended the strategy but observed that it would be desirable to include patients explicitly within the Trust's strategic objectives (quoted in the introduction). The Company Secretary said that the current objectives were aligned with the Integrated Business Plan (IBP) and patient experience was integral to the first objective, "to improve the quality of all aspects of the Trust's services". However, if the proposals within the following paper were accepted, the Board would be looking to refresh the strategic objectives within the next two months.
- 12/236.4 The Board approved the Quality Governance and Risk Management Strategy 2012.

Development of Trust Strategy

- 12/236.5 The Board considered a paper that provided an overview of the emerging themes from the current series of Board development sessions, together with the actions to be taken and

recommendations for next steps. The outputs would inform the Trust's future strategy.

- 12/236.6 The Director of Strategic Development explained that the outputs would be translated into actions which would be assessed in terms of their consequences by the Divisional Executive Committee (DEC) and the Executive Committee, and would then be tested with key stakeholders to inform the Board's discussion at a workshop in February. This process would enable the Board to agree the key strategic aims, and these in turn would inform the annual planning process.
- 12/236.7 Mrs Crowther said that in discussing a presentation from the Women's and Children's Division, the RAQC had identified a key strategic area that had not featured in the Board's discussions to date. She asked how such areas would be picked up so that the process remained dynamic as circumstances changed. The Director of Strategic Development agreed that it would need to be an iterative process, with a mechanism for refreshing the strategic objectives on a regular basis. This might be achieved by having short, medium and long term objectives. The DEC would be a key forum to ensure that all business priorities were identified. The Chairman suggested that it might be helpful for the Board to have a joint discussion with the DEC. He agreed that it was important to involve external stakeholders but it was also important to gain intelligence from within the Trust.
- 12/236.8 Mr Nicholls challenged the timetable in view of the fact that the Annual Plan would need to be agreed by the end of March. He was satisfied, however, that it was appropriate, given that the Trust's five-year plan was still in place and the proposed process would allow the Board to refresh the current objectives while looking further ahead.
- 12/236.9 In conclusion, the Board supported the process set out in the paper. Mr Gavurin urged that when the communication stage was reached, thought be given to the most appropriate style of communication for the various audiences.

12/237

FINANCE AND PERFORMANCE COMMITTEE (FPC) REPORT

- 12/237.1 The Board reviewed the key issues discussed at the FPC meeting of 12th December 2012.
- 12/237.2 Mr Nicholls, as Chair of the FPC, said that the Committee had welcomed the attendance of the senior management from the Cancer Services Division and a useful discussion had taken place on the reasons for the income shortfall at Mount Vernon and the actions put in place. This had given the FPC greater confidence but it had sought further assurances on how the situation had been allowed to reach this point and whether the actions now implemented would ensure that the same situation would not recur. It had been satisfied by the assurances provided and recognised that the Division would also be under considerable scrutiny from the Executive.
- 12/237.3 The FPC had discussed the impact of the revised forecast on the Trust's long term financial model (LTFM) and was concerned at the need to stretch cost improvement programmes to

approximately 6.5% for two years, over and above the gains realised by consolidation, in order to maintain a financial risk rating of 3. This would require further discussion by the Board in its Part II meeting.

- 12/237.4 The Committee had received an excellent presentation on service line reporting (SLR) from the Head of Finance at University College London Hospitals NHS Foundation Trust and had found this extremely helpful, particularly in the distinction between using SLR and the patient level costing system (PLICS), which had been the Trust's focus to date. The FPC had recognised the benefits of adopting SLR as the key reporting tool and had asked for a project plan for implementation to be drawn up as quickly as possible.
- 12/237.5 Mrs Crowther observed that this was not the only report to refer to the introduction of a new system – indeed this was a common feature of many reports. She challenged whether the Trust had looked at this holistically, to determine whether it had the right capabilities, infrastructure and project management resource to deliver so many new systems. The Director of Finance said that, as far as SLR was concerned, the FPC was mindful of the need to resource the project adequately and would look carefully at the project plan; more generally, the Audit Committee as well as the FPC had identified the need for assurance on business change projects and a paper would be coming back to both committees after discussion by the Executive Committee. The Vice Chairman, as Chair of the Audit Committee, added that assurance on such projects would feature in the internal audit plan for 2013/14: the Committee had already commissioned a report on the electronic staff record (ESR) project and would repeat the exercise for others so that any problems could be identified at an earlier stage.
- 12/237.6 In relation to the FPC's consideration of the Surgicentre, the Director of Strategic Development informed the Board that he had been notified that North Hertfordshire GPs would not be making further referrals to the Surgicentre, not Hertfordshire GPs as stated in the report.

Finance Report at Month 8

- 12/237.7 The Board considered a report setting out the financial position of the Trust at the end of November 2012. The paper had been discussed in detail by the FPC.
- 12/237.8 The Director of Finance reported that November had been a positive month and the Trust had now delivered a surplus of £1,641k year to date. This was behind the original plan by £2,376k but was in line with the revised forecast. Income figures for November were encouraging, particularly at Mount Vernon as a result of improved performance as well as the actions taken. The Division had provided a separate report to the FPC on Mount Vernon activity and income: this could be supplied to Board members on request.
- 12/237.9 In terms of expenditure, agency expenditure had increased from the two previous months but a significant proportion of this was a catch-up on agency invoices following the implementation of NHS

Professionals earlier in the year. Overall, agency expenditure was still below trajectory. A good level of achievement had also been seen in cost improvement programmes (CIPs), 95% of which had been delivered year to date.

- 12/237.10 Cash was now £2.4m below plan, in line with the Trust's I&E position and its improved performance against the Better Payment Practice Code (BPPC). The FPC had discussed the fact that the final Phase 4 approval had come too late for the quarterly deadline for drawing down loans from the DH, and the Trust was exploring with the SHA a facility for an interim cash advance.
- 12/237.11 Following the revised forecast, the recovery action plan was detailed within the report. The FPC had requested this and would continue to test the robustness of the plan.
- 12/237.12 Mr Gavurin queried when the impact of the current Norovirus outbreak would be seen and whether this would go straight to the I&E position. The Director of Nursing said that it was not yet possible to give an accurate picture but there had been no significant impact on elective activity within the Trust to date. The Director of Operations added that the impact would be most likely to be seen in temporary staffing costs. The Director of Finance confirmed that the forecast surplus remained unchanged at £0.5m.

Performance Report

- 12/237.13 The Board considered a report summarising the Trust's operational performance at Month 8. Details of progress against the Trust's performance framework standards, including Monitor's Compliance Framework and the SHA Governance Risk Rating, NHS Operating Framework standards, contract standards and local standards were provided in a data pack, together with exception reports for stroke admissions within four hours of arrival, Choose and Book, and the local 18-week target in Trauma and Orthopaedics and Oral Surgery. The report had been discussed in detail by the FPC.
- 12/237.14 The Director of Operations reported a strong month's performance in November, with the green governance risk rating maintained. It was pleasing that the A&E targets had been delivered but the Director of Operations warned that the current pressures, including the outbreaks of Norovirus, would have an adverse impact upon December's performance. Ward 7A, which would provide additional capacity, would not come into operation until the end of December.

Workforce Report

- 12/237.15 The Board considered a report that provided information on the standard monthly metrics and Trust-wide issues relating to management of the workforce. Detailed indicators were attached in the data pack. The report been discussed in detail by the FPC.
- 12/237.16 The Director of Workforce reported that the policy on self-employed contractors had now been approved by both the FPC and the Executive Committee, and was ready for use.

- 12/237.17 Turning to the key indicators, the Director of Workforce drew the Board's attention to the vacancy rate, which was close to the target of 8%, the sickness rate, which at 3.48% had decreased and still compared favourably with the Midlands and East region, and appraisals, which had risen to 74.3%. The Women's and Children's Division had performed particularly well in this area, achieving 90.7% compliance.
- 12/237.18 The RAQC had approved a Health and Wellbeing Strategy, which would be launched in January 2013. This linked to the recent round of ARC sessions on resilience, which had been well received.
- 12/237.19 The RAQC had also considered a paper on the lessons learned from disciplinary cases, with particular reference to the Human Resource Advisory Service provided by Capsticks. A full review of the effectiveness of the service was being carried out. Further information on the length of the current live cases would be provided to the next meeting of the FPC, at its request. The Chair of the FPC asked how the Trust's incidence rate compared with other trusts served by Capsticks and the Director of Workforce undertook to obtain some benchmarking data. At the Chairman's suggestion, he agreed to extend this to organisations served by Capsticks outside the NHS.

**Director of
Workforce**

12/238

AUDIT COMMITTEE REPORT

- 12/238.1 The Board reviewed the issues discussed by the Audit Committee at its meeting on 3rd December 2012.
- 12/238.2 The Vice Chairman, as Chair of the Audit Committee, reported that the Committee had reviewed a draft internal audit report on the governance of the ESR project, as indicated earlier. The report had revealed a number of concerns that the Executive was taking steps to address. In particular, a revised project plan that set out clearly the costs, resources and benefits was urgently needed, but it was important that all work on the project should not stop in the meantime.
- 12/238.3 The Audit Committee had been informed of an error in the accounting approach taken to revaluations of the Trust's building assets that had built up over a number of years and had led to an overstatement of capital assets. This did not affect the underlying trading position but there would need to be an adjustment in the 2012/13 accounts. The Committee had expressed some concern that the auditors had not picked up the error in previous years. The Director of Finance added that the Trust had picked up the error through its own review of the asset register system.
- 12/238.4 The Committee had reviewed the Register of Interests again and noted that good progress had been made in most Divisions since the last meeting in terms of numbers of declarations received from consultants. There was still a shortfall, however, particularly in one Division. The Committee had asked for renewed efforts to obtain the declarations and had decided to defer publication of the Register for one more quarter, after which it would be published and would include the names of those who had failed to make declarations. The Company Secretary added that 30 further declarations had been received since the date of the Audit

Committee meeting, the majority of which had been received from the Division that had previously shown a lack of engagement.

12/239

RISK & QUALITY COMMITTEE (RAQC) REPORT

- 12/239.1 The Board reviewed the issues discussed by the RAQC at its meeting of 12th December 2012.
- 12/239.2 Mrs Crowther, as Chair of the RAQC, highlighted a number of the issues discussed, the first being the floodlight scorecard. There were certain areas which persistently showed as red although the associated risk was low, and the RAQC had decided that these indicators should be changed in order to make them more meaningful.
- 12/239.3 The RAQC had received an excellent presentation from the Women's and Children's Division and found it reassuring that there was clearly a strong learning culture within the Division, with a proactive approach taken to identifying risks and putting mitigations in place. Good leadership had been shown. The Division was also able to demonstrate a number of benefits and improvements from the consolidation onto one site. The Committee had been made aware of a particular challenge in paediatrics, however, with the high and increasing number of admissions to the Children's Emergency Department and an infrastructure that was not best equipped to cope with such an increase. This had not featured within the Board's strategic workshops to date but the RAQC felt that it should be built into discussions and feed into the Trust's strategic objectives. The Director of Nursing added that the Children's Emergency Department had the second highest number of admissions in the East of England and one of the smallest inpatient facilities. The Chairman queried to what extent the infrastructure issues would be addressed by any current plans. The Director of Strategic Development explained that reprovision of the Paediatric Unit was planned for 2020/21, as part of a new theatre complex. The Chairman said that this would need to be taken into account within the strategic review.
- 12/239.4 The RAQC had discussed and approved a Health and Wellbeing Strategy, subject to certain amendments, as appended to the report. The strategy consolidated a number of initiatives that were already in place and by pulling them together, it would be possible to measure them and to see the benefits. The Associate Director of Organisational Development was to be commended for all the work she had done in this area.
- 12/239.5 The Committee had reviewed an analysis of the lessons to be learned from disciplinary cases but felt that this raised some fundamental questions about accountability, training and resources. These issues were undoubtedly linked to the number of cases seen. The RAQC had agreed that the paper should not be presented to the Board at this stage but had asked the Executive to carry out a full review of the current arrangements and to bring back the terms of reference for this, in the first instance.

Improving Patient Outcomes Review

- 12/239.6 The Board considered a review of performance against the 2011/12 identified priorities for improving patient outcomes, as well as a year to date review of performance against the 2012/13 priorities. The report had been discussed in detail by the RAQC.
- 12/239.7 The Medical Director explained that the previous Improving Patient Outcomes (IPO) report and strategy had been presented in December 2011, over eight months into the year, and a number of priorities had carried over into 2012/13 in addition to some further priority targets. With the agreement of the RAQC, she proposed to restore the timing of the strategy and review to June, to enable co-ordinated planning in line with the Trust annual objectives and the completion of contract negotiations. The current report focused on a review of performance to date in those areas that were not already the subject of regular reports: it would not, therefore, address mortality rates although these were integral to the IPO agenda.
- 12/239.8 Four key aims had been set for 2011/12 – improving the timeliness of care, reducing the variability of care, reducing error through improved communication and introducing evidence based innovations and therapies. A number of priorities linked to these four themes had been set and the report demonstrated that the majority had been met by the end of 2011/12, with three partially met. During 2012/13 further progress had been made, not only on the partially met priorities but also on those deemed to have been met.
- 12/239.9 A number of specific but wide ranging quality initiatives had been set for 2011/12, and the report detailed the good progress made against these. In some cases, the original planned actions had not been implemented because an alternative method had been adopted. Major improvements had also been achieved, as planned, through the reconfiguration of services, with eight pathways now changed, and the report highlighted the various developments within each Division. These had been achieved despite the delays in the DH and HM Treasury approvals process, and provided a clear endorsement of the reconfiguration strategy.
- 12/239.10 The four key aims set for 2011/12 had remained in place for 2012/13 and progress against the additional priorities, which overlapped with the CQUIN targets, was set out in the paper. These were all currently rated as green, with the exception of one which could not be assessed until the end of the year. Progress was also shown against other CQUIN targets that had an IPO focus and, again, all were rated as green. A number of patient safety initiatives had been put in place, all designed to improve the quality of care throughout the organisation, and good progress had been demonstrated. The developments within each Division were detailed in the paper.
- 12/239.11 The Chairman queried why there was no figure set against the priority relating to the Liverpool Care Pathway (LCP) and whether the Trust was doing enough in this area. The Medical Director explained that the target involved a number of steps to be taken at various points, so that there was no single figure to report. The LCP was well embedded and the Trust was fortunate to have a

24-hour, seven days a week palliative care service. The RAQC had recently commissioned a report on the LCP and on performance against the Trust's end of life strategy: it would be considering this in the early part of 2013. Broadly, however, far from overusing the LCP, the Trust was aware that were many more patients who could derive symptomatic relief from the LCP but who were not currently placed on the pathway. Medical staff had been reminded of the resource available and the fact that the LCP was an appropriate method of care to relieve suffering under tightly controlled circumstances. In view of the recent media interest surrounding the LCP, the Chief Executive said that this was a subject on which the Trust should engage with its membership, to give them a better understanding. The Director of Nursing added that a great deal of work on end of life had been done with patients and users in oncology, but a focus group on this was now planned for the acute side of the Trust.

Safeguarding Report

- 12/239.12 The Board reviewed a report prepared in response to Department of Health guidance to all NHS trusts to review their arrangements for safeguarding vulnerable adults and children in the wake of the allegations of abuse involving the late presenter, Jimmy Savile, and to provide assurance to their Boards. The report had been discussed in detail by the RAQC.
- 12/239.13 The review concluded that the Trust had a comprehensive range of appropriate policies, procedures and protocols in place which provided a framework for positive assurance on safeguarding arrangements. An audit would now be carried out to test compliance and thereby provide further assurance.
- 12/239.14 Mr Smallwood welcomed the inclusion of the arrangements for volunteers. Many organisations found it challenging to put in place robust arrangements that would allow them to derive the maximum benefit from volunteers. It was important not to undermine the volunteer effort and the Trust should be encouraged to continue to derive as much benefit as it could from this key body of people. The Director of Nursing agreed: the Trust had always had a robust framework for volunteers, with dedicated management.

The Board reconvened as the Trustee to take the following item:

12/240

CHARITY ANNUAL REPORT & ACCOUNTS 2011/12

- 12/240.1 The Board reviewed the Charity's Annual Report and Accounts for 2011/12, together with the auditor's report and the letter of representation. These had been reviewed in unaudited form by the Charity Trustee Committee (CTC) and in audited but draft form by the Audit Committee.
- 12/240.2 The Chair of the CTC (Mr Smallwood) introduced members of the fundraising and finance teams who were attending for that item and thanked them for their hard work throughout the year.
- 12/240.3 The Chair of the CTC noted that the auditor's report referred to matters outstanding at the time of writing the report. The Director

of Finance confirmed that these matters had been resolved.

- 12/240.4 Drawing the Trustee's attention to the statement of financial activities, the Chair of the CTC said that income had been substantially lower in 2011/12 than in 2010/11, largely as a result of a single large donation made in 2010/11. The cost of generating that income, at £210k, was clearly much too high and this was one of the challenges that the charity faced, despite the best efforts of a hardworking team. The high proportion of costs was largely the result of not having had strong fundraising appeals of sufficient scale and substance.
- 12/240.5 The Chief Executive asked whether the charity expected to improve on its cost/income ratio in 2012/13. The Chair of the CTC said that it was too early to be clear about this, since the first strong fundraising appeal (the Magic of Play) had only just been launched and a series of such appeals was needed in order to increase the efficiency of fundraising. The Chief Executive asked what would constitute a reasonable percentage target for costs in relation to income. The Chair of the CTC replied that 15% would put the charity in line with many organisations, whereas 10% would be regarded as good.
- 12/240.6 The Chair of the CTC confirmed that the charity had a comprehensive fundraising plan in place, which covered corporate fundraising and gifts in wills as well as the more traditional forms of fundraising, and this compared favourably with those of other NHS charities. Good progress had been made against the plan.
- 12/240.7 The Chairman queried whether a second fundraising appeal was planned. The Chair of the CTC explained that some further ideas had been put forward but the focus was currently on the Magic of Play appeal: it was important for this to go well first, in order to build upon its success.
- 12/240.8 The Director of Nursing questioned the reason for the rise in governance costs in 2011/12, from £20k to £61k. The Chair of the CTC explained that, at the beginning of the year, the CTC had challenged itself to identify the true costs of supporting the charity and had found that historically not all appropriate costs had been charged to the charity.
- 12/240.9 The Trustee unanimously approved the Charity Annual Report and Accounts 2011/12.

12/241 ANY OTHER BUSINESS

There being no further business, the meeting closed at 3.45pm.

12/242 DATE OF NEXT MEETING

The next meeting would be held on Wednesday 30th January 2013 at 2.00 pm in the Postgraduate Centre at Mount Vernon Cancer Centre.

**Ian Morfett
Chairman**