Dorset County Hospital NHS
NHS Foundation Trust

MINUTES OF THE COUNCIL OF GOVERNORS GENERAL MEETING
(No 14) 22 July 2010 Brownsword Hall, Poundbury, Dorchester commencing at 2.00pm

PRESENT
Dr Jeffrey Ellwood - Chairman (Ch)

Elected Governors (Public)
Fran Biley (FB) - West Dorset
Jo Bowkett (JB) - West Dorset
Sue Bruce-Payne (SB-P) – Weymouth & Portland
Peter Coughlan (PCo) – Christchurch, Poole & B'mth
Colin Dann (CD) – North Dorset
Michel Hooper-Immins (MH-I) – Weymouth & Portland
Andy Hutchings (AH) – Weymouth & Portland
Mr Patrick Jeffery (PJ) - West Dorset
Derek Julian (DJ) – Weymouth & Portland
Bill Mitchell (BM) – Weymouth & Portland
Wendy Nightingale (WN) West Dorset

Elected Governors (Staff)
Susan Browne (SB)
Dr Duncan Farquhar-Thomson (DF-T)

Appointed Governors
Dr Peter Camm (PCa) – Dorset Kidney Fund
Fran Leaper (FL) – Welmar Hospice Trust
Nigel Pennington (NP) – Friends of DCH

Board of Directors
Sue Sutherland – Interim Chief Executive (ICE)
Bill Boa - Director of Finance (DOF)
Alison Tong – Director of Nursing and Operations
Tracy Peters – Interim Director of Human Resources
Roderick Knight – Vice Chair NED
Peta Turnbull - NED

APOLOGIES

Elected Governors (Public
Paul Nelson (PN) – North Dorset
David Reason (DR) - West Dorset
James Walsh (Malcolm Shakesby MBE (MS) Purbeck JW) – North Dorset
Vicky Iveson (VI) – West Dorset

Malcolm Shakesby MBE (MS) - Purbeck

Elected Governors (Staff)
Tracey Glen (TG)

Appointed Governors
Andy Cooke (AC) - DCC
Amanda Gallaher (AG) – NHS Dorset
Mark Robson (MR) – SW Ambulance NHS Trust
Dr Ross Kay (RK)
John Weir (JW) – Age Concern

Board of Directors
Dr Nick Hateboer – Medical Director

Julia Gerzon - NED
Peter Knell NED

In attendance
John Yeoman – Trust Corporate Business Manager (TCBM)
Susie Palmer – Communications Manager (CM)

The Council of Governors (CoG) meeting was advertised within the Dorset County Hospital NHS Foundation Trust (DCHFT) website membership section at www.dchft.nhs.uk. Three public and members and a reporter from the Dorset Echo attended.

Agenda Ref	Minutes

1. Record of Attendance, Apologies for absence and Introductions (Agenda Item 1)

1.1 Apologies were received and a record of attendance taken for the Council of Governors (CoG) of Dorset County Hospital NHS Foundation Trust (DCHFT) as noted above.

2. Chairman's Opening Remarks (Agenda Item 2)

2.1 **The NHS White Paper(WP)- Equity and excellence: Liberating the NHS,** has just been released and it is hoped that the ethos will allow greater freedom for FT's. Within the WP executive summary

The strategy for the NHS:

1. The Government upholds the values and principles of the NHS: of a comprehensive service, available to all, free at the point of use and based on clinical need, not the ability to pay.

2. There will be an increase in health spending in real terms in each year of this Parliament.

3. The NHS goal is to achieve results that are amongst the best in the world

Putting patients and public first

4. Patients will be put at the heart of the NHS, through an information revolution and greater choice and control:

Improving healthcare outcomes

5. To achieve the Government's ambition for world-class healthcare outcomes, the service must be focused on outcomes and the quality standards that deliver them. The Government's objectives are to reduce mortality and morbidity, increase safety, and improve patient experience and outcomes for all: **(PJ welcomed the recognition and the importance of Clinical Audit within the WP and the TB and departments must encourage outstanding results)**

Autonomy, accountability and democratic legitimacy

6. The Government's reforms will empower professionals and providers, giving them more autonomy and, in return, making them more accountable for the results they achieve, accountable to patients through choice and accountable to the public at local level:

Cutting bureaucracy and improving efficiency

7. The NHS will need to achieve unprecedented efficiency gains, with savings reinvested in front-line services, to meet the current financial challenge and the future costs of demographic and technological change:

Conclusion: making it happen

8. The Government will maintain constancy of purpose. The White Paper is the long-term plan for the NHS in this Parliamentary term and beyond. The Government will give the NHS a coherent, stable, enduring framework for quality and service improvement. The debate on health should no longer be about structures and processes, but about priorities and progress in health

improvement for all.

9. This is a challenging and far-reaching set of reforms, which will drive cultural changes in the NHS. The Government is setting out plans for managing change, including the transitional roles of strategic health authorities and primary care trusts. Implementation will be initiated bottom-up.

Many of the commitments made in the White Paper require primary legislation and are subject to Parliamentary approval.

2.2 The Chairman reminded Governors that whilst the WP's intention is to release funds to front line staff, everyone at DCHFT is here to serve the community and the patients, and they should all be considered front line staff.

The current restrictions placed by the Commissioner's contract, where the level of activity exceeding the cap is financially penalised should eventually be abolished. Payment will be made in line with actual performance

- PCT's will be expected to separate Commissioning and Provider elements of their organisation by April 2011.
- StHA's and PCT's will cease to operate between 2012 and 2013
- All NHS Trust's will either be NHS FT's in their own right or merged with other NHS FT' s by 2013.

Tariffs will change from average procedure costs to most effective procedure costs and therefore there is an expectation that tariffs are likely to be lower in the future creating further funding concerns.

FT's will be expected to fund in the future, mandatory Education and Training requirements as identified in Schedule 3 of the FT's authorisation documents

2.3 The FT must establish a robust Strategic Plan for the future and ensure it focuses on patient needs providing integrated pathways and where possible local treatment.

The Chairman asked the Elected Public Governors to seek out the views of their members and the general public and various suggestions were made:

- It was suggested that maybe the Dorset Echo could become involved in the dissemination of information from the FT.
- Opportunities within Governor Surgeries
- Governors could survey the public at the Dorset County Show 4-5/9/10.

If the 2010 Dorset County Show was to be considered as one of the first opportunities to survey the public, the compilation of a survey document would need to be considered as a matter of urgency.

The Chair stated that the 4th November 2010 has been set aside for Governors and the Trust Board to talk about the Strategy and future of DCHFT

2.4 Concern was expressed by a member of the public about the waiting time for treatment in the Pain Clinic. The Interim Chief Executive confirmed that the new patients were being seen within the 18 week target but repeat follow-ups were delayed. Urgent discussion is required with NHS Dorset to commission more capacity to meet the needs of the patients. The Interim Chief Executive (ICE) agreed to discuss with the PCT the possibility of a jint meeting with patients who

have concerns about the current waiting times.

2.5 Following the success of the West Dorset surgeries, formal constituency meetings need to be set up in other constituencies. It was noted that some constituencies have few Governors and it was hoped that these Governors would be supported by their associates from other constituencies. The Lead Governor was asked to take this suggestion forward.

2.6 The Trust Board are proposing to the CoG that from September, Board meetings would be held in public. Governors in the past have attended Trust Board meetings as Governor Observers and the Board meetings have been held in private. The decision to open the Board meetings to the public will require an amendment to the FT's Constitution.

The proposal was agreed by PJ and seconded by JB

Agenda and Papers, with the exception of Part II private section, would be published on the Internet

To foster Openness and Transparency, any member of the public would be able to attend a Part I open section of the meeting. In line with other FT's who hold open Board meetings, where private discussion is required such as Commercial in Confidence or where individuals are under discussion such as staff or patient detail, this would be discussed in a private Part II section with the public and Governors excluded.

It was agreed that the agenda, papers and minutes of the TB Part I, would be made available to Governors and published on the internet.

2.7 The CoG agreed that in future, CoG meetings would commence at 2.00pm. The meetings are open to the public and will be advertised on the internet at www.dchft.nhs.uk as well as advertised in the paper one week prior to the meeting. Posters might be placed in Public Libraries

Ref	Action	Responsible	Timescale
2.3	BoD to establish a Strategic Plan and engage with Governors	Chair/CE	Sep/Nov 10
2.3	Governors to engage with members and the public to seek opinions for Strategic Plan. Possibly employing a survey devised by DCHFT	BoD/Governors	Sep/Nov 10
2.3	Set up Strategic Planning Day for TB/CoG possibly 4/11/10	Chair/CE	Nov 10
2.5	Formal Constituency meetings across Dorset	Lead Governor	Nov 10
2.6	TB Agenda and Papers to be available to public and Governors on the FT's website	TCBM	Sep 10
2.6	TB minutes to be available to public and Governors on the FT's website	TCBM	Sep 10

2.6	Amend DCHFT Constitution for open Board arrangements, present to TB for agreement, notify to CoG and obtain approval from Monitor	TCBM	Sep 10

3. Governor Business (Agenda Item 3)

3.1 SW Governor Exchange Network (SWGEN)

Six Governors (AG, PN, BM, JB, PC and VI) attended the SW Governor Exchange Network on the 5th July 2010 in Taunton. A report had been compiled by BM, for which the Chair thanked him, and the questions that had been raised at that meeting in order to give Governors confidence of Quality within the FT would be presented to the TB and a response would be made to the CoG. BM stated there was an emphasis at the network meeting that Quality was the most important concern yet recognising the FT's responsibility within its authorisation to return to financial sustainability.

The Chairman encouraged the CoG to challenge the Board to ask themselves questions based on the reports from the Mid Staffs and Maidstone & Tunbridge Wells enquiries, and he agreed to raise this at the next Board meeting for a response by the Directors in December.

3.2 Report from Sherborne Governor Surgery 1 July 2010

A brief report was provided by DR regarding the recent Governor Surgery that was held in the Cheap Street Church Hall in Sherborne on the 1st July 2010. Two Elected Public Governors representing the West Dorset constituency were in attendance. This initial meeting was successful as an initial engagement meeting and another meeting is planned for the 7 October 2010 at the same venue.
(Note: correction to the report- the Dorchester Governor Surgery was held in the United Church Dorchester)
A letter of appreciation would be sent from the FT to both churches

3.3 Other Governor Matters

1. The third Cleanliness Spot Check was due. DJ disagreed that they should be held every four months. He required it to be more regularly. However this timing had been agreed at the last CoG meeting after a full discussion because it was felt that more regular spot checks would undermine the responsibility of the Housekeeping management. The CoG wished to assure for their members a high standard of cleanliness

   Cleanliness and Infection Control are at the forefront of patients concerns.

2. The FT is considering the transfer of Digby Court to another service provider because learning disability services do not sit comfortably within an Acute Hospital remit. Separately, PJ stated he was very concerned about the level of palliative care across Dorset.

3. Breast care services will continue at DCH but it was noted there is a national shortage of Consultant Radiologists with mammography experience and the FT is struggling to recruit. Consideration is being given to sharing the service between other FT's with satellite units across Dorset including DCHFT. Governors expressed concern about funding and implored NHS Dorset to review its funding for this service to address this recruitment problem.

Ref	Action	Responsible	Timescale
3.1	SWGEN 5th July meeting – Quality of care questions identified at meeting as well as observations from the Mid Staffs and Maidstone & Tunbridge Wells enquiry summaries to be issued to the TB and response to CoG	Chair	Dec 10
3.2	Letter of appreciation to United Church, Dorchester and Cheap Street Church, Dorchester for accommodating Governor Exchange meetings	TCBM	Aug 10
3.3	Arrange 3rd Cleanliness Spot Check by Governors	TCBM	Aug 10

4. Approval of the Minutes of the 27/05/10 (Agenda Item 4)

4.1 The minutes of the CoG meeting of the 27/05/10 were approved as a correct record with minor amendments noted below:

4.2 Amendments to attendees list
- AH was present at the meeting
- DoN was present at the meeting

4.3 Minute 8.1CON 02
The last sentence commencing 'There is also an OP shortage.....' should be deleted since this is not relevant to the Chose and Book take-up deficiency.

Ref	Action	Responsible	Timescale
4.2/4.3	Amend minutes of 27/05/10 and publish on DCHFT website	TCBM	Aug 10

5. Matters arising from the minutes and Action List (Agenda Item 5)

5.1 Ref No (13)5.4
The CE and DoF would continue to inform CoG about the progress of the Recovery programme

5.2 Ref No (13)5.6
An interim CE had been appointed, Sue Sutherland, who was CE at Poole NHS FT. Her appointment will continue until the end of August when the permanent CE, Jean O'Callaghan takes up her position.

5.3 Ref No (13)7.3
DCHFT will join the Foundation Trust Governor Association (FTGA) w.e.f. 1st September 2010 which is at the beginning of the FTGA's financial year. Governors will then be able to access the FTGA for current FT detail and documents as well as correspond with other FT Governors.

5.4 Ref Note(13)7.4
The newsletter has been delayed and hopefully will be produced in September following the AGM. This document requires Governor support and input because the idea of the document is a newsletter to the membership. To ensure Members are notified of the AGM 8th September 2010 6.00pm at the Brownsword Hall, the FT

will advertise the meeting on its website and also place an advert in the local paper at the beginning of August and a fortnight before the meeting. Posters will also be placed in Libraries
(Post note: Emails and letters have been issued to each member notifying them of the Annual Members Meeting)

5.5 Ref Note(13)7.5
The on-line membership application is currently not available due to IT linkage problems. Members are however able to register through a leaflet application as well as telephoning Trust HQ. Members receive acknowledgment of registration through either an email or letter. The electronic membership registration acknowledgement which is apparently not working still requires IT action. This last matter is in hand

Ref	Action	Responsible	Timescale
5.1	Maintain updating the CoG with recovery plan progress	CE/DoF	Ongoing
5.3	Register with FTGA to enable Governor access to publications and Governor networking	TCBM	Sep 10
5.4	Membership newsletter production	TCBM / Governors	Sep/Oct 10
5.5	Reconnect membership application form on DCHFT's internet website	TCBM	Sep/Oct 10

6. 2009/10 Annual Report Chief Executive Report (Agenda Item 6)

6.1 The Interim Chief Executive emphasised that although DCHFT had been in breach of authorisation as a consequence of the financial position, Dorset County Hospital had maintained a high standard of patient care and the services it provided had not been compromised. Within the Quality Report of the Annual Report it was noted that the FT had gained several accreditations during the year, notably:

- Achievement of NHS Litigation Authority Level 2 for General Trust services
- Achievement of NHS Litigation Authority Level 1 for Maternity Services.
- Care Quality Commission unconditional registration with effect 1st April 2010.
- Good results from National Patient surveys for Outpatient and Inpatient services
- Clinical Pathology Accreditation (UK) for Histopathology, Microbiology and Clinical Pathology services.

Patient safety has been central to everything we do and the FT has been working with NHS South West through the Quality and Patient Safety Programme to explore how we can further improve the safety of the services we provide.

The FT reported there were no events affecting patient safety, known as 'Never Events', occurring during 2009/10. The aim for future years would be to maintain this position. (Definitions of Never Events can be viewed at page 63 of the DCHFT Annual Report against Priority 1 within the Quality Report.

Prevention and control of infection remains a top priority for Dorset County Hospital and the Trust has worked with Primary Care services to reduce the incidence of infections across the health community.
There have been continuing reductions in infection rates (MRSA and Clostridium Difficile):

- Hospital Acquired - Clostridium Difficile cases have reduced by a further 19.4% between 2008/09 and 2009/10 and for the year totalled 58 cases.
- Hospital Acquired - MRSA cases has reduced from 6 in 2008/09 to 4 in 2009/10.

The aim for 2010/11 will be to maintain high levels of infection control, achieve 100% compliance with infection control audits, and continue to screen all elective admissions and to report to the TB all cases of infections.

The National Inpatient survey provides a good measure of patient experience. 50.4% of patients rated the care in DCH as excellent against 44.3% nationally. The overall comparison between the National average and DCH for patients, rating care between excellent and good, showed DCH at 91.9% and nationally at 89.8%. The aim for 2010/11 will be to obtain patient feedback at the point of care and develop local patient surveys. 82.3% of patients felt they were treated with dignity which is a rise of 0.5% over the previous year. The high results for patient care was a reflection of the tremendous effort and achievement by staff

The Foundation Trust's performance against Key National Priorities and National Core Standards were generally higher than national goals and these comparisons can be seen at page 74 of the Annual Report within Part 3 of the Quality Report.

The Care Quality Commission has registered DCHFT's status as fully and unconditionally registered to provide regulated activities as outlined in Health and Social Care Act 2008 (Regulated Activities) Regulations 2009.

Staff are extremely important to the FT representing in excess of 70% of the Trust's expenditure. Not surprisingly this years Staff Survey was disappointing with levels of dissatisfaction in most areas of the survey and two areas have been identified for development in 2010/11:

- To improve the culture of the organisation building morale and cohesion, that has deteriorated over the last two years due to the financial position of the Trust and the negative media publicity it received.
- To improve the well being of the staff since this is extricably linked to patient care

Sickness levels had reduced to 4.2% compared to 4.6% for 2008/09

Despite the financial position, the report is generally positive and a press release would be sent out to the media and staff on the 22 July 2010.

6.2 <u>Governors response to the ICE's summarisation of the Annual Report</u>.

- Considering the financial turmoil of the Trust, DCH had an excellent reputation within the community. Openness and transparency of information had dramatically improved, as a result of the new Chairman's candid approach to the Council of Governors.
- Over the three headings of Patient Safety, Clinical Outcomes and Patient Experience there had been improvements, a testament to DCHFT staff.
- Clinical audits and outcomes are important along with benchmarking and it is hoped DCHFT will ensure that standards are maintained and improved.

- Concern was expressed about the worsening position of the Thrombolysis 'call to needle' target that had been reported within the Statement on Internal Control at page 102 of the Annual Report. The Trust assured the CoG that although the Trust did not have 24/7 Consultant cover within A&E, other staff had been trained to provide this service out of hours. Both the FT and the Ambulance Service were making concerted effort to improve the position and meet or exceed the national target of 68%
- It was pleasing to note within the Annual Report:
    - The Trust was now rated level 2 under the Clinical Negligence Scheme(CNS) which reduced the insurance premium
    - Maternity Services had received a remarkable top mark under CNST
    - DCHFT was one of only five hospitals to be shortlisted in the CHKS Quality of Care Awards

Whilst recognising last year's position it was hoped that lessons had been learnt and the new executive appointments would ensure the FT moves forward and meets its authorisation requirements.

6.3 Quality Report

The FT incorporated for the first time as required by Monitor within the Annual Report, a Quality Report. The Audit Commission have completed an external assurance audit of this report and have drafted their response to the TB who are currently compiling an Action Plan which will be reported back to CoG after discussion at the TB.

Ref	Action	Responsible	Timescale
6.3	TB to feedback the Action Plan as listed in the Audit Commission External Assurance of Quality Report document issued July 2010	Chair/CE	Nov 10

7 2009/10 Annual Accounts – Director of Finance (Agenda Item 7)

The Director of Finance made a presentation to the CoG detailing the Accounts for 2009/10

7.1 Review of Financial Performance and Plan

- Less than 1% growth in income in 2009/10;
- In order to deliver 18 week waiting times for Elective care, Waiting List Initiatives had to be implemented and whilst the additional work generated additional income the profit margin was reduced or negated through additional costs associated with the effort to meet this target;
- Non-elective or Emergency Care income was relatively flat, reflecting flat referral rates from Primary Care;
- Accident and Emergency episodes of care continued to grow but DCH was able to keep well within the target of 4hrs;
- The Trust incurred a deficit of £5.1m against an anticipated £7.3m deficit and this reduction was largely due a downward revaluation of DCHFT's Land and Building assets;
- Income was in line with plan but expenditure exceeded plan;
- Expenditure exceeded plan in pay, clinical negligence insurance costs and

consultancy costs;

- The accumulated deficits of the last two years have created a cash shortfall and depleted the Balance Sheet of the Trust;
- Monitor Financial Risk Rated the Trust as risk 1 at the end of 2009/10, which is the lowest rating a FT can receive;
- Monitor's Financial Risk Rating of the Trust's current plan for 2010/11 remains at 1;
- Access to working balance cash or loans is not possible while the Financial Risk Rating is at 1. To be able to borrow, the risk rating needs to be upgraded to 2 and preferably to 3;
- The Trust brought forward a deficit of £2m from 2008/09. It is important the current deficit of £5.1m is eliminated through generating sufficient surplus and to also address the cash shortage the Trust is currently experiencing

The Trust's performance against the financial budget as reported in the Annual Accounts, was as follows:

- **Planned surplus on income and expenditure of £0.1m**
  The Trust has incurred a deficit of £5.1m, and therefore total expenditure exceeded plan by £5.2m.
- **Private patient income cap**
  The Trust received £560k from Private Patient's representing 0.4% of patient related income against a cap target of 0.5%.
- **Working capital facility**
  The external finance limit set my Monitor was £10m. The Trust did not use any external finance for the purposes of working capital during the year. Cash balances held at 31 March 2010 were £0.53m against a plan of £1.31m. This position was as a result of the I&E deficit offset by lower capital expenditure, deferment of the PDC dividend due in March 2010 of £1.31m and reduced performance against the Better Payment Practice Code.
- **Prudential Borrowing Limit**
  Within the Trust's Terms of Authorisation, a limit on the level of external loans the Trust could take out towards the financing of its capital expenditure was set at £28.9m in line with Monitor's prudential borrowing code. There was external borrowing of £0.65m in 2009/10 due to PFI finance leasing associated with the Nurses residential property .

7.2 Remuneration Report

- The Remuneration Report provides remuneration detail of the Senior Managers who the Trust Board considers to be in senior positions having authority or responsibility for directing or controlling the major activities of the FT. This responsibility lies with the Board of Directors.
- This year's report is complicated, because the FT did not have a permanent team of Directors. It was partially managed by Interim Consultants and their remuneration is reported in a separate section
- The report of the Chair within the Annual Report provided further detail exposing the cost of the consultancies employed by the FT to provide and execute a recovery plan. He drew the CoG's attention to Pages 35 and 131

of the Annual Report and Accounts, where the details of payments for interim Directors are shown. He explained that after the recovery of VAT and allowing for the costs that would have been charged for permanent Executive Directors, had they been employed, the Interim Directors cost the Trust an additional £315k over the period. He reminded the CoG that the level of interim costs, are continuing into this financial year until July.

7.3 Audit and Assurance

The Annual Report and Accounts are prepared in the context of a range of assurances provided by external and internal sources.
The external audit has reported the Annual Accounts as a fair and true report, however it states the FT failed to deliver Value for Money as a consequence of the year end deficit.

7.4 The Operating Financial Review 2010/11 onwards as detailed by the Director of Finance follows:

- The Trust plan for 2010/11 forecasts a deficit of £3.5 million;
- The deficit relies on securing £6 million of savings and efficiencies in the year;
- National issues will create uncertainty and a difficult year ahead is envisaged.
- By March 2011 the Trust must achieve breakeven in the month;
- By 2011/12 the Trust must return to a small surplus and then maintain surpluses to recover the accumulated deficits of the preceding three years
- It is assumed that the tariff income will fall by at least 2% in 2011/12 and every year thereafter;
- The full year effect of the savings programme identified in 2010/11 is £14.1m by 2011/12 and £17.2 by 2012/13 which should deliver a surplus of £1.7m in 2011/12 and further savings in 2012/13. ;
- The Trust will need to identify a further £6m of savings in 2012/13 to maintain surpluses at sustainable levels
- Whilst there will be a top down approach to deliver the plan for 2010/11, service departments will be expected to plan for future years and because of the difficult environment the FT finds itself in, it is imperative that Clinicians are engaged in the planning process.

7.5 Governor's response to the DoF's summarisation of the Annual Accounts:

- The anomaly between Trusts in respect of the Market Factor Forces funding which has been reported in the past must be addressed.
- MP's within all constituencies of the FT should be contacted and encouraged to influence government decisions and funding
- It was noted that the pension creditor £1,099,823 identified in Note 8 of the accounts was a year on year normal and expected timing issue relating to the March payment and was not a contrived delay in payment.

Ref	Action	Responsible	Timetable
7.5	Progress report to CoG regarding funding – Market Factor Forces anomaly between DCHFT and other FT's within close proximity	DoF	Ongoing

8. Chief Executives Current Report and Activity Performance (Agenda Item 8)

8.1 The Interim Chief Executive explained that with the recent NHS White Paper consultation publication – Equity and excellence: Liberating the NHS, the NHS will be held to account against clinically credible and evidence-based outcome measures, not process targets. There is an expectation that targets with no clinical justification will be removed such as the 18 week target and the A&E 4 hour target. However the 18 week target is enshrined in the NHS Constitution as a right for all patients and the PCT contract also requires DCHFT to meet this target.

Monitor's Compliance Indicators have identified three areas of concern:

- Clostridium Difficile (C.Diff) saw a rise of 1 extra case against plan for June (5). Because the target number is small (45) for the year. A minor variance will create an underachieving position. Targets for April (5) and May (4) were met.
- Cancer 62 day referral to treatment for Consultant screening was not met. The national target is 90% of patients must be seen within the 62 days. DCH for June was 40%. However similar to C.Diff targets, the number of cases is small and therefore minor variances cause an underachieving position. In June, 1 out of 2.5 patients was not treated within the target. Staff annual leave is a contributing factor.
- The national target for MRSA screening is 100% but DCHFT hit 87% in June.

Ref	Action	Responsible	Timescale
8.1	Continue to update CoG with the current activity performance	CE	Ongoing

9. Director of Finance Current Report (Agenda Item 9)

9.1 <u>The Budget 2010/11- presented by the DoF</u>

- The Trust plan for 2010/11 shows a forecast deficit of £3.5m after securing £6m of savings and efficiencies in the year;
- By March 2011 the Trust must achieve breakeven in the month;
- By the end of 2011/12 the Trust must return to a small surplus and then maintain surpluses to recover the accumulated deficits of the preceding three years
- The Trust plans to earn:
  - £91m under Payment by Results
  - £35.5m under non Payment by Results
  - £116.5m from NHS Dorset (92% of income)

The Trust contract, with its main commissioner, contains a risk share agreement that caps income at 128.4 million and guarantees income to £126.7 million

9.2 <u>Financial Performance to 30 June 2010 – presented by the DoF</u>

- Net deficit of £1.1m compared to a planned deficit of £1.6m
- Significantly ahead of planned income for elective care as backlog waiting lists addressed
- Behind planned income in all other areas with Non-elective care under performance of £0.4m
- Costs are within £0.04m of planned expenditure but an upward trend in June

- Savings plan delivery is critical
- Management of staff costs is critical
- Management of contract within risk tolerances is critical

Ref	Action	Responsibility	Timetable
9.2	Continue updating CoG with the current Financial performance	DoF	Ongoing

10. Turnaround Plan (Agenda Item 10

10.1 Turnaround Plan Progress – presented by the DoF

A graph representing the value of projects was presented by the DoF of how the Turnaround Plan was progressing from four aspects

- Plans accepted into the Performance Management Office (PMO)
- Plans ready for sign off
- Plans in development
- Stretch targets

		Additional savings per month				
	March	April	May	June	July	
	£m	£m	£m	£m	£m	
Stretch Targets			1.8	0.2	Nil	2.0
Plans in development	2.6	0.8	0.7	-2.7	0.1	1.5
Plans ready for signoff				2.3	-2.2	0.1
Plans Accepted	1.0	1.4	Nil	0.1	2.2	4.7
Total	3.6	2.2	2.5	-0.1	0.1	8.3
Cum Total		5.8	8.3	8.2	8.3	

Staff have been working alongside PWC in the implementation of the projects and by October 2010 the FT will be self sustainable.

10.2 Governor's response to the DoF summarisation of the current Financial position and Turnaround Plan

- The Governors were assured that DCHFT staff were shadowing PWC
- Agency costs have risen due to vacancy freezes and this particular element of the spend is being addressed. Each vacancy is risk assessed for patient safety
- Sickness rates have dropped and are currently at 3.5% compared to 4.2% at the end of the financial year 09/10
- The TB will be meeting Monitor on the 23rd September 2010 and that is why the consultants have been retained until then to ensure a robust plan is presented to Monitor.
- In response to a question about the Waiting List Initiatives carried out in 2009/10, approximately £1.1m had been spent to keep within the 18 week national target by utilising external health providers and additional payments to Clinicians for extra hours.

Ref	Action	Responsible	Timescale

10.1	Continue to update CoG with the Turnaround progress to date	DoF	Ongoing
10.2	Agency Costs to be reported to CoG	DoF	Ongoing
10.2	Sickness rates to be reported to CoG	DoHR	Ongoing

11.0 Nomination & Remuneration Committee (Agenda Item No 11)

11.1 Membership and Tenure

A paper was placed before the CoG regarding committee membership and tenure proposals for an elected Nomination & Remuneration Committee.

It was proposed that the new membership composition would be:

- Chair
- Vice Chair
- Lead Governor
- Four Elected Public Governors
- Two Elected Staff Governors
- One Appointed Governor

- Governors irrespective of length of service on the CoG could apply
- Where the number of applicants exceeds the places available, a postal ballot would held and reported back to Governors.
- Governors would serve two years effective from the June being the authorisation month of the Foundation Trust.

It was also recognised that the N&RC because of time constraints had to make decisions prior to CoG. The N&RC Terms of Reference would be amended and those areas of delegated authority would be identified in a revised ToR for CoG approval.

The proposal was adopted by the CoG. The proposals will require an alteration within the Trust's Constitution which will be presented to the Trust Board in September for approval and then placed before Monitor for final approval.

11.2 Minutes of N&RC meeting 22 June 2010

Minutes of the meeting noted above were presented to the CoG and the decisions made at that meeting were recommended for approval by the CoG.

- The CoG approved the appointment of Sue Sutherland as Interim Chief Executive until the 3 September 2010 based on the recommendations of the N&RC

- The CoG approved the reinstatement of Tracey Peters as NED providing HR skills to the Board of Directors (BoD)

- The Vice Chair in reviewing the skill mix of the NED's against the Executives recommended the current vacancy, as a result of Chris Spry's departure, requires someone who has a record of recent success within the health economy and is committed to patient care and good clinical outcomes. The candidate is likely to be professionally qualified with the ability to think strategically and creatively. The post will be advertised at the beginning of August in the local paper as it is a requirement that NED's live

within the DCHFT Constituency.

- It was noted to CoG that as the FT would be creating a Director of Operations position on the BoD, an additional NED position would also have to be created to meet the requirements of the FT's Constitution. Therefore it was agreed to appoint two NED's

Ref	Action	Responsible	Timescale
11.1	Amend DCHFT Constitution for N&RC Composition and tenure arrangements, present to TB for agreement, notify to CoG and obtain approval from Monitor	TCBM	Sep 10
11.2	Amend the N&RC ToR for the following amendments and present to the CoG for approval. • Membership composition • Membership tenure • Delegated Authority	TCBM	Sep 10

12. Future meetings

12.1 Council of Governors (open public meetings) all at the Brownsword Hall, Poundbury commencing at 14:00hrs**. (Note revised time)**

- 08/09/10
- 02/12/10
- 03/02/11

12.2 Joint Trust Board and Council of Governors (closed meeting) commencing at 14:00hrs

- 04/11/10
- 03/03/11
- 26/05/11

12.3 **08/09/10** Annual Members Meeting at the Brownsword Hall, Pummery Square, Poundbury, Dorchester, Dorset DT1 3GW commencing at 18:00hrs
(Please note the change of date and venue for this meeting)

Ref	Action	Responsible	Timescale
12.1-12.3	Publish meeting dates on DCHFT website, local paper and Libraries	TCBM	Ongoing

Abbreviations used

CoG	Council of Governors
C.Diff	Clostridium Difficile bacterium
CE	Chief Executive
CHKS	Health Care Intelligence Provider
CIP	Cost Improvement Programme
CM	Communications Manager
CNST	Clinical Negligence Scheme for Trusts
CON	National Contractual Targets
CPD	Continuing Professional Development
CQC	Care Quality Commission
CV's	Curriculum Vitae
DCC	Dorset County Council
DCHFT	Dorset County Hospital NHS Foundation Trust
DoF	Director of Finance
DoHR	Director of Human Resources
FT	Foundation Trust
FTGA	Foundation Trust Governors Association
FTN	Foundation Trust Network
ICE	Interim Chief Executive
IMAS	NHS Interim Management and Support (NHS IMAS)
LG	Lead Governor
MRSA	Methicillium resistant Staphylococcus aureus
N&RC	Nomination & Remuneration Committee for NED Appointments
NED	Non Executive Director
NEPTS	Non Emergency Patient Transport Scheme
PbR	Payment by Results
PCT	Primary Care Trust
SID	Senior Independent Director
St HA	Strategic Health Authority
SW	South West
TB	Trust Board
WP	NHS White Paper – Equity & Excellence: Liberating the NHS