

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A MEETING OF THE TRUST BOARD, HELD ON THURSDAY 7 JUNE 2012 AT 10AM IN ROOMS 1A & 1B, GWENDOLEN HOUSE, LEICESTER GENERAL HOSPITAL SITE

Present:

Mr M Hindle – Trust Chairman
Ms K Bradley – Director of Human Resources
Dr K Harris – Medical Director
Mrs S Hinchliffe – Chief Operating Officer/Chief Nurse
Mrs K Jenkins – Non-Executive Director
Mr R Kilner – Non-Executive Director
Mr M Lowe-Lauri – Chief Executive
Mr P Panchal – Non-Executive Director
Mr I Reid – Non-Executive Director
Mr A Seddon – Director of Finance and Procurement

In attendance:

Ms H Stokes – Senior Trust Administrator
Dr A Tierney – Director of Strategy
Mr S Ward – Director of Corporate and Legal Affairs
Mr M Wightman – Director of Communications and External Relations

ACTION

170/12 APOLOGIES

Apologies for absence were received from Professor D Wynford-Thomas, Non-Executive Director, Ms J Wilson Non-Executive Director and Mr D Tracy, Non-Executive Director.

171/12 DECLARATIONS OF INTERESTS

There were no declarations of interests relating to the items being discussed.

172/12 CHAIRMAN'S ANNOUNCEMENTS

The Chairman advised that the purpose of this additional Trust Board meeting was to approve the Trust's annual accounts for 2011-12 (and related documents) and to receive an update on measures to improve ED performance. He welcomed the small (£88k) surplus achieved by UHL in 2011-12 (particularly against the backdrop of UHL's July 2011 financial deficit), and thanked staff for their efforts in the previous financial year.

173/12 MINUTES AND MATTERS ARISING

Resolved – that the Minutes of (and matters arising from) the meeting held on 28 May 2012 be considered at the 28 June 2012 Trust Board.

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174/12 FORMAL ADOPTION OF THE ANNUAL ACCOUNTS 2011-12

Paper A invited Trust Board approval for the 2011-12 annual accounts and signature of the related statements as itemised on the agenda. In considering the annual accounts 2011-12 the Trust Board reviewed the accounts themselves, UHL's management response to the External Audit's ISA 260 report, External Audit's Letter of Representation, and the Trust's Annual Governance Statement for 2011-12. The accounts and related documents had been reviewed

in detail by the Audit Committee on 29 May 2012, and Ms K Jenkins Non-Executive Director reported verbally on that Committee's considerations (as its Chair).

The Director of Finance and Procurement highlighted the key points within the 2011-12 annual accounts, noting crucially that UHL's £88k surplus ensured it met all of its statutory financial duties (although short of the control total). UHL's decision not to deliver the Better Payments Practice Code target had been consciously taken and therefore represented a managed position. The Director of Finance and Procurement confirmed, however, that appropriate care had been taken to ensure that local suppliers were not prejudiced by that approach. In terms of the process elements of the accounts, the Trust had met all deadlines and the process had run smoothly.

With regard to the Audit Committee's review on 29 May 2012 of the annual accounts themselves and of the ISA 260 report, the Committee had noted the following in particular:-

- the significant impact of the downwards asset revaluation carried out by Gerald Eve and reported to the 26 April 2012 Trust Board;
- the impact of the release of deferred income;
- the managed relationship with suppliers in respect of the Better Payments Practice Code, as referred to above. The Audit Committee had commented on the need to ensure that this approach did not adversely affect small/local suppliers – in response, the Trust Chairman noted the assurances provided above by the Director of Finance and Procurement, and
- the key need for the Trust Board to focus on strengthening UHL's financial resilience, noting the deadline of October 2012 for this high risk issue (as per the management response to the ISA 260). The Trust Chairman also noted the need to identify a responsible UHL officer for this risk. Apart from the medium grading ascribed to the deferred income, all other risks within the ISA 260 were graded as 'low' and were considered to reflect 'housekeeping' issues. In response to a query on risk 3 within the ISA 260 report (re: segmental reporting), the Director of Finance and Procurement clarified that this was primarily a requirement for public companies rather than being aimed specifically at NHS organisations. The need for segmental reporting might potentially change in future if UHL operated within a sector other than healthcare.

DFP

Paper B from the Chief Executive comprised the Trust's Annual Governance Statement 2011-12, which replaced the previous 'Statement on Internal Control'. The AGS was a more 'live' and dynamic document than its predecessor, able to reflect key in-year challenges. The Chief Executive highlighted the following points in particular from the AGS:-

- (i) the rescinding on 4 May 2012 of the CQC's April 2012 warning notice in respect of AMU, as UHL had complied with all required actions;
- (ii) the acknowledged need to improve the Trust's patient experience in 2012-13, which would be progressed through the Net Promoter tool;
- (iii) plans to strengthen UHL's management capacity and capability to deliver the Annual Operational Plan, which would be reported to the 28 June 2012 Trust Board through the Provider Management Regime (PMR) return for that month;
- (iv) the acknowledged continuing work required to address emergency flows, including two external reviews, and
- (v) confirmation that actions had been identified to mitigate other significant risks in 2012-13, as outlined in paper B.

CE

In discussion on the Annual Governance Statement, the Trust Board noted the likely need for significant further work on Board effectiveness ahead of the October 2012 review of UHL's FT readiness. The Trust Chairman advised that this was being progressed through the Assurance

**CHAIR
MAN/**

Framework for Aspirant FTs, a draft of which would be circulated to Trust Board members once populated (and potentially then discussed further at a future Trust Board development session). In response to a specific query from the Chairman, the Director of Corporate and Legal Affairs advised that account would be taken of the NHS Constitution within the PMR Board statements.

DCLA

Ms K Jenkins Non-Executive Director confirmed that the 29 May 2012 Audit Committee had also reviewed the Annual Governance Statement 2011-12. Although she welcomed the Head of Internal Audit's Opinion that a generally sound system of internal controls existed within UHL and that those controls were being applied consistently, she noted that this Opinion covered only the elements of work covered by Internal Audit's annual programme. ED, for example, had not been covered. As Audit Committee Chair, she emphasised the Audit Committee's disappointment in the current lack of assurance re: ED plans, and voiced concern that neither the GRMC nor the Audit Committee had been able to review updated assurances on that score. Ms Jenkins also emphasised the need for clarity on what the July 2012 external review of ED would deliver.

The final report considered as part of the annual accounts item was the External Audit Letter of Representation at paper C. In paragraph 14(a) the Letter highlighted the issue of the revaluation, and the Director of Finance and Procurement reiterated to the Trust Board that the revaluation exercise had complied with all relevant NHS and professional organisational advice. He further confirmed that MEAV principles had been applied in the revaluation (modern equivalent asset value) and noted his own confidence that the revaluation met all requirements and was well-founded. He also noted that Gerald Eve had undertaken revaluations for many other NHS Trusts. He further recommended that the Letter of Representation be signed by both himself and the Chief Executive, which was supported by the Trust Board.

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Resolved – that (A) the statutory exchequer accounts for the year ending 31 March 2012 be approved as presented;

ALL

(B) authorisation be given for the signing of the following statements (in non-black ink) (*signatories are shown in brackets*):-

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- (1) Statement of Directors' responsibilities in respect of Internal Control (*Chief Executive*);**
- (2) Annual Governance Statement 2011-12 (*Chief Executive*);**
- (3) Directors' Statements – Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust (*Chief Executive*), and Statement of Directors' Responsibilities in respect of the accounts (*Chief Executive, and the Director of Finance and Procurement*);**
- (4) Balance Sheet (*Chief Executive*);**
- (5) Letter of Representation (*Chief Executive and the Director of Finance and Procurement*);**

DFP

(C) the statutory accounts 2011-12 and the required accompanying signed statements and documentation be submitted to KPMG as External Auditor accordingly and on to the Department of Health, as required;

(D) an appropriate UHL responsible officer be identified for the risk action on strengthening UHL resilience, as documented in the ISA 260 management response;

DFP

(E) a draft populated Assurance Framework for Aspirant FTs be circulated for potential discussion at a future Trust Board development session, and

CHAIR
MAN/
DCLA

(F) plans to strengthen UHL management capacity and capability be presented to the 28 June 2012 Trust Board as part of the Provider Management Regime return.

CE

175/12 EMERGENCY CARE UPDATE

In introducing this item, the Chief Executive recommended that a separate ED update feature on all future Trust Board agendas, reflecting the significance of this issue to the Trust (both operationally and strategically) – this was agreed by the Trust Board accordingly. The Chief Executive then outlined the nature of UHL’s internal Emergency Care Steering Group comprising membership from all Divisions (and also aiming to include 2 CCG representatives, to ensure an appropriate interface with the wider work of the LLR emergency care network). He recognised the need for that internal UHL group to focus on cultural and behavioural issues as well as performance management, and he confirmed that the group’s terms of reference would be strengthened to reflect this. The Chief Executive emphasised the crucial importance of winning hearts and minds to resolve UHL’s ED challenges, and noted that the lead clinical role for this key work had now been allocated accordingly to the Trust’s Medical Director.

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The current remedial plan for ED was not yet sufficiently robust to ensure confidence, and the Chief Executive outlined the nature of the forthcoming external visit by Kings University College Hospital (12 and 13 July 2012) – that visit would particularly cover the following aspects of UHL’s ED:- the current balance between service and education; working patterns; non-medical roles within the Department; systems and processes; creation plans for an emergency floor, and remedial ED plans, together with a separate review of education and training issues. Recommendations from the visit would be presented to the 26 July 2012 Trust Board.

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The Medical Director reiterated that all UHL Divisional Directors were fully committed to addressing the ED situation, noting that it was not an issue only for the Acute Care Division to resolve. Certain internal reorganisations were underway within Acute Care, however, with Dr N Moore assuming the role of emergency care lead. The Trust Board welcomed this appointment, and queried whether appropriate backfilling arrangements had been made for Dr Moore’s previous role within the renal and critical care CBU.

In discussion on ED, the Trust Board noted:-

- (a) the need to expedite phase 1 of the emergency floor work, looking at models of care for adults and children and assessing what actions could be taken in a more short-term timeframe. The Director of Strategy advised of CCG approval to use transformation monies to fund certain aspects of the emergency floor project and noted the Trust’s wish to have the clinical model approved by the time of the Kings’ visit ;
- (b) a suggestion from Mr R Kilner Non-Executive Director that the existing ED plan be used to benchmark progress and guard against slippage. Trust Board members also noted, however, the need to be sure that the existing plan was the most appropriate document to use for such a purpose;
- (c) a suggestion that it would be helpful to receive feedback from the Kings’ visit as to the working of UHL’s early triage pilot;
- (d) ongoing work to review the continued rise in ED attendances, and assess any statistically-significant trends and/or actions required. The Chief Executive emphasised the need for realistic and robust winter planning by the Trust based on a pattern of rising demand, rather than assuming any significant impact of community actions to divert ED attendances;
- (e) a suggestion from Mr P Panchal Non-Executive Director, regarding the need for ‘ED shopfloor’ staff input to the UHL emergency care steering group, as well as Consultant-level – the Chief Executive agreed to consider this useful suggestion further. Nursing input (at both senior and junior levels) was also key;
- (f) a query from Ms K Jenkins Non-Executive Director and Audit Committee Chair, as to the

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Trust's confidence in tackling the hearts and minds aspect of the ED work. The Chief Executive acknowledged that this was a crucial issue, and Ms Jenkins requested therefore that this cultural piece be covered explicitly in any ED plan being presented back to the Trust Board (together with clarity on what cultural work was needed and how material such work was to the achievement of the overall ED 4-hour target);

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- (g) a request for an update on progress against the ED action plan at the next Trust Board, in light of UHL's commitment to deliver the ED target from 1 July 2012, and
- (h) the impact of the launch of the GP Hotline some 6 weeks previously, with early analysis showing that attendances at hospital had been avoided in 20% of those cases.

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Following discussion, it was agreed therefore that the ED update to the 28 June 2012 Trust Board should also include the following aspects in addition to any itemised above:-

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- (i) an update on work to agree the clinical model for the emergency floor;
- (ii) an assessment of the rise in ED attendances, and
- (iii) the updated terms of reference for the UHL emergency care steering group;

Resolved – that (A) ED feature as a separate item on all future Trust Board agendas;

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(B) the ED update to the 28 June 2012 Trust Board include:-

MD/
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- (1) the updated terms of reference for the UHL Emergency Care Steering Group;**
- (2) progress on agreeing a clinical model for the emergency floor**
- (3) progress against the current ED action plan, as presented to the 26 April 2012 Trust Board;**
- (4) information on how the cultural change needed (hearts and minds work) would be addressed (including timescales), and how crucial that work was to achieving the ED target;**
- (5) an evaluation of the rise in ED attendances;**

(C) consideration be given to incorporating more junior level shop-floor input into the UHL Emergency Care Steering Group, and

MD/
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(D) the Kings' report on ED from the visit on 12-13 July 2012 be presented to the 26 July 2012 Trust Board, including feedback on the performance of the early triage system.

MD

176/12 **QUESTIONS FROM THE PUBLIC RELATING TO BUSINESS TRANSACTED AT THIS MEETING**

The Chairman noted that any additional questions not able to be raised within the 20 minutes allocated on the agenda should be advised to the Director of Corporate and Legal Affairs who would coordinate a response outside the meeting. The following queries/comments were received regarding the business transacted at the meeting:-

- (1) comments from Mr E Charlesworth, LINKS, welcoming the ED discussion above but requesting more clarity on what the current risks were up to the end of June/mid-July 2012 (and UHL's proposed mitigating actions). It was noted that ED was on UHL's strategic risk register/Board assurance framework which was discussed by the Trust Board each month, and
- (2) a number of comments from Mr D Gorrod, Leicester Mercury Patients' Panel, relating to:-
 - the extent to which the deferring of income in the annual accounts was creating problems for a future date, given that such deferrals would eventually require addressing. The Director of Finance and Procurement acknowledged the need for appropriate resilience within the balance sheet and confirmed that it was not intended

to rely on non-recurrent resources 'indefinitely' – indeed, UHL's 2012-13 Annual Operational Plan was based on an underlying breakeven position due mostly to the Trust's improved contractual position. The Director of Finance and Procurement also confirmed that the Trust's auditors were fully aware of UHL's use of non-recurrent resources to achieve its 2011-12 breakeven position. In response to a further query on the annual accounts, the Director of Finance and Procurement advised that he was not aware of any sanctions which would be applied for not achieving the Better Payments Practice Code target;

- whether the UHL emergency care steering group comprised any patient or public representation. Although recognising the significant merits of patient and public involvement, the Chief Executive suggested that it might not be appropriate to have all internal discussions in the public domain at this point, and advised that he would consider Mr Gorrod's point further outside the meeting, and
- his congratulations to Mr R Kilner, Non-Executive Director for his 100% attendance record at UHL Committees of which he was a member (as noted in the Annual Governance Statement 2011-12), and the value of his contributions.

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Resolved – that the comments above and any related actions, be noted.

EDs

177/12 DATE OF NEXT MEETING

Resolved – that the next Trust Board meeting be held on **Thursday 28 June 2012 at 10am in rooms 1A & 1B, Gwendolen House, LGH site.**

178/12 EXCLUSION OF THE PRESS AND PUBLIC

Resolved – that, pursuant to the Public Bodies (Admission to Meetings) Act 1960, the press and members of the public be excluded during consideration of the following items of business (Minutes 179/12 – 181/12), having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest.

179/12 DECLARATION OF INTERESTS

There were no declarations of interests relating to the items being discussed.

180/12 CONFIDENTIAL MINUTES AND MATTERS ARISING

Resolved – that the confidential Minutes of (and matters arising from) the meeting held on 28 May 2012 be considered at the 28 June 2012 Trust Board.

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181/12 ANY OTHER BUSINESS

181/12/1 Report by the Medical Director

Resolved – that this Minute be classed as confidential and taken in private accordingly, on the grounds that public consideration at this stage could be prejudicial to the effective conduct of public affairs.

181/12/2 Report by the Director of Human Resources

Resolved – that this Minute be classed as confidential and taken in private accordingly, on the grounds that public consideration at this stage could be prejudicial to the effective conduct of public affairs.

181/12/3 Query from Mr I Reid Non-Executive Director

Resolved – that this Minute be classed as confidential and taken in private accordingly, on the grounds that public consideration at this stage could be prejudicial to the effective conduct of public affairs.

181/12/4 Trust Board Session re: Organisational Development

Members reiterated the importance of holding the postponed Trust Board session to discuss organisational development, the staff attitude and opinion survey, and other related issues. It was agreed to pursue a date for this session as soon as possible.

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Resolved – that a date be sought as soon as possible for a Trust Board session to discuss UHL organisational development.

**DHR/
DCLA**

181/12/5 Report by the Trust Chairman

Resolved – that this Minute be classed as confidential and taken in private accordingly, on the grounds that public consideration at this stage could be prejudicial to the effective conduct of public affairs.

The meeting closed at 12.25pm

Helen Stokes
Senior Trust Administrator