

Minutes of the meeting of the York Hospitals NHS Foundation Trust Members' Council held on 2 September 2009, in Skell 7, Foss and Skell Building, York St John's University, Lord Mayors Walk, York.

Present: Chairman of the meeting, Professor Alan Maynard OBE

Public: Dr J Dalton, Public Governor, Hambleton
Mrs L Hatton, Public Governor, City of York
Mrs H Mackman, Public Governor, City of York
Mr J Porteous, Public Governor, City of York
Mr S Ruff, Public Governor, City of York
Mr R Thomas, Public Governor, Selby District
Mr R Towner, Public Governor, City of York
Mr S Lewis, Public Governor, City of York

Patient/Carer: Mrs J Moreton, Patient/Carer Governor
Mr G Rennie MBE, Patient/Carer Governor
Mr B Thompson, Patient/Carer Governor

Partner: Councillor S Fraser, Partner Governor, City of York Council
Mr M Moran, Partner Governor, York CVS
Mrs C Patmore, Partner Governor, North Yorkshire County Council
Mr M Sweet, Partner Governor, North Yorkshire & York Primary Care Trust

Staff: Mr L Bond, Staff Governor, Medical
Mrs A Penny, Staff Governor, Nursing
Mr M Skelton, Staff Governor, Clinical Professional

Apologies: Mrs W Blackburn, Public Governor, City of York
Mrs G Cashmore, Partner Governor, North Yorkshire & York Primary Care Trust
Jane Farquharson, Patient/Carer Governor
Mrs M Kirk, Partner Governor, City of York Council
Mrs A McGale, Staff Governor, non-clinical
Mr P McGowan, Public Governor, Selby District
Mr N Parkinson, Public Governor, Selby District
Mrs P Turpin, Public Governor, Hambleton
Councillor S Wiseman, Partner Governor, City of York Council

Attendance: Andrew Bertram, Director of Finance
Lucy Brown, Communications Manager
Gillian Fleming, Non-Executive Director
Cheryl Gaynor, Secretary/Board Administrator
Penny Goff, Member Development Manager
Brian Golding, Deputy Director of Estates and Capital Planning
Peta Hayward, Director of Human Resources

Professor John Hutton, Non-Executive Director
Linda Palazzo, Non-Executive Director
Anna Pridmore, Foundation Trust Secretary
Mike Proctor, Deputy Chief Executive
Alan Rose, Non-Executive Director
Dr Ian Woods, Medical Director
Libby Raper, Non-Executive Director

Members of the public: Four members of the public attended the meeting.

09/71 Chairman's Introduction

The Vice Chairman of the Council of Governors welcomed the public members to the meeting.

09/72 Oral questions from the public

Mr Yates, a member of the general public, enquired what the Trust's perception of a member or an active group member of the Trust was. He queried the possibility of producing a survey for members and how they see their role and to find out why people decide to join.

Mr Proctor referred to the Membership report further along the agenda and responded that there are a number of reasons why people decide to become a member. One particular thing that the Trust is clear about when recruiting members is that they can be as active or as passive as they like. If members want to get involved with certain areas they are more than welcome to do so. This could stem from handing out leaflets to simply requesting information.

Mrs Goff expressed that the Trust currently has a number of active members and offers a range of activities. Members are surveyed about their interests and the feedback received is generally good.

Governors were reminded that the elections were being held at the beginning of 2010 and as a result a number of documents would be updated and published which detailed the Governor and member roles.

Mr Baines commented that the York Talk presentations are useful and a successful way of communicating with members but was disappointed to report that they were poorly attended.

09/73 Apologies for absence

Council of Governors noted the apologies.

09/74 Declaration of interest

Council of Governors noted the declarations of interest.

09/75

Minutes of the meeting held on 1 July 2009

The minutes were approved as an accurate record of the meeting subject to:

- the amendment of 09/56 – Membership Engagement Committee second paragraph as follows:

‘She requested clarification as to which Code of **Conduct** (not Governors).’

- the amendment of 09/68 – Any other business fifth paragraph as follows:

‘Mrs Palazzo requested Governors to consider being a volunteer for the open day to assist with the setting up and being available for members of the Trust and members of the public to **answer** (not ask) any questions anyone may have.’

09/76

Matters arising from the minutes

09/61 – Chairman’s Appraisal

Mr Rennie reported that results from the Chairman’s appraisal had been sent to the Nominations Committee and a final report would be presented to a private meeting of the Council of Governors.

09/64 – Summary of the minutes of the Board of Directors meetings

Mrs Moreton enquired as to what the current position was with regard to the pharmacy outsourcing business case. Mr Bertram reported that the fine detail of the case had not been finalised. The current position was that the case was at the contract negotiation stage. He advised that he anticipated the case would be completed and finalised in the near future.

09/77

Summary of the Board of Directors minutes

The report provided a summary of the discussions held at the Board of Directors along with key discussions from the meeting.

09/130 – Governance Structures

Mr Ashton clarified that the Audit Committee had considered creating a small committee (Assurance Committee) but after lengthy discussions, it was agreed that an alternative route would be adopted.

09/138 – Trust Constitution

Governors noted the debates held at the Board meeting and enquired further about the role of the Vice Chairman. Mrs Pridmore advised that she had sought guidance from Monitor around the Vice Chairman and had been

referred to A 3.3 of the Code of Governance. The Governors noted and approved the decision of the Board.

Governors discussed the constitution in general terms and agreed they had discussed all the changes in the Constitution and had agreed those changes at a meeting earlier in the year.

09/134 – Carbon Reduction Commitment

Mr Ruff quoted that the Trust was in the process of appointing an Energy Manager and requested clarification of where the funding was coming from as he was under the impression that the Trust was cutting back. Mr Golding confirmed that the funding would all be accumulated from savings that the post will bring.

The Council of Governors noted the summary.

09/78

Financial Planning – downside Scenarios

Mr Bertram gave a detailed presentation (copy attached to these minutes) which provided an update on the financial planning work currently being undertaken within the Trust in response to the economic downturn and potential health sector impact. Mr Bertram reported that from the last meeting it was noted that Monitor required the development of downside financial scenarios and consideration of potential mitigating actions.

The Trust has three potential future financial scenarios which were being developed in preparation for submission to Monitor by the end of September:

- Scenario 1 – (downside scenario) influenced by Monitor's comments on the health economic climate
- Scenario 2 – (mid-range scenario) a second iteration based on further deteriorating financial assumptions for 2011/12 and 2012/13
- Scenario 3 – (downside scenario) a third iteration based on significantly adverse financial assumptions for 2011/12 and 2012/13

A detailed discussion took place around a number of issues that Governors brought forward to consider, these included:

- A full analysis of demand for services and continuous referral growth
- Charging for aspects of service
- Pay issues
- Sharing information with the public to raise awareness
- Considering the costs associated with agency staff and managing sickness absence

Governors raised concerns of how the Trusts response to the economic downturn and potential health sector impact was being addressed to the members of the public and how, in managing expectations, the management of this message was crucial.

The Council of Governors congratulated and thanked Mr Bertram for his detailed presentation and noted the contents.

09/79

Performance and Finance Report

Mr Bertram and Mr Proctor gave a detailed presentation which outlined the financial position of the Trust for July 2009, performance and activity for June to July 2009 (copy of presentation is attached).

Mr Bertram reported that:

- Since the last meeting the Trust has submitted its quarter 1 return to Monitor.
- Income was in line with plan for the 3-month period and the planned financial risk rating of 3 was delivered.
- The Trust is now reporting on its position 4 months into the financial year (as at July 2009).
- The position is actual income running behind plan with activity below planned levels in July. This has placed the Trust in an overspend position.
- Action is being implemented by the Trust's clinical directorates to recover this lost activity as this compromises both income and 18-week performance.
- The strong message within the Trust is continued focus on expenditure management and delivery of the planned £1m surplus of income over expenditure at the end of the year. This surplus being key to providing cash for the Trust's capital programme.

Mr Proctor reported that:

- 18 week performance – admitted was 90.56% against a target of 90% and non-admitted was 96.95% against a target of 95%
- 4-hour reached a target of 98.47% against a national target of 98%
- 14 Day cancer was 94.5% against a target of 93%
- 31 day cancer was 97.8% against a target of 96%
- 62 Day cancer was 90.1% against a target of 88%
- MRSA – 0 to report
- C.Diff – 1 (YTD 9)
- Thrombolysis – no eligible patients
- Ordinary elective -502 (-16.72%)
- Day case +107 (1.13%)
- Non-elective short stay +710 (+16.63%)
- Non-elective long stay +432 (+6.18%)

Mr Proctor requested that all Governors formulate their questions into a letter/email and submit them to him where he will proceed to respond accurately.

The Council of Governors noted the report and thanked Mr Bertram and Mr Proctor for their detailed report.

09/80

Swine Flu Update

Mr Proctor presented the report in order to formally publish the Trust's Statement of Readiness against the Department of Health Surge and HR Guidance related to Swine Flu.

Mr Proctor updated the Governors with the Trust's current position regarding preparation for a pandemic. He reported that the Pandemic Operational Management Group's plan remained to be prepared for the worst case scenario whilst having as little effect on the hospital as possible. He believed that the second outbreak was potentially within the next month as children return to school etc.

Mr Towner expressed his concerns that he had been given the impression that a number of members of staff were not as enthusiastic to have the vaccination provided to them. Mr Proctor assured Governors that there was an efficient amount of vaccinations to cover the pandemic and that there had been a suggestion made of having vaccinators walking around the Hospital, in the hope to make it easier for individuals to have it done.

The Council of Governors noted the Statement of Readiness.

09/81

Constitution

The Board of Directors confirmed its approval for all the recommended changes made by the Members' Council and in addition adopted the option to retain a second NYCC representative as discussed at the Members Council in May 2009. The Council of Governors noted and agreed with the decision of the Board of Directors.

09/82

Appointment Process for the Chairman

Mr Rennie presented the report which provided Governors with details and a timetable of the process being adopted for the appointment of the Chairman.

Mrs Pridmore reported that an advert would be prepared in August for publication in September/ October. The advert would be included in local and national papers such as the Yorkshire Post and the Sunday Times as well as on appropriate websites.

The Council of Governors noted the report and were in support of the process for the appointment of the Chairman.

Membership report

Mrs Goff presented the report which provided details of public, patient and staff membership for the period April to the end of June 2009. She reported that the profiles provided information on the number, type, catchment area, gender, age range and ethnicity of the Trust membership and a summary of leavers and joiners. A brief summary of membership recruitment and engagement activities undertaken and planned was also included.

Mrs Goff expressed her concerns that currently the Trust is losing over 100 members per month due to death or relocation of the member therefore, this was a disappointing quarter to report. It was felt that there might be some revitalisation of the membership at the annual general meeting.

In terms of recruitment of new members, the Trust was planning to include information on membership and application forms in 500 copies of the Huby Parish Council magazine. This was undertaken by the public Governors for the Hambleton area. It was hoped that this initiative would be repeated by other Governors with other local publications, particularly in the Selby area where membership was particularly low. Mrs Goff had recently met with both the Hambleton and Selby public Governors to discuss recruitment.

Governors were reminded that the next lunchtime YorkTalk presentation was scheduled to be held on Wednesday 16th September 2009, venue to be confirmed. The topic of the presentation was 'Maternity Services'.

In the next three months the Trust would be focussing on the planning of the Trust's Open Event on 30th September (see 09/84). One area of particular importance over the next few months is to pursue with payroll the issue of transferring the staff membership database to the ESR in order to have accurate data and a robust process in place before the next elections for Staff Governors at the end of 2009. Each member of staff will have a note attached to their payslips detailing the membership.

Mrs Mackman quoted the event on improvements to bereavement services for bereaved families. She reported that 80 members attended the event to enquire about the project and it was intended that there would be an exclusive tour of the new facilities in the Autumn. Mrs Mackman advised that this had since been postponed as the scheme had unfortunately been delayed. Mrs Goff confirmed that she would be notifying all that were expecting to attend.

Mrs Goff assured the Governors that she would ensure that posters that describe membership etc are published. Mrs Hayward proposed that the Careers centre at the Hospital be used to advertise membership. It was suggested that it would be useful for Governors to a period within the careers office.

The Council of Governors noted the report.

09/84 Open Day event

Mrs Goff reported that the AGM was taking place on 30th September 2009 at 2.00pm in the Chapel off the main corridor of the Hospital. She informed that there may need to be a repeat of the AGM at 5.00pm but she was in anticipation of Governors returning their activity sheets. Verification will be circulated once all activity sheets have been returned.

It was confirmed that all Governors will receive a briefing pack prior to the meeting. This will include floor-plans, agendas etc for the event.

09/85 Membership Engagement Committee

Mrs Mackman presented the Membership Engagement Committee minutes for its meetings held on 16th June and 21st July 2009. She reported that she was looking for ways to engage existing and potential members. A number of suggestions had been proposed one in particular was that either a Governor or a professional voice records a message for the York Hospital Radio. Harry Gratton had agreed to be the voice of the message.

The Council of Governors noted the minutes.

09/86 Governors Visit Around the Hospital

Following Governors interest in visiting the hospital to be taken through an elective pathway of care, a pathway visit has been developed for governors to attend.

The aim of the visit is to give Governors an overview of the activities in various areas and an understanding of the relationship of the various departments and how a patient's journey can smoothly run in the hospital.

Mrs Pridmore advised that the Knee Replacement pathway was scheduled to take place on Wednesday 23rd September 2009, a visit in the morning and run again in the afternoon. Those Governors interested in undertaking the walk round were asked to contact Mrs Pridmore.

09/87 Any other business

There was no other business.

09/88 Next meeting

The date, time and venue of the next Council of Governors:

- Joint meeting of the Board of Directors and Council of Governors – Monday 19th October 2009 at 2.00pm, White Cross Social Club, Haxby Road, York.
- General Council of Governors – Wednesday 16th December 2009 at

4.00pm and there will be a pre meeting at 3.30pm, Skell 7, Foss and Skell Building, York St John's University, Lord Mayors Walk, York

09/89

Collation of written questions from members of the public

There were no written questions received from members of the public.

CLG
11/09/2009



Financial Planning – Downside Scenario

Council of Governors 2 September 2009

Andrew Bertram
Finance Director



The State of Public Finances

- Highest level of public borrowing since WWII
- Treasury commentators estimate that target borrowing of 40% of GDP will not be achieved until 2030 (a generation of excessive debt)
- Emerging DoH strategy focuses on attaining the most efficient NHS possible

Before 2011 – April Budget

- An increase in the tariff efficiency requirement from 3% to 3.5% in 2010/11
- As announced in December, PCT allocations would remain at guaranteed 5.5% increase per year for 2009/10 and 2010/11...marking the end of the current CSR

After 2011 – Political View

- Labour...April budget pledged to increase spending across the public sector by 0.7% in real terms between 2011/12 and 2013/14.
- Conservatives...commitment to increasing the NHS budget in real terms after 2011 *[Andrew Lansley, shadow health secretary]*

After 2011 – David Nicholson

- NHS freeze is possible
- 'We should also plan on the assumption we will need to release unprecedented levels of efficiency savings between 2011 and 2014 – between £15bn and £20bn across the service over the three years'
- If the taxpayer does give extra resource to the NHS the taxpayer will expect more for it.



Planning Scenarios

- Organisational awareness
- Organisational preparedness
- Regulator requirement

3 Scenarios

Speculation.....(for 2011/12 and 2012/13)

- Monitor Influenced – 0.7% tariff growth
- Further deterioration – zero tariff growth (flat cash)
- Significant deterioration – negative tariff growth

Paper describes these scenarios



Scenario Impact

- Paper describes income and expenditure assessments against various model assumptions
- Income is a function of activity and tariff
- Expenditure (base level) is known or predictable
- Consistent target of £1m surplus

- Leaves a balancing requirement described as a cost reduction or efficiency programme

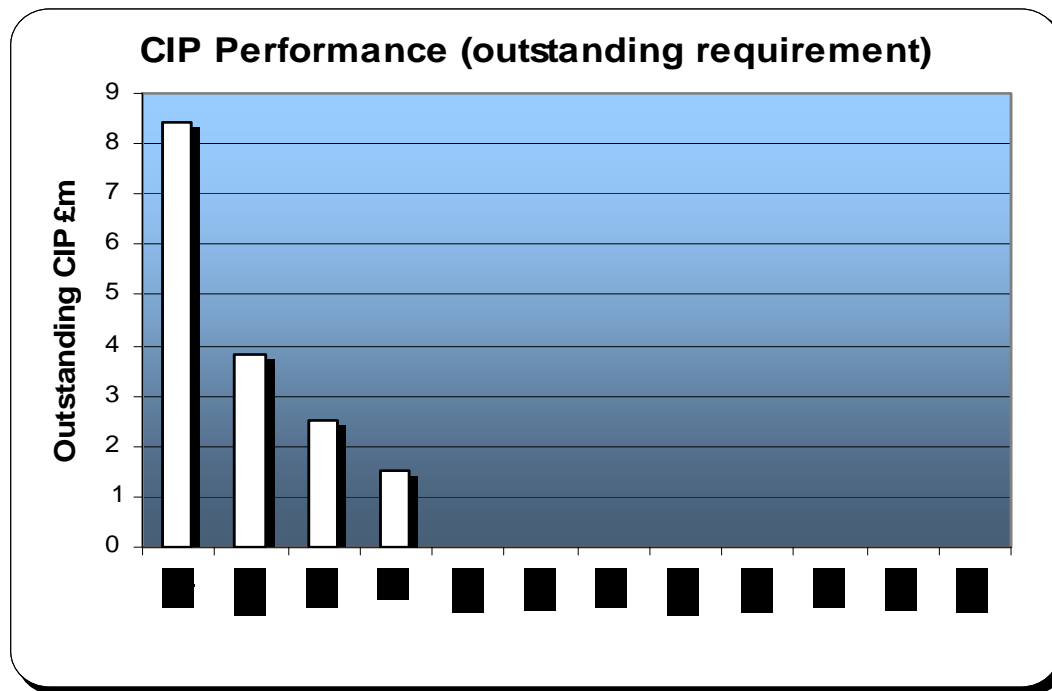


Cost Reduction/Efficiency Programme

- Original Annual Plan for 2011/12 identified 3.4% (£8m) – consistent with national tariff efficiency reductions
- Monitor influenced scenario increases this to 3.9% (£9m) in 2011/12 and 2012/13
- Deteriorating scenario increases this to 4.1% (£9.5m) in each year
- Significantly deteriorating scenario increases this to around 7% (£15-16m) in each year

Context

Current Progress 2009/10 - £8.4m target



We can deliver in year. The real issue is potential significant and multiple year cost reduction and efficiency requirements



Issues

- Organisational awareness
- Organisational preparedness

- Start early thinking and discussion around potential mitigating actions



Potential Mitigating Action

Detailed in the paper.....

- Robust efficiency programmes (Theatres, Outpatients, Emergency patient pathways)
- Cost challenge
- Growth opportunities
- Planned level of surplus
- New development freeze or very specific development focus
- Pay awards
- Increased joint working across the wider health community



The Council of Governors are asked to:

- Note and discuss the assumptions behind the three financial scenarios
- Note, discuss and consider additional mitigating actions the Trust may wish to consider as part of a strategy to mitigate the potential impact of the economic downturn
- Acknowledge that detailed modelling work is taking place through September using the agreed assumptions
- Acknowledge that the results of this work will be presented to the September Board of Directors meeting for final agreement before submission to Monitor at the end of September.



Finance and Performance

Council of Governors 2 September 2009

Andrew Bertram, Finance Director

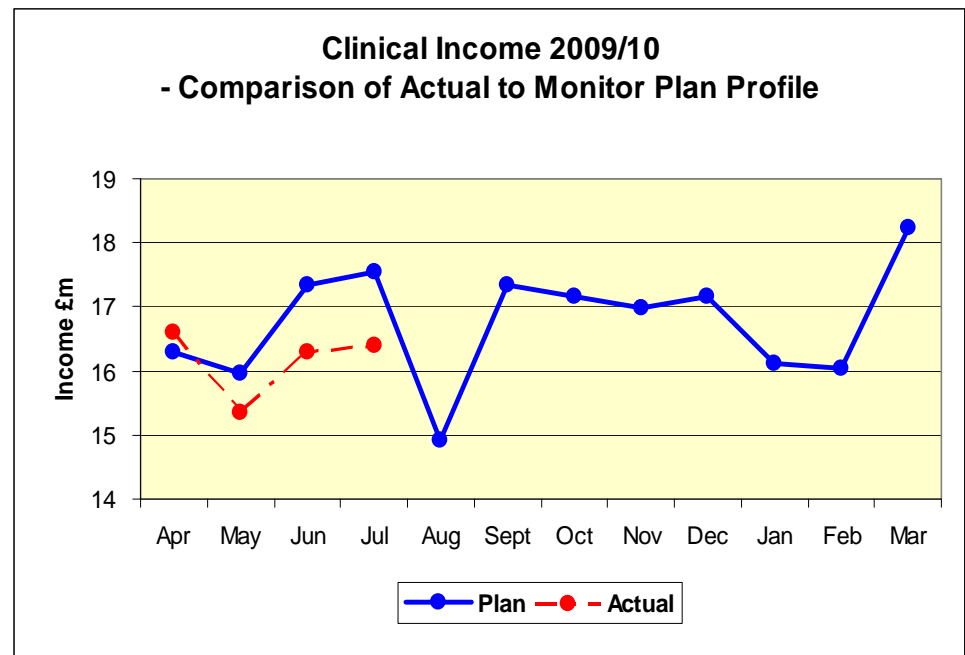
Mike Proctor, Deputy Chief Executive

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Performance July (target)

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Activity (% variance)

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