

The Shrewsbury and Telford Hospital NHS Trust

**TRUST BOARD MEETING**  
**Held on Thursday 30 August 2012 at 9.30 am**  
**Lecture Theatre, Education Centre,**  
**Princess Royal Hospital**

**PUBLIC SESSION MINUTES**

|                      |   |  |
|----------------------|---|--|
| <b>Present:</b>      | Dr J Davies<br>Mr M Beardwell<br>Mr B Simms<br>Mr D Jones<br>Dr S Walford<br>Mr S Peak<br>Mrs V Morris<br>Dr A Fraser<br>Mrs D Vogler<br>Jill Price | Chair<br>Vice-Chair/Non Executive Director (NED)<br>Non Executive Director<br>Non Executive Director (NED)<br>Non Executive Director (NED)<br>Interim Chief Executive (CEO)<br>Director of Quality & Safety (DQS)/Chief Nurse<br>Medical Director (MD)<br>Director of Business & Enterprise (DBE)<br>Representing Finance Director (FD) - part meeting |
|                      | Mrs J Clarke  | Company Secretary (DCRM)   |
| <b>In attendance</b> | Mr A Osborne<br>Mrs B Graham  | Communications Director<br>Committee Secretary   |
| <b>Observers</b>     | None  |  |
| <b>Apologies:</b>    | Dr P Vernon<br>Mr N Nisbet<br>Mrs D Vogler<br><br>Mrs M Fellows   | Non Executive Director (NED)<br>Finance Director<br>Director of Business & Enterprise (DBE) – part meeting<br><br>Telford & Wrekin Link Observer   |

**2012.1/90 WELCOME**

The Chairman welcomed everyone to the meeting and apologies were noted as above.

**2012.1/91.1 DECLARATION OF INTEREST** by members in relation to any matters on the agenda : None.

**2012.1/91.2 DECLARATION OF INTEREST** from Mr Barry Simms (NED) :

The Board received and **NOTED** Mr Simms' declaration of interest in Coverage Care. This declaration will be added to the next half-yearly report.

**2012.1/92 MINUTES OF THE MEETING HELD IN PUBLIC** on 26 July 2012 were **APPROVED** subject to the following amendments:

- Under Attendance it should have read "Mrs M Fellows" not "Mrs M Roberts".
- Item 83.1 Chairman's report Point (ii) 2<sup>nd</sup> sentence should have read "However SaTH will become part of Shropshire, Worcester, Hereford and Telford & Wrekin Commissioning Support Service."

.....  
Chairman  
27 September 2012

| <b>MATTERS ARISING FROM THE MEETING HELD ON 26 JULY 2012</b> |   |
|--|---|
| (48.1)   | <b>Year-End Finance Report – Powys LHB Contract</b> - Item was on the agenda. The CEO advised that 2011/12 contract with Powys LHB has been agreed to SaTH's satisfaction. In relation to 2012/13 contract, a meeting planned in August was cancelled by Powys LHB and this issue has now been escalated to CEOs. The Chair stressed the urgency of agreeing this year's contract. <b>Action: CEO.</b>  |
| (48.3)   | <b>PMR Template for March - Learning Disability – firm date for implementation</b> - Item on the agenda.  |
| (57.1)   | <b>Chairman's Report – Board Committee Structure/Terms of Reference</b> - Item on the agenda.   |
| (73.1)   | <b>Chair's Report – Board FT Readiness Assessment by SHA</b> rescheduled for 19 September 2012.   |
| (74.3)   | <b>Annual Security Report 2011/12</b> – The Trust Training Plan is on the agenda. Item <b>complete.</b>   |
| (74.4)   | <b>Business Case for Fractured Neck of Femur</b> – The outcome of the review of MSK will be brought back to the Board in September. <b>Action: CEO – Sep 2012.</b>  |
| (75.1)   | <b>Finance Report M2 - Rise in Emergency Activity:</b> The CEO had expressed his concerns over the implications of the rise in emergency activity with senior officers from both Commissioning bodies and a meeting has been arranged to discuss this further. The CEO explained that SaTH is only being paid 30% for each emergency over plan. Although developments such as RAID and Frail Elderly pathways were expected to reduce admission rates, SaTH was currently not seeing any diminution in activity. <b>Action: CEO/FD.</b> |
| (76.1)   | <b>NHS FT Update – seek to examine business strategy from neighbouring Trusts re. their aspirations</b><br>The CEO said that colleagues to the east had agreed to share elements of their business strategy with SaTH. The DCRM agreed to chase. <b>Action: DCRM.</b>   |
| (79)   | <b>Questions re. Frequency of Cleaning Windows and Guttering</b> – the DQS confirmed that : <ul style="list-style-type: none"> <li>▪ Guttering is cleaned once a year after the growing season.</li> <li>▪ Windows are cleaned as and when required due to the associated costs.</li> <li>▪ Children's Play Area at PRH – has now been renovated and has been significantly improved.</li> </ul>  |
| (83.2)   | <b>CEO Report Month 04</b> <ul style="list-style-type: none"> <li>(i) <b>Strategic Relationship with Community Trust</b> - will be covered under CEO Report 05.</li> <li>(ii) <b>New Acute Surgical Services</b> – it was noted that the new facilities look impressive.</li> <li>(iii) <b>Booking &amp; Scheduling</b> – item on the agenda.</li> </ul>  |
| (84.1)   | <b>Travel and Transport Plan</b> – item to be covered under the CEO's report.   |
| (85.1)   | <b>Finance Report M3 Workforce</b> – item to be covered under Finance Report.   |
| (85.2)   | <b>Performance Report – RTT admitted performance</b> : the CEO said that the RTT target for admitted and non admitted in July was achieved despite challenges in ophthalmology and MSK. He agreed to send members a copy of the RTT admitted performance details. <b>Action: CEO.</b>   |
| (85.3)   | <b>PMP Report – Ref 17 Patient Experience Indicator – Learning Disability – Item on the agenda.</b>   |
| (86.1)   | <b>NHS FT Update</b> – IT, Estates, Workforce and Clinical Service strategies for the next BDD meeting.   |
| (87.3)   | <b>Q&amp;S Committee – 19 July 2012 :</b> <ul style="list-style-type: none"> <li>(i) <b>Centre Lead for Booking &amp; Scheduling</b> – item on the agenda.</li> <li>(ii) <b>Breast Screening</b> - The CEO said discussions with the CCG on expansion of the breast screening service would be taking place. It was noted that Dr Metelko, Clinical Lead for Breast Imaging, has been asked to present to the next Board meeting.</li> </ul>  |

## 2012.1/93.1 CHAIRMAN'S REPORT

### Recruitment :

- Non Executive Director (NED) vacancy - the recruitment process had closed on 10 August and there was a strong field of 27 applicants. Shortlisting had taken place and 7 candidates will be interviewed on 6 September 2012. The appointment should be confirmed on 19 September and the new NED should be in post in time for the next Trust Board meeting.
- Chief Operating Officer vacancy – Longlisting took place on 15 August. Shortlisting has taken place and there are 5 candidates. Interviews will take place on 10 September 2012.
- Consultant recruitment :
  - 2 Consultant Cardiologists will be in place by the end of the year;
  - 2 Consultant Physicians in Respiratory Medicine will be interviewed on 31 August 2012 - one additional consultant for both sites.

## 2012.1/93.1 CHAIRMAN'S REPORT (Continued)

### Relationship with Charities

The first meeting of the Charities Strategy Board had taken place (including RSH and PRH League of Friends, Lingen Davies and SaTH representatives). . The new Board is a forum for all charities to align priorities and avoid any overlapping of fund raising activities. It had been agreed to recruit a Fund Raising Officer on a short-term contract funded out of Charitable funds to improve our own governance arrangements, support LoFs and Lingen Davies. This person will report to the Communications Director.

**New NHS Structure** continues to evolve and will take on responsibilities from 1 October 2012 to 31 March 2013, as follows :

- NHS Commissioning Board;
- NHS Trust Development
- Health Education England
- Local Education and Training Board
- Public Health England

There is a National Commissioning Board and also a Local Commissioning Board. The latter will cover Shropshire and Staffordshire and will start this role from early October 2012. Shropshire, Telford & Wrekin and Hereford CCGs are now looking to work with Staffordshire for their Commissioning Support Service. The Chairman added that SaTH needs to engage with these organisations because of our FT application going forward and explain our strategies proactively.

## 2012.1/93.2 CHIEF EXECUTIVE'S REPORT

Members **NOTED** the following verbal report :

- **Head and Neck Services transfer to PRH** – Head & Neck Services will move to PRH next week as planned. There will be an expected dip in activity whilst making the transfer but this will pick up again in September/October.
- **Reconfiguration** – the Guaranteed Maximum Price (GMP) quote offer from our Partners will be received today (30 August 2012) and the Board will receive a paper which will set out costs of building, equipment and internal expenditure. **Action: CEO – September 2012.**

## 2012.1/93.2 CHIEF EXECUTIVE'S REPORT

- **Travel & Transport Plan** – has been through consultation and sixty written responses were received from staff, with some elements mirroring general public responses such as parking availability and cost. SaTH will now build these comments into a formal plan to make necessary changes by the end of the calendar year.
- **Strategic Relationship with the Community Trust** – both organisations have agreed that it is important to develop services for the future. A draft agreement document has been prepared and SaTH now awaits feedback from the Community Trust. In the meantime both organisations are working together on the Frail Elderly pathway and the CEO agreed to include Mr Beardwell's (NED) suggestion to include Age UK in this process. **Action: CEO.** It was noted that an orthogeriatrician was being appointed and a GP with a special interest.

Discussions regarding additional step-down beds were in progress. Dr Walford (NED) asked if SaTH could get Commissioners to agree a threshold for people whose discharge is delayed e.g. if there was 20 then they would have to escalate. The Chairman agreed that this should be raised. **Action: CEO.** Mr Beardwell (NED) asked for reassurance that the Frail and Elderly project will be pushed forward through future organisational changes. The MD gave assurance that Dr Bill Gowan is part of the new Shropshire CCG representing both CCGs and he will continue to take this forward, and the two Trusts will continue to work together through the Strategic Partnership.

**94.1 QUALITY REPORT**

The Director of Quality & Safety (DQS) introduced the Quality & Safety Report which focused on systems and processes in place to give Board assurance. It was noted that the last Q&S Workshop concentrated on Ward to Board Nursing Care Metrics (ward level information to see what contributed to the indicators seen at the Board) and the Patient Experience section of the report.

The report also summarised key external assurances provided by a review of RSH A&E review by Shropshire County PCT on 26 June 2012. Headline recommendations were shared to be progressed within the centre

In relation to the Ward to Board nursing care metrics, Mr Simms (NED) asked if SaTH was aspiring to a 99.9% success rate. The DQS said the report sampled care provided in the ward, however, it is the intention to try to get everyone in the "green" area showing 90% and above, ultimately aiming for 100%.

Mr Jones (NED) referred to Page 2, Section 1.1.4, The Safety Thermometer and raised concerns that 8 people out of 100 suffered harm (1 in 12) and also on Page 5 where there has been a 25% increase in Grade 3 pressure ulcers at a time when there is a regional focus on reduction or elimination. The DQS advised that she and Deputy Chief Nurse have been and intend to continue to spend a significant amount of time to personally review these cases and facilitate the performance turnaround including personal visits to the Wards.

Dr Walford (NED) asked if there is a mechanism in place to ensure that the safety Thermometer methodology identified provides a "like for like" comparison with other Trusts. The DQS said that the methodology made it fairly consistent.

The Board **APPROVED** the report.

**94.1.2 MAKING EVERY CONTACT COUNT (MECC)**

The DQS introduced the paper and advised that MECC had been incorporated into our locally agreed CQUIN scheme for 2012/13 and is valued at £567,806. MECC is about staff using the contact they have with patients and the public to give healthy lifestyle information around stopping smoking, drinking alcohol within recommended limits, having a healthy diet, maintaining a healthy weight and undertaking the recommended levels of physical activity.

The total MECC locally agreed CQUIN scheme is valued at £567k for 2012/13. The Board should have received a paper by July 2012. The DQS said she would check with the PCT regarding the impact of this delay on the Quarter 1 CQUIN payment. **Action: DQS.**

The Chairman asked for a detail of the whole CQUIN list for the Board to be fully informed. **Action: DQS/FD.**

The Board **APPROVED** the paper.

## 94.2 LEARNING DISABILITY UPDATE

The DQS introduced the paper which explained that the Trust had been expected to certify compliance with meeting the six Learning Disability criteria in 2010, and our position in the Provider Management Return has been risk rated as red (non compliant). The DQS commissioned an action plan in March 2012 to deliver compliance in October 2012 and the report informed the Board of the work streams taking place; to mitigate the risks and deliver the assurance needed to allow the Board to sign off the compliance requirement.

The Board considered the requirements of PMR and **AGREED** that compliance with the standard could be declared in August with further assurances around compliance in place by October 2012.

## 94.3 LINGEN DAVIES CENTRE

The Director of Compliance & Risk Management (DCRM) introduced the paper and gave a PowerPoint Presentation (*copy slides attached*). The Full Business Case for the Cancer & Haematology Centre was approved by the Board in July 2011 to provide people from Telford, Shropshire and mid-Wales with a 'one stop' facility which is accessible, comfortable and will provide care of the highest standard for Oncology, Haematology and Head & Neck Cancer patients". Funding was entirely through Charitable donations, with over £5m being donated by Lingen Davies, Shropshire Blood Trust Fund, RSH League of Friends and Shropshire Head & Neck Charity/Trust Fund. Work began on-site in August 2011 and the building was handed over to the Trust, as planned, on 20 August. Final post-building work is being completed. The project has also come in slightly under budget (£1,000 surplus) and the money will be used to enhance the Centre's landscaping. Fundraising has continued throughout the building works to furnish and equip the new Centre. The necessary funds have been raised (almost £400k) and all the equipment and furnishing will be in place when the Centre fully opens on 17 September 2012.

There is now a two-floor Chemotherapy and Day Treatment Centre and a new reception and refurbished outpatient facility with spacious, light and patient-designed layout with individually-controlled treatment chair spaces. Lingen Davies has also supported the provision of 4 en-suite rooms for Head & Neck cancer patients at PRH. There has been extensive involvement of users and carers in the design and the Project Board has met monthly to ensure that timescales and budget have been adhered to. This state-of-the-art facility is entirely due to the generosity of the people of Shropshire and Mid-Wales.

There will be an 'Open Evening' on 27 September 2012 for staff, GPs, local artists who have donated artwork, Project Board members and main charities for tours of the new facilities. The Hamar Centre will also remain open for GPs to drop in to celebrate their 21<sup>st</sup> birthday. A similar event will be held for Lingen Davies fundraisers on Saturday 29 September. The Lord Lieutenant has been approached regarding a formal opening later in the year.

The Board **NOTED** that the Lingen Davies Centre Project was completed on budget and on time 20 August 2012. **NOTED** the operational "go live" date as 17 September 2012; **NOTED** the invitation to Board members to attend an open evening on 27 September 2012 and **THANKED** all fundraisers and charities for their contribution and support.

## 94.4 BOOKING AND SCHEDULING PROJECT PLAN

The CEO introduced the paper which advised that the Trust identified the need to make significant changes to its booking and scheduling systems in the face of adverse patient and GP feedback, non-achievement of the 18 week referral to time targets and concerns regarding data quality and patient pathway tracking transparency. A project team was established to review the current systems and created a comprehensive project plan which focused upon a range of work streams identified and incorporated into a PMO's approved projects having been signed off at Hospital Executive Committee in July 2012. The overall aims of the project are to substantially increase patient satisfaction rates (to 90%+) by achieving the right clinical appointment at the right time for the patient whilst achieving greater efficiency in our use of administration resource and delivering on national waiting time standards. The key streams of work within the project beyond the completed initiation phase will be under Outpatient stream, Booking stream and Theatre scheduling.

#### 94.4 **BOOKING AND SCHEDULING PROJECT PLAN (Continued)**

The cost of the project to deliver these key work strands straddling two financial years have been identified as £690k. Estimated savings for 2012/13 and 2013/14 are £1,700,000 (the bulk of savings coming at the end of 2013/14). Work is well underway to put in place the appropriate systems and changes required to make the necessary improvements to our Booking and Scheduling systems. The timescale for completion of the project is April 2013.

The CEO said that the Project Team will continually monitor the project however he would be happy to provide a short summary of progress to the Board if required. On the question of the biggest risk that would compromise the ability to deliver, the CEO said (i) would be financial investment to make it happen and (ii) this is a significant level of change in staff culture to operate from consultants, nurse and others. There will be a need to work hard to communicate the change to staff through the communication stream as part of the project. There is KPIs to sample how we are performing and a number of metrics from a process and outcome perspective.

There will be some contractual agreements with Commissioners around referral management and the Choose and Book system.

The Board **APPROVED** the Project resource.

#### 94.5 **RESEARCH AND DEVELOPMENT ANNUAL PLAN 2011-12**

The Medical Director (MD) introduced the Research & Development Annual Plan.

The R&D Department aims to improve outcomes in health care through research within a high quality caring environment and promote high quality research across the Trust. Work is ongoing to develop the infra structure to support this core NHS work. In 2011/12 the overall recruitment target of 1300 was achieved but the sub target for cancer randomised trials fell short. With the national drive to double recruitment into clinical trials in a 5 year period to 2014, a continuing effort is in place to recruit 1600 patients during 2012/13 by developing the research infra structure and supporting and encouraging research activity across all the clinical centres.

It was noted that SaTH's research is funded externally from the National Clinical Trials. SaTH also provides mandatory training for clinical trials staff who require two yearly updates through R & D funding. The biggest problem is the environment – R&D is currently situated in the Portacabin and may well be moving into Clinic 9 when Haematology moves to the Lingen Davies Centre – the MD said he felt a new unit could help to recruit patients. The DQS also suggested building up interest through multi disciplinary teams perhaps to progress through talking to the Centres. The R & D Department is also trying to establish more primary research work through undergraduates at Keele University.

The Board **NOTED** the Research & Development Annual Plan.

### 2012.1/95 **PERFORMANCE**

#### 95.1 **FINANCIAL REPORT – MONTH 04**

The Board **RECEIVED** and **NOTED** the Month 4 Financial position. In the absence of the Finance Director, Mr Simms (NED), as Chair of the F&P Committee (FPC), gave a summary of the discussions held at the last F&P Committee meeting held on 28 August 2012. The Committee focused on the control of pay costs because it was clear without action the sustainable surplus that is necessary would not be generated. The problem specifically related to the control of recruiting bank staff. Mr Simms (NED) reminded everyone that the budgets were properly formulated with management who should operate within those budgets. The Executive team took the FPC through the control measures to be put in place but, following discussions with NED colleagues, it was agreed that this could only be for a short-term.

## FINANCIAL REPORT – MONTH 04 (Continued)

The CEO agreed and said that for a period of time there will be a need for central control in some areas and that control would be released when there is sustained performance. The CEO said that EDs had agreed to send out an email to Centres describing the position and consequences of non-compliance and agreed that the email would be copied to Board members for information. **Action: CEO.**

The Chairman raised two further issues (i) people have performed Waiting List Initiatives (WLI) without seeking the proper approval and (ii) the closure of 102 beds compared to a reduction of only 17 nursing staff.

The DQS said that escalation beds have had to be opened and had to be staffed. There is a joint approach through the Recruitment Panel with Centre Chiefs to look at permanent posts, working to make savings without compromising clinical care and a number of posts have been dis-established. Working with our Commissioning partners is absolutely vital. It was noted that other actions on pay control included :

- Agency staff numbers have been reduced and a mechanism is in place.
- Bank staff numbers have increased and a system will start next week whereby all bank requests will be scrutinised and justified through the Workforce Director and Chief Operating Officer.
- WLI authorisation – a Panel is in place and will reinforce the utilisation of WLIs.

The Chair recognised that in some instances decisions have to be made as a matter of urgency for patient safety however a process has to be followed immediately and not in two months time. This will now be incorporated into the Standing Financial Instructions (SFIs) and any breaches will be a disciplinary matter.

**Action: FD.**

The Chairman added that SaTH has to live within its means, there is no other way but to address the significant overspent and deliver a surplus. The Chair agreed that there is a need to address income because we are losing £2 million per year due to a price variance on tariff and this needs to be resolved. The CEO is meeting the CCG to raise our concerns and to state that SaTH cannot continue to operate on these terms.

The Board **NOTED** the Month 04 position. The following actions were agreed :

- CCGs to be contacted as a matter of urgency to find a resolution in terms of income. **Action: Chair/CEO.**
- Procedures and Systems of control to be incorporated into SFIs. If these procedures are ignored and abused appropriate action will be taken. **Action: DCRM.**
- From 1 September 2012, the Board to receive on a weekly basis evidence that these procedures are working. **Action: CEO.**

It was **NOTED** that other information contained in the Finance Report was discussed at the F&P Committee.

### 95.2.1 STRATEGIC PERFORMANCE REPORT – MONTH 04

The CEO introduced the Month 4 Strategic Performance Report for July and highlighted certain areas:

- **Referral to Treatment :**
  - Admitted performance was 90.89% compared to 77.54% the previous month. This was the first time the target was achieved and he congratulated everyone involved. However, it was anticipated that this performance may not be sustained during August due to on-going issues associated with Ophthalmology and Orthopaedics, although challenging, the plan is to reduce backlog for admitted RTT by August/September.
  - Non Admitted performance target was achieved at 95.85%. RTT backlog increased from 5.44% to 7.82% during July – the national target is to remain below 8%.

## STRATEGIC PERFORMANCE REPORT – MONTH 04 (Continued)

- **A&E Performance** in July was 94.87% (against the 95% target) with a year to date position of 93.71%. The combination of increased demand, annual leave, the surgery move from PRH to RSH and closing beds have provided a big challenge. It is the greatest concern.
- **Cancer waits** – the Trust failed to deliver :
  - the national 62 days urgent GP referral to treatment of all cancers (84.56% against a target of 85%). This figure was unvalidated. At the last HEC meeting it was agreed this would be delivered on and meetings with Centres would be arranged to reinforce this message.
  - 2 week wait from GP referral to 1st outpatient seen for breast symptom - in July (92.86% against target of 85%). This issue related to referring back to GPs. There has now been a change in the policy and this will be corrected.
- Grade 3-4 hospital acquired pressure ulcers : 4 patients in July; totalling 14 in the year to date. We will work hard to reinforce better performance in this area.
- 36 of the 80 patients cancelled for non medical reasons in June were not readmitted within the mandated 28 days or offered an alternative provider.

Discussion took place on the following :

- Cancelled operations – Patients should be readmitted within the mandated 28 days or offered an alternative provider. The CEO advised that this related to PRH Orthopaedics where it is extremely difficult to bring people back due to pressure. SaTH is a national outlier and therefore it needs to be discussed with CCG colleagues at the meeting on 19 September 2012.

The CEO said that next month's report will be changed into a new format incorporating the Provider Management Regime.

The Board **APPROVED** the Month 04 Performance Report.

### 95.2.2

## PROVIDER MANAGEMENT PERFORMANCE REPORTING TEMPLATE

The new style template required by the SHA for July 2012 incorporated an update on the Tripartite Formal Agreement (TFA) to provide a full picture as part of SaTH's Foundation Trust application. The template has two Governance declarations which have to be signed off by the Board on a monthly basis. The template showed the following performance :

Governance Risk Rating – AMBER  
Financial Risk Rating – RED  
Contractual Position – GREEN

Discussion took place in relation to the signing of Governance Declarations 1 and 2. The CEO said there has to be evidence of sustained performance and taking account of our performance for July 2012 he felt that the Board, should not sign Declaration 1 as there are challenges around certain targets (i.e. A&E, RTT and Cancer). In terms of the implications for not signing, the DCRM explained that there is an escalation process for non-compliance. It was noted that there is a comprehensive plan for RTT achievement; there is a plan for Cancer waits however A&E requires further discussion. It was noted that non compliance around Capital expenditure related to reconfiguration and is therefore compliant.

The Board **AGREED** to sign Declaration 2 and highlight A&E and Cancer; and that RTT is at risk in August. The Board **APPROVED** its submission to the SHA within the agreed deadline of 31 August 2012 and gave delegated authority to the Chairman and Chief Executive for sign off.



### 95.3 POWYS LOCAL HEALTH BOARD CONTRACTS

The Deputy FD gave a verbal report on the situation to date. SaTH received a formal letter 16 August 2012 from Powys LHB agreeing with SaTH on the 2011/12 contract. However, the current contract 2012/13 has still not been agreed. A meeting was planned to take place in August but this was cancelled by Powys LHB. There are some issues around referral management and efficiency payment and this matter has now been escalated to the CEOs.

The Board **NOTED** the verbal report.

### 5.4 PROGRAMME MANAGEMENT OFFICE (PMO) REPORT

The CEO introduced the monthly report on the status and delivery of the Improvement Programme to the end of July 2012. The Trust has agreed a programme of change and cost improvement in 2012/13 aligned to balance the long term clinical and financial strategy. The CEO said there is a negative variance against plan and much more work has to be undertaken.

The Board **NOTED** the assurance of the status of the Cost Improvement Programme and validated savings to date.

## 2012.1/96 STRATEGIC

### 96.1 NHS FOUNDATION TRUST UPDATE

The DCRM introduced the report. It was confirmed that the Historical Due Diligence (HDD) stage 1 has been completed and a full report will be taken to later to the Board in private session. Work is now concentrated on the self assessment on the Board Governance Memorandum (BGM) and Quality Governance Framework (QGF), both will be independently assessed in October/November 2012. The revised Long-Term Financial Model (LTFM) will be presented to members at the Board Development session on 3 September in preparation for the SHA session planned for 19 September 2012.

The Chairman referred to the Risk “engagement and understanding of FT amongst staff is not achieved”, he considered 2x2 to be rather low. It was noted that Monitor will come in and scrutinise rigorously, therefore the Workforce Director will review these risks. In relation to Risk “failure to deliver improved financial position including working capital and CIPs” – the residual score had been increased this month from 15 to 20.

The Board **APPROVED** the content of the NHS Foundation Trust update report.

### 96.2 GOOD CORPORATE CITIZEN AND CARBON MANAGEMENT ANNUAL REPORT

The DCRM introduced the paper and advised that SaTH has participated in the Good Corporate Citizen national scheme for a number of years. This is now rising up the NHS agenda and there is also a financial incentive. The Trust’s performance in terms of sustainability is a key section of the Annual Plan submission required by the SHA and modelled on Monitor’s requirements. The report showed the progress over the past 12 months and key priorities for the coming year were listed on Page 6, Section 3 for the Board’s approval.

The Carbon Reduction Commitment (CRC) is a mandatory scheme introduced to encourage reduction in energy usage and carbon emissions. During 2011/12, carbon reduction initiatives resulted in a saving of £75k. on the Carbon Credits purchased of £117k.

Following discussion the DCRM said she would arrange to provide members with an update on the position regarding photovoltaics. **Action: DCRM.**

The Board **APPROVED** the identified priority areas for each element during 2012/13; and **NOTED** the continued progress made against the good Corporate citizen agenda and carbon reduction and the Carbon Management Plan.

## SUSTAINABLE PROCUREMENT STRATEGY

The DCRM introduced the paper and advised that the Shropshire Healthcare Procurement Service (SHPS) has produced a Sustainable Procurement Strategy which focuses on the areas where we can use our purchasing leverage to influence and reduce the environmental impact of the products that we procure – overall in the NHS procurement accounts for approximately 59% of the overall NHS carbon footprint.

The Strategy is complementary to the Good Corporate Citizen goals and SaTH's objectives in the Sustainability and Carbon Management Strategy, together with the wider NHS carbon reduction targets. In due course, measurement and reporting of carbon resultant from procurement is likely to form part of national reporting – and could even become a chargeable commodity as is now the case with energy-related carbon. As one of the largest purchasers in the UK economy the NHS is well placed to influence suppliers approaches to sustainability.

The Strategy recommends that the Trust adopts a principle to apply sustainability assessment as part of the procurement process – initially for electrical items over £20k and also to assess the sustainability of the top three medical and non-medical products via NHS Supply Chain. The weighting given to sustainability will be 10% of any tender analysis. It will consider energy, water, waste, packaging and recyclability as objective measures and also the more subjective areas around location of manufacture and social responsibility. A Pre-qualification questionnaire has been developed to support the Strategy and a copy was attached to the report.

The issue of using local producers was raised. The DCRM referred to Page 5, Section 3 of the Sustainable Procurement Strategy and said that the Trust works proactively to support local businesses.

The Board **APPROVED** the Sustainable Procurement Strategy and Pre Qualification Questionnaire.

## COMMITTEE STRUCTURE

The Chairman introduced the item and said that this paper attempts to consolidate discussions with Deloitte and various other organisations in the past to come up with a firm set of proposals for the organisation and incorporates Monitor requirements as part of our FT application and Board assurance.

Deloitte reviewed the Board committee structures and reporting arrangements through to Trust Committees and to the Board. Following a desk-top review of documentation and interviews, they have recommended a number of actions to improve arrangements. These findings were detailed under Section 2 of the report and had been discussed at two Board Development sessions. It involves streamlining arrangements to reduce duplication, to provide improved assurance around the scrutiny function of sub-committees in particular Risk Management Executive and the reporting arrangement; and there were some gaps in assurance identified in Appendix 1 also need to be addressed.

The report also included some recommendations made during the Historical Due Diligence Phase 1 review by Grant Thornton and outstanding actions following the initial Board Governance Assurance Framework (BGAF) self-assessment, which will be externally validated by Ernst & Young later in the year as part of our FT authorisation process, including attendance at the Board and the appointment of a Senior Independent Director.

The Chairman briefed the Board on the proposed Tier groups identified. There was extensive discussion of the proposals:

- Mr Simms (NED) said he felt strongly that the Trust should have an IT Review Committee. Mr Beardwell (NED) also questioned whether reference to IT related to an IT infrastructure as opposed to IT programme. The DCRM agreed to discuss with the FD with regard to the IT Review Committee.

**Action: FD.**

## COMMITTEE STRUCTURE (Continued)

- The DQS sought clarification around the risk element within Audit and Risk Committee to avoid duplication with “Clinical Quality & Safety Committee”. The DCRM explained that the Terms of Reference clarified this - the Quality and Safety Committee focused on providing assurance to the Board in relation to clinical risk and the Audit & Risk Committee, considered the governance processes and systems.

Allocation of NEDs to the Committees will be finalised following the appointment into the NED vacancy in September.

Proposed Terms of Reference for the Committees were included in the report and the Chairs of the Committees were asked to ratify their Terms of Reference at the next meeting of their Committee.

The Board :

- **APPROVED** the proposed Committee structure and Terms of Reference
- **APPROVED/APPOINTED** a Senior Independent Director in **Dr S Walford (NED)**
- **APPROVED** the proposed Higgs-compliant model for appropriate Director attendance at the Board
- **APPROVED** the draft Terms of reference for the FT Investment & Nominations Committees
- **APPROVED** the action plan at Appendix 4.
- **APPROVED** the establishment of an IT Review body

### 2012.1/97 MINUTES AND OUTCOME SUMMARIES FROM COMMITTEES

97.1 **Extraordinary Finance & Performance Committee meeting held on 24 July 2012 – Noted.**

97.2 **Hospital Executive Committee meeting held on 24 July 2012 – Noted.**  
The CEO advised that McKinseys are being used and are proving very worthwhile.

97.3 **Quality & Safety Committee workshop – 23 August 2012**  
The DQS provided a verbal update. The Q&S Committee met as a Workshop and reviewed a presentation from Diagnostics and Therapies in terms of governance arrangements. It looked at clinical indicators as discussed in the Quality Report and it was agreed that these were helpful to pick up trends particularly as two Wards needed further detail. The DQS agreed to circulate Workshop dates and copies of Q&S Committee agendas to the NEDs for information. **Action: DQS.**

97.4 **Risk Management Executive meeting held on 7 August 2012 – Noted.**

2012.1/98 **ANY OTHER BUSINESS – None.**

### 2012.1/99 QUESTIONS FROM THE FLOOR

**Comment** Mr Jones, PALS Volunteer, praised the PALS Offices on both sites who have been very busy during the month dealing with patients, relatives and visitors queries.

### 2012.1/100 DATE OF NEXT MEETINGS :

- **Annual General Meeting - Thursday 13 September 2012 at 3 pm** in the Lecture Theatre, Education Centre, Princess Royal Hospital.
- **Formal Board Meeting – Thursday 27 September 2012 at 9.30 am** Seminar Room 5, Shropshire Education & Conference Centre, Royal Shrewsbury Hospital.

**The meeting then closed.**

**UNRESOLVED ITEMS FROM PUBLIC TRUST BOARD MEETING ON 30 AUGUST 2012**

| <b>Item</b>   | <b>Issue</b>  | <b>ACTION LIST</b>            | <b>PRIORITY</b>          |
|---------------|---|-------------------------------|--------------------------|
| 48.1 &        | <b>Powys LHB Contract</b> - The Chair stressed the urgency of agreeing 2012/13 contract.  | CEO                           | ASAP                     |
| 73.1          | <b>Chair's Report – Board FT Readiness Assessment by SHA</b><br>The FT Assessment by SHA has now been rescheduled for 19 September 2012.  | ALL                           | 19 Sep 2012              |
| 74.4          | <b>Business Case for Fractured Neck of Femur</b><br>Outcome of the review of MSK will be presented to the Board.  | CEO                           | 27 Sep 2012              |
| 75.1 (& 95.1) | <b>Finance Report Month 2</b><br>Rise in Emergency Activity in context of the QIPP programme agreed with Commissioners. Further discussions are needed to revise the contract.  | CEO/FD                        | ASAP                     |
| 76.1          | <b>NHS FT - opportunity to examine business strategies from neighbouring Trusts</b> - agreement reached. DCRM to chase.   | DCRM                          | Sep 2012                 |
| 85.2          | <b>RTT Admitted Performance</b> – RTT details to be sent to Board.  | CEO                           | ASAP                     |
| 87.3          | <b>Q&amp;S – July 2012 – Breast Screening</b><br>Dr Metelko, Clinical Lead for Breast Imaging, has been asked to present to the next Board.   | Secretary                     | 27 Sep 2012              |
| 93.1          | <b>Chairman's Report – New NHS structure</b><br>SaTH needs to engage with these new organisations because of our FT application going forward to explain our strategies.  | CEO                           | ASAP                     |
| 93.2          | <b>CEO's Report</b> <ul style="list-style-type: none"> <li>▪ Reconfiguraton - the GMP quote offer from our Partners is due 30 Aug 2012. CEO to circulate paper to members.</li> <li>▪ Strategic Relationship with the Community Trust - The CEO agreed to include Mr Beardwell's (NED) suggestion to include in the Frail/Elderly process Age UK.</li> <li>▪ To request CCGs consider a threshold for people whose discharge is delayed.</li> </ul> | CEO<br>CEO<br>CEO             | Sep 2012<br>ASAP<br>ASAP |
| 94.1.2        | <b>MECC</b> <ul style="list-style-type: none"> <li>▪ To check with PCT re. Qtr 1 payment.</li> <li>▪ Whole list of CQUIN to be distributed to the Board.</li> </ul>   | DQS<br>DQS/FD                 | ASAP<br>ASAP             |
| 94.2          | <b>Learning Disability update</b><br>Board agreed compliance with the standard could be declared in August with further assurances around compliance in place by October 2012.  | DQS                           | Oct 2012                 |
| 95.1          | <b>Financial Report Month 4</b> <ul style="list-style-type: none"> <li>▪ Email to Centres re central control to be copied to the Board;</li> <li>▪ CCGs to be contacted as a matter of urgency to find resolution in terms of income (also 75.1 above)</li> <li>▪ Procedures/systems of control to be incorporated into SFIs.</li> <li>▪ On weekly basis to receive evidence that procedures were being followed.</li> </ul>                        | CEO<br>CEO/Chair<br>FD<br>CEO | ASAP<br>ASAP             |
| 96.2          | <b>Good Corporate Citizen and Carbon Management</b><br>Board to receive an update on position re. photovoltaics.  | DCRM                          |                          |
| 96.4          | <b>Committee Structure</b> <ul style="list-style-type: none"> <li>▪ DCRM to discuss with FD regarding IT review committee;</li> <li>▪ More clarification on issues listed at BDD on 3 September.</li> </ul>   | DCRM<br>Chair                 | 3 Sep 2012               |
| 97.3          | <b>Clinical Q &amp; S summary</b><br>DQS agree to circulate Workshop Dates and copies of Q&S Committee agenda to NEDs for information.  | DQS                           | ASAP                     |