

**2009/10 ANNUAL MEMBERS MEETING and
ANNUAL GENERAL MEETING
MINUTES**

Minutes of the Annual Members Meeting and Annual General Meeting of the Dorset County Hospital NHS Foundation Trust held on Thursday, 8th September 2010 commencing at 6pm in the Brownsword Hall, Poundbury, Dorchester, Dorset DT1 3RG

1. Chairman's Report

Members of the public were welcomed to the 2009/10 Annual Members meeting and Annual General Meeting.

The Chairman, Dr Jeffrey Ellwood introduced himself to the meeting as the new Chairman of Dorset County Hospital having taken over from the former Chairman, Robin SeQueira who resigned in October 2009. Dr Jeffery Ellwood thanked Robin SeQueira for his guidance and stewardship over the past 12 years. Monitor the Independent Regulator for NHS Foundation Trusts appointed Dr Jeffrey Ellwood as the Interim Chairman during the period October to March, and his permanent position was approved by the Council of Governors at the end of March 2010.

The Chairman introduced a number of new Directors of the Trust.

A warm welcome was given to Jean O'Callaghan who had been appointed as the new Chief Executive effective from the 01 September 2010. Jean's appointment was especially welcome because the Foundation Trust had up to now been managed by interim Chief Executives following the resignation of the former Chief Executive, Jan Bergman in August. Jean's appointment was now providing stability for the Trust. Jean trained as a nurse, and then moved into management. In 2005 she became the Chief Executive of Bedford Hospital NHS Trust and prior to that appointment she was the Chief Executive of Canterbury District Health Board in New Zealand.

Bill Boa, Director of Finance & Resources commenced in July 2010. Bill was formerly a Deputy Director of Finance at the SW Strategic Health Authority and is not unfamiliar with Dorset since he was previously employed as the Director of Finance of North Dorset Primary Care Trust before the merger of PCT's within West Dorset.

Mark Power, Director of Workforce and Human Resources commenced in August 2010. Mark was recruited from Portsmouth Hospitals NHS Trust where he was the Deputy Director of Workforce and Human Resources and Head of Workforce Performance and Information.

Also introduced to the meeting were Roderick Knight, a Non Executive Director and now Deputy Chairman and Dr Peter Camm, Lead Governor.

One more executive position, Director of Operations, would be filled in 2010/11 which is currently managed by the Director of Nursing, Alison Tong, and the Chairman thanked her for managing these additional responsibilities during the interim months and also for her stewardship of the Chief Executive vacancy before the appointment in September of the Interim Chief Executive, Derek Smith.

With a new dedicated team there was an expectation that 2010/11 would provide an opportunity to consolidate and to ensure the management and governance structures were in place in order to deliver improved financial performance and to ensure the clinical excellence and patient safety that was already in place was maintained.

The Chairman outlined the financial difficulties of the Foundation Trust, and how Monitor the Independent Regulator for NHS Foundation Trust had been notified in August 2009. Monitor signalled its intention to refer DCHFT to their Board for being outside of its terms of authorisation and it was at this point the Chairman, Robin Sequeira resigned.

Monitor declared on the 28 October that DCHFT was operating outside of its authorisation and appointed Dr Jeffrey Ellwood as interim Chairman.

During this financial year, the Board has continued to work closely with external audit and management consultants, to establish a recovery plan with the objective of returning to a break even run rate at 31 March 2011. The Board has also recognised that staffing levels are higher than can reasonably be funded and therefore the recovery plan which has been discussed with staff, Governors and stakeholders will also consider staff reductions across the Trust.

The Chairman stated that he wanted to ensure there was openness, transparency at DCHFT. Trust Board meetings would be open to the public and Governors have an opportunity to observe main committee meetings. The Council of Governors meetings are also open to the members of the public.

Dorset County Hospital has received the support of the local community for which the Trust is very grateful and the Trust will strive to provide the community with a first class service, while dealing with the financial issues.

The Chairman thanked the Governors for their support to the Trust through all their hard work and for putting their trust in his leadership. He thanked the Board for their continued effort to turn the Trust around from its negative position in the earlier part of the year. Both clinical and non-clinical staff were also thanked for their individual and collective contributions.

2. Chief Executive Report

Jean O'Callaghan, Chief Executive, presented this report and although she had only just joined the Executive team, her observations of the management activity that had preceded her and the detail of the recovery plan led her to believe that she had joined a great hospital and the task in front of the Board although difficult is achievable.

The Interim Chief Executive, Derek Smith had stated in the Annual Report that 'Overall satisfaction levels among patients, their carers and families remained high and, in spite of its well publicised problems, the hospital's reputation among the people it serves remained intact' and Jean O'Callaghan has found this to be largely the case.

The new year will be challenging with the key objective of moving out of authorisation breach and it was important therefore that the Trust overall didn't fail to deliver the recovery plan.

Infection prevention and control continues to be extremely important and it is the Trust's intention to ensure there are no hospital acquired MRSA's and there is a significant reduction in C.Difficile cases during 2010/11. Equally important that such cases are identified prior to the patient being admitted. The cleaning regime

has been increased and the Trust will receive a number of independent unannounced inspections from such organisations as Care Quality Commission (CQC) and the local commissioning Primary Care Trusts (PCT).

The Trust set up in 2008 a Quality Assurance Team comprised of Governors and other interested registered public members. It had a remit to independently assess the issues around patient privacy, dignity and the patient environment within wards and other patient areas. Independent reports were made to the Trust Board and the Council of Governors.

The annual staff survey has produced mixed and disappointing results with a number of areas that require attention. The survey highlighted a worsening situation regarding staff morale which needs to be addressed, reconnecting the individuals to the whole organisation. A cultural and attitude audit will be undertaken during 2010/11. There is also an important link between staff wellbeing and patient care as reported in the Boorman report. The Trust intends to focus on this area by using its own resources and improve its outsourced Occupational Health Department provision.

385,100 patients were treated in 2010/11 and 346 formal and complex complaints were received. There were also 658 recorded contacts for informal and easily resolved issues. The Chief Executive stated that the Trust strives to improve patient care and keep complaints to a minimum. The number of formal complaints constitutes only 0.09% of the workload and is a testament to the professionalism of the staff within the Trust.

The Trust's Quality Report recorded:

A number of external accreditations that had been achieved this year which support the safety and standards of service that are provided by the Trust:

- NHS Litigation Authority Level 2 for General Trust services
- NHS Litigation Authority Level 1 for Maternity Services
- CQC unconditional registration with effect from 1 April 2010
- Good results from the National Patient Surveys for Outpatient and Inpatient services
- Clinical Pathology Accreditation (UK) for Histopathology, Micropathology and Clinical Pathology services

Three priorities for 2009/10, Patient Safety, Clinical Outcomes and Patient Experience have been reported:

- Patient Safety – Never Events. The Trust did not have a 'Never Event' in 2009/10 compared to one in 2008/09
- Effectiveness - Achieving a reduction in Hospital acquired infections. There were 58 Clostridium Difficile cases in 2009/10 compared with 72 cases in 2008/09 and 171 cases in 2007/08. MRSA cases have continued to drop with 9 reported in 2009/10 compared to 14 relating to 2008/09.
- Patient Experience – to provide the best patient experience for users of all services. In 2009/10 50.4% of patients reported care as excellent against the national norm of 44.3%

In summary, the Chief Executive reported that the Trust is heading in the right direction but it must strive to improve even more for the benefit of the user of the service, the patient.

3. Director of Finance Report

Bill Boa, Director of Finance presented the Finance Report.

The Trust failed to achieve its plan for the period finishing the year with a deficit of £5.1m versus an expected deficit of £7.5m. This resulted in a financial risk rating of 1 which is the lowest rating that can be imposed by Monitor. With a risk rating of 1, a Foundation Trust is unable to borrow cash. The operating deficit was £4.8m and added to this was a £0.3m downward revaluation of owned land and buildings.

Several large expenditure items have contributed to the deficit namely:

- Waiting List Initiative payments to ensure the Trust met the national targets
- Increase in litigation insurance costs (CNST)
- Interim and Consultancy management costs

Private patient income received during the year was £560k which represents 0.4% of patient related income and was under the Private Patient Cap of 0.5% set for the Trust.

The Trust has not used any external finances for working capital. Cash balances held at the 31 March 2010 were £0.53m against a plan of £1.31m. The I&E deficit had been offset by lower capital expenditure, deferment of the PDC dividend of £1.31m that was due 31 March 2010 and a reduction of the Better Payment Practice Code performance.

£3.85m was invested in capital assets with one major capital scheme, replacement of the fluoroscopy room. The capital programme did not receive any external finance.

Members of the public can view the detail of the Trusts accounts on the DCH website at www.dchft.nhs.uk or obtain a copy of the 2009/10 Annual Report and Accounts from Trust HQ.

4. Lead Governors Report

Dr Peter Camm, Lead Governor reported on the activity of the Council of Governors.

At the 31 March 2010 the Trust had 6,824 registered members. All staff 3,469 are automatically registered but have the option of Opting Out. Public members 3,355 have applied (Opted In) to become members. Membership is free and the Trust is extremely grateful for the support of its membership. Naturally there is always a turnover of members and new members are always welcome.

Membership is represented by unpaid Governors who are either elected by the public and staff, or, are appointed representatives of Partnership/Stakeholder organisations aligned to the Trust. There are 32 Governor positions (10 Appointed Governors and 22 Elected Governors) that form the Council of Governors.

The Council of Governors main responsibility is to monitor the effectiveness of the Board and to hold it to account under the Terms of Authorisation. Governors do not manage the Foundation Trust, that is the direct responsibility of the Board. Other powers statutorily invested in the Council of Governors are to appoint the Chairman and the Non Executives and to appoint the External Auditor.

Council of Governor meetings are held four times a year in addition to joint meetings with the Trust Board and observing the main committees of the Trust which provides an assurance to the CoG. The Annual report provides more detail about the Council of Governors, who they are and the activity undertaken by the Governors.

Governors also provide an independent assurance through unannounced visits to patient areas to review privacy, dignity and environment with an emphasis on cleanliness. The Governor Assurance Team report to the Board and the Council of Governors.

The new Board has the full support of the Council of Governors.

5. Questions from Members

The Chairman opened up the Annual Members Meeting for questions and observations from the audience. The following subjects were covered:

- Adequate staffing – the Trust needs to find a balance within the funds that are available. Whilst there are pressures in some areas which are being addressed, benchmarking exercises have indicated that DCH is not understaffed.
- Pain Services – concern was expressed by members who are currently receiving treatment. The Trust is working with NHS Dorset to improve the patient pathway and experience and to find alternative ways of relieving pain.
- Interim Management and Consultancy costs – criticism of employing such highly paid staff was expressed, but the Chairman explained that at the time the Trust had no CEO, FD or HRD. The interims had the appropriate skills to assist the consultants in developing the recovery plan whilst coping with day to day operational issues. The Consultancy firms were brought in to analyse the position of the Trust and to develop with the approval of the Board a forward plan. The appointment of interims also provided essential time for the Trust to employ a full time executive team that had the expertise to take the Trust forward. The Chairman reminded the meeting that as the interim appointments will finish in July 2010 there will be an impact on the 2010/11 accounts.
- Foundation Trust status - was DCH really financially ready for this status in 2007? The financial position in 2007 had a £16k surplus and the financial position was thoroughly reviewed by Monitor who were satisfied with the forward plans and financial trajectory. The NHS was keen to move all NHS Trust's to Foundation Trust status. The development of Foundation Trust's has now slowed down and there is consideration to mergers where NHS Trust's cannot satisfy Monitor's stringent appraisals.
- How does DCHFT compare with other FT's that are in trouble? Whilst the DCHFT financial shortfall is of great concern, other FT's are also in financial difficulties, some with even larger deficits. However DCHFT must achieve its recovery plan as soon as possible.
- Membership communication – lack of communication. Governors stated they would strive to improve this situation. Newsletters would be more regular and Governors are already holding communication surgeries across Dorset. Members are always welcome to contact their Governors. Membership and communication is important and whilst the main thrust of the FT funding must be for patient care, some funding is required for membership.
- Financial position – concern about how it happened and how it can be prevented for the future. The previous management of the Trust had allowed the staffing numbers to increase in anticipation of growing demand for DCHFT services which failed to materialise. Processes are now in place to ensure workforce planning is managed effectively.
- Night time staffing – reduction in staffing gives concern to patients who are not attended to within a reasonable time period. The Chief Executive said she would review this with the Director of Nursing.

- Staff turnover – appears to be too many agency staff and therefore lack of detailed knowledge of wards. It was accepted by the Board that use of agency has in the past been overused. There is now a restriction on the use of agency and the Trust is using its own bank staff which will improve the situation.
- New nurse patient care knowledge – a perception exists that new nurses do not have the same level of patient care knowledge. The Director of Nursing stated that students spend 50% of their education time in university and 50% with patients but only 25% within a hospital environment. When a student qualifies, nurses at DCH receive a preceptorship programme which teaches clinical and caring skills. A new programme is being implemented for Health Care Assistants.
- Lack of nurse time with patients – The DoN advised that DCHFT has reviewed nursing time and is satisfied that the nursing levels are correct Ward Sisters have discretion to adjust in line with patient needs

6. The Future

A Strategic Plan that will be launched in the Autumn of 2011 will be discussed jointly between the Board and Council of Governors. Members, staff and stakeholders of the Foundation Trust will also be asked for their ideas and observations.

Year 2010/11 will be a difficult recovery year. All vacancies need to be frozen and reviewed. The Board intends to engage even more with all staff.

In summary the Chairman said that the Trust must deliver what it says it can do and will be rigorously monitored against the targets set. A Cost Improvement Programme of £6m has been identified for 2010/11 with an anticipated full year saving of £13m. A further saving of £8m is expected to be identified and these savings will not only cover the Trust's previous deficit but also compensate for the national funding shortfalls that are expected resulting in a surplus for 2010/11. If the surplus is achieved, then the Trust will be able to go back to Monitor and request re-instatement of their authorisation.

7. Annual General Meeting 2011

The next Annual General Meeting will be held on 06 September 2011 at the Dorford Centre, Top 'O' Town, Dorchester Dorset DT1 1RR