

King's College Hospital NHS Foundation Trust Board of Directors - PUBLIC

Minutes of the meeting of the Board of Directors held at 14:00 on Tuesday, 27 May 2014 in the Dulwich Committee Room

Members:

Prof Sir George Alberti	Trust Chair
Graham Meek	Non-Executive Director
Marc Meryon (MM1)	Non-Executive Director
Ghulam Mufti (GM1)	Non-Executive Director
Chris Stooke (CS)	Non-Executive Director
Sue Slipman (SS)	Non-Executive Director
Faith Boardman (FB)	Non-Executive Director
Tim Smart (TS)	Chief Executive
Angela Huxham (AH)	Director of Workforce Development
Simon Taylor (ST)	Chief Financial Officer
Dr. Geraldine Walters (GW)	Director of Nursing & Midwifery
Pedro Castro (PC) – <i>Non-voting Director</i>	Interim Director of Strategy
Jane Walters (JW) – <i>Non-voting Director</i>	Director of Corporate Affairs

In attendance:

Professor Sir Robert Lechler (RL)	Executive Director, KHP
Sally Lingard (SL)	Associate Director of Communications (<i>part</i>)
Tamara Cowan (TC)	Board Secretary (Minutes)
Penny Dale (PD)	Public Governor
Tom Duffy (TD)	Patient Governor
Eniko Benfield (EB)	Public Governor
Michael Pedro (MP)	Staff Governor
Stuart Open (ST)	Public Governor
Joe Onabaworin (JO)	Public Governor
Jeremy Carr (JC)	Allergan (<i>part</i>)

Apologies:

Dr. Michael Marrinan (MM)	Medical Director
Roland Sinker (RS)	Chief Operating Officer
Ann Traynor (AT)	KCH Charity Representative

<u>Item</u>	<u>Subject</u>	<u>Action</u>
14/72	<u>Apologies</u> Apologies for absence were noted.	
14/73	<u>Declarations of Interest</u> MM1 declared that he knew personally one of the individuals involved in the Capita contract.	

<u>Item</u>	<u>Subject</u>	<u>Action</u>
14/74	<u>Chair's Action</u>	
	There were no Chair's actions to report.	
14/75	<u>Minutes of Previous Meeting</u>	
	The minutes of the meeting held on 29 April 2014 were approved as a correct record.	
14/76	<u>Matters Arising/Action Tracking</u>	
	The matters arising were noted.	
14/77	<u>Chair's Commentary</u>	
	The Board noted the Chair's report. For clarification, the statement relating to 90% survival rate for liver transplant patient at King's relates to 90% of patient surviving for five years.	
14/78	<u>Update from Board Committee Chairs</u>	
	<p><u>Audit Committee</u></p> <p>CS reported that since the last Board meeting the Audit Committee met twice in May. On the 20 May, the Committee conducted normal business focusing on reports from the internal audit and counter fraud teams. The Committee also received a preliminary update on the production audit of the financial accounts and received early drafts of the annual report and accounts.</p> <p>At the meeting held early today, the Committee considered and reviewed the final draft versions of the annual report, quality accounts and financial accounts in addition to the reports from the external auditors.</p> <p>As part of the process for finalising the annual audit process CS also attended the audit closed meeting. Here the auditors flagged three pertinent issues: valuation of premises and properties, recoverability of outstanding balances and acquisition of the new sites and services from the now dissolved South London Healthcare Trust (SLHT).</p> <p>The Trust's ability to recover outstanding balances is a key area of challenge. These balances relate predominately to over performance in respect to the growth in patient activity. Settlement of these balances are predicated on reaching agreement with commissioners. Where these balances remain unpaid the Trust is required to decide what is the appropriate level of provision to assign to these debts. This is done in some degree as a matter of judgement. The auditors are satisfied with the Trust's provisions but rightly flag that it is an area of risk because it is dependent on commissioners willingness/ability to pay.</p> <p>The acquisition has increased the Trust's assets and liabilities mainly in the form of property. The Trust will have to ensure it is careful about the management of these liabilities under its enlarged portfolio.</p>	

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Barring these issues the auditors were happy to sign-off the Trust's financial statements and annual report and on this basis the Committee can recommend that the Board approves the annual report and accounts for 2013-14 subject to its further deliberations.

The Committee also noted with great appreciation for the work of the finance team during the audit process.

Board Integration Committee (BIC)

CS reported that BIC met on 20 May and considered progress on implementing key action plans for the integration programme. The Committee has also requested that a 6 month review be undertaken.

Finance & Performance Committee

GM reported that in addition to its normal detailed discussion around the financial and operational performance of the Trust, the Committee also had a lengthy debate about the analysis of pay, drug expenditure and the performance of the recruitment contract with Capita.

Quality & Governance Committee

GM1 reported that the Committee met on the 08 May. The meeting started with a patient story in the form of a very positive letter. The Committee also received quarterly quality governance reports, a detailed report on the quality priority – hip fracture, a presentation and educational session on healthcare acquired infections, nursing and maternity reports and considered the schedule of assurance for self-certification against the strategy/annual planning process.

The main areas of concern for the Committee are the general business of the hospital in particular A&E, the acuity of the patients attending and the ability for the Trust to repatriate patients back to their local hospital which is having a knock on effect on the efficiency of the hospital and give rise to quality issues.

Strategy Committee

SS reported that the Committee met on 08 May. In addition to the normal business of the Committee great focus was given to 5-year strategy and an early draft was considered. The Committee are keen to ensure that the wider system and commissioning strategy are reflected in the Trust's strategy and that the integrated care agenda is a key focus area.

14/79 **Update on Council of Governors' Activities**

The Board noted the following update on the Council's activities:

- The Council of Governors met on 15 May and:
 - Received a presentation on development of the 5-year strategy;
 - Received reports on recent meetings of all governor sub-committees
 - Approved disbanding the Transport Feeder Group and agreed to maintain links with the external stakeholders that currently sit on the group. Transport issues relevant to Trust will remain part of the Membership & Community Engagement work programme.

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	<p>During the private session of the Council, the governors received reports from the Nominations Committee on the Chair's appraisal, board evaluation and endorsed the recommendation from the Nominations Committee to reappoint MM1 as non-executive director (NEDs) for a further term.</p> <p>The Council also received the first in a series of reports from individual NEDs on the performance of the Trust. SS was the first NED.</p> <ul style="list-style-type: none"> • Governors have been a positive contribution to the Board Go See Visit programme. The revised format is working well and next round of visits will take place on 24 June at the Princess Royal University Hospital. • The nominations process for electing 8 public governors from Lambeth and Southwark, 6 patient governors and 5 staff governors is now open and will close on 09 July. • The Trust will hold Governor Awareness Sessions to provide information about the role to prospective governor candidates will be held on 05 June and 04 July. • It is also worth noting that in addition to their normal duties get involved and engage with wider stakeholders on a regular basis. Most recently, Jan Thomas, Patient Governor, made a presentation at the NICE conference on involvement in patient services. 	

14/80 **Chief Executive's Report**

The Board noted the Chief Executive's report presented by TS.

The following key points were noted:

- The financial and performance challenges facing the Trust is no secret;
- The Trust has clarity about what is required to address its key performance challenges, namely:
 - At the Denmark Hill (DH) site this is an issue of demand management and increasing capacity;
 - At the Princess Royal University Hospital (PRUH) the main area of concern is the integrating the pathway to ensure that patients.
- The position at the PRUH seems to be stabilising and there are new focus on patient safety and patient focus care;
- A formal review of the integration process is underway;
- The Financial challenges are not made any easier by the increased activity;
- The new governance process for KHP is bedding in; and

<u>Item</u>	<u>Subject</u>	<u>Action</u>
	<ul style="list-style-type: none"> • The Southwark and Lambeth Integrated Care (SLIC) held its Sponsor Board meeting. The Sponsor Board was established to look at the progress partners and sponsors are making on integration programmes. <p>At its meeting the Sponsor Board discussed how best to move away from the 'payment by results' model to a more appropriate financial incentive for groups of patients and whole pathways.</p> <p>The Trust and other partners have been invited to think about the best way to progress this objective. However, any strategy developed would be dependent on the system wide funding provided by commissioners.</p> <p>The Commissioners would like to put in place a trial of the new financial structure in 2015/16. Next winter will be tough and the new funding structure needs to be in place sooner rather than later.</p>	
14/81	<p><u>Finance Report</u></p> <p>The Board received the month 01 finance report presented by ST which was discussed at length at the Finance & Performance Committee, held earlier.</p> <p>The following key points were noted:</p> <ul style="list-style-type: none"> • There are some key areas of concern including in particular expenditure on agency staff and drugs; • It is still early in the year but the Trust need to take early action to redress the situation and ensure it does not get any more deleterious; • ST/RS will meet with divisions to implement tighter spending controls; • The main capital project for the Trust is the development of the critical care unit; • The Trust needs to get its internal communication right in order to ensure that there is better understanding of the need to manage budgets; • All these issues are multifaceted and the executive team will review and provide the appropriate mitigations, assurances and plans to the Board; and • Challenges with nursing recruitment have added to the expenditure on agency staff. 	
	<p>It was agreed that following completion of the integration programme 6 month review a report would be presented to the Council of Governors.</p>	<p>ST</p>

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14/82	<u>Performance Report</u>	
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The Board received the month 01 performance report presented by ST which was discussed at length at the Finance & Performance Committee, held earlier.

The following key points were noted:

Denmark Hill Site (DH)

- There has been strong performance across a wide spectrum of the scorecard. The Trust has continued to achieve cancer waiting times, longer wait patient and the non-admitted RTT targets;
- Although there has been some slight improvement the performance of the emergency department (ED) it remains a key area of concern. This is driven by both volume and the acuity of patients attending;
- Healthcare acquired infection control (HCAI) is up in month 1 and CRE remains an area of challenge;
- The process for dealing with complaints is being streamlined and it is hoped this will improve the Trust response times; and
- All the above issues have detailed action plans which the Trust is working through.

Princess Royal University Hospital (PRUH) Performance:

- The level of performance seems to be stabilising around ED;
- The key performance factors for the PRUH is discharge and improving patient pathways;
- There have been 12 hour trolley breaches at the PRUH. The breaches relate to where patients are cared for in beds based in emergency cubicles whilst they wait to be transferred to a ward specific to their needs.

Now that the Trust has the clinical decision unit (CDU) at the PRUH it is hoped that this issue will occur less frequently and the Board can be assured that although this is not the ideal situation patients are cared for safely.

The Board noted the report, the positive progress being made and the action plans for addressing key challenge areas.

14/83	<u>Quality & Safety Focus</u>	
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14/83.1	<u>Quarterly Patient Outcomes Report</u>	
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The Board noted and considered the quarterly patient outcomes report which was discussed in detail at the Quality Governance Committee.

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The following key issues points were noted:

- The Trust demonstrates good performance in domain 1 for mortality indicators but there have been 3 outlier alerts for cardiology, deaths after surgery and palliative care coding;
- Similarly, in *domain 2: enhancing quality of life for people with long term conditions*, the Trust has good performance for dementia, COPD, alcohol, diabetes and Parkinson's Disease. There was, however, mixed results for paediatric diabetes; and
- In *domain 3: helping people to recover from episodes of ill health or following injury*, the Trust has performed well against all the Care Quality Commission's indicators for emergency readmissions and patient-reported outcomes.

The Trust has more work to do to improve hip fracture performance therefore it has been chosen as quality priority for 2014/15.

14/83.2 National Inpatient Survey

The Board noted and considered the national inpatient survey results. This report was also presented and discussed at the Patient Safety and Quality & Governance Committees.

The following key points were noted:

- The results are based on a sample of inpatients taken in July 2013;
- The Trust has had a slight drop in performance moving from 3rd to 4th in its peer group;
- The Trust extrapolated data related to the PRUH from the full South London Healthcare Trust results. It was noted that all the scores were marginally worse compared with 2012 results, however, PRUH did better than the DH site; and
- It may be useful for the Trust to run an internal inpatient survey for the PRUH site.

14/83.3 Monthly Staffing Levels Report

The Board noted and received the first monthly report on nurse staffing. The following key points were raised:

- In addition to receiving this report the Board will also receive 6 monthly reports as required by the guidance;
- The information in the report has to be submitted nationally and the Trust will be rag-rated;
- This type of reporting is not new to the Trust. Nurse staff performance reports are regularly reviewed at the Quality & Governance Committee and at the Board in the monthly performance reports;

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	<ul style="list-style-type: none"> • The information in the new reports calls for more detail; • The Royal College of Nursing has prescribed a ratio of 60/40 qualified/unqualified nursing staff at any time but this is dependent on the hospital and the speciality; • A huge workload has been generated by the acuity of patients attending the Trust; • At the PRUH site challenges around filling vacancies have impacted the results however the Trust has filled the rota with agency staff; and • Acuity data is collected by staff on the wards daily. 	

The Board noted the staffing numbers by ward and that where there are shortfalls this is due in part to issues of establishment or known challenges around recruiting nursing staff. The Board was, however, assured that patients are being cared for safely and that there are action plans to address some of the key underlying issues

14/84 **KHP Update**

The Board welcomed Professor Sir Robert Lechler to the meeting who provided a verbal update on the activities of KHP.

The following key points were noted:

- King's College London (KCL) is facing a number of challenges which reflect the external environment. These include the reduction of teaching budget and the capital funding for academia has dried up because of the financial crisis. KCL is required to realise a 6% turnaround on investment in its estate.
- KCL is raising its profile but needs financial headroom to achieve its objectives. KCL plans to grow its student income but this can only be done within the funding cap consequently it has to find ways to reduce costs and rebalance its finances;
- KHP are pioneering the 'better health for all' agenda;
- As requested by the Trust Board work is continuing to develop the clinical academic site strategy for KHP;
- The underlying argument for KHP continues to be sustaining excellence and improving patient care. This calls for closer integration to deliver better care. This can also be underpinned by more joint commercial endeavours;
- Coordination of leadership on the commercial endeavours is in the best interest of all partners and KHP needs to share information and intelligence in a more joined-up way;
- The 05 June joint KHP executive meeting is a good step to building closer coordination in the KHP leadership; and

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	<ul style="list-style-type: none"> KHP needs to agree its underlying definition of patient benefit and how it translates into excellence. 	
14/85	<u>FOR APPROVAL</u>	
14/85.1	<u>Draft Annual Report & Accounts 2013/14</u>	
	<p>The Board noted and discussed the Annual Report and Accounts 2013-2014, comprised of the annual report, quality account and annual accounts.</p> <p>The Board raised the following comments:</p> <ul style="list-style-type: none"> In next year's years report the Trust research component should be expanded to include research activity on a broader scale and Professor Irene Higginson could support the drafting of this section; The comments from Audit Committee as detailed in item 14/78 above were noted; and The statements from commissioners and other stakeholders where included in the quality report as per the requirement. Where possible the comments from governors and other stakeholders were considered and were appropriate incorporated. The information on complaints in contained within the annual report section therefore it was not repeated in the quality accounts section. <p>1) The Board approved the Annual Report and Accounts 2013-2014 subject to minor editorial changes.</p> <p>The Board thanked all the team members involved in pulling together these documents, namely, Simon Dixon, Nicola Hoeksema, Leonie Mallows, Tooba Ahmadi and Helen Day.</p>	
14/85.2	<u>External Auditor Final Report on 2014 Audit</u>	
	<p>The Board noted the final report on the 2014 Audit from Deloitte.</p> <p>The Board received the auditor's opinion.</p>	
14/85.3	<u>External Auditor Independent Assurance Report on Quality Accounts</u>	
	<p>The Board noted the external auditor independent assurance report on Quality Accounts. The auditors opinion on the quality report will change to reflect the fact the Trust has decided to not include data for the PRUH in its quality report because reliability or accuracy of the data. The Trust is in discussions with Monitor to ensure that this is an acceptable course of action.</p> <p>The Board authorised GATS to sign the appropriate documents and submit the reports subject to editorial changes agreed with the Auditors and Monitor.</p>	GATS

<u>Item</u>	<u>Subject</u>	<u>Action</u>
14/85.4	<u>Draft Letter of Representation</u>	
	The Board noted and approved the draft letter of representation and agreed that TS should sign on behalf the Board.	
14/85.5	<u>Draft Terms of Reference for Education and Workforce Development Committee</u>	
	The Board considered and approved the draft terms reference for the new Education and Workforce Development Committee subject to the following changes: <ul style="list-style-type: none"> • Reflecting the Committee’s remit for promoting equality and diversity not just monitoring; and • Reflecting the remit to develop and promote the culture of the Trust. 	
14/85.6	<u>Board Self Certification and Schedule of Assurance</u>	
	The Board noted that the process for self-certifications has changed and that the Board is now required to make two submissions, one on 30 May and the second on 30 June.	
	The Board approved the following:	
	1) The proposed Board declarations in relation to the Trust’s compliance with its licence conditions (self-certification G6); and	
	2) The proposed Board declarations in relation to continuity of services (CoS7) but strengthens its declaration to reflect the changes around repatriation and reliance on receipt of claims posted against the Trust Development Authority indemnities for the acquisition; and	
	3) Including in its governance process an annual review of its performance against its licence requirements as proposed by KPMG; and	
	4) Authorised GA and TS to sign-off the final submission.	
14/86	<u>FOR INFORMATION</u>	
14/86.1	<u>Chair’s and Non-Executive Directors’ (NED) Activity Report</u>	
	The Board noted the Chair’s and NEDs activity report for the period.	
14/86.2	<u>Confirmed Board Committee Minutes</u>	
	The Board noted the confirmed minutes of the Finance & Performance Committee (25/03/2014).	

<u>Item</u>	<u>Subject</u>	<u>Action</u>
14/87	<u>Any Other Business</u> There were no matters of any other business raised for discussion.	
14/88	<u>Date of Next Meeting</u> Tuesday, 27 June 2014 at 14:00 in the Trust Headquarters Boardroom at the PRUH.	