

**TRUST BOARD MEETING**  
**Held on Thursday 30 April 2015 at 2.00pm**  
**Seminar Rooms 1&2, Shropshire Education & Conference Centre**  
**Royal Shrewsbury Hospital**

**PUBLIC SESSION MINUTES**

<b>Present:</b>	Mr P Latchford Mr H Darbhanga Dr R Hooper Mr D Jones Mrs D Leeding Mr B Newman Dr S Walford Mr P Herring Mrs S Bloomfield Dr E Borman Mrs D Kadum Mr N Nisbet	Chair Non Executive Director (NED) Non Executive Director (NED) Chief Executive (CEO) Director of Nursing and Quality (DNQ) Medical Director (MD) Chief Operating Officer (COO) Finance Director (FD)
	Mrs J Clarke	Director of Corporate Governance/Company Secretary (DCG)
<b>In attendance</b>	Miss V Maher Mr A Osborne Mrs D Vogler	Workforce Director (WD) Communications Director (CD) Director of Business & Enterprise (DBE)
<b>Meeting Secretary</b>	Mrs S Matthey	Committee Secretary
<b>Apologies:</b>	None	

**2015.2/062**      **WELCOME:** The Chair welcomed everyone and reminded members that it is a meeting in public rather than a public meeting; questions could be asked at the end or during the meeting, at his discretion.

The Chair reported that the Trust Board normally commences with two items:

1. The Chair's Award which is presented to those who show an exceptional display of the Trust's Values
2. The Patient Story which is useful to keep the Board grounded as a reminder as to why we are here.

Rather than holding a review at the end of the meeting, the Chair asked for suggestions from the Board and members of the public on what could be done differently to improve the Board meetings:

1. A member of the public asked for the Board members to speak up
2. The DNQ highlighted the importance of learning from the patient stories
3. The MD suggested the Board members reduce the use of jargon, acronyms and NHS speak during meetings

**2015.2/063**      **CHAIR'S AWARD**

The DNQ presented a personal nomination for Russell Haddock, Chief Anatomical Pathology Technologist in the RSH Mortuary

The DNQ highlighted that the dedication and pride the Trust's staff have shines through every day in all areas of the organisation, from frontline staff to those who work behind the scenes. This is certainly the case for Russell Haddock who is a dedicated member of staff who has enormous pride in the service he and his team provide and who constantly goes that extra mile.

It is important to Russell that patients receive care and dignity after death to the standard that they do during life; an approach that extends to the relatives and loved ones of patients too.

Russell has worked very hard to find solutions to difficult problems and has worked to find a good solution to the ageing mortuary estate that ensures that the Trust is future proofed for decades to come; whilst not forgetting the compassionate side of the service in making provision for excellent viewing and meeting facilities for relatives.

The Care Quality Commission (CQC) provided positive feedback about Russell and his team following their inspection in October and supported the plans to change the mortuary estate.

Russell is proud to care for patients and their families and is making it happen by being an integral part of the estates redesign of the mortuary facilities.

Patients and their loved ones receive the utmost respect from Russell and his team who really work hard to deliver the best service they can.

Mr Haddock received the Chair's Award on behalf of his team and thanked his management team and the new End of Life Facilitator for their support.

The Workforce Director presented a second Chair's Award citation for Catering Services Manager, Mr Chris Fisher, as someone who embodies all of the Trust Values.

Proud To Care: Chris has transformed the food service at the Princess Royal Hospital and as a result has seen significant improvement in the patient feedback on food quality at the hospital. Chris confirmed that he is looking to change the food service at RSH to match that offered at PRH.

Makes It Happen: Chris has led the introduction of the new Caffe Bistro outlets run by the Trust. The first outlet in the Shropshire Women and Children's Centre has been so successful that the existing Coffee City outlets are looking to be upgraded. The outlets offer a high standard of service as well as bringing valuable income for the Trust. Chris has also made major strides in improving the food provided in the Trust outlets, with reduced availability of chocolate and sweets, more healthy options and traffic light labelling and he plans to make more improvements in future. Chris confirmed that the Caffe Bistro model has now been rolled out in three other hospitals.

Values Respect: Chris takes environmental sustainability very seriously, actively tackling food waste, reducing food miles and promoting local suppliers. Chris confirmed that he is a keen diver and supports this by making changes to ensure the Trust uses only pole-caught tuna.

Together We Achieve: In his own time, Chris offers Aikido classes to staff as part of the Trust's staff health and wellbeing programme.

Mr Fisher thanked the Board for the Chair's Award and highlighted that any manager is only as good as the team that they work with.

The DCG informed the Board that the Catering Service has been the recipient of three awards in as many weeks; these include a commendation at the 2015 National Sustainability Awards, the Award today and a Winter Heroes Award earlier in the week for helping bring together an elderly couple who were being cared for on different wards within the Trust to celebrate their Diamond Wedding Anniversary together.

The CD reported that he had received positive messages via the live Trust Board Twitter blog in relation to both Chair's Award recipients.

2015.2/064

## PATIENT'S STORY

The DNO presented this month's Patient Story. The patient it relates to remains in hospital on Ward 15 at PRH and the DNO reported that the story will be filmed for future staff learning.

The patient is from Australia and has travelled to England up to four times a year for nearly 30 years, and has always had travel insurance. Patricia has only once needed NHS assistance through a GP with no overnight stay in hospital being required, and her husband Robin has never needed NHS assistance during trips to England.

On 27<sup>th</sup> March 2015 Patricia apparently had a fall whilst stepping out of the shower at her hotel. She was helped to bed and an ambulance was called which took her and her husband to RSH A&E where a CT scan was performed, but the results were not available for 1.5 hours. Patricia was transferred to PRH A&E but the delay meant that thrombolysis treatment was no longer an option; the family are uncertain if this would have made a difference to her recovery.

Since then the family feel they have received nothing but the best professional and personal care during their experience on Ward 15 (Stroke Unit) where the Ward Manager and Sister have led a team of people who have gone over and above their duties to facilitate Patricia's care, and also in organising the repatriation of Patricia, her husband and their fellow travelling friend. The family feel it is apparent that every member of staff treats every patient without exception, with kindness and care. Additional praise was conveyed regarding Dr Junaid's caring and compassionate approach; and Dr Ian Tanswell for his time and patience.

The DNQ reported that the patient is due to travel back to Australia within the next week where she will commence rehabilitation; and reported that she will personally visit her and her relatives prior to being discharged from the Trust.

The DNQ assured the Board of the following learning opportunities:

- The delay in the ambulance transfer to RSH; this is currently being investigated with the Ambulance Service
- The 1.5 hour delay in CT reporting; also currently being investigated
- Overseas patient management and repatriation; this has been fed back to the Complaints and PALS teams and will be discussed further at Wards Managers meetings during May

**2015.2/065 DECLARATIONS OF INTERESTS**

The Declaration of Interests register was presented for information.

**2015.2/066 MINUTES OF THE MEETING HELD IN PUBLIC on 26 March 2015.**

Mr Jones (NED) highlighted that at the end of the Integrated Performance Report (IPR) during the 26 March Board Meeting, he raised a comment regarding the Fit To Transfer (FTT) which presents a number of challenges to quality and safety, performance and financial aspects and he requested a formal reflection of this in the minutes. The Chair agreed for this addition to be made to the minutes; and Mr Jones confirmed that he would forward a form of words to the DCG.

The remainder of the Minutes were **APPROVED**.

<b>2015.2/067</b>	<b>ACTIONS / MATTERS ARISING FROM THE FORMAL BOARD MEETING HELD ON 26 March 2015</b>
	<i>2015.2/043 – Patient's Story</i> DNQ to convey the Board's thanks to the patient (Ms B). <b>Completed. Action closed.</b>
	<i>2015.2/045 – Matters Arising from 26 February 2015 Trust Board</i> <i>2015.2/029 – CQC Inspection Action Plan</i> WD to provide update to April Trust Board in relation to progress of Employee Engagement Strategy 'Well Led' domain. <b>As per minute 2015.2/078. Action Completed.</b>
	<i>2015.2/049 – Proposed Budget 2015/16 – Capital Programme</i> FD to provide further information regarding the opportunity to bid (to TDA and Treasury) for additional Capital funding in order to address the under-investment in the Trust's Estate and equipment. <b>Included in Integrated Performance Report, as per minute 2015.2/072. Action Completed.</b>

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2015.2/068      **3-MONTH FORWARD PLAN** for the period 30 April 2015 – 25 June 2015 was presented for information.

The DCG reminded the members that there would be no Board meeting held during May. The next formal Board meetings will be a short meeting on Thursday 4 June at 1pm (Special Board to approve Annual Accounts), followed by Thursday 25 June commencing at 2pm at PRH.

2015.2/069      **CHIEF EXECUTIVE'S OVERVIEW:**

1. **Winter Heroes Awards** – The Trust has recently held an initiative for staff members, who went above and beyond their duties over the winter months, to be nominated to receive a Winter Heroes Award. Approximately 70 members of staff were nominated and the CEO recently presented the Awards across both sites.
2. **NHS National Sustainability Awards** – The Trust recently submitted a number of bids for the National Sustainability Awards 2015 and were shortlisted in the Energy, Procurement, Food, Public Health and Water categories. This was more than any other Trust in the country and recognised the huge amount of work going on across the Trust.
3. **TDA Accountability Framework 2015/16** (*included within the Board papers*) – The CEO reported that this was a very important document as it held in one place all the policies and frameworks against which the Trust will be held to account by the Trust Development Authority (TDA) and set out very clearly the expectations of NHS Trusts.
4. **Contract Negotiations 2015/15** - The Trust has received and signed a contract with the Telford CCG, however discussions are ongoing with the Shropshire CCG. Further work will be undertaken within the next month to reach an agreement with the Shropshire CCG and to ensure the financial risk is shared between the Trust and both CCGs to ensure the Trust does not carry all the financial risk in relation to the delivery of assumptions, particularly in relation to the CCG requirement to reduce the Fit to Transfer list which, as had previously been discussed, was having an adverse effect on many of the challenges facing the Trust. These effects include patient quality and safety issues, performance issues and consequential financial implications. The Chair highlighted the need of being transparent and ensuring the level of risk is appropriate.

2015.2/070      **FUTURE FIT PROGRAMME BOARD UPDATE**

The DBE presented a report on the progress of Future Fit; specific attention was raised in relation to the following:

The second Gateway Report and Action Plan (*included in the supplementary Board Information Pack*); this has been assessed with an overall rating of AMBER which means that 'successful delivery appears feasible but issues require management attention. The issues appear resolvable at this stage of the programme/project, if addressed promptly'. The following eight recommendations have been made:

Recommendation 1:

The Senior Responsible Officers (SROs) should ensure that suitable governance and management arrangements are in place to manage the interdependencies between major change programmes

Recommendation 2:

The SROs should ensure that the requirements of approval bodies are fully understood and address in business cases

Recommendation 3:

The Core Group should ensure that a whole system affordability position is agreed to inform the programme and the development of business cases

Recommendation 4:

The SROs should establish an inclusive process for identifying and assessing the benefits of the proposed changes in service delivery

Recommendation 5:

The Programme Director should review plans for engagement and communications activity in Powys and potential support for the work with Powys THB

Recommendation 6:

The SROs should assure themselves further that the shortlisted options for the EC and D&TC are fit for purpose for the development of the SOC

Recommendation 7:

The Programme Director should establish the critical path for the development of the SOC for regular review by the SROs and Core Group

Recommendation 8:

The SROs should ensure plans for 'Future Fit 2' are developed and agreed with stakeholders

The DBE confirmed that progress has already been made against all of these actions; details of which are identified in a more detailed action plan within the full papers.

Options Appraisal Process *(included within the supplementary Board Information Pack)*

This paper describes the criteria for consideration in the non-financial appraisal. It considers the membership required on a non-financial appraisal panel and it sets out the process for combining non-financial and financial appraisal outcomes.

The Programme Board approved an expanded appraisal panel from that used at long list to shortlist stage. This responds to guidance from the Core Group, prioritises sponsor over stakeholder members, and also recognises that, given the focus of the appraisal is exclusively on acute options, that there is a rationale for having an increased representation from SaTH (12 members). This would create an appraisal panel of 51 members, of whom 31 (58%) would be health or social care professionals, 13 (25%) would be patients, and 9 (17%) would be commissioners and/or managers.

The DBE reported that a proposal has been made relating to the Board nominating a Non Executive Director to sit on the panel; the Chair confirmed that Mr Brian Newman (NED) has kindly agreed to undertake this.

Future Fit Programme Risk Register *(included within the supplementary Board Information Pack)*

There are currently a significant number of risks for which the post-mitigation rating remains above the indicated risk appetite of the Programme. The following five risks remain RED rated; The DBE advised that they are continually reviewed by the Programme Team:

- Risk Ref 16: Inability to safety staff the Emergency Department with medical workforce – Mitigated risk score 20
- Risk Ref 22: Financial analysis demonstrates that one or more shortlisted options are not affordable, potentially leading to reconsidering shortlisting decision and significant delay – Mitigated risk score 16
- Risk Ref 23: Resource constraints around work to define rural UCC offer delays SOC and/or PCBC completion, and Public Consultation – Mitigated risk score 16
- Risk Ref 26: Lack of revenue affordability to Local Health Economy of capital requirement and of whole system change adversely impacts identification of the preferred option – Mitigated risk score 15
- Risk Ref 36: Lack of an agreed process for reaching a final commissioner decision (including clarifying the role of Powys THB) prevents a final decision being agreed – Mitigated risk score 15

Following discussion, the Board members **NOTED** the progress of the Future Fit Programme, **AGREED** the proposal of the addition of a Non Executive Director (Mr Newman) to the appraisal panel, and the Chair highlighted the need of pragmatism regarding the affordability of the options appraisal process.

2015.2/071 OPERATING PLAN 2015/16

The DBE presented a paper which reported that all NHS Trusts are required to produce a Board-approved, commissioner-aligned one year plan early in the financial year 2015/16.

The Board have previously received a draft Operating Plan at a Board Development session; however, it has been refreshed to reflect the financial strategy paper received by the Trust Board at the March 2015 meeting, and changes to the strategic context, as requested by the TDA.

The plan outlines the key priorities for the Trust over the coming year and is supported by detailed financial, activity and workforce plans.

The planning checklist is designed as a way for NHS Trusts to self-certify that they meet key planning requirements. The 2015/16 TDA submission includes a suite of Planning Checklists which are intended to provide assurance with regard to compliance for: Quality, Performance, Workforce, Finance (including QIPP and BCF), and Innovation.

The DBE reported that the next step requires the Executive team to look at the milestones and finalise the Plan for submission during mid-May 2015. The DBE agreed to present updates to the Board during Q2 and Q3. **Action: DBE, Due: July 2015 & October 2015.**

The CEO suggested adopting a wider leadership role in terms of leading the whole system. The Chair agreed the need to investigate what that would mean for the Trust and how to measure and develop that. It was highlighted that a half day Board & Care Group session has been scheduled for 4 June, following the Special Trust Board, and the Chair agreed to hold a conversation relating to leadership and the principle of agency in our communities. **Action: Chair, Due: 4 June 2015 Board & Care Group Strategy session**

Mr Jones (NED) highlighted that item 9.3.2 regarding the Financial Plan reports a 2014/15 forecast deficit of £8.2m and requested this be amended to reflect the actual recorded deficit of £12.1m. **Action: DBE**

Mr Newman (NED) felt the Operating Plan did not contain sufficient information relating to the 7-day working model; also a lack of context regarding clinical leadership. He agreed to discuss specific amendments with the DBE outside of the meeting. **Action: B Newman / DBE**

Following discussion, the Board members **APPROVED** the draft Operating Plan 2015/16 subject to the above amends.

2015.2/072 TRUST PERFORMANCE REPORT AND GOVERNANCE AND MONITOR LICENCE BOARD CERTIFICATES

The Board **RECEIVED** the Trust Performance Report in respect of the month of March 2015.

SaTH is currently at Escalation Level 4 (of 5) in the NHS Trust Development Authority's Accountability Framework. This is classified as a 'Material issue' requiring interaction led by the TDA's Director of Delivery Development. Regular meetings are held with the TDA to update on SaTH's improvement trajectories. The key areas of focus are highlighted below:

**QUALITY & SAFETY (Patient Safety, Effectiveness and Patient Experience)**

The DNQ provided an overview of the activity in March 2015:

- Infection Prevention & Control – showed one case of C difficile in March; 0 MRSA bacteraemia cases (pre-48 hours); one case of MSSA Bacteraemia and three cases of E-coli Bacteraemia.
- Serious Incidents – There were 15 SIs reported in March; these related to RIDDOR/SI Falls (5), Unexpected death (1), Grade 3 Pressure Ulcers (2), OPD Delay (2), Delayed diagnosis/treatment (2), IPC (VRE) (1) and Drug error (insulin) (1).

- Pressure Ulcers – This has shown favourable performance within the Trust during 2014/15. The Trust reported 0 avoidable Grade 4 pressure ulcers which is comparable to the previous year's performance. During 2014/15 the Trust reported 9 avoidable Grade 3 pressure ulcers against an internal target of 9 which is a 50% reduction compared to 2013/14. Likewise, the Trust reported 20 avoidable Grade 2 pressure ulcers against an internal target of 35 which, again, shows a decrease in prevalence of over 50% compared to 2013/14. The DNO and her team were congratulated for this fantastic improvement.
- Wards Subject to a Quality Improvement Framework (QIF) – A ward at PRH continues to be subject to support with an improvement framework by the corporate and operational senior nursing team. Following on-going review, staffing of the ward remains a concern and has slightly deteriorated as some staff have left; recruitment is on-going. On a positive note, the leadership of the ward continues to be well developed with a substantive Ward Manager commencing at the end of April 2015. The ward quality metrics are improving and patient experience feedback is positive. Changes to the ward have been made to support further improvement. Two of the ward bays have been changed to cohort low-acuity and dependency patients fit to be transferred home or to another care provider; and two of the ward bays have been changed to cohort acutely unwell patients in order that the Registered Nurses can focus on those patients with acute and increased needs. Discussions continue within the operational and corporate nursing teams in order to gain assurance that the quality and safety of care is maintained.
- Safeguarding Adults & Children – During February there were a total of 14 adult safeguarding alerts made; of which 7 were against the Trust. This is an increase of two compared to March 2015. Five alerts remain in progress; one has been found to be unsubstantiated relating to omissions of care and one has been found to be substantiated relating to neglect. The remaining 7 alerts were raised by Trust staff towards other care providers and carers.  
There were 10 children's safeguarding concerns raised by the Trust during March; three of which related to Looked after Children (LAC). Key themes raised relate to possible non-accidental injury, substance misuse and parenting. The Birmingham Crown Court Case on Child B was concluded during March. The T&W Council has thanked the Trust for the contribution made to the Scrutiny Review of Multi-Agency Working against Child Sexual Exploitation. The Committee will not meet again or determine further work required until after the May 2015 Borough election.
- Risk Adjusted Mortality Index (RAMI) Update – The RAMI has been updated with the latest data showing the index falling for February; remaining below the national average.
- 12-hour Trolley Breaches – During the period 29 December 2014 – 8 February 2015, 19 patients experienced extended trolley waits within the Emergency Departments (EDs). This relates to extreme pressure of demand and lack of capacity within the Trust. The cases were reported as Serious Incidents (SIs) and had associated Root Cause Analysis (RCA) completed. A multi-disciplinary group including commissioners met on two occasions to review each patient pathway using an adapted accredited safety tool (Medical Mortality Case Note Review Tool) from admission to discharge to establish if any harm or sub-optimal care was provided to the patient whilst waiting. A full report on themes and findings will be submitted to commissioners and used for learning across the Trust.  
The DNO reported that the patients were waiting on beds within the ED (not a trolley); she highlighted the need of identifying a good audit sample of patients of patients who had waited up to 12 hours and has discussed this suggestion with colleagues from Shropshire Clinical Commissioning Group.  
The MD highlighted the need to recognise the quality of care for these patients. The DNO confirmed that although it is not acceptable for patients to wait for up to 12 hours in ED for a bed, the safety of care provided was equivalent to that provided to patients already on a ward. However the patient experience will not have been to the same standard, particularly in relation to privacy, dignity and comfort despite the best efforts of the ED staff.  
Overall, the Chair confirmed that the Trust continues to see a large presentation of patients within the ED and the difficulty in patients being discharged is due to the FTT issue.  
Dr Walford (NED) reported that a full discussion in relation to the above was held at the recent Quality & Safety Committee, as per Q&S Committee Summary report at minute 2015.2/079.
- Friends and Family Test (FFT) – During March 2015, 96.4% of patients responded positively that they would recommend the Trust to families and friends. In terms of projected performance the Commissioning for Quality, Improvement and Innovation (CQUIN) target for FFT during 2014/15 was 40% for Inpatient surveys and 20% for Emergency Departments (EDs). Disappointingly for March, the Trust achieved 32.5% and 11.4% respectively however work is ongoing within care groups to improve the response rates, including increased communications, publicity and recruitment of volunteers to assist in the collection of

patient experience data.

- Venous Thromboembolism Assessment (VTE) – It is a matter of concern that the Trust has not achieved the national target for the assessment of patients for their risk of developing VTE. This is particularly frustrating as this had been an area of sustained improvement in performance. Clinical Directors have been urged to improve performance within their areas of responsibility. Regular monitoring of real time VTE data is now being undertaken and is a regular item for discussion at the Care Group and Medical Directors meetings. Investigations into working practices and spot checks have been undertaken with immediate escalation to the responsible Clinical Director, where appropriate, and this will continue. Development of a more concise report to support real-time reporting is ongoing. A longer term solution is dependent on the introduction of e-Prescribing, a funded improvement that will be implemented later this year. The MD agreed to provide an update at the September Trust Board. **Action: MD, Due: September 2015 Trust Board**
- Nursing & Midwifery Staffing Levels (Monthly) - The Board received and noted the nurse staffing levels monthly report for March 2015. There is ongoing concern across the Trust, particularly in relation to the increasing reliance on agency staff to fill shifts and the inconsistency of attendance in booked agency staff attending for duty. The Heads of Nursing and Midwifery, Matrons and Wards Managers monitor actual versus planned staffing levels across the Trust on a daily basis to ensure that appropriate action is taken to mitigate risk when there are staffing shortfalls. Recruitment continues following the visit by the Trust to the Philippines during March, with 72 nurses interviewed and appointed; they are currently in the process of being professionally registered and competency tested.

## OPERATIONAL PERFORMANCE

The COO presented the following update in relation to Operational Performance during the month of March 2015:

- A&E 4 Hour Access Standard - In March 2015, 89.84% of patients were admitted or discharged within the 4 hour quality target. This is below the current trajectory for March and continues to show under-performance against the 95% target, although it is a 3% improvement on performance in February 2015. Demand above plan – Emergency Department attendances – During the month of March the Trust remained in high escalation with patients bedded down in the Emergency Department waiting for beds; however there were no further reportable 12 hour breaches. Focus continues to remain on reducing the Medically Fit to Transfer (MFTT) numbers and ensuring that at times of extreme pressure the workforce is maximised to support the patients arriving in the assessment areas. The year-to-date figure shows an overall deterioration on the previous year's improvements. The primary reason for all the breaches in the system is the lack of beds which impacts on capacity and flow out of the Emergency Department.
- Demand above plan – Non Elective activity – Emergency admissions were 0.5% above plan in March compared to 4.9% lower than plan in February. Year to date April 2014 to March 2015 in comparison to the same period 2013/14 non-elective admissions are 1,101 spells higher (2.39%). All escalation areas have continued to remain open following on from the pattern of Q3. Ward 21 was closed to Unscheduled Care on 13 March 2015 and handed over to Scheduled Care as planned. This was done to enable the Day Surgery Unit to return to its prime function.
- Medically Fit for Transfer (MFFT) List – The Fit to Transfer (FTT) list is a list of patients who are deemed medically fit enough to leave the hospital but require ongoing care in another setting; or an assessment to determine what ongoing care may be required. Whilst actions are being taken by the Clinical Commissioning Groups (CCGs), Shropshire Community Trust and the Local Authorities this is not impacting on the total number of patients who remain on the FTT list on a daily basis. Although an agreement has been reached to reduce to the number of patients to 45, the Board stressed that robust plans must be in place to ensure this is achieved and the Trust is not faced with the same position during 2015/16.

Dr Walford (NED) reported that it appears more than half of the delays relate to packages of care and supportive care at home which can take up to four days to be established. The COO informed the members that this is currently provided by domiciliary care providers and suggested introducing independent providers outside of the local authority.

Mr Jones (NED) highlighted that each month the Board discuss the levels of premium agency costs (premium agency costs approximately three and a half times the cost of a normal shift); and suggested utilising the funding more efficiently.

The Board were assured that an improvement plan is in place. The members were also informed of the 'Breaking the Cycle' week which is scheduled to take place from Monday 1 June to Monday 8 June 2015. This is a Health Economy initiative to reset the cycle and identify issues that significantly impact on patient flow throughout the week. A 7-day service will also be introduced and additional capacity purchased. This exercise will be evaluated after the event to see what initiatives can be put in place on a regular basis.

- Referral to Treatment (RTT) : Patients Admitted to Hospital – The Trust failed the overall 90% RTT standard in March with 77.78%. The admitted backlog has increased from 163 (Oct 2014) to 676 (March 2015). Core capacity is now available as the day surgery unit is now operational. Recovery trajectories have been completed and fully costed and will need to be agreed with the CCGs at the March Planned Care Working Group. There are premium costs associated with clearing the backlog if this is to be completed by September 2015.
- 52-Week Breaches – There were four 52-week breaches reported in March 2015; all were Ophthalmology patients who have been treated and discharged. As reported to Board in March, these have occurred as a result of validation of the Appointments For Booking (AFB) lists back to January 2013. The validation of these patients was outside of the agreed validation period when this issue was first identified during summer 2014.
- Referral to Treatment (RTT) : Non-Admitted to Hospital – The Trust delivered the overall RTT standard of 95% for Non-Admitted Patients during March with 97.18%
- Referral to Treatment (RTT) : Incompletes – The Trust delivered the overall 92% RTT standard in March with 92.92%
- Cancelled Operations – In recent weeks the volume of cancelled operations due to capacity constraints has reduced significantly; however there are still routine cancellations taking place on the PRH site due to bed capacity constraints.
- Cancer – Eight of the nine cancer standards were achieved in February 2015; resulting in a single failure within the delivery of 62 days urgent referral to treatment. The reason for this under performance was due to complex patient pathways. During March, six of the nine targets were achieved due to a lack of a key member of staff and lack of tertiary capacity. It is unlikely that the position of the three targets will become compliant; although the expectation is that the position will improve. Current Q4 predictions indicate one failure, with year-end predictions indicating that the Trust will be compliant in all targets.
- SaTH Actions to Improve Performance – The internal improvement plan to improve performance during Q1 and Q2 in 2015 is being led by an Interim Manager. A number of key themes have been identified. During Q1 a proposal to run a national initiative called 'Breaking the Cycle' has been agreed and will run from 1 – 8 June 2015. The aim of this is to rapidly improve patient flow to produce a step-change in performance, safety and patient experience. Improvements in safety and quality are directly linked to good patient flow. The initiative will be run across the whole health and social care community.

Mr Jones (NED) again reminded the Board that the FTT issue had an adverse effect on many of the challenges facing the Trust. These effects include patient quality and safety issues, performance issues and consequential financial implications. In highlighting the aggregate effect of these consequences, he commented that there needs to be an urgent Health Economy wide solution to reduce the Fit-to-Transfer numbers if the Trust's position, and the quality of patient care, is not to be further and continually undermined and the Board emphasised the need of assurance from the wider health economy that this will be managed within the next few months.

## FINANCIAL PERFORMANCE

The Trust's budget forecast assumed the delivery of a deficit at month 12 amounting to £8,200m; the actual deficit recorded amounted to £12,130m. The overspend is principally associated with increased pay costs, particularly in respect of nurse and medical staff.

Income – Income after twelve months is £1.565m above the original plan

Pay Position – Pay in the month of March amounted to £18,070m.

Agency Spending - In the month of March remained high, amounting to £1,335m (213.69 WTE).

Bank Usage - In the month of March remained high.

Non-Pay - Non Pay spending increased in March. Further work is being undertaken to identify the reasons for the increase.

Cost Improvement Programme - Savings realised at the end of the financial year amounted to £13.5m compared with a target of £18.1m. The shortfall has occurred because the Trust has been unable to secure savings from nursing, medical staffing and has also been required to retain escalations beds. The £13.5m forecast has been achieved with a number of schemes compensating for areas which under-achieved. The Trust forecasted that 90% of CQUIN funds would not be achieved in the year which reduced the savings forecasted, however the £13.5m was achieved with over-delivery seen within Procurement, Corporate schemes and clinical service schemes. Rectification savings were identified, amounting to £6.3m. In summary, the CIP schemes delivered to the mid-year adjusted forecast, whilst the rectification schemes fell short by £4.5m which led to the revised plan of £18.1m not being achieved.

Service Line Reporting – All three Care Groups recorded a loss in February 2015. Collectively the Care Groups generated a contribution percentage of 17% of Income. To achieve a break-even position (without support) requires this percentage to increase to 23%. Benchmarked data recommends a percentage achievement of 25%. All three Care Groups achieved a positive contribution.

Cash Flow – At the end of March, the Trust held a cash balance of £1,001m on the balance sheet, in line with required revised balance to meet the Trust's External Finance Limit. The 2014/15 cash plan was constructed based upon an assumed income and expenditure deficit for the year of £12.2m. The Trust was successful in its application for permanent Public Dividend Capital (PDC) of £12.2m to support this deficit. The Trust was also successful in its application for permanent PDC to improve its working balances. £7m was received in February and this, together with an agreed reduction in the Trust's bank balance from £2.2m to £1m, is being utilised to clear the Trust's backlog creditors. The Trust drew down £19.2m permanent PDC in March and repaid the £16.6m temporary borrowing received to date, giving an inflow of £2.6m. In March the Trust received the remaining PDC in respect of FCHS (total of 5.035m) and IT Technology Fund (total of £0.570m).

The FD reported on a Matters Arising from the March Trust Board Minutes (2015/2.049) regarding the opportunity to bid for additional Capital funding in order to address the under-investment in the Trust's Estate and equipment. He informed the members that an Estate condition survey is being carried out at present; also a survey is being undertaken in relation to IT issues. A number of organisations are interested in placing bids (to the TDA for bids beyond £10m and to the Treasury for bids beyond £15m). It is therefore imperative that the above two pieces of work are completed quickly so that the Trust is in a position to put forward a bid for funding.

## **WORKFORCE**

The Workforce Director (WD) introduced this section of the paper:

Sickness - During March sickness absence for the Trust fell by 0.34% to 4.21%, due to a reduction in short term absence. Since December 2014, absence has reduced by 0.59%.

The analysis of staff groups shows Additional Clinical Services (including HCAs) remained the staff group with the highest absence levels at 6%, with Estates and Facilities and Nursing and Midwifery staff groups both falling by 1% to 5%

The Trust did not meet the absence target of 3.99% for 2014/15. An annual absence report will be presented to the Workforce Committee and will include actions for the year ahead to reduce absence levels.

Appraisals – During March 2015, Appraisal coverage increased by 3% to 87%, meaning that an additional 150 staff members received an appraisal over the last month.

Statutory & Mandatory Training – Completion rates rose by 10% to 71% in March, mainly due to additional training sessions and further development of e-learning. This remains an area of focus for the Workforce Committee.

Recruitment – Corporate Nursing have recently held two recruitment events with 17 offers being made; they include a number of current student nurses who will register later this year.

The WD presented a nursing recruitment trajectory demonstrating growth later in the year. Efforts continue to ensure appropriate fill rates to nursing templates through bank and agency. A decision has been taken not to continue with the Master Vendor relationship with ID Medical for Nurse Agency; this is due to a significant change in the market place resulting in both parties deciding the vendor relationship was no longer achievable. The organisation's Temporary Staffing team now manage all agency bookings, with an objective of cost-effective and appropriate fill.

Following discussion, the members requested that the nursing recruitment trajectory graph be revised to include an additional line of 'Actual' at April 2015. The WD agreed to update the graph and re-distribute.

**Action: WD**

Workforce Transformation - As an organisation a significant effort has been made to 'home-grow' talent; one approach has been through Apprenticeships and during 2014/15 the organisation delivered 160 apprenticeships which is one of the highest in the West Midlands. A number of areas have embraced this agenda including Portering and Medical Records. Through the People Strategy, further development will take place over the next twelve months.

### **SELF CERTIFICATIONS**

The members discussed the Governance and Monitor Licence Board Certifications. The MD requested that the Governance section relating to the position of the VTE assessment be updated to include the achievement of 95.07% during March 2015. **Action: DCG**

The remainder were **APPROVED** subject to the continued financial support from the TDA.

2015.2/073

### **END OF LIFE CARE / DEMENTIA UPDATE**

#### Dementia Update

The members were informed that the Dementia CQUIN has been developed to ensure that every patient who is admitted to hospital with delirium or a suspicion of dementia is identified, assessed, investigated and referred. To date, SaTH has shown a marked improvement in the performance of this element. The MD is responsible for the implementation of this CQUIN.

Funding has been identified for clinical leads; these include Dr Suzie Thompson as Lead Clinician for Dementia and Helen Coleman as Lead Nurse. Mr Jones (NED) enquired if the funding is recurring; the DNQ assured him that the lead nurse role was initially fixed term but funding has now been identified from within the Corporate Nursing budget to recruit a permanent Clinical Nurse Specialist to this role.

A training programme on Dementia has been introduced and rolled out throughout the organisation, and a comprehensive Carer Survey has been developed and went live during January 2015; to provide a true reflection of the improvements provided for patients with Dementia and their carers.

#### End of Life Care

This was a key focus in the Care Quality Commission (CQC) inspection during October 2015. The following improvements have been introduced:

- Staff training in End of Life Care; this has also been incorporated in the Staff Induction
- A Bereavement questionnaire has also been developed, which will be circulated with a covering letter from the DNQ and Dr Elin Roddy, Consultant General and Respiratory Physician with specialist interest in End of Life Care.
- A large number of staff are attending the forthcoming End of Life Care Conference being held at the Severn Hospice and the DNQ reported that the Trust will run its own conference later in the year.
- A number of improvements have been introduced within the RSH Mortuary and the Patient Viewing areas and the Snowflake Suite for Children at PRH has also been improved.

- A Swan symbol has been introduced for patients at the end of life to ensure they and their relatives are treated with greater care and sensitivity. A pack has been introduced which includes a bag for patient's belongings, as well as above-the-bed signs.

The DNQ reported that the next steps involve Dr Caron Morton (Shropshire CCG) being invited to sit on the End of Life Care Group, and the scoping of the possibility of having a Bereavement Suite at RSH.

Mr Newman (NED) queried the chaplain provision for multi-faith communities. The DNQ reported that she is confident in the adequacy of the Trust's current provision, although some improvements could be made.

The Board **NOTED** the improvements that have been introduced for Dementia and End of Life Care.

2015.2/074

**REVIEW OF THE TRUST'S WINTER PLAN 2014/15**

The COO presented the paper which highlighted that the Operational Resilience and Capacity Plan was phased in from October 2014 and was designed to provide resilience over the winter and ensure that patients received timely access to the quality services that they needed. The paper identified that demand and the number of patients medically fit for transfer exceeded the levels of those seen in 2013/14; meaning that there was less capacity available in 2014/15 than in 2013/14; and despite best efforts, the investments received by the local health and social care community did not achieve the aim of ensuring delivery against the constitutional targets of 18 Weeks RTT and 95% Emergency Department 4-hour performance; however, without this, performance and impact on quality and safety could have been significantly worse.

**Lessons Learnt from Winter 2014/15:**

- i. Internal plans were focused on ensuring safe staffing levels for escalation capacity and the emergency departments and escalation areas to manage an increase in demand. As the Trust had been using its escalation areas throughout the summer there was no ability to open any more acute beds. On the wards this was delivered in the main but through the use of agency staff which had a negative impact on the income and expenditure position. The recruitment trajectory will mean that there will be more substantive staff in post going into the winter of 2015/16, thereby reducing the reliance on temporary staff for escalation areas.
- ii. More patients were discharged at weekends with the additional ward rounds which were put in place with excellent pre-13.00 discharge rates.
- iii. Therapy services have undertaken an audit of the impact of twilight and weekend working over the winter and can demonstrate a direct correlation between their interventions and increased discharges at a weekend. This pilot over the winter will inform a business case to develop 7-day working.
- iv. The Trust cannot be in the position of going into next winter with a bed capacity gap, when it has no ability to create any capacity itself to manage a surge/increase in demand. This gap, which exists all year round, increases in the winter period. The prime focus this financial year for the System Resilience Group must be on implementing schemes which mitigate this risk for the acute Trust.
- v. The Trust entered the winter period with less capacity than the year before and with increased demand and higher acuity of patients than in 2013/14.  
This winter was challenging for the whole of the NHS. Transformational change is needed through the System Resilience Group to avoid the need for the heroic efforts staff made this year to keep patients safe.

The COO highlighted that better use of existing capacity, along with additional capacity and a change in working practice (i.e. introduction of domiciliary care) could prevent a recurrence in 2015/16. There is also an opportunity to create an FTT Ward with an additional 25 beds on the RSH site. This may be required to reduce the number of FTT to the target of 45; however, the Board agreed that this is not a preferred option. The DNQ highlighted that if an additional facility is opened, it would impact on the existing workforce. As patients are the Trust's responsibility until they are discharged into the community; it was queried if the community could provide staffing for this additional facility. The COO confirmed that she has held discussions with the community around working together.

The COO reported that during last year she met with 'Healthcare at Home' (the pioneers of UK homecare who have developed models countrywide). She will be meeting with additional similar companies to identify what

they can offer.

Internally within the Trust there is an improvement plan focusing on ensuring that internal processes are as streamlined and effective as they can be to ensure that there are no delays in patient care.

Fundamentally the learning over the past 12 months is that the shape of the Urgent Care System in Shropshire, Telford & Wrekin and Powys requires transformational change.

Following discussion, the Chair highlighted the following requirements:

1. A Health Economy resilience plan to assist in arriving at a solution
2. Shared risk around the contract and a formal framework to reflect this
3. The need for a contingency plan that SaTH can implement unilaterally
4. Obtaining a quality impact assessment from the CCG against the implications of the proposed contract

The Chair asked the COO to provide an update covering the above items to the June 2015 Trust Board which should include a quantified sense of options in relation to FTT, as well as the inclusion of the Healthcare at Home/other providers.

**Action: COO, Due: June 2015 Trust Board**

#### 2015.2/075 ANNUAL LOSSES & COMPENSATIONS & WRITE-OFF'S

The FD presented this paper which summarised the losses and special payments during 2014/15 which totalled £735,210.

The members **APPROVED** the annual losses, compensation and write-off of bad debts.

#### 2015.2/076 EMPLOYEE ENGAGEMENT STRATEGY (copy of presentation attached to minutes)

The WD provided a presentation which highlighted that the Trust Development Authority (TDA), Monitor and CQC have released new guidance in relation to the Well-Led domain, which is defined as:

'The leadership, management and governance of an organisation to ensure the delivery of sustainable high quality person centred care, supporting learning and innovation and promote an open and fair culture'.

The five key lines of enquiry include:

- Vision and Strategy
- Governance, Quality and Risk Management
- Leadership and Culture
- Engagement and Involvement
- Continuous Improvement & Sustainability

Staff Engagement (Seeking Views) includes:

- Annual Staff Survey – circulated to full workforce
- Responding to the Staff Survey – SaTH Commitments
- Quarterly Friends and Family Test (FTT) for staff
- SaTH Conversations
- Make A Difference (MAD) Ideas – learning from staff how improvements can be made
- Gemba Walks
- Establishment of Improvement Team
- Engagement scores by team – Deep Dive on engagement by Workforce Committee
- Core Brief – held each month (Friday following Trust Board)
- Supporting and developing managers
- Embedding engagement

Staff Engagement (Raising Concerns) include:

- Employment Policies and Processes in place
- Non Executive Director (NED) sponsor for staff to raise concerns (Mr Dennis Jones)
- Active and supportive staff side representatives
- Staff supported to raise concerns
- Board – ‘Sign up to Safety’ Initiative
- Management development programme
- Reviewing and implementing ‘Freedom to Speak Up’

The WD reported that levels of Staff Engagement and Involvement in the organisation is well evidenced; however this remains a focus for the Workforce Committee.

The Chair reported that whilst undertaking a recent Gemba Walk, he was alerted to the subject of long shifts and the difficulty of staff holding team meetings resulting in a lack of dialogue. The WD confirmed that she has requested a review of this and will provide an update to the June 2015 Trust Board.

**Action: WD, Due: June 2015 Trust Board**

2015.2/077

### **CROSS BORDER HEALTH SERVICES UPDATE**

The CD presented a paper which highlighted that the Shrewsbury and Telford Hospital NHS Trust is the main provider of acute hospital services for around half a million people living in Shropshire, Telford & Wrekin and mid Wales.

Increased devolution of health policy to the home counties within the UK has a number of consequences for the Trust’s strategy and planning, and the paper provided a strategic update on cross-border health arrangements between England and Wales including:

- Executive appointments to Powys teaching Health Board
- The establishment of the Powys Community Health Council and the dissolution of Montgomeryshire Community Health Council; the CD and DNQ confirmed that they will ensure continuity of the relationship
- The publication of the Welsh Affairs Committee report on cross-border health arrangements, and
- the next steps following the Mid Wales Healthcare Study

Following discussion, the Board:

- **NOTED** the dissolution of the Montgomeryshire Community Health Council and the creation of the Powys Community Health Council.
- **APPROVED** that references to Montgomeryshire Community Health Council in the Trust’s Standing Orders and related documents be interpreted as applying to the Powys Community Health Council
- **NOTED** the recommendations of the House of Commons Welsh Affairs Committee report on cross-border health arrangements and the action being taken by the Trust.
- **NOTED** the Mid Wales Healthcare Study and Conference, and the next steps in the development of the Mid Wales Health Collaborative

The CEO suggested holding a future Trust Board meeting in mid-Wales to engage with members of the public.

**Action: DCG / CD by November 2015**

2015.2/078

### **WELL-LED FRAMEWORK**

The DCG presented a paper which highlighted that the NHS Trust Development Authority (TDA) and Monitor and the Care Quality Commission (CQC) issued the Well-Led Framework for NHS Providers during April 2015.

The guidance provides a consistent view as to what constitutes a well-led NHS organisation in terms of leadership, management and governance. It builds on, and will replace the existing tools of the Board Governance Assurance Framework (BGAF) and the Quality Governance Framework (QGF). It will support organisations to gain assurance that they are well led and represent a 'core' reference for structure reviews of governance. This will be through self assessment and external review.

Following discussion, the Board **APPROVED** the following recommendations:

- That further work on the BGAF action plan ceases and that it is no longer monitored through Audit Committee. The Chair asked Dr Hooper (NED) to oversee this action, as Chair of the Audit Committee
- That further work on the QGF action plan ceases and that it is no longer monitored through Quality & Safety Committee. The Chair asked Dr Walford (NED) to oversee this action as Chair of the Q&S Committee
- That a Board well-led self-assessment is conducted by the DCG and presented for discussion and action at a Board Development Session during 2015/16 after the appointment of the CEO

**Action: DCG, Due: 28 January 2016 Board Development Session.**

#### 2015.2/079 TRUST COMMITTEE MEETINGS UPDATE

The Chair presented the following Trust Committee updates, for information:

- Business Development & Engagement Committee – 14 April 2015
  - Workforce Committee – 10 April 2015
  - Quality & Safety Committee – 23 April 2015
  - Finance Committee – 28 April 2015
  - Hospital Executive Committee – 28 April 2015
- Audit Committee – 16 April 2015; this also included the Internal Audit Forward Plan which notes that Internal Audit will share progress any findings, along with any learning as the plan progresses, especially in relation to FTT. The Committee Summary also highlighted progress with annual declarations of interest

The Board **RECEIVED** and **REVIEWED** the Committee updates.

#### 2015.2/080 ANY OTHER BUSINESS

No further business raised

#### 2015.2/081 REFLECTION OF THE MEETING

- The COO highlighted that by changing the public meeting to the afternoon session she feels it has impacted on public engagement towards the end of the day.
- The DNQ enquired if the agenda's 4Ps (Purpose, Performance, People and Process) could be changed around during future meetings to retain a focus on the people agenda which can be compromised if time is short. It was agreed that 'People' should follow on from 'Purpose'
- The CEO requested a Board meeting be held in mid-Wales within the next six months

#### 2015.2/082 QUESTIONS/COMMENTS FROM THE FLOOR

None received.

#### 2015.2/083 DATE OF NEXT MEETING

**Special Board Meeting – Thursday 4 June 2015** at 1.00pm in Seminar Rooms 1&2, Shropshire Education & Conference Centre, Royal Shrewsbury Hospital

**Public Trust Board Meeting – Thursday 25 June 2015** at 2.00pm in the Lecture Theatre, Education Centre at PRH

MATTERS ARISING FROM THE PUBLIC TRUST BOARD MEETING ON 30 APRIL 2015

Item	Issue	ACTION OWNER	DUE DATE
2015.2/071	<b>Operating Plan 2015/16</b> <ul style="list-style-type: none"> <li>To look at the milestones and finalise the Plan for submission mid-May 2015</li> <li>To present updates to Board during July &amp; Oct</li> <li>To provide update relating to leadership and agency principle at Board/Care Group Strategy session on 4 June</li> </ul>	Executive Team  DBE  Chair	Mid-May 2015 <a href="#">Agenda Item</a>  July / Oct 2015 <a href="#">Added to Forward Plan</a>  4 June 2015 <a href="#">Completed</a>
2015.2/072	<b>Integrated Performance Report</b> <ul style="list-style-type: none"> <li>To provide update in relation to the Venous Thromboembolism target</li> <li>To update nursing recruitment trajectory graph (with Actual at Apr 2015) and re-distribute</li> <li>To update Self Certificates with VTE assessment achievement of 95.07% during March 2015</li> </ul>	MD  WD  DCG	24 Sept 2015 <a href="#">Added to Forward Plan</a>  25 June 2015 <a href="#">Completed</a>  30 April 2015 <a href="#">Completed.</a>
2015.2/074	<b>Trust's Winter Plan 2014/15</b> To obtain written collective report from Community Trust /CCG for further discussion at June 2015 Board  To provide update to re: quantified sense of options in relation to FTT, aswell as the inclusion of the Healthcare at Home/other providers at June 2015 Board	COO  COO	25 June 2015 <a href="#">Agenda Item</a>  25 June 2015 <a href="#">Agenda Item</a>
2015.2/076	<b>Employee Engagement Strategy</b> To provide update in relation to lack of dialogue due to long shifts	WD	25 June 2015 <a href="#">Agenda Item</a>
2015.2/077	<b>Cross-Border Health Services Update</b> To arrange suitable date/venue to hold a future Trust Board meeting in mid-Wales	DCG/CD	By 26 Nov 2015
2015.2/078	<b>Well-Led Framework</b> To present a Well-Led Self Assessment at a future Board Development Session 2015/16	DCG	28 Jan 2016

**SPECIAL TRUST BOARD MEETING**  
**Held on Thursday 4 June 2015 in Seminar Rooms 1&2,**  
**Shropshire Education & Conference Centre, Royal Shrewsbury Hospital**

**PUBLIC SESSION MINUTES**

<b>Present:</b>	Mr P Latchford	Chair
	Mr D Jones	Non Executive Director (NED)
	Dr R Hooper	Non Executive Director (NED)
	Mrs D Leeding	Non Executive Director (NED)
	Dr S Walford	Non Executive Director (NED)
	Mr P Herring	Chief Executive (CEO)
	Mrs S Bloomfield	Director of Nursing & Quality (DNQ)
	Dr E Borman	Medical Director (MD)
	Mrs D Kadum	Chief Operating Officer (COO)
	Mr N Nisbet	Finance Director (FD)
	Mrs J Clarke	Director of Corporate Governance/Company Secretary (DCG)
<b>In attendance</b>	Mrs V Maher	Workforce Director (WD)
	Mrs D Vogler	Director Business Enterprise (DBE)
	Mr A Osborne	Communications Director (CD)
<b>Meeting Secretary</b>	Mrs S Matthey	Committee Secretary (CS)
<b>Apologies:</b>	Mr H Darbhanga	Non Executive Director (NED)
	Mr B Newman	Non Executive Director (NED)

**2015.2/084 WELCOME**

The Chair welcomed everyone to the Special meeting which was held to approve the Draft Annual Accounts for 2014/15 and Management Representation Letter before their submission to the Trust Development Authority / Department of Health.

**2015.2/085 DECLARATIONS OF INTEREST**

There were no declarations of interest from members of the Board relating to matters on the agenda.

The DCG informed the members of an additional declaration of interest for Mr Brian Newman, relating to Director of the Woodard Corporation Limited.

The Chair and Dr Hooper (NED) also declared that they are a Fellow of the Royal Society for Arts & Manufacturing (RSA). The DCG confirmed that she would add these to the Declarations of Interest register, although strictly speaking they were not material interests. **Action: DCG**

**2015.2/086 MINUTES OF TRUST BOARD MEETING HELD ON 30 APRIL 2015**

The Chair enquired if any of the members wished to raise any particular issues in relation to the Minutes of the previous meeting. As none were raised, the Chair agreed to defer the Minutes for approval and Matters Arising to the next Trust Board meeting being held on Thursday 25 June 2015. **Due: 25 June 2015**

.....  
 Chairman  
 25 June 2015

2015.2/087 **ADOPTION OF DRAFT ANNUAL ACCOUNTS AND APPROVAL OF THE MANAGEMENT REPRESENTATION LETTER**

The FD presented the Draft Annual Accounts 2014/15 and the Management Representation Letter for approval. The Annual Accounts for 2014/15 were concluded upon at the Audit Committee meeting held earlier in the day. The External Auditors presented their report with an agreed **unqualified opinion**, excluding the deficit and cumulative deficit over a number of years.

The members were informed that the Auditors produce a report which highlights any changes that are required, and on this occasion they did not wish to change any items.

Mr Jones (NED) highlighted that as the Annual Report 2014/15 was not yet available, the External Auditors will be required to revisit the Trust to review it at a later date. The CD informed the Board that he had not had the opportunity to complete the Annual Report but assured the members that a draft report will be produced by the end of June for presentation to the July Trust Board, in preparation for sign-off by September 2015.

The Chair highlighted that the Management Representation Letter states the following and asked whether the Board was content for the CEO to sign the following statements on behalf of the Board:

“The Board has provided you with:

- access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
- additional information that you have requested from the Board for the purpose of the audit; and
- unrestricted access to persons within the trust from whom you determined it necessary to obtain audit evidence.

Mr Jones (NED) confirmed that he felt comfortable for it to be signed as there was nothing unfamiliar within the documentation.

Dr Hooper (NED) raised an issue relating to deferred income for 2014/15 being received in 2015/16. The FD assured the Board that the cash position was achieved and the External Auditors were comfortable with that treatment of the income.

The Chair queried the comment regarding the materiality of Charitable Funds. The FD reported that this is absorbed into the accounting position and as the Trust annual turnover equates to £315m and Charitable Funds equates to £100k, it is not considered to be materially significant by the auditors.

The FD confirmed that there are no material issues that he is aware of relating to income, expenditure or on the balance sheet and believes the Annual Accounts 2014/15 to be correct and true. The Board therefore **APPROVED** the Annual Accounts 2014/15 and **APPROVED** the Management Representation Letter.

2015.2/088 **INTERIM SUPPORT – FINANCE**

The FD presented a paper which represents a change in the way that Trusts can access cash support. The Trust has previously accessed Temporary Borrowing from the Department of Health (DH). This facility has now been replaced by Interim Revolving Working Capital (RWC) Support Facility which provides flexibility to cover the Trust's short term fluctuating cash requirements.

As with all interim funding, the Trust is required to progress the development and agreement of a Recovery Plan as a condition of funding. RWC is required to get the Trust to a point whereby it can deliver a Recovery Plan (or potentially a major milestone as part of the development of a Recovery Plan).

It is anticipated that the Trust will be awarded Public Dividend Capital (PDC) again during 2015/16 as the permanent solution to support its forecast Income and Expenditure deficit. The NHS TDA will work with the Trust and advise on the form, content and timing of application requirements following agreement with the DH.

The Trust has an initial RWC limit application for £8.4 million, representing the equivalent of 10 days operating expenditure. The Trust can apply for a Variation to this limit up to a maximum of 30 days equivalent operating expenditure through the Authorised Officer.

The paper attached the Forecast Cashflow model for 2015/16 which assumes receiving RWC during the month of July 2015.

In order to access this finance, the Trust will be charged interest at a rate of 3.5% based on daily outstanding balances. Accounting processes allow for this 3.5% to be adjusted so no actual payment will be made.

Mr Jones (NED) queried the initial RWC limit of £8.4 million. The FD reported that £8.4 million is the first instalment which is required to be in place by September 2015; however, in practical terms the amount is likely to increase to £17 - £18m by year end. Once authorisation is given by the Board it covers subsequent applications.

Dr Hooper (NED) highlighted the tension posed by imposed constraints on how SaTH provides its services, coupled with direct funding passed to local councils for Public Health functions which placed SaTH in the position of having to apply for additional funding.

The CEO pointed out that the position regarding clinical reconfiguration was nationally mandated and that the Board has approved a forecast budget which this application supports, so it would be perverse not to support it.

Overall, the FD confirmed that this relates to the Trust having a permanent solution rather than a temporary fix.

The Board RESOLVED to

- Approve the terms of, and the transactions contemplated by, the Finance documents to which it is a party and resolved that it executes the Finance documents to which it is a party
- Authorise Neil Nisbet, Finance Director to execute the Finance Documents to which it is a party on its behalf; and
- Authorise Neil Nisbet, Finance Director on its behalf to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party
- Confirm the Borrower's undertaking to comply with the Additional Terms and Conditions.

2015.2/89

## HEAD OF INTERNAL AUDIT OPINION

The Director of Corporate Governance presented this report, stating that it provides assurance for the statements in the Management Representation Letter and is reflective of the work undertaken by Internal Audit throughout the year.

The members were informed that this Report has been presented to the Audit Committee and was felt to be a true reflection of the Trust's position.

### Core Internal Audits – Overall Assurance

The key point for the Board to note is that the Head of Internal Audit issued the following nine formal core internal audit reports across the year designed to improve the system of internal audit control:

- Assurance framework/risk management
- Budgetary control
- Cash management
- Debtors and income
- Creditors and payments
- Payroll
- Computer based controls
- Workforce budget controls
- Data quality

Substantial opinions were given in six instances. Moderate opinions were given in two instances and one limited opinion was given in relation to workforce budget controls.

### Performance Internal Audits – Overall Assurance

Performance reviews were completed for:

- Financial planning
- Discharge management

Internal Audit identified high priority recommendations in relation to Discharge Management.

The Head of Internal Audit Opinion identified that during the year good progress has been made in reviewing and following up outstanding internal audit recommendations and a significant number of recommendations from previous years have now been confirmed as completed.

Whilst Internal Audit identified high priority recommendations in some areas, they have not identified fundamental control weakness relating to governance, risk management or internal controls that impacts upon an overall Head of Internal Audit opinion of **significant assurance**.

Dr Hooper (NED) highlighted that the report collectively identifies that the Trust is improving and thanked the DCG and her team for their continued contribution; and Dr Walford (NED) informed the members there is an underlying evidential sense that the Executive processes are amongst the best seen by Internal Audit.

The Chair flagged up the theme of change improvement/controls required in relation to bank/agency shifts. The WD confirmed that it is the role of the Workforce Committee to oversee this and it is an item for discussion on this month's Workforce Committee agenda.

The Trust Board **RECEIVED** the Head of Internal Audit Opinion 2014/15 report.

2015.2/90

### AUDIT COMMITTEE ANNUAL REPORT 2014/15

The Audit Committee Annual Report reviews the role and operation of the Committee including attendance rates, reporting to and from the Committee and summarises the reports received from the Internal and External Auditors.

Dr Hooper (NED), Mr Jones (NED) and Dr Walford (NED) thanked the DCG and FD and their respective teams for their support and work undertaken to ensure the recommendations are achieved.

An Internal Audit report has been received of the Trust's risk management and assurance processes. The members were informed that although some minor recommendations were made, overall the auditors felt it was a very positive review.

The Chair reported that the paper highlights junior doctor's sickness management. It was confirmed that this relates to historic comments when internal processes were weak; however this has now improved. The Chair was assured that this will be overseen by the Workforce Committee.

The Board **RECEIVED** the Audit Committee Annual Report 2014/15.

## 2015.2/91 ANNUAL GOVERNANCE STATEMENT

The DCG introduced the Annual Governance Statement which had been considered by the External Auditors at the Audit Committee who found it to be satisfactory, with no comments. It will be submitted with the Annual Accounts on 5 June 2015. The CEO drew attention to a number of sections.

Significant issues for 2014/15 are considered to be:

- Fit To Transfer (FTT) list
- Income and expenditure
- Public consultation on future of clinical services

Dr Hooper (NED) reported that a large amount of work has been undertaken by him, Dr Walford (NED) and Mr Jones (NED) regarding the position relating to FTT in the Statement, and a form of words was agreed with the CEO for inclusion in the Annual Governance Statement.

Following discussion, the Board **APPROVED** the SATH Annual Governance Statement 2014/15.

## 2015.2/92 DRAFT QUALITY ACCOUNT 2014/15 SIGN OFF

The DNO presented the draft 2014/15 Quality Account which looks back at where the Trust has made improvements in the last 12 months and looks forward to the quality priorities for 2015/16. The priorities for improvement have been discussed and agreed at a stakeholder event held on 26 February 2015 involving Shropshire, Telford and Wrekin Healthwatch, Powys Community Health Council, Shropshire Community Health Trust and acute and community provider patient experience representatives.

Three strategic quality improvement priorities were identified by the stakeholder group; with a number of subsequent operational quality improvements relevant to each strategic priority. The priorities are underpinned by implementation plans that include milestones and improvement actions.

The priorities for 2015/16 are:

*Priority 1: Improve our skills and pathways to better support patients, wherever they are being cared for.*  
Operational objective - To work with our staff and partners to ensure that patients with acute medical needs, end of life and dementia needs are treated by the right person with the right skills in the right place.

*Priority 2: Working together to improve patient experience across boundaries of care.*  
Operational objective - To develop and implement a whole system approach with our care partners for discharging patients home that optimises every opportunity for our patients to become independent.

*Priority 3: Working together with wider NHS to help deliver national priorities.*  
Operational objective - To work with our local health care partners to identify and deliver local safety improvement initiatives that reduce harm and contribute to national safety objectives.

The DNO reported that a further key priority for 2015/16 is to improve the early recognition of patients who are admitted with, or develop, sepsis while in our care and to also standardise the assessment and clinical care for these patients. It is vitally important that sepsis is identified and treated quickly. A lot of work is already underway to provide the best treatment possible for these patients, including the launch of a Sepsis Group. The group, which will include a patient representative, will ensure that sepsis is recognised quickly across the Trust and treated in a standardised way at the right time and the right place. This work will be overseen by the Quality & Safety Committee.

The DNO reported that the final version of the Quality Account will be presented to the 25 June Trust Board and will include a summary of serious incidents, complaints and PALS related issues.

The Board **RECEIVED** the draft Quality Account 2014/15.

**2015.2/93 ANY OTHER BUSINESS**

The Chair gave credit to the Executive members and their wider teams for the improvements in governance, audit and financial processes throughout 2014/15.

**2015.2/94 DATE OF NEXT FORMAL MEETING : Thursday 25 June 2015, Lecture Theatre, Education Centre, PRH**

PRIVATE SESSION to commence at 10.00am

PUBLIC SESSION to commence at 2.00pm