



Minutes of the Trust Board Meeting held on 3 July 2008

Present:	Joyce Catterick Ian Black Bernard Fee Anne Gregory David Hinchliffe Jan Wilson Steven Michael Nisreen Booya Malcolm Featherstone Hazel O'Hara	Chair Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Deputy Chair Chief Executive Medical Director Deputy Chief Executive/Director of Finance Chief Operating Officer
In attendance:	Alan Davis Terry Dutchburn Ruth Unwin Bernie Cherriman-Sykes Member of the public	Director of Human Resources and Workforce Development Director of Business Development and Planning Director of Corporate Development and Constitutional Affairs Board Secretary (author)
Apologies:	Noreen Young	Director of Nursing, Compliance and Innovation

TB/08/56 Welcome, introduction and apologies (agenda item 1)

The Chair (JC) opened the meeting and commented on the two members' events held on 1 and 2 July 2008, which were extremely well attended by a lively mix of staff, service users and carers, and the general public. She highlighted the dedication of staff who exhibited and presented at both meetings.

The apology from Noreen Young (NY) was noted.

TB/08/57 Declarations of interest (agenda item 2)

Anne Gregory (AG) asked Trust Board to note that the work she will be undertaking for East Midlands Strategic Health Authority (SHA) may extend to the Yorkshire and Humber SHA. The Chair asked Trust Board to note that her husband is a consultant paediatrician at East Lancashire Hospitals NHS Trust.

There were no further declarations of interest made over and above those previously declared.

TB/08/58 Minutes of and Matters Arising from Trust Board meeting held on 5 June 2008 (agenda item 3)

Malcolm Featherstone (MF) asked for three amendments to the minutes to be considered.

TB/08/35 Treasury Management Policy – MF asked for the minute to clarify that this was a Treasury Management Strategy and Policy not just a Policy.

TB/08/48e Annual plans etc. – MF clarified that the minor capital funding was for Trust Board to note as it is within the delegated powers of the Executive Management Team to approve.

TB/08/049e Financial performance report – MF clarified that appendix B had been replaced by the 'operational budgets' report and appendix C by an 'analysis of expenditure by type'.

Subject to these amendments, **it was RESOLVED to approve the minutes of the Trust Board meeting held on 5 June 2008.**

There were no matters arising.

TB/08/59 Trust Board assurance from Committee meetings (agenda item 4)

4.1 Minutes of Clinical Governance and Clinical Safety Committee 6 June 2008

No issues were raised.

4.2 Minutes of Audit Committee 16 June 2008

Ian Black (IB) asked Trust Board to note two issues arising from the minutes, both under AC/08/47 Annual Accounts.

1. IB highlighted the real achievement of MF and his team to prepare and submit the papers for the annual audit to Grant Thornton a day early.
2. IB highlighted the issue that had arisen as a result of the valuation by the District Valuer of the Heath Unit. This could have implications in the future for the Trust and it had been agreed that, firstly, this would be kept under review and, secondly, that the accounting treatment of such valuations would be borne in mind during the planning of each new capital project.

It was RESOLVED to RECEIVE the minutes from Trust Board Committees.

TB/08/60 Chief Executive's Report (item 5)

The Chief Executive (SM) reported on the following.

- The next stage of the NHS review by Lord Darzi and the implications for mental health services.
- Foundation Trust developments.
- The visioning and listening events planned for the autumn.
- Leadership and management development.
- External links with local authority Overview and Scrutiny Committees.
- The mental health contract between Trusts and PCTs.
- Developments, both national and local, on the Pathways and Packages project and introduction of payment by results for mental health. In response to a question from David Hinchliffe (DH), SM explained that the current tension in the system was around the assessment and screening tool and alternatives available at the current time.

It was RESOLVED to note the Chief Executive's report.

TB/08/61 Strategic Development (agenda item 6)

TB/08/61a Foundation Trust application (agenda item 6.1)

Before asking Ruth Unwin (RU) to introduce this item, JC clarified that it was not the intention to bring back to Trust Board all the documents required for the Foundation Trust submission but there were certain documents that had been reviewed and amended and would, therefore, require Trust Board approval. RU commented that

the Membership Strategy was one such document as, now the Trust had reached its stated target for membership of 1% of the population it serves in Calderdale, Kirklees and Wakefield, the emphasis of the Strategy has changed to reflect how the Trust will maintain this level, how it will ensure membership is representative and how the Trust continues to engage with its membership.

DH asked about the use of external agencies in recruitment and RU responded that the Trust had used two companies, which is usual practice for Foundation Trusts, finding that using such agencies to increase capacity was the most effective. She also commented that neither the Department of Health (DoH) nor Monitor had formally expressed a target for membership or what they would consider to be a representative membership. The Trust is working towards 1% to reflect the make up of its communities and this will be tested with Monitor during the assessment phase.

Trust Board noted that the deadlines for submission of evidence were now fixed (as contained in the Foundation Trust Project Update); however, the dates for the Board-to-Board, and the KPMG Working Capital/Financial Procedures Review and related Board session had still to be confirmed.

She moved on to the update of the Historical Due Diligence and Working Capital Review action plans, which were noted by Trust Board. IB asked whether the Trust ran the risk of the same situation with Monitor occurring again if KPMG only completes its review on 6 October 2008. RU confirmed that this could indeed be the case as KPMG cannot begin its review until the Monitor assessor case is ready. Therefore, timescales are very tight. JC commented that she and SM would be in contact with KPMG throughout the process.

JC asked whether there would be any further updates to reflect the approach in 2008/09 and RU responded that the action plan referred to the end of year position for 2007/08.

Regarding the action on page 11, MF confirmed that work to seek alternative and/or contingency solutions to the Acre Mill site had begun. RU confirmed that additional Trust Board development sessions would be included in the plan. RU agreed to follow up the issues reported by two Non-Executive Directors related to media reporting of appointments to Trust Board.

It was RESOLVED to:

- **APPROVE the revised Membership Strategy;**
- **NOTE the progress report on the FT application; and**
- **NOTE the progress on actions taken to respond to the feedback from KPMG as part of the Historical Due Diligence and Monitor assessment process.**

TB/08/61b Constitution (agenda item 6.2.1)

RU introduced this item and explained the minor changes made to the Constitution in advance of its final submission to Monitor.

It was RESOLVED to APPROVE the revised Constitution.

TB/08/61c Trust Board Committee membership (agenda item 6.2.2)

JC confirmed that the membership of Trust Board Committees would be reviewed again when the appointment of the additional Non-Executive Director is made substantive.

It was RESOLVED to:

- **APPROVE the changes to the membership of Trust Board committees, which form part of the terms of reference for each;**
- **CONFIRM the quorum for each Committee.**

TB/08/61d Corporate Objectives and Assurance Framework (agenda item 6.3)

SM introduced this item and RU explained that the comments of internal audit and the SHA had been incorporated in the revised format. The main change was that Directors' objectives were now reflected as 'Key Controls'. The Assurance Framework will be presented to Trust Board on a quarterly basis following the Chief Executive's quarterly reviews with Executive Directors.

With regard to the Risk Register, which accompanies the Assurance Framework, it was suggested that the risk around achievement of FT status be placed back on the Register as it still presented a real risk to the Trust. This was agreed.

AG commented that there did not seem to be a link between the Integrated Performance Report and the Assurance Framework and it was agreed that Hazel O'Hara (HOH) would amend the headings in the integrated performance report to strategic goals.

MF commented that, where there is a gap in control or assurance, the Framework should identify an action plan or mitigating action that was taking place. RU responded that these were contained in the Risk Register and agreed to look at ways these could be incorporated into the Assurance Framework.

It was RESOLVED to:

- **APPROVE the Assurance Framework;**
- **PLACE the risk around the Trust's authorisation as a Foundation Trust on the Risk Register.**

TB/08/62 Strategic Execution (agenda item 7)

TB/08/62a Performance Report Month 2 2008/09 (agenda item 7.1.1)

HOH introduced this item. The following issues were raised.

- With regard to the recent random inspection by the Healthcare Commission (HCC), which looked at medical devices, research and development governance, complaints, and co-operation and partnerships, informal feedback was positive in relation to the evidence presented on the day. The Trust will be given the opportunity to comment on the factual accuracy of the report, which will inform the HCC's final decision. Further contact from the HCC confirmed satisfaction with the evidence; however, two pieces of evidence were taken out as they related to the previous year.

- A concerted effort has been made to achieve the Fire Training target and Alan Davis (AGD) confirmed that the indications were that the target had been achieved across the Trust. HOH asked Trust Board to note that concentration of such considerable effort in one area of performance could have a detrimental effect in other areas. However, BF commented that the Trust must bear in mind why this situation occurred in the first place and weigh this against other mandatory and statutory training. HOH responded that it is challenging to meet the requirements of mandatory training and SDGs are looking at alternative and innovative ways to ensure it takes place.
- IB asked whether there was a priority of Key Performance Indicators (KPIs) and HOH responded that this was a judgement for Trust Board to make as part of its ongoing review of performance reporting. It was suggested that frequency of reporting should be in line with the assurance required by Trust Board. JC commented that it would be useful to arrange a longer Trust Board session on looking at the 'must dos/can dos' and where they appear in the Trust Board business cycle. With Executive Directors, SM will ensure that KPIs are linked to Directors' objectives.
- HOH went on to inform Trust Board that the first Section 136 suite in Wakefield opened on 1 July 2008 and received its first admission. The second suite will be opened later in the year at The Dales in Halifax.
- A further report will be presented to Trust Board in Month 3 on the work the Trust is undertaking with PCTs and the SHA to address areas of underperformance in key areas.
- HOH confirmed that the Business Development KPIs will be replaced by activity indicators and this will include a target around the Crisis Team/Home Treatment and EIP. This was supported by Trust Board.
- All SDGs are now in an underspend position at the end of Month 2 as planned.
- The introductory part of the report will include information on any KPIs removed or added in future.
- RU had intended to bring a report on the service user survey; however, benchmarking data is not yet available so only the Trust's results have been included in the report. Further information will come to Trust Board next time and a full report on the service user survey will be presented to the Clinical Governance and Clinical Safety Committee in August.
- HOH confirmed that the finance pages had been reviewed in the meeting of the finance workstream held prior to Trust Board (see item 7.1.2).
- AGD commented on two issues in the Human Resources report. Firstly, attendance management and the Occupational Health Service were beginning to show a positive impact on the figures for sickness absence. Secondly, as had been previously reported to Trust Board, the Knowledge and Skills Framework is a time consuming process for staff and, therefore, appraisal is not happening systematically. A decision has been taken to fundamentally re-design the system to provide a simplified format for staff and managers.
- BF asked whether there was a correlation between sickness absence and staff appraisal as areas of underperformance were replicated. HOH commented that SDGs believe this to be the case and action is already in place to address this.
- AG asked whether any analysis had been done on the impact of the cost improvement programme (CIP) on services. AGD responded that the high level of changes in services for adults of a working age, particularly in Kirklees where

most of the changes had taken place, has impacted on a number of human resources indicators and a similar situation has arisen in Forensic services.

- Given the interest shown by Monitor during the last assessment on activity, planned activity and how the Trust is performing against it, HOH planned to bring a more detailed report to include graphical presentation of activity information against population to demonstrate trends. On the understanding that this did not result in additional work for staff or produce irrelevant information for Trust Board, this proposal was welcomed. Terry Dutchburn (TD) confirmed that this information would also be useful for discussions and negotiations with commissioners; however, there would need to be some caveats on the presentation of the data as it was acknowledged that some is still incomplete. HOH pointed out to Trust Board, however, that the accuracy of data both in comparison with other Trusts and historically had improved phenomenally.
- JC welcomed the concept of STAR Wards for Acute Services referred to in the report.
- JC expressed her concerns regarding the medical staffing, finance position and performance, in areas such as 'average length of stay' and 'bed occupancy', in Calderdale. SM confirmed there is a different pattern of service commissioning in Calderdale, particularly in services for adults of a working age, and agreed to provide further benchmarked analysis to aid discussion with the relevant commissioning PCT.
- HOH also highlighted the detailed report on performance against the two InPAC targets. In month 4, the report will include more detailed information on referrals into services for adults of a working age and older people's services by cluster, which will start to give Trust Board a more comprehensive understanding of the services the Trust provides.
- HOH highlighted two issues for Forensic services. Firstly, she confirmed that the Trust was negotiating with commissioners on additional payment for service users requiring care from acute trusts. Secondly, an interim general management structure is now in place within Newton Lodge, which should begin to drive achievement of performance targets.
- It was agreed to bring the terms of reference for and an update on the clinical governance review in Wakefield prison undertaken by Colin Dale to the August meeting.

It was RESOLVED to RECEIVE the report as assurance of the Trust's current performance position and that mitigating action is being taken to address any areas of under performance.

TB/08/62b Financial Performance Report Month 2 2008/09 (agenda item 7.1.2)

MF highlighted one issue from his report to Trust Board. The Trust is currently slightly underachieving on its recurrent planned CIP for the year to date. However, the shortfall is being offset by non-recurrent savings. This means the Trust is on forecast to achieve its target income and expenditure target of £2.6 million at the year end. Monitor will look at the Trust's ability to deliver on its CIP and to permanently address its cost base. Therefore, this is an area the Trust has to address. HOH reminded Trust Board that each SDG had reported on performance against the CIP and assured Trust Board that all recurrent CIPs are achievable but with some slippage. JC asked when performance was likely to begin to meet target again and HOH responded that plans were in place for improvement to begin to

show over the next few months. JC asked for a report to be presented to the next Trust Board.

MF feedback from the financial reporting workstream, which looked in detail at the improvements to the Month 2 report. The workstream also reviewed the content of the financial report against the exemplars provided by Grant Thornton and agreed:

1. to ask RU to review the front sheet from Lancashire Care NHS Foundation Trust with a view to this being used as a front sheet for all Trust Board reports;
2. a relatively small number of detailed changes which will be incorporated into future versions of the report.

IB confirmed that, when these changes have been incorporated, Trust Board can be assured that the Trust has met the requirements of the KPMG report. IB also requested information on:

- the relation on pay between SDGs, agency staff and the organisations providing them;
- the difference in the Trust's self-assessment of its Auditor's Local Evaluation (ALE) scores and the outcome and whether Trust Board should have a role in the self-assessment prior to submitting the evidence to Grant Thornton.

On the first, AGD, MF and HOH will provide information to IB as part of a planned review. With regard to the second, MF reminded Trust Board of the process in place for ALE in that the self-assessment and action plan is rigorously reviewed by the Executive Management Team prior to presentation to the Audit Committee for scrutiny. It was agreed that this process should continue for 2008/09. AG asked whether there was a mis-match between the Trust's self-assessment and that of Grant Thornton and whether any training was required in this area. MF responded that the process is led by finance with a large proportion of KLoEs sitting with other Directors. The action plan, therefore, covers all areas of Trust business and any training programme would need to cover areas above and beyond finance. In relation to the two areas where the Trust underperformed, the Trust did have an action plan in place to address the gaps in the Value for Money section; however, it did not deliver on this. The lead for this has now been given to HOH who is ensuring the plan is fulfilled. The other area was a minor point connected to the annual accounts. ALE will be further discussed at the next Audit Committee meeting. HOH commented that she was still unsure whether the action plan was robust enough to meet the level 3 requirements and it was suggested that a workshop with Grant Thornton to test this out would be beneficial.

JC asked for further information on the financial benefit of the opening of the new PICU and MF agreed to provide this.

It was RESOLVED to receive the report as assurance of the Trust's current financial position.

TB/08/63c Trust and Charitable Funds annual accounts 2007/08 (agenda item 7.2)

MF explained that the papers provided to Trust Board give a comprehensive summary of the annual accounts for 2007/08. IB asked Trust Board to note the

technical difference between Grant Thornton and the Trust on the accounting treatment of fixed assets. Grant Thornton had accepted the Trust's accounting practice as it made little material difference to the accounts. MF commented that a lesson for the future would be to discuss such instances with external audit much earlier in the process.

IB congratulated all in the finance team and at Grant Thornton for the smooth and timely preparation and presentation of the accounts. However, he informed Trust Board that the timescales will shorten by several days in 2008/09 putting increased pressure on finance staff to prepare the accounts. He asked Trust Board to support a proposal not to require the finance team to produce a finance report for month 1 to allow concentration on the end of year accounts. If any extraordinary circumstances prevail, Trust Board would expect to take a report. The proposal was supported.

It was RESOLVED to:

- **NOTE that the Trust's external auditor, Grant Thornton, issued an unqualified opinion on the accounts and an unqualified conclusion on the Trust's arrangements for ensuring value for money in the use of its resources;**
- **NOTE that the Head of Internal Audit offered significant assurance on the system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently;**
- **NOTE that the Audit Committee resolved to adopt the Annual Accounts for the Trust and the Annual Accounts for Charitable Funds for the year ending 31 March 2008 on behalf of Trust Board and that these were signed by the Deputy Chair and Chief Executive of the Trust;**
- **SUPPORT the proposal not to require the finance team to produce a finance report for month 1 to allow concentration on the end of year accounts.**

TB/08/63d Use of Trust seal (agenda item 7.3)

It was RESOLVED to receive the paper to meet the requirements of the Trust's Standing Orders and to note that the seal had not been used since the last report to Trust Board on 31 March 2008.

TB/08/63e Medical Devices and Safety Alerts: Annual Report 2007/08 (agenda item 7.4)

AGD introduced this item and confirmed that, in future, the Medical Devices Annual Report will be presented to the Clinical Governance and Clinical Safety Committee. SM commented that this was part of the HCC random inspection and, whilst the standard was predominantly focused on acute Trusts, it demonstrated the importance of having governance arrangements in place in all areas.

It was RESOLVED to:

- **APPROVE the annual report for 2007/08;**
- **NOTE the risk systems in place for the management of medical devices; and**
- **APPROVE the key priorities for 2008/09.**

TB/08/64 Culture (agenda item 8)

No items.

TB/08/65 Structure (agenda item 9)

No items.

TB/08/66 Innovation (agenda item 10)

TB/08/66a Driving forward Continuous Quality Improvement (agenda item 10.1)

SM introduced this item on behalf of NY. DH asked where the forums listed reported and it was confirmed this was through SDGs, the Practice Effectiveness TAG (and so into the Clinical Governance and Clinical Safety Committee) and through professional leads. Jan Wilson (JW) commented that the paper was a good start but she would have liked to have seen more emphasis on research and development as she felt this was a missing element in terms of quality improvement. It was suggested that this might be a good topic for a Trust Board workshop in the future. SM commented that, in future, quality improvement will have a greater focus on the Trust Board agenda.

It was agreed to bring back a further report in three to four months time on action that has taken place, structures put in place to take quality forward, evidence of what is already in place and examples of innovation in each service delivery and support service area.

JC also reminded AGD about the plans for a celebratory event and he confirmed that a scoping paper had been prepared for discussion with the Chair.

It was RESOLVED to:

- **APPROVE the approach to continuous quality improvement; and**
- **RECEIVE a further report later in the year.**

TB/08/66b Research and development (agenda item 10.2)

NHB explained that the purpose of the report was to provide assurance to Trust Board of the robust research and development arrangements in place both within the Trust and through the West Yorkshire Mental Health Research and Development Consortium.

BF commented that it was not clear what the Trust was getting out of membership of the Consortium and that it was difficult to assess whether this offered value for money. It was agreed that NHB would bring a list of projects and publications to the Clinical Governance and Clinical Safety Committee as part of the annual report from the Consortium, linked to information from SDGs on how they have acted on the research. AG also commented that she would like to see evidence of practical outcomes of the Trust's investment. NHB commented that this information was included in the Research and Development Strategy and accompanying action plan, which is monitored through the Research and Development TAG internally, with the involvement of service users and carers.

It was RESOLVED to:

