

SPECIAL TRUST BOARD MEETING
Held on Thursday 2 June 2016
Shropshire Education and Conference Centre, Royal Shrewsbury Hospital

PUBLIC SESSION MINUTES

Present:	Mr P Latchford Mr P Cronin Mr C Deadman Mr H Darbhanga Dr R Hooper Dr S Walford Mr S Wright Mrs S Bloomfield Mr N Nisbet Mrs H Jenkinson Dr E Borman Mrs D Kadum	Chair Designate Non-Executive Director (NED) Non-Executive Director (NED) Non-Executive Director (NED) Non-Executive Director (NED) Non-Executive Director (NED) Chief Executive Officer (CEO) Director of Nursing and Quality (DNQ) Finance Director (FD) Representing Director of Nursing and Quality (DNQ) Medical Director (MD) Chief Operating Officer (COO)
	Mrs J Clarke	Director of Corporate Governance/Company Secretary (DCG)
Apologies:	Mr B Newman	Non-Executive Director (NED)
2016.2/82	WELCOME AND APOLOGIES	
	<p>The Chair welcomed the Board members to the meeting which was held to approve the draft Annual Accounts for 2015/16 and Management Representation Letter, before their submission to the Trust Development Authority / Department of Health.</p> <p>He noted that Mrs Leeding (NED) had stepped down and placed on record his thanks to her for her contribution to the Board during her period of office.</p>	
2016.2/83	DECLARATIONS OF INTEREST	
	<p>There were no declarations of interest from members of the Board relating to matters on the agenda.</p>	
2016.2/84	MINUTES OF THE MEETING HELD IN PUBLIC ON 28 APRIL 2016	
	<p>The Minutes of the 28 April 2016 were APPROVED as a true record.</p>	
2016.2/85	MATTERS ARISING	
	<p>2016.2/62 – Patient Story: Mr F <i>MD to obtain the detail of the recommendations and actions taken and investigate this case further with medical staff.</i> The members were informed that this is being addressed by the Quality Committee. Completed. Trust Board action closed.</p> <p>2016.2/63 – Declarations of Interest <i>Committee Secretary to update.</i> Completed. Action closed.</p> <p>2016.2/64 – Minutes of Trust Board meetings held 31 March & 4 April 2016. <i>Committee Secretary to update, as agreed.</i> Completed. Action closed.</p>	

2016.2/65.1 – Matters Arising – Patient Story (Brig. Mantell – Radiological Scans/Reporting)
COO to continue to track issues and feedback through the Quality Committee.
The members were informed that the issues raised are now being tracked through the Quality Committee. **Completed. Trust Board action closed.**

2016.2/65.3 – Matters Arising – Morecambe Bay Maternity Review
DNQ to include in the Summary of the May Quality Committee and present to the June 2016 Trust Board.

Added to Forward Plan. Due: 30 June 2016 Trust Board

2016.2/65.4 – Matters Arising – Patient Experience Strategy Update
DNQ to present full Strategy to June 2016 Trust Board.

The members were advised that this will be presented to the September 2016 Trust Board.

Added to Forward Plan. Due: September 2016 Trust Board

2016.2/65.5 – Matters Arising – Belong to Something
WD to provide update to June 2016 Trust Board.

Added to Forward Plan. Due: 30 June 2016 Trust Board

2016.2/65.8 – Matters Arising – Annual Review of Standing Orders, SFIs and Scheme of Delegation

FD to present to June 2016 Trust Board.

Added to Forward Plan. Due: 30 June 2016 Trust Board

2016.2/67 – CEO Overview

CEO to present organisation's Strategy / Vision to June Trust Board.

Added to Forward Plan. Due: 30 June 2016 Trust Board

2016.2/67 – CEO Overview

MD to extend the Board's recognition and thanks to staff involved

The members were informed that the CEO and MD have expressed their thanks to all staff involved. **Completed. Action closed.**

2016.2/69 – Trust Performance Report – Operational Performance

COO to provide update to June Trust Board in relation to the Ambulance Service handover delays criterion when different levels of pressure exist in different hospitals and the development of a whole system plan, and the 2016/17 Winter Plan.

Added to Forward Plan. Due: 30 June 2016 Trust Board

2016.2/69 – Trust Performance Report – Workforce

WD to provide further detail in relation to sickness absence rates at June Trust Board.

Added to Forward Plan. Due: 30 June 2016 Trust Board

2016.2/75 – Sub-Committees & Updated Terms of Reference

FD to present Annual Review of SFIs and SO to June Trust Board

Added to Forward Plan. Due: 30 June 2016 Trust Board

2016.2/85

ADOPTION OF ANNUAL ACCOUNTS AND APPROVAL OF THE MANAGEMENT REPRESENTATION LETTER

The FD presented the Draft Annual Accounts 2015/16 and the Management Representation Letter for approval. The Annual Accounts for 2015/16 were concluded upon at the Audit Committee meeting held prior to the Trust Board meeting. The External Auditors presented their report with an agreed **unqualified opinion**.

Dr Hooper (NED) noted that there was a difference between the Trust and External Audit on the treatment of depreciation which had been discussed at some length inside and outside Audit Committee. The difference was not material and non-agreement would not result in a qualified opinion of the accounts. The difference related to the accounting treatment of depreciation following the extension of asset lives, in line with TDA advice earlier in the year. In essence the Trust relied on International Accounting Standards (IAS) 16 which allowed depreciation over the life of the asset, whereas External Audit relied on IAS 08 which applied it prospectively. This technical difference in the treatment of depreciation was recorded in full in the Audit Committee meeting and is reflected in the Management Representation Letter. On that basis the Audit Committee recommended the adoption of the Accounts. However the Trust did receive an 'except for' qualified opinion on the value for money position. In recognition of the Trust's accumulated deficit, the Trust received an 'except for' unqualified position, this being in respect of value for money.

The Audit Committee felt the value for money comment needed further consideration for a number of reasons. Dr Hooper (NED) as Audit Chair reminded the Board that over a year ago the Committee had requested that External Audit should reflect the inherent weakness of the current system in their opinion. The Committee recognised that auditors were constrained by the financial framework and criterion but were using a framework designed at a time when the NHS was in surplus, and with 80% of Trusts currently reporting a deficit they would all receive a qualified VFM opinion which did not truly reflect the position, nor the efforts of the NHS Workforce.

In SaTH's case our activity is much higher than our contracted position which inevitably impacts on our staffing, costs and ability to achieve targets such as 4-hour waits. This is then unfairly reflected in the VFM opinion; furthermore this undermines SaTH's ability to provide the most clinically excellent services we aspire to.

The CEO expressed his frustration in the strongest terms as SaTH is externally judged to deliver excellent value for money using a number of independent external measures – for the fourth year running the Trust was recognised by CHKS as being in the Top 40 for its effectiveness and efficiency, with reference costs of 95 (the NHS average being 100). So all these measures placed SaTH as a top performer; this technical evaluation based on rigid criteria was a gross misinterpretation and failed to recognise the extraordinary response of the NHS workforce, both nationally and locally. He felt the application of an inappropriate framework was unjust and unfair.

There is no current mechanism that recognises the shift in activity, although it was recognised that the Sustainable Transformation Plan (STP) should have a role to play in this in the future .

Mr Deadman (NED) advised that at a recent Sustainability Committee meeting there was a Business Case for investment that appeared to be financially sound, currently we cannot afford to progress.

A further related difficulty is our internal capital position – each year we spend around £8m largely on replacing medical equipment but this is insufficient to meet the scale of risks that we face and leaves us unable to invest in schemes that would help achieve excellence. The Strategic Outline Case (SOC) will resolve this position and prevent it occurring again.

The FD confirmed we should not underestimate the scale of the backlog problem; traditionally assets have deteriorated and we need to ensure the capital budget is earmarked for top priority items.

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 2015/16 to be correct and true.

	<p>The Board therefore APPROVED the Annual Accounts 2015/16, APPROVED the Management Representation Letter, APPROVED the Statement of Chief Executive's Responsibilities as the Accountable Officer of the Trust, APPROVED the Financial Monitoring and Accounts Forms and APPROVED the Statement of Financial Position as at 31 March 2016.</p>
2016.2/86	<p>HEAD OF INTERNAL AUDIT OPINION</p> <p>It was noted that the Report provided assurance for the statements in the Annual Report and Financial Statements and is reflective of the work undertaken by Internal Audit throughout the year.</p> <p>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.</p> <p>The Trust Board RECEIVED the Head of Internal Audit Opinion 2015/16 report.</p>
2016.2/87	<p>AUDIT COMMITTEE ANNUAL REPORT</p> <p>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.</p> <p>The Chair thanked Dr Hooper (NED) for his robust chairing of Audit Committee and recognised we can only achieve excellence through challenge. Mr Hooper paid tribute to the work of the DCG and her team and to the Finance Team for their contribution.</p> <p>The Board RECEIVED the Audit Committee Annual Report 2015/16.</p>
2016.2/88	<p>ANNUAL GOVERNANCE STATEMENT</p> <p>The CEO introduced the Annual Governance Statement which had been considered by the External Auditors at the Audit Committee who found it to be satisfactory. It will be submitted with the Annual Accounts.</p> <p>Following discussion, the Board APPROVED the SaTH Annual Governance Statement 2015/16.</p>
2016.2/89	<p>DRAFT QUALITY ACCOUNT 2015/16</p> <p>The DNO presented the draft 2015/16 Quality Account which looks back at where the Trust has made improvements over the last 12 months and looks forward to the quality priorities for 2016/17.</p> <p>The DNO reported that the final version of the Quality Account will be presented to the 30 June 2016 Trust Board. It was noted that hydration and nutrition had been raised as key areas of focus for 2016/17. Some amendments were suggested and members were asked to contact the DNO with further suggestions before the next Trust Board meeting.</p> <p>The Chair reflected that it was a very easy to read report and demonstrated real progress. However, the Board need to continue to focus on the ever present need to improve.</p> <p>The Board RECEIVED the draft Quality Account 2015/16.</p>
2016.2/90	<p>TRUST ANNUAL REPORT 2015/16</p> <p>The 2015/16 Trust Annual Report was presented. This is a key feature of the Trust's governance and accountability structures, reporting on progress and challenges of the Trust during the year and setting out the priorities for the year ahead and providing key mandatory information in support of governance, compliance and accountability.</p>

NHS organisations were required to produce an Annual Report in accordance with guidance set out in the NHS Finance Manual: Manual for Accounts.

The Chair reflected that this was a very useful and easy to read report and thanked everyone for their contribution, with special thanks to John Kirk, Communications Manager, for producing the report.

It was noted that a shorter Review Summary would be produced for the AGM on 3 September 2016.

The Board **APPROVED** the Annual Report which will be published on the Trust website.

2016.2/91	ANY OTHER BUSINESS No further business raised
2016.2/92	QUESTIONS FROM THE FLOOR
2016.2/92.1	Sylvia Jones queried the wording on page 26 of the Annual Report in the Finance Director's Overview and it was agreed to change it to 'The SOC has been submitted for 'comment' rather than 'approval' as the SOC could not progress until approval from the commissioners.
2016.2/92.2	Sylvia Jones also queried the sensitivity of 'unmanageable demand' in relation to the ageing population but it was felt that it reflected the current position and that the population needs to be supported to take care of its health rather than passing responsibility to someone else.
2016.2/92.3	David Sandbach advised he was pleased to see the Trust's recent media coverage to explain the current sustainable services proposals.
2016.2/92.4	David Sandbach queried the apparent reduction of medical staff in the Annual Report; he was assured that the Trust had not reduced numbers, although there had been a lower fill rate of junior doctors. The Medical Director agreed to investigate the discrepancy and report back. Action: MD
2016.2/92.5	David Sandbach commended the Cancer App being developed by Dr Khanduri and the Oncology Team and recommended a presentation to the Board, to recognise the leading-edge development.
2016.2/92.6	Sylvia Jones raised a question regarding the £1.5m funding of Rural Maternity Services. The FD advised that there had been a long-standing imbalance between funding and delivering the service but this should now be addressed by the SDP.
2016.1/93	DATE & TIME OF NEXT FORMAL MEETING Thursday 30 June 2016, Town Hall, Broad Street, Welshpool, SY21 7JQ (9am Remuneration Committee followed by 10am Private Session and 1pm Public Session)

MATTERS ARISING FROM THE SPECIAL TRUST BOARD MEETING ON 2 JUNE 2016

Item	Issue	Action Owner	Due Date
2016.2/92.4	<p><u>Questions from the Floor:</u></p> <p>To investigate the discrepancy relating to the apparent reduction of medical staff in the Annual Report and the lower fill rate of junior doctors, and report back to the June 2016 Trust Board</p>	MD	30 June 2016

DRAFT