BOARD OF DIRECTORS

Minutes of the Meeting of 24 February 2011
Board Room, Trust HQ, QEMC

Present:	Sir Albert Bore Chairman Ms Julie Moore, Chief Executive Mr David Bailey, Non-Executive Director ("DB") Mr Kevin Bolger, Chief Operating Officer ("COO") Mr Stewart Dobson, Non-Executive Director ("SD") Mrs Kay Fawcett, Chief Nurse ("CN") Mr Tim Jones, Executive Director of Delivery ("EDoD") Ms Angela Maxwell, Non-Executive Director ("AM") Mr David Ritchie, Non-Executive Director ("DR") Dr Dave Rosser, Medical Director ("MD") Mr Mike Sexton, Director of Finance ("FD")
In Attendance:	Mr David Burbridge, Director of Corporate Affairs ("DCA") Ms Morag Jackson, New Hospitals Project Director ("NHPD") Mrs Viv Tsesmelis, Director of Partnerships ("DP")

D11/26 Welcome, Apologies for Absence and Declarations of Interest

Sir Albert Bore, Chairman, welcomed everyone present to the meeting. Apologies were received from Mrs Fiona Alexander, Director of Communications; Mrs Gurjeet Bains Non-Executive Director; Ms Clare Robinson, Non-Executive Director and Prof Michael Sheppard, Non Executive Director

David Ritchie's interest in Item 11/45, as a Trustee of UHB Charities, was declared and noted. There were no other declarations of interest.

D11/27 Quorum

The Chairman noted that:

i) a quorum of the Board was present; and

ii) the Directors had been given formal written notice of this meeting in accordance with the Trust's Standing Orders.

D11/28 Minutes of the previous meeting

The minutes of the meeting of 27 January 2011 were accepted as a true record, as amended and initialled by the Chairman.

D11/29 Matters Arising

D11/13 - The Chief Executive and the Director of Finance updated the Board with regard to negotiations with South Birmingham PCT. The PCT had been seeking to agree the acute services contract for the coming financial year, which it wanted to get signed off by the end of February, and also a system plan for the next three to five years. With regard to the former, the FD has reviewed the PCT's plans with their FD and it is apparent that a considerable number of provisions have been made, which have created much of the gap in funding that was initially presented to the Trust. With regard to the system plan, the Strategic Health Authority was concerned that providers had not been co-operating with the PCT. It has been accepted that this was not the case and there is now agreement to focus on the contract initially and then the parties will be meeting to agree a process for developing and agreeing the system plan.

The Board recognised the significant financial challenges facing the NHS but agreed that a sensible approach that supported efficient trusts needed to be taken both by commissioners and providers.

The chairman reported that he had met with the chair of Birmingham Women's Hospital who acknowledged some of the difficulties that may impact on that hospital. Accordingly they are currently in dialogue with Birmingham Children's Hospital regarding a joint move to the QE site. The Trust has offered to accommodate the Women's Hospital in the old QEH estate to allow a new build.

BCH are due to meet to consider the options and the Trust has made it clear that we would support any option to move to this site. It is expected that a meeting between all three parties would be held soon.

The FD reported that the current contract negotiations had been delayed because the director of finance of the PCT was currently away. The acute contract with South Birmingham PCT represented approximately half of the Trust's turnover and the FD expects that discussions will result in narrowing the gap. The equivalent gap in the Trust's contract with the specialist commissioning team was approximately £5 million out of a total of £100million. The SHA is pushing PCTs to have plans signed off by 18 March.

It was also reported that the NHS co-operation and competition panel was currently looking at some current GP practices limiting referral management that may mean that PCTs may have to change their approach to, for example, “procedures of limited clinical value” and other perceived restrictions on choice.

D11/30 Actions List

The actions list was reviewed.

D11/31 Chairman's Report and Emerging Issues Review

The Chairman reported that Stewart Dobson and Clare Robinson's current terms of appointment would come to an end in November. Accordingly, the Chairman had discussed with both the issue of serving a further term, given the advantages that such continuity would give to the Board during the current changes within the NHS. However, such a step would not be consistent with Monitor's Code of Governance, the most recent edition of which limits appointments to a third term only in exceptional circumstances and subject to annual re-appointment in open competition. The Chairman did consider it appropriate to ask the Board of Governors to consider further appointments of one year if there were no other appropriate appointees obtained through the recruitment process. If the Governors approved that proposal, in November, either Stewart and/or Clare would be appointed for a further year or one or two new non-executives directors would be appointed for an initial three-year term.

In order to ensure a degree of continuity, the Chairman was considering appointment of Stewart and Clare as associate directors, a role previously approved by the Board. This would allow them to continue to provide support to the current non-executives and new non-executives. Alternatively, prospective non-executive directors could be appointed as associate directors with a view to appointment as non-executive in due course. Both Stewart and Clare had confirmed their willingness to participate in such a way and the Chairman was grateful to them for that.

The Chairman also reported that he intended to refresh the roles taken by the non-executive directors. As of 1 April 2011, David Ritchie would take over as chair of the Audit Committee and Angela Maxwell would take over as chair of the Investment Committee. Stewart would continue as deputy chair to be succeeded by Michael Sheppard in due course and Clare would continue as senior independent director, to be succeeded by Gurjeet Bains in due course. The impact of the forthcoming vacancies would be considered formally by the Executive Appointments and Remuneration Committee at its meeting before the board next meeting on March 24.

The Chairman asked the Executive Director of Delivery to update the Board with regard to the Trust's relationships with the pharmaceutical industry. The EDoD reported that the Trust had developed its contacts with several pharmaceutical companies over the past 12 months. The most significant of these was Quintiles, a large clinical trials company, who had indicated that they wished to move their preferred partnership from the London and parts to the Trust and were currently undertaking some feasibility studies.

Novartis currently had eight streams of work involving the Trust,

seven of which were going very well. They had made it clear that they are interested in a long-term partnership.

NovaNortis were keen to work with the Trust particularly in connection with diabetes and were engaging with a view to providing support with funding for the education centre.

GSK were particularly interested in the educational route and were discussing the viability of a staff swap, and Astra Zeneca were currently undertaking eight feasibility studies looking at the use of the Trust's HED application to identify locations for trials.

The FD additionally reported that the leukaemia research trials centre will be in Birmingham and that this will form a model for other diseases. In addition, the Jules Thorne Foundation and the Healing Foundation had agreed to fund chairs in reputation medicine and burns respectively.

The Chief Executive further reported that she and the Director of Communications had, at short notice following a request from Wragges, hosted a delegation from China. After being shown around the new hospital and listening to a presentation about some of the Trust's work, the delegation was keen to enter into a more formal relationship with the Trust. The Trust is currently considering a memorandum of understanding regarding possible areas for exploration such as staff exchange and transplant work. It was agreed that appropriate checks will be made with the Foreign & Commonwealth Office with regard to such projects.

Wragges have also discussed several projects that they are working on regarding health care in the middle east and they are keen to involve the Trust in this work.

The EDOD concluded by explaining that he would be presenting a paper at the March meeting of the Board regarding Research Accounts.

ACTION: EDOD

The EDoD reported further that it appeared that Health Education England would not have any provider trust representation.

Finally, it was reported that the Trust would be participating in a major incident exercise in the near future.

D11/32 BNHP MONTHLY PROGRAMME STATUS REPORT

The Directors considered the report from the New Hospitals Project Director.

Consort had again reached the threshold for service failure points this month. The NHPD will be attending a commercial workshop with them in order to try and resolve the issues on an ongoing basis. There appeared to be some issues regarding temporary repairs and reasons given for not undertaking work. Whilst the overall service remained manageable and was not having any significant impact on safety or clinical functionality, it was not the service that the Trust was entitled to be provided with in accordance with the project agreement.

During discussion regarding the service failure points, it was noted that Consort was still struggling to fully understand the working environment of a hospital and the NHPD estimated it would take them between 18 months and two years to get fully conversant with the intricacies of such an operation.

The next phase the move is due to take place over 10 and 11 April. The plans to move oncology are all in hand. A much bigger move will take place in July and onwards and the exact timing of that move is currently being considered as it will involve large numbers of outpatients.

The NHPD reported that she would bring a paper to the Board in April regarding the redevelopment of the old Queen Elizabeth site and this will include an overall view of the general campus surrounding that site.

Resolved:

1. To access the progress reported in the New Hospitals Project Director's report; and

2. Agree to receive an update paper in April 2011 detailing the next phase of the QE Site master plan.

D11/33 A SUSTAINABILITY AND CARBON REDUCTION STRATEGY FOR UHB

The Directors considered the report as presented by the NHPD. It was noted that the strategy was no longer a Monitor requirement for the Trust's annual plan. The NHPD explained that the main focus of the Trust's approach was on energy as there was additional risk to the Trust in relation to the increase in energy prices. The recommendations of the report are currently being worked through. The NHPD agreed that paragraph 7.2.2 of the strategy should refer to the carbon measurements being additional, rather than replacement, measurements.

Resolved:

1. To note the importance of the Sustainability and Carbon

Reduction agenda to the NHS and UHB.

2. **To receive a report in April 2011 on a detailed action plan to move forward the Sustainability and Carbon Reduction Strategy.**

ACTION: NHPD

D11/34 UPDATE ON SELLY OAK HOSPITAL SITE REDEVELOPMENT

The Directors considered the report from the New Hospitals Project Director, who further reported that, although the last patient would move from the Selly Oak site in October/November of this year, the Trust still had approximately 600 employees and other support accommodation at that location that it would need to re-locate before commencing any serious demolition work. During discussion it was acknowledged that it was in the interests of the Trust to demolish buildings where there was a significant saving with regard to security etc and the cost of the demolition were likely to be recovered over a period of two years. However, quality office accommodation was currently scarce in Birmingham and therefore the Trust had a continued need to use some accommodation at Selly Oak.

There was discussion regarding the outline planning application for the Selly Oak site. It was noted that additional costs would be incurred by the Trust due to the lack of an agreed special planning guidance. The Chairman reported that a local MP was undertaking a consultation on the future of the Selly Oak site and the Chairman had agreed to attend that meeting. It was considered that, whilst it was unlikely that further buildings would be added to the local list, there remain some risk of a formal listing of certain buildings.

Resolved:

1. **to approve the recommendation to reverse the original decision to part demolish the site**

2. **Approve that a detailed review of the demolition of the SOH site will be presented to the Board of Directors meeting in February 2012**

ACTION: NHPD

3. **Approve that a detailed update of the progression of the SOH site disposal will be incorporated within the monthly New Hospital status report presented by the NHP Director to the Board of Directors**

D11/35 REPORT FROM AUDIT COMMITTEE

Stewart Dobson, Chair of the Audit Committee, reported that the

committee had met on 10 February and considered its normal range of reports. In addition, the committee had reviewed a first draft of the annual accounts, the timetable for the production of which was becoming shorter with every year.

Members of the committee are participating in the assessment of bids for the Trust's internal audit and counter fraud services. Four firms had been short-listed and are to make presentations next week, following which a recommendation will be made to the Chief Executive.

Resolved: To accept the report

D11/36 DRAFT TRUST ANNUAL PLAN 2011/12

The Directors considered the report from the Executive Director of Delivery, who further reported that the draft plan had been discussed with representatives from the Board of Governors at the Governors' reference group. This had proved to be a constructive process, following which the strategic aim for clinical quality had been amended to reflect the need to work with GPs.

It was proposed that, subject to approval today by the Board of Directors, the draft plan would be discussed at the joint Board of Governors and Board of Directors seminar at the end of this month.

Following discussion, it was agreed that Core Purpose 2, Section C should be amended so that the reference to marginal groups would come out of the overall aim, as all patients should receive care. However it was acknowledged that work needed to be done with such marginal groups in order to ensure that they received care.

Resolved: to approve the first draft of the Trust Annual Plan 2011/12 for discussion with the Board of Governors

D11/37 PERFORMANCE INDICATORS REPORT

The Directors considered the report presented by the Executive Director of Delivery. The report included a new key performance indicator for length of stay and some new indicators regarding research, the latter reflecting indicators that were anticipated to be required by the NIHR.

The Trust's performance against the A&E target had improved in January and was now above the national level 95%, although it remained just under the Trust's own target of 98%. Performance on PPCI was also improving. However, the number of delayed transfers of care had increased. A significant proportion of these related to local authorities other than Birmingham, which have arisen because the Trust had received patients from outside its usual area, due to the

maintaining of the Emergency Department when other hospitals in the Midlands were not taking emergencies. Repatriation of these patients has proved more difficult as the Trust does not have the same level of contact with social services in those areas.

There was discussion about the work being undertaken to address stroke care. Ward 411 was to be used in a flexible way to increase/capacity and confirmation has been received that the ward was prepared to undertake this way of working. The Trust is taking a co-ordinated approach to this issue and carrying out a root cause analysis of every breach. This has already proved very effective at dealing with some of the unsubstantiated issues, such as a belief that no stroke beds are available because the Trust is busy when such unavailability was not in fact the case.

Moving on to the Trust's internal targets, appendix C contained details of focused action in relation to short time sickness. The seasonal variation and the contribution to staff sickness from the opening of the new hospital did not fully explain the spike in short term sickness. Hotspots are being addressed such as nursing auxiliaries, outpatient, pharmacy and Ward 410, in relation to which it was noted that the ward had suffered from the departure of a ward leader. The Trust had also identified 91 staff who are regularly off sick over the Christmas period. Improved information was now available and it is clear that the short term sickness process is not always followed. Action is being taken to address this as set out in the appendix and although a lot of work has been undertaken, actions taken to date have not yet borne fruit as the process takes place over a defined period of time.

With regard to missed anti-biotic doses, the Trust's performance was now steady at 6%. Whilst it was still not clear what the "correct" level of missed doses was, it is clear that to move to a 0% target would introduce different risks. From the reviews of individual cases, it is clear that some omissions are good practice an appropriate.

Resolved: to accept the report on progress made towards achieving performance targets and associated actions.

D11/38 CLINICAL QUALITY MONITORING REPORT

The Board considered the paper presented by the Medical Director, who further reported that, with regard to the five formal investigations included in the report, a doctor had been excluded yesterday. The first of those investigations is proving difficult hence the time taken.

Section 4 of the report demonstrated that the Trust was achieving much better completion rates for observations now that these were being recorded electronically as opposed to on paper. This is another

clear illustration of the benefits of ward dashboard reports as one ward had increased its performance from a 52% baseline to 85%.

The MD further reported that Dr Foster had recently issued a press release confirming that the Trust was no longer an outlier with regard to its HMSR indicator.

Resolved: to accept the report and approve the actions identified.

D11/39 QUALITY ACCOUNT UPDATE REPORT AND QUALITY DATA FOR EXTERNAL PUBLICATION

The Board considered the paper presented by the Executive Medical Director. Publication of the update was not considered to carry any significant reputational risk to the Trust save, perhaps, with regard to some of the patient experience data which was not as mature as other data in the update.

Resolved:

1. **To approve the content of the Quality Account Update for April-December 2010 and the specialty indicators for external publication; and**

2. **Approve the proposed Trust-level patient experience data for external publication on the Quality WebPages**

D11/40 REPORT ON INFECTION PREVENTION AND CONTROL UP TO END OF JANUARY 2011

The Directors considered the report presented by the Chief Nurse. The Trust was below trajectory for both MRSA and C. difficile, however staff needed to remain vigilant. There been one case of CDI in February, marking a very good performance particularly against the background of norovirus. This was a result of sustained hard work which was necessary to maintain. The Trust had urther improvements to make, but was now much closer to its peer average infection rates.

The Trust continued to monitor MSSA, although flu reporting was due to stop at the end of the month.

There was discussion regarding the use of copper. It was confirmed that this work was continuing, however there was a danger that the use of copper could cause relaxation of hand hygiene procedures.

Resolved: to accept this report on infection prevention and control progress.

D11/41 PATIENT CARE QUALITY REPORT

The Board considered the paper presented by the Chief Nurse. Rates of patient feedback had increased now that the move into the new hospital had finished. An audit regarding noise at night was currently underway. Falls still pose a significant risk. Staff are often asked about bed rails for confused patients, although the use of bed rails can increase the risks to such patients. However, it is essential that they can be fastened down.

Care rounds are shortly to be introduced throughout the Trust. These rounds will give patients an opportunity to discuss any worries and concerns with staff and would ensure that appropriate levels of observation took place for patients in single rooms. It is expected that this will lead on to further improvements in care.

Resolved: to receive the report

D11/42 FINANCE AND ACTIVITY PERFROMANCE REPORT FOR THE PERIOD ENDING 31 JANUARY 2011

The Board considered the paper presented by the Director of Finance, who confirmed that the Trust was on target to achieve its predicted year-end position. Maternity leave and vacancies had led to increased agency use which had resulted in overspending in that area. The additional beds opened to deal with increased activity during the winter through A&E had led to an overspend. However, not all the income related with the additional activity had yet been recognized.

Action was being taken to drive down medical staffing agency costs and is expected that the Trust should see the benefit of this from April onwards. With regard to nursing agency costs, whilst costs associated with the move had not been fully anticipated, some of the agency costs were associated with the additional capacity referred to above. The Chief Operating Officer confirmed that those services with significant overspends were being reviewed. Division three was reviewing its core planning as it was apparent that, for example, vacancies in ICU could have been planned for in a more cost-effective way.

Resolved: to receive the report

D11/43 DRAFT FINANCIAL PLAN 2011/12

The Board considered the paper presented by the Director of Finance, who confirmed that this was the first draft and a final version will be presented to the Board in April. This would then be included in the forward financial plan for Monitor. Focus would then turn to a review of the 10 year financial plan and a refresh of the downside planning,

with that coming to Board in September.

The financial plan was similar to that in previous years although, at this stage, there was greater uncertainty around the income. The plan has been produced on an assumption that the Trust will see a loss of £8million of core healthcare income. However, this has been offset by the proposed acquisition pf community sexual health services and the potential for other community services to be provided by the Trust.

The usual risks to expenditure have been recognized, such as cost control and CIP delivery.

A proposed change to the financial risk rating regime operated by Monitor would make it more difficult next year to achieve in a financial risk rating of three. However, the FD hoped that Monitor would realise that, in the context of the new health bill changes and the current economic situation, the proposed measures are too rigorous. This has been raised with Monitor in discussions.

There was discussion regarding the inflationary element in the unitary payment. The FD agree that there was a greater risk to the Trust in relation to this than at any other time but that certain risk mitigation measures were in place such as the flexible use of transitional support. With regard to pay inflation, it was agreed that the Trust should conform to the national agreement, especially as many of the Trust's employees were a relatively hard-hit sector of society and that it would be a false economy to do otherwise.

Resolved: to receive the contents of this Report

D11/44 PROPOSAL FOR THE DEVELOPMENT OF DEDICATED FACILITIES FOR PRIVATE PATIENT RADIOTHERAPY AND REPLACEMENT OF LINEAR ACCELERATOR

The Board considered the paper presented by the Chief Operating Officer, who reminded the Board that they had previously approved a business case for tomotherapy in June of this year. Following that approval, negotiations have taken place with the proposed partner, but these had now come to a point where the Trust felt no longer able to continue with them. Additionally, the consultants have become disillusioned with the progress made with the partner.

As a result of this, the Trust had reviewed its options and the associated risks in relation to radiotherapy work. The procurement of a single tomotherapy machine presented a significant risk in relation to capacity and double running costs as, if the Trust only had one tomotherapy machine, the service would have to do nine hours visits planning for tomotherapy plus a further five hours for a conventional machine, to mitigate the risk of the tomotherapy machine not being available.

The report referred to support from QEHB charities. This needs to be clarified but is expected to be between one and £3 million. QEHB Charities considered this to be a good fund-raising opportunity and could also contribute to fund raising for a cyber knife, the next step in journey to providing proton therapy. David Ritchie confirmed that there was strong support from QEHB charities.

It was confirmed that there would be no risk to the private patient cap, as it was remained the case that this was to be removed as a result of the enactment of the new Bill.

Resolved to:

1. **Approve the decision to terminate discussions with BMI;**

2. **Agree the procurement of two Tomotherapy machines;**

3. **Accept the support of QEHB Charities to fund one of the two machines; and**

4. **Support the use of this opportunity as a fund-raising flagship for QEHB Charities**

D11/45 MANAGEMENT RESTRUCTURE

The Chief Operating Officer reported that the operational divisions of the Trust were to be reorganised with effect from 1 April. Three years have elapsed since the Trust move to a five divisional structure in order to provide additional support for the move into the new hospital. Now that the move was largely complete, it was appropriate that the structure be reviewed and the plan was for a reversion back to four divisions.

This has provided an opportunity to refresh the areas included in each division and will allow staff to refocus on their day-to-day delivery of care. The proposals have been discussed with all divisional directors, divisional directors of operations and ADNis, all of whom have been in full agreement with the proposals.

The reorganisation has given the Trust the opportunity to address two important issues. A senior doctor, Neil Gittoes, has been appointed as associate director of partnerships, to work with the GP consortia. It is envisaged that this role will ensure a focus on quality and the appointment has been welcomed by the consortia. Secondly, Neil Grogan will be appointed to oversee patient services. These have been a frequent source of complaints regarding communications, letters and telephone advice.

The changes are to be announced formally to the rest of the Trust

tomorrow. There remains some further work to be done with changes further down the divisional structures and it is also proposed to provide more centralisation for areas of work that is not always done particularly well within divisions so that greater consistency is achieved. It is expected there will be some cost savings.

Following discussion, the Board thanked the COO for achieving such a major reorganisation with a minimum of difficulty.

Resolved: to accept the report

D11/46 COMMUNITY SEXUAL HEALTH SERVICES

The Chief Operating Officer reported that the Trust had entered into an agreement in principle to provide community sexual health services within the Heart of Birmingham and South Birmingham PCT areas. This would involve the transfer to the Trust of approximately 160 staff and £8million of activity. Due diligence has taken rather longer than expected as HoB PCT has had difficulty answering the questions raised by the Trust. Whilst this could potentially create a risk for the Trust, none of the items outstanding were considered to be materially significant, although some commercial issue still remained outstanding. The main risks to the Trust were considered to be property issues on which guidance from the DH was awaited and a current £300,000 - £400,000 income gap. The staff who will be transferred to the Trust have been very positive about the potential move.

Negotiations were continuing and it was hoped that a transfer agreement would be agreed shortly. The Strategic Health Authority and the PCT are seeking a signed transfer agreement as soon as possible and therefore it was proposed that the COO and the FD should have authority to enter into such an agreement, provided that the agreement be conditional upon a formal board approval to be obtained at the March meeting of the Board of Directors following a full report.

RESOLVED: that the Chief Operating Officer and the Director of Finance be and are jointly and severally authorised to enter into a transfer agreement and ancillary documents relating to the provision of sexual health services, such agreement to be conditional upon formal board approval.

D11/47 AUDIT COMMITTEE MINUTES

Resolved: To accept the minutes of the meeting of 4 November 2010

D11/48 EXPANSION OF ANAESTHETIC WORKFORCE

Resolved: to approve the appointment of an additional 9.45 whole time equivalent Consultant Anaesthetists to support the proposed Anaesthetic workforce plan

D11/49 EMERGENCY DEPARTMENT – REPLACEMENT CONSULTANT

Resolved: to approve the appointment of a replacement substantive consultant in Emergency Medicine and the recurrent funding required

D11/50 PROPOSED APPOINTMENT OF A REPLACEMENT CONSULTANT UROLOGICAL SURGEON

Resolved: to approve the appointment of a full-time consultant Urological Surgeon and to approve the inclusion of an additional theatre session in a replacement job plan.

D11/51 APPLICATION OF THE TRUST SEAL TO A LEASE BETWEEN THE TRUST AND BADGER HEALTHCARE LIMITED FOR PREMISES AT SELLY OAK HOSPITAL

Resolved:

1. **That the Director of Corporate Affairs and the Land and Property Manager be and are jointly and severally authorised to exercise the powers of the Trust in relation to negotiating, approving and amending the Lease and any associated documents, without limitation save that such authority may only be exercised to the extent that the Lease is materially as described in this Report, and to do all such acts and things as may be required in order to give effect to the Resolution(s) resulting from this Report and implement the Lease to include the finalising and delivery of all such notices, confirmations, applications, letters, transfers, appointments, certificates, powers of attorney, deeds, forms, notice of drawing, notice of withdrawal or notice of utilisation and any other documents as required; and**
2. **That any one or more Directors of the Trust and, in the case of any documents that are Deeds, the Foundation Secretary, be and are jointly and severally authorised to sign, execute and deliver the Lease and Licence to and any associated documents save that, where any such other documents are Deeds, execution will be by any two Directors or a Director and the Foundation Secretary**

D11/52 Date of Next Meeting:

Thursday 24 March 2011 Board Room Trust HQ

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Chairman **Date**