

UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST

BOARD OF GOVERNORS

REPORT FROM THE BOARD OF DIRECTORS

18 JUNE 2010

BY THE CHAIRMAN

1 Introduction

Since the last meeting of the Board of Governors, the Board of Directors has held three formal monthly meetings, in March, April and June. Two seminars have been held, in March – a joint seminar with the Board of Governors regarding the strategy, and in April regarding future developments within the NHS.

2 Business conducted by the Board of Directors

2.1 The Board of Directors considers the following standing items at each meeting:

2.1.1 New Hospital Project Report;

2.1.2 Clinical Quality;

2.1.3 Care Quality;

2.1.4 Infection Control;

2.1.5 Finance & Activity; and

2.1.6 Performance & Clinical Quality Indicators.

2.2 As the Board of Governors receive similar standing reports regarding these items, this report will focus on the other issues discussed.

2.3 Annual Accounts and Report (including Quality Report) for 09/10

2.3.1 Following recommendations from the Audit Committee, the Board of Directors has approved the annual accounts and the annual report for 2009/10. These will formally be laid before the Board of Governors at the AGM in September.

2.3.2 The Trust's Auditors, KPMG, have given an unqualified opinion on the accounts. Both the Audit Committee and the Board of Directors expressed their thanks to the Finance team for their work in compiling an excellent set of draft accounts.

- 2.3.3 The Annual Report includes the second Quality Report for the Trust. The Directors have approved a process for the approval of this report, which follows the Department of Health/Monitor requirements. Unfortunately, this means it is not such a concise and clear document as last years' report. The draft report was sent to South Birmingham PCT and Birmingham LINK for comment.

2.4 **Trust Strategy and Annual Plan**

- 2.4.1 Following the discussion between Board of Governors and the Board of Directors regarding the draft strategy and annual plan at the joint seminar on 30 March, the Board of Directors considered and approved the final version of the Trust Strategy and the Annual Plan, the latter of which has now been submitted to Monitor and includes the financial plan for 2010/11.
- 2.4.2 The financial plan will result in the Trust achieving a financial risk rating of three which is acceptable. The Trust is currently in discussions with Monitor concerning a technical accounting issue regarding the value at which the PFI will be brought on to the books under international reporting standards.
- 2.4.3 The financial plan sets out the impact on the Trust of the impairments and other adjustments. A provision of £4.5 million has been included to take account of performance penalties etc. There was discussion regarding the efficiency savings set out in the plan and the Directors noted the encouraging historical performance of the Trust in achieving planned efficiency savings.
- 2.4.4 The Directors also received an update on progress against the current Annual Plan for Quarter 4 2009/10 and agreed that good progress had been made against the objectives.

2.5 **Independent Inquiry into Mid-Staffordshire NHS Foundation Trust**

- 2.5.1 The Board of Directors discussed a report presented by the Chief Nurse, reviewing the recommendations of the Report. In particular, there was discussion about the appropriate use of HSMR as an indicator of clinical quality. The Medical Director reported that Prof Jarman of Imperial College had included the Trust in a list of 25 trusts whom he considers to have a high HSMR and for whom Dr Foster has generated four or more alert notices. This was based on 2008 data. The Medical Director confirmed that he had reviewed the data extensively and noticed that the Trust could manage its HSMR figure downwards by increasing the number of patients that were coded with a palliative care coding. The HSMR methodology used by Imperial College/Dr Foster did not take sufficient account of case mix and co-morbidities and there will considerable body of academic opinion which believed

that it was not a suitable way of comparing one trust against another. The Directors discussed the Trust's own measures in place to monitor mortality and considered that these were sufficient to ensure that the Board would be made aware of any concerns.

2.5.2 The Directors discussed other ways in which the Board, particularly the Non-executive Directors, would be made aware of any unsatisfactory care in the Trust's hospitals. It was noted that these included the reports to the Board from the Medical Director and the Chief Nurse, various reports to the audit committee, the involvement of the Senior Independent Director in the whistleblowing policy, the clinical governance visits made by non-executive and executive directors and the monitoring of appraisals and feedback from the patient surveys

2.5.3 The Board of Directors approved the publication of an appropriate statement with a link to the Trust's quality site on the Trust internet site.

2.6 **Registration with Care Quality Commission**

The Directors considered and approved a draft Statement of Purpose required for the Trust's application for registration with the Care Quality Commission. The Trust has now received confirmation that it has been registered without conditions.

2.7 **External Standards – Achievement of Targets – Quarterly Board Certification**

The Board of Directors approved the quarterly Monitor governance declaration for submission to Monitor, noting that the declaration would result in the Trust being rated as 'Amber' for governance, due to it not being able to meet the 62 day cancer target for urgent GP referral. The Trust achieved 83.9% against a target of 85%, although many of the breaches were beyond its control owing to downstream provider delays and patient choice.

2.8 **Outpatient Department Survey 2009**

The Directors considered the results of the Outpatient Department Survey 2009 and discussed how the issues identified in the outpatient department survey corresponded with issues arising out of complaints. Local surveys in outpatient departments have now commenced and this more immediate feedback will be used to drive improvements in the patient experience for these areas.

2.9 **Delivering Single Sex Accommodation including declaration due 31 March 2010**

Following consideration of a report presented by the Chief Nurse, the Board of Directors resolved to make a declaration of partial compliance with the single sex accommodation requirements. The Board recognized that this was mainly as a result of the design of the existing Nightingale wards and the criteria used by the Department of Health, which require that patients of one sex should not have to walk past a bay used by patients of another sex to access a single sex bathroom. It was agreed that it would not be consistent with the sixth principle of the NHS Constitution (i.e. the need to provide best value for taxpayers' money and the most effective, fair and sustainable use of finite resources) for the Trust to incur any expense in making further adjustments to these wards given that the new hospital would be coming into use in June.

2.10 **Stakeholder Engagement Plan**

The Directors considered a paper presented by the Director of Communications, who further reported that she was now developing a proactive plan regarding the engagement of each stakeholder. This would include a review of the objectives in the plan from a stakeholder perspective. There was discussion about how influences vary between stakeholders and it was noted that some non-executive directors have been given specific roles with regard to relationships with specific stakeholders as part of their objectives for the coming year.

2.11 **Selly Oak Hospital Site Redevelopment Proposals**

2.11.1 The Directors considered a proposal to proceed with an outline planning permission relating to the Selly Oak site and expenditure on early site clearance works, decontamination and security measures. Any outline planning which will be valid for a period of five years. The Board of Directors resolved to proceed with outline planning application and the initial site decommissioning, decontamination and security tasks.

2.11.2 A detailed review of the Selly Oak disposal will be considered by the Board of Directors in February 2011.

2.12 **Patient Entertainment System Installation Proposals for the New Hospital**

2.12.1 The Board considered a number of options for the provision of a patient entertainment system in the new hospital. The approved option required the Trust to pay for the infrastructure and for Premier, the current provider, to continue as the system provider, at an overall cost of £1.3 million. This was the only option that would allow the Trust to provide a patient entertainment system by 16 June when the first patients moved into the new hospital.

2.12.2 The preferred option will accommodate other provider systems in the event that Premier ceased to be the Trust's preferred supplier. Additionally, it would mean that the Trust was operating a

consistent system across its sites. It was noted that the patient entertainment system had been priced at £3 million at financial close.

2.13 **Performance Management and Monitoring Regime for the New Hospital**

2.13.1 The Directors considered the Performance Management and Monitoring Regime proposed for the new hospital. The Board had discussed this issue at the seminar held in March. Under the PFI agreement, the Trust has three mechanisms to manage the performance of the contractor, two which affected the amount of the Trust paid to the contractor and one which led to the accumulation of points which ultimately could entitle the Trust to terminate the agreement. The financial deductions from the unitary payment were meant as an incentive and not as compensation to the Trust for the service failure. The new building and the retained estate are treated in a different way under the PFI contract.

2.13.2 Experience gained from studying PFI projects in other trusts indicated that the correct use of the helpdesk by trust staff is key to the operation of the contract. The Trust would have individuals observing the consort staff in the helpdesk initially and had developed a toolkit that had been tested in the mental health trust.

2.14 **Trust Capital Programme Report**

The Directors approved a capital budget of £23.79 million for 2010/11 and noted the £18 million capital expenditure incurred in 2009/10. The NHPD confirmed that none of the slippage in the capital programme has affected the Trust's delivery of its clinical services.

2.15 **Update on Emergency Preparedness**

The Directors received an update on Emergency Preparedness from the Chief Nurse. The Trust has now tested its callout procedures and undertaken a tabletop emergency preparedness exercise. The business continuity plan was now in place and a review of the influenza and heatwave plans would take place in May.

2.16 **Membership Recruitment and Engagement Report**

The Directors considered a report presented by the Director of Communications, who reported that, whilst the Trust had not achieved its target of 35,000 members, it had achieved a net increase of 31%. It was noted that 2,000 members were lost from the register each year, either as a result of death or because they had gone away. The proposal now was to maintain the trust's membership at its current level.

2.17 **BNHP Faith Centre Proposal**

The Directors approved a further option for consideration, relating to the provision of a faith centre within the new hospital building. The Chairman reported that he had now discussed the new option with the chaplaincy who had been very positive about it and considered it a better option than the one involving an external building. UHB Charities were still committed to supporting the Faith Centre and were waiting for final determination of the plan before commencing specific fund-raising.

2.18 **Report from the Investment Committee**

2.18.1 The Board of Directors received an Annual Report from the Investment Committee, summarising the activities of that Committee and the priorities identified for 2010/11

2.18.2 The Chair of the Investment Committee also reported that the Committee had considered a number of commercial projects, including commercialisation of the Trust's HED application, a cochlea drill project and the development of a private radiotherapy (Tomotherapy) facility in conjunction with a tomotherapy service for NHS patients.

2.19 **Review of Neurosurgery Capacity at UHB**

The Directors approved the expansion of neurosurgery capacity, reflecting the success of this service, which has experienced considerable growth over the past years. Growth appears to be continuing and therefore the service now needs to expand in order to offer an excellent service which will maintain its achievement of this target and support the Trust's expected determination as a level 1 trauma centre.

2.20 **Other**

In addition, the Board of Directors received and/or approved:

2.20.1 reports regarding the activities of the Audit Committee and the Investment Committee;

2.20.2 an Update on UHB's Partnership with CSE Healthcare;

2.20.3 the replacement of Endoscopic Equipment for the Endoscopy Service;

2.20.4 the Hospitality Gift and Sponsorship Policy and the Traffic Management Policy

2.20.5 the Annual Equality Report 2009/10 and Action Plan 2010/11;

2.20.6 the Information Governance Toolkit Assessment Sign Off;

2.20.7 a Learning and Development Agreement between the Trust and West Midlands SHA; and

2.20.8 the Annual Occupational Health & Safety Report for 2009/2010.

Sir Albert Bore
Chairman

7 June 2010