

**UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST**

**BOARD OF GOVERNORS**

**REPORT FROM THE BOARD OF DIRECTORS**

**16 MARCH 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 December, January and February. One seminar has been held, in February regarding the move to the new hospital.

**2 Changes to the Board of Directors/Executive Team**

Viv Tsesmelis has been appointed to the Executive Team as Director of Partnerships, to commence in post in April 2010. She replaces Sam Chittenden, who left in December 2009.

**3 Business conducted by the Board of Directors**

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

3.1.1 New Hospital Project Report;

3.1.2 Finance & Activity;

3.1.3 Performance & Clinical Quality Indicators; and

3.1.4 Infection Control.

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

**3.2 Registration with Care Quality Commission**

3.2.1 The Board of Directors approved the application by the Trust for registration with the CQC. The Trust declared itself compliant against all of the registration requirements with the exception of one which related to the compliance with storage of drugs regulations. A report had been received following a visit by the Royal Pharmaceutical Society which had identified that two drugs cupboards did not meet the necessary security standards. An

action plan had been put in place to remedy this as soon as possible and the Board noted that the cupboards concerned were within a controlled area within pharmacy and therefore not readily accessible by unauthorised persons, so that they did not present a significant risk.

- 3.2.2 The Trust had received a quality and risk profile from the CQC which had been reviewed. The CQC had been advised of additional assurance that the Trust had in relation to the areas identified within this profile.

### 3.3 Emerging Issues

- 3.3.1 The Board of Directors received a briefing about the Trust's launch of its Proton Therapy Centre bid. The Trust is holding two launch events, one on 12 March and one on 15 March. Although any decision regarding locations for the proton therapy centres is unlikely to be made at least until the summer, due to the forthcoming election, it is felt that the bid should be launched now due to a number of national and local issues, and as part of the Trust/University strategy to position Birmingham as a lead centre for clinical trials and research. Local issues included a potential new planning application relating to the Battery site that may not be helpful to the Trust/University's vision of a clinical sciences campus. The Proton Therapy Centre bid is a joint bid together with Birmingham Children's Hospital, the Royal Orthopaedic Hospital and the University of Birmingham and the Trust hopes to gain both local and national media coverage for the bid.
- 3.3.2 The Chief Executive reported to the Board of Directors that a review of the configuration of the Birmingham PCT's has taken place, which recommended a single PCT for Birmingham. The SHA has now appointed a programme director to oversee the project, which is expected to take a year to complete.
- 3.3.3 The Board of Directors discussed the potential for mergers/joint working arrangements between providers in the West Midlands, given the need to procure efficiencies and the advantages that such arrangements may have with regard to improving the provision of healthcare within the area. It was agreed that the Trust should be prepared to be involved in such moves, provided they were in the interests of the public and patients of the Trust and the wider West Midlands population. It was further agreed that senior members of the Trust should participate in any formal or informal discussions about such a possibility in a constructive manner.
- 3.3.4 The Chairman reported to the Board of Directors that, together with the Chief Executive and the Medical Director, he had met with the University Vice-Chancellor, Michael Sheppard (who was now

the Provost) and Lawrence Young, to discuss a number of matters, including:

- a) Consultant appointments and departures – this was against the background of the recent loss of five clinical chairs. Processes have now been agreed;
- b) Joint direction regarding use of the retained estate, particularly for research and clinical trials – it has been agreed that there will be two seminars. At the first of these the University will present their proposals and the Trust will do likewise at the second. The Board discussed the need to give greater focus and visibility to clinical trials activity and noted a bid from Warwick University to become a clinical trials Centre for the West Midlands;

3.3.5 With regard to the current position regarding clinical services at Birmingham Children's Hospital, these were much improved and both Trusts were working together well to the extent that the requirement for weekly monitoring that had been put in place between the Chairman and the Chief Executive was no longer required.

#### 3.4 UHB Charities – Update

3.4.1 Mike Hammond, Chief Executive, UHB Charities presented an update on the work of the charities to the Board of Directors. He reported that:

- a) The charities had made grants in this year totalling £4.5 million to date and expected to achieve the sum of £5 million in total for the year;
- b) This included the charities' largest ever grant of £1.7 million awarded to the new hospital project, to provide such things as wireless digital radiography and a children's play area in accident and emergency;
- c) A programme of research grants has been re-launched with a total of £1.5 million being made available. So far 27 grants have been awarded averaging £55,000;
- d) The charities have commenced their first public fundraising appeal for some time, entitled "QE+" and are aiming to raise £500,000;
- e) £1.2 million has been set aside and committed for the multi-faith Centre;

3.4.2 The charities' plans for 2010/2011 include:

- a) a further specific fundraising appeal to raise over £1 million;
- b) continuation of the research grants programme to a value of £1.5 million;
- c) fundraising for Patients Support Centre up to £3.5 million; and
- d) support for the Trust's Proton Therapy Project which will be in excess of £5 million.

### 3.5 **Capital Programme 2009/10 Progress Report**

The Board of Directors received a report on progress against the current Capital Programme. It was confirmed that the slippage shown in the report had not had any impact on clinical services. It was noted that the sums saved were likely to contribute towards the cost of the variations in the new building that were to be undertaken.

### 3.6 **Trust Strategy**

3.6.1 The Directors considered the draft Strategy for the Trust and agreed to certain amendments such as greater reference to the partnership between the Trust, the University of Birmingham and the RCDM, clarification of the vision of the Trust and the addition of a section on resilience. The Directors also discussed the potential impact of the NPET review on the Trust's education strategy.

3.6.2 The final strategy will be brought to the Board at its next meeting on 25 March and that it will then go to the joint Board of Governors/Board of Directors meeting on 30 March.

### 3.7 **Financial Plan**

3.7.1 The Board of Directors considered a draft financial plan for 2010/11. A final version will be brought to the April meeting of the Directors. The draft is in line with the Trust's 10 year plan. At the time of the meeting, there remained a degree of uncertainty around the trust's income as it was still negotiating with Commissioners. However, neither party felt that they would need to go to arbitration and the FD was confident that the outstanding issues would be resolved satisfactorily. The Trust's view on planned expenditure was firmer.

3.7.2 There was discussion about the requirement for impairment of the new hospital once it was taken on the balance sheet. Impairment is an adjustment that must be made to the Trust's accounts that reflects the valuation of the finished new hospital. Under accounting rules, this is likely to be a significant amount less than the cost of the build. It is classed as an exceptional item and therefore will not affect Monitor's assessment of the financial health of the Trust. However, the Board recognized that this was

very much a reputational issue and that they would have the benefit of seeing how other trusts with PFI hospitals dealt with the matter in this financial year.

## 3.8 **Litigation and Insurance**

3.8.1 The Board considered a report regarding recent litigation and insurance issues and also heard that the recently published Jackson report had made proposals that are intended to deal with the issue of disproportionate costs arising out of clinical negligence litigation. One of these proposals was that success fees and after the event insurance premiums would no longer be recoverable from the losing party. However general damages for pain and suffering loss of amenity would increase by 10%. This would impact on the Trust by increasing the amount payable by the NHSLA against claims by 10% but hopefully reducing the amount payable to claimants' solicitors by the NHSLA. The Jackson report also recommended the implementation of the NHS Redress Act.

3.8.2 The Trust has also been informed by its solicitors that the NHSLA has now granted authority to solicitors to settle clinical measures claims up to a value of £50,000 without recourse to the NHSLA.

## 3.9 **Measuring Patient Experience**

3.9.1 The Board of Directors received a progress report regarding the Trust's achievements in increasing feedback from patients. Feedback is reviewed on a regular basis and participation has been growing steadily. Dips in levels of feedback had been observed in December and this illustrated how crucial the work of the volunteers was in gaining feedback from patients as the level of volunteering drops in December. Performance was being looked at at ward level.

3.9.2 UHB Charities has agreed to contribute towards provision of comfort packs to assist patients with sleeping at night and work was being done with regard to the feedback about food which differed significantly between the two sites.

3.9.3 Whilst the level of positive feedback on cleanliness continued to increase, communication has been identified as an area that needed particular attention. Feedback regarding staff saying one thing and a different member of staff saying another was also reflected in the complaints received by the Trust and work was being undertaken in this area to address this.

## 3.10 **Care Quality Report – including falls and nutrition**

3.10.1 The Directors receive regular reports from the Chief Nurse regarding care quality. Amongst other items, these covered falls (The number of falls were down 4% compared with this time last year. Work at the falls group was now focusing on those falls that resulted in harm. The Trust had recruited a new nurse specialist and was introducing additional measures such as new patient slippers to further reduce harm done to patients as a result of falls)

and nutrition and hydration and the Chief Nurse confirmed that work was being undertaken to highlight the need for fluid balance data to be recorded where appropriate.

**3.11 Review of UHB Payroll Services**

3.11.1 The Board of Directors considered a review of the Trust's payroll service which made a number of recommendations regarding the options for the payroll business. The Investment Committee had carried out a detailed review of the options and recommended that the Board approve the recommendations set out in the paper.

3.11.2 The Directors, having regard to the Trust's obligations to staff and its local communities, as set out in the NHS Constitution, discussed the impact of any decision to close the Stoke payroll office. It was noted that, should this decision be made, a full staff consultation would be carried out as part of the process. If contracts were lost in the Stoke office, TUPE would apply to certain of the employees who therefore would have the opportunity to transfer to the new provider. Where contracts were transferred to the Birmingham office, employees from the Stoke office would be offered the opportunity to move to that office as an alternative to redundancy. The Board agreed that, whilst any loss of employment opportunities in Stoke was regrettable, it was necessary for the Trust to take appropriate action to ensure that the trust's payroll business became and remained a sustainable operation as a whole. The Board of Directors resolved that the Stoke office should be closed and that staff from the Stoke office should be offered the opportunity to relocate to Selly Oak, subject to the successful transfer of the contracts currently serviced from Stoke.

**3.12 Other**

In addition, the Board of Directors received reports regarding the activities of the Audit Committee and the Investment Committee, and changes to Government banking arrangements.

**Sir Albert Bore**  
**Chairman**

**9 March 2010**