

Agenda

Board of Directors

Thursday 29 November 2012

9.00am – 12.20pm

Boardroom, Level 4, Royal Berkshire Hospital

Open Board Meeting – Part 1

Item	Lead	Time
The meeting will commence with a patient story.	Peter Malone	9.00 – 9.05
1. Apologies for Absence (Lindsey Barker)	Stephen Billingham	-
2. Minutes for Approval: 30 October 2012 (Attached)	Stephen Billingham	9.05 – 9.10
3. Matters Arising Schedule (Attached)	Stephen Billingham	9.10 – 9.15
4. Outstanding Actions Schedule (Attached)	Stephen Billingham	9.10 – 9.15
5. Declarations of Interest (Verbal)	Stephen Billingham	9.15 – 9.20

Performance Monitoring Items

6.	a) Chief Executive's Report (Attached)	Ed Donald	9.20 – 10.30
	b) Integrated Performance Report (Attached)	Ian Stoneham	
	c) Quality and Patient Safety Report (Attached)	Alistair Flowerdew/ Caroline Ainslie	
	d) Director of Finance's Report (Attached)	Craig Anderson	

Strategy/Major Items- Decision Items

7.	Monitor Review – Financial Stability & Quality Governance (Attached)	Craig Anderson / Keith Eales	10.30 – 11.00
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Governance Items- Decision Items

8.	Board Committee Structure (To follow)	Keith Eales	11.00 – 11.15
9.	Monitor Quality Governance Framework (Attached)	Keith Eales	11.15 – 11.25
10.	Legislative Changes to the Trust Constitution (Attached)	Keith Eales	11.25 – 11.30
11.	Minutes of Meetings: (Attached)		11.30 – 11.40
	a) Audit Committee – 7 November 2012	Brian Hendon	
	b) Charity Committee – 7 November 2012	Janet Rutherford	
	c) Clinical Governance Committee – 8 Nov 2012	Janet Rutherford	
	d) Joint Constitution Working Group – 8 Nov 2012	Janet Rutherford	

Information Items

12.	HFMS Board – 5 November 2012 (Attached)	Keith Eales	-
13.	Dates of Future Meeting Tuesday 11 December 2012 (Workshop) Thursday 31 January Board (Board)	Stephen Billingham	-
14.	Exclusion of Governors, the Press and Public (Verbal)	Stephen Billingham	-

Closed Board Meeting - Part 2

The following section of the meeting will be closed to Governors, the press and public as the material to be discussed discloses exempt information as defined by the Freedom of Information Act.

15.	Bracknell Clinic Options Appraisal (Section 43 FOI Act) (Attached)	Ian Stoneham	11.40 – 12.10
16.	Disposal of Surplus Land at the Former Battle Site (Section 43 FOI Act) (Attached)	Philip Holmes	12.10 – 12.20
17.	Quality and Patient Safety Report – Exempt Appendix (Section 40 FOI Act) (Attached)	Alistair Flowerdew/ Caroline Ainslie	-
	Close		12.20

Minutes of the Board

Board

Tuesday, 30 October 2012

9.00am – 2.00pm, Boardroom, Royal Berkshire Hospital, Reading

Members Present

Mr. Stephen Billingham	(Chairman and Non-Executive Director)
Mr. Edward Donald	(Chief Executive)
Mr. Craig Anderson	(Director of Finance)
Mr. Tim Caiger	(Non-Executive Director)
Mr. Brian Hendon	(Non-Executive Director)
Mr. Peter Malone	(Care Group Director, Planned Care)
Ms. Jane May	(Non-Executive Director)
Mrs. Janet Rutherford	(Non-Executive Director)
Mr. Ian Stoneham	(Commercial Director)
Dr. Emma Vaux	(Interim Medical Director)

In attendance

Dr. Lindsey Barker	(Care Group Director, Networked Care)
Ms. Janine Clarke	(Director of Workforce Development & Human Resources)
Mr. Keith Eales	(Director of Corporate Affairs & Secretary)

Apologies

Ms. Caroline Ainslie	(Director of Nursing)
Mr. John Barrett	(Non-Executive Director)
Dr. Sue Edees	(Care Group Director, Urgent Care)

The meeting commenced with a patient story from the Director of Finance who recounted a visit to Mortimer ward where he had met a discharged patient who was awaiting her family. The patient had been positive about care and treatment received. However, the importance of taking positive feedback at face value was clear. For example, the patient had commented that the ward had been noisy at night and the response to call bells had been slower in the evenings. This had become her expectation. The Director of Finance emphasised the usefulness for the Executive and corporate staff visiting front line services.

The importance of listening carefully to elderly patients, who often gave positive views over a perceived fear that negative feedback would impact upon their care, was emphasised. The Board

commented that Non-Executive Directors should have opportunities to engage with staff and patients and that the Executive should make sure such opportunities existed.

153/12 Minutes: 2 October 2012

The minutes of the meeting held on 2 October 2012 were approved as a correct record and signed by the Chairman.

154/12 Matters Arising

The Director of Corporate Affairs & Secretary submitted the schedule of matters arising from the last meeting. Progress against each decision was noted.

Resolved: that the report be noted.

155/12 Schedule of Outstanding Decisions

The Director of Corporate Affairs & Secretary submitted the schedule of decisions outstanding from meetings of the Board prior to 2 October 2012. Progress against each decision was noted.

Resolved: that the report be noted.

156/12 Chief Executive's Report

The Chief Executive introduced a report giving a strategic context to developments in the health economy, setting out progress on the annual plan themes and commenting on the overall performance of the Trust.

The Chief Executive advised that the Shaping the Future Consultation exercise had commenced. It was proposed to brief the Council of Governors on the plans with the Trust response being prepared in November. The Chief Executive commented that this could be a topic for discussion at the Board workshop in December.

The Chief Executive advised that the development of the integrated business plan was being taken forward. A series of workshops had been held with Care Groups, the Executive and the Council of Governors. The Chief Executive suggested that the Board might wish to establish a strategy sub-group to take forward the development of the plan.

The Chief Executive advised that the operating environment was becoming increasingly challenging. In particular, emergency attendances in A&E had increased by 10% and emergency admissions by 6%. The Trust was working collaboratively with clinical commissioning groups and Berkshire Healthcare NHS Foundation Trust to respond to these challenges. Two key areas for action were increasing community capacity seven days a week and reducing the number of patients medically fit for transfer.

The Board requested further information on the recent IT network failure.

The Chief Executive advised that the root cause of the incident had been traced to a network link to Windsor. The failure of the system had resulted in a major incident being declared. The Care Group Director, Networked Care advised that clinical safety had not been an issue at any stage of the incident. Discharges had been higher and admissions lower than normal. There had, as a result, been a number of beds available. Patients at the boundaries of the Trust area had been diverted. However, neighbouring trusts had not noticed an impact from larger than usual numbers of patients attending. The Care Group Director, Planned Care advised that seven operations had been cancelled. Outpatient clinics had operated as normal.

The Chair of the Audit Committee commented that a report on the resilience of the IT system had been prepared in 2011. Management actions from the report were still outstanding. The Commercial Director advised that the system that had led to the failure had been identified as a weakness. The Board sought reassurance that there would not be a similar failure with this system again and emphasised the need for the implementation of the agreed actions following the internal audit report in 2011. The Director of Finance advised that there were a number of single points of failure in the IT network. Failure in any of these areas could result in the same consequences as experienced in the most recent incident.

The Board sought clarification of any costs to the Trust from the failure of the IT system. It was noted that each of the Care Groups was assessing the costs of removing backlogs that had built up. The costs were not, however, considered to be significant.

The Board recorded its thanks to staff for their response to the incident.

Resolved: that

- (a) the report be noted**
- (b) the Commercial Director distribute an urgent note to Board Directors to provide reassurance that this failure of the IT system was fully understood and that there would not be a repeat of this particular failure**
- (c) the Commercial Director distribute information on the implementation of the internal audit report on IT and the network resilience report.**

157/12 Integrated Performance Report

The Commercial Director submitted the integrated performance report for September 2012.

The Commercial Director explained that the report set out the key performance risks for the month, the actions to be taken to address issues and the quarter 2 governance and financial position.

The Commercial Director explained that the achievement of the four hour A&E target remained a challenge for the Trust. The Care Group Director, Networked Care explained that the target had not been achieved in quarter 2. For the first three weeks on October performance was at 94.8%. To address this actions were being taken within A&E, across the Trust and in the wider health economy. Within the Trust extra staff were in post and the space had been reconfigured to address capacity issues. Across the Trust use was being made of escalation beds, attention was being focussed on the flow of patients through the Hospital and the option of a drop-in ward was being costed. In the wider health economy attention was being given to increasing community capacity, with fortnightly meetings being held between stakeholders.

The Director of Finance drew attention to the failure to achieve the ambulance handover target. He advised that commissioners had indicated that a contractual penalty may be applied which would result in £400,000 being withheld from the Trust. Discussions were continuing with commissioners and the Ambulance Trust regarding a plan to address the issue. It was anticipated that the plan would be agreed within the next two to three weeks.

The Commercial Director drew attention to the position in respect of the achievement of the cancer targets. All the targets were now being achieved with the exception of the two week wait for suspected cancer. It was noted that the actions agreed to enable the Trust to meet the target were beginning to have an impact. The Chief Executive advised that Monitor would be notified of the action being taken by the Trust to achieve the target.

The Commercial Director advised that, given the position on targets at the end of quarter 2, the Trust would receive an amber-green governance rating.

Resolved: that

(a) The report be noted

(b) The Care Group Director, Planned Care give consideration to any further action necessary to ensure the achievement of the two week wait for suspected cancer target.

Resolved: that the report be noted.

158/12 Quality and Safety Report

The interim Medical Director introduced the monthly quality and safety report.

The interim Medical Director drew particular attention to complaints, the number of pressure ulcers, nutrition, the safety thermometer performance and the CQUIN target in respect of venous thromboembolism (VTE).

In September the number of complaints had increased above the control limit. Patients had also felt that they were less involved in decisions about their care and treatment. Clarification was sought with regard to whether the complaints received reflected individual issues or gave any indications of systemic problems. The interim Medical Director advised

that most reflected individual, isolated incidents. Consideration was being given, however, to whether particular individuals were the subject of recurring complaints.

The interim Medical Director advised that there had been 17 hospital acquired grade 3 or 4 pressure ulcers in the Trust since February 2012. This was a concern and the Board noted the action being taken to address the problem, including fortnightly root cause analysis meetings and the implementation of a care bundle.

The interim Medical Director advised that 75% of patients were screened for malnutrition within 24 hours of admission against a target of 90%. The Board noted the actions in place to ensure that the target was achieved.

The interim Medical Director set out the performance against the Trust in respect of the NHS Safety Thermometer. The Board asked that future reports set out, as a comparator, the best performance levels nationally.

In respect of VTE, the Board noted that performance in September was 87.86% against a target of 90%. The actions being taken to achieve the target were noted.

The interim Medical Director advised that it was suggested that a Quality Governance Group be established to oversee, as part of its role, the preparation of the annual quality accounts.

The Board noted that the Dr Foster Hospital Guide, to be published on 26 November, would list the Trust as an outlier in respect of elective knee replacements one year revisions. The interim Medical Director advised that work was being undertaken to assess whether this reflected actual performance or was a data issue. It was noted that, irrespective of the reason, the listing would have an impact on patients and GP's. The interim Medical Director undertook to distribute the Guide to Board Directors when it was published.

Resolved: that

(a) the report be noted

(b) a Quality Governance Group be established to oversee, as part of its role, the preparation of the annual quality accounts

(c) the Dr Foster Hospital Guide be distributed to Board members when published

159/12 Director of Finance Report

The Director of Finance submitted a report on the financial performance of the Trust for September 2012.

The Director of Finance advised that the year to date deficit was £2.8m against a budget surplus of £0.2m.

The Director of Finance explained that

- income for the year, at £160.5m, was £3.1m ahead of budget. Higher drugs income, incremental PCT funding, a £1m settlement from the prior year, and £1m of income cips were off set by £1.8m of contract penalties and underlying commissioner activity being £2m behind plan, predominantly in daycase and outpatient areas
- Expenditure for the year was £163.3m, which was £5.9m adverse to the budget. The causes were pay, drugs, non-delivery of cips, EPR costs of £750k and estates.

The Board noted that the EBITDA year to date was 5.4% against a budget of 7.3%.

The Director of Finance advised that cash, at £23.1m, was adverse to the budget of £26m driven by lower EBITDA and higher capital expenditure.

The Director of Finance advised that the Financial Risk Rating for the year to date was 2.6, which, under Monitor methodology, would be rounded to a 3.

The Director of Finance advised that there was a buffer of £300,000 between the current position and the Trust falling to an FRR of 2.

The Director of Finance advised that two key judgements underpinned the position

- an accrual of £1m had been made for missing activity as a result of EPR implementation. A subsequent analysis had confirmed that a provision on this scale was appropriate.
- Commissioners could impose a potential penalty on the Trust for the number of non-elective readmissions. This had been assessed at £1.2m. However, provision had only been made for a penalty of £600,000 on the basis that commissioners had agreed to reinvest part of the penalty payment. The Chief Executive advised that, given the level of emergency attendances and admissions it might become appropriate to make a case to the PCT that no penalty should be payable in the current year.

Clarification was sought with regard to the high level of pay as a proportion of income. The Director of Finance advised that this reflected additional costs incurred through the employment of agency staff and income being affected by the release of provisions.

Further information was sought on the benchmarking analysis undertaken by Deloitte and whether this offered opportunities for savings. The Director of Workforce Development & Human Resources advised that the analysis was due to be considered by the QIPP Programme Board. However, the analysis had not indicated significant areas for review either amongst permanent or temporary staff groups.

Resolved: that the report be noted.

160/12 Financial Forecast Update

The Director of Finance submitted an updated forecast for the year ended March 2013.

The Director of Finance advised that the forecast had been prepared from submissions by each of the Care Groups and corporate functions based largely on quarter 2 run rates overlaid with the actions being taken to reverse the underperformance in the first half of the year.

The Director of Finance advised that the forecast delivered an FRR of 3 in quarters 3 and 4. However, there was a limited buffer between this position and the Trust dropping to an FRR of 2 in quarter 3.

The Director of Finance advised that the forecast was for a small surplus, although this assessment carried a degree of risk. The actions required to achieve this position were set out. The Director of Finance advised that the likely year end position would be in the range of a small surplus to a £3m deficit. The top end of this range had been targeted to focus the organisation on delivery of the plans.

The Director of Finance drew attention to the monthly buffer separating the FRR3 and FRR 2 position for the Trust. It was noted that there was a very limited cash buffer between December and February 2013.

It was noted that the forecast position included significant income in quarter 4. The Director of Finance advised that this reflected the historic position in the Trust.

Clarification was sought with regard to the degree of confidence that could be placed in the October forecast given that it indicated a significant change from the July reforecast. The Director of Finance drew attention to the risks the forecast. It was noted that the identified potential impact was negative in each case. The Director of Finance explained that this reflected the fact that the breakeven position was at the top end of the forecast range.

Clarification was sought with regard to the level of commissioner support in the forecast position. The Director of Finance advised that the forecast included £4.5m support from commissioners. It was noted that the Trust was, therefore, operating at an underlying run rate deficit of approximately £5m. Clarification was sought with regard to the impact of the Bracknell Clinic and EPR on this position. The Director of Finance advised that the net cash outlay on the Bracknell Clinic was £4m per annum, excluding the loan, and the EPR operating cost was £5.5m, compared to a budget of £2m.

Further clarification was sought on the ability of the Trust to manage its cash position to maintain an FRR of 3. The Director of Finance advised that cash was forecasted on a monthly basis and the capital expenditure profile could be managed to achieve the necessary cash balance. The Board concluded that consideration should be given to placing a moratorium on capital expenditure for the remainder of the year, subject to an assessment of the implications.

The Board broadly concluded that the forecast breakeven position was appropriate, noting the downside risks. It was considered that the work undertaken by PwC as part of the second stage review, which forecast a year end position in the range of a £1m surplus to a £2.5m deficit, reinforced this.

Resolved: that

- (a) The year end forecast for a breakeven position be noted**
- (b) The Executive be strongly recommended to place a moratorium on capital expenditure, with the exception of statutory compliance work, for the remainder of the financial year subject to an analysis of the implications**
- (c) The areas of commissioner financial support be reflected in future finance reports to the Board.**

161/12 Bracknell Clinic Update

The Chief Executive advised that the item had been postponed to enable further work to be undertaken on the business case.

162/12 Pathology Transformation Update

The Care Group Director, Networked Care and the Commercial Director submitted a report seeking approval for the preparation of a business case for the development of a Berkshire-wide pathology service.

The Care Group Director, Networked Care advised that, following the decision to halt the procurement process to find a commercial partner, the Pathology Steering Group had recommended that, following a strategic options review, the programme to establish a Berkshire-wide pathology service should continue.

The Care Group Director, Networked Care advised that the preferred option would be tested, through a full business case, against four other comparators. The full business case would be submitted to the January 2013 Board meeting.

The Board noted that the indicative savings from a Berkshire-wide service were £3m shared between the two Trusts. Clarification was sought as to whether higher savings should be anticipated from a joint approach. The Commercial Director advised that the savings from merged pathology services were dependent on scale and how quickly the parties could establish a joint approach. Further savings would be achieved through bringing together additional pathology services. However, this would involve a longer establishment process. The Director of Finance advised that there would be the opportunity to test the business case against the commercial option that had been put forward to ensure savings were maximised.

Clarification was sought with regard to the costs involved in developing the business case. The Commercial Director advised that these were estimated at £50,000, involving legal costs.

Resolved: that

- (a) the recommendation of the Pathology Steering Group to establish a Berkshire-wide partnership organisation, endorsed by the Executive, be noted**
- (b) a full business case which fully tests all five generic options be prepared over the next two to three months.**

163/12 Synergy Contract

The Director of Finance submitted a report seeking approval for the signing of a contract with Synergy Health Care for the decontamination of medical instruments.

The Director of Finance advised that Synergy Health Care currently provided the service to the Trust. A two year contract had been negotiated with Synergy which would maintain the service, at lower cost, whilst providing the Trust with the opportunity to explore an in-house option from March 2014.

The Board noted the terms of the proposed contract, which would operate from 1 April 2012 to 31 March 2014, which included a fixed price service price of £1.7m. The Care Group Director, Planned Care advised that the terms would provide a saving to the Trust of £1,153k over two years compared to current rates. In addition, Synergy had agreed to waive £340k of legal liabilities.

Clarification was sought as to whether the contract would compromise the disposal of the Battle site. The Director of Finance advised that the end of the contract coincided with the current plan for the Trust to move off the Battle site. The Trust would, however, have needed to resolve by that stage the provision of decontamination services beyond 2014.

Resolved: that the signing of the contract be approved.

164/12 Contract Changes for Adult Audiology Service for Patients over 55

The Care Group Director, Networked Care, submitted a report setting out changes in the contract for the provision of the adult audiology service for patients over 55.

The Care Group Director, Networked Care advised that the Trust was at risk of losing a significant proportion of its current 97% market share for the audiology service in Berkshire following the implementation of Any Qualified Provider (AQP). The Board noted the potential financial impact of the assessed loss in market share.

Clarification was sought with regard to the resources to be devoted to marketing the Trust service in the face of increased competition. The Care Group Director, Networked Care advised that plans were in place to market the service and were set out in a business case.

The Care Group Director, Networked Care advised that, set against the potential loss of work, was the potential for new income opportunities from surrounding counties and the uncapped demand commissioning nature of the AQP model. The Board recognised that achieving a share in new markets would be a significant challenge and would require investment in marketing.

The Board noted the areas in which the Trust was now qualified to provide services, mobilisations plans and the key contractual performance measures.

Clarification was sought with regard to the involvement in Trust staff in bids being prepared by competitors. The Care Group Director, Networked Care commented that it was unlikely that this was the case. However, she undertook to clarify this.

Resolved: that the signing of AQP contracts for the adult hearing service for Berkshire (east and west), Oxfordshire, Buckinghamshire,

Southampton/Hants/Portsmouth, London Clusters and Bristol/Gloucester/North Somerset be approved.

165/12 CIP's Recovery Plan and Transformation Review

CIPs Recovery Plan

The Director of Finance submitted a report on the review undertaken of the 2012/13 CIP programme performance to date.

The Director of Finance explained that

- The Trust had targeted £12.5m of cost cips and £6.5m of income cips. The income cips had not been included in the budget.
- At the end of September £3.6m of cost cips had been delivered, which was £1.6m behind budget. Income cips achieved amounted to £2m.
- PwC had commented that there was a low probability of converting red rated cips to green or to accelerate delivery of most of the cips
- A cips recovery plan had identified £1.8m of savings over and above the Project Management Office assessment in September of £9.2m. Further cips were being developed

The Director of Finance advised that PwC had been commissioned to undertake a review of the cips programme. PwC had identified a number of reasons for the non-delivery of cips. These included the depth and quality of project documentation, a lack of a robust analysis underpinning the original savings targets, cips being dependent on factors outside the control of the Trust, lack of clarity regarding responsibility for delivering a cip, lack of Care Group responsibility towards central cips and Executive accountability not being spread efficiently with three Executives being accountable for 72% of cips.

The Director of Finance set out the areas of further opportunity in respect of non-pay and headcount benchmarking. The Director of Finance also drew attention to the analysis undertaken by PwC of the current cips projects and those adopted by other trusts.

The Chief Executive advised that a quality impact assessment would be undertaken of the cips recovery programme.

Clarification was sought with regard to responsibility for overall delivery of the cips recovery programme. The Chief Executive advised that he had overall responsibility through the QIPP Programme Board.

Resolved: that the report be noted.

Transformation Programme 2012/13 to 2014/15

The interim Medical Director presented a draft transformation programme for the Trust.

The interim Medical Director set out the need for change, the strategy map, implementing transformational change, examples of strategic imperative and how they would be

implemented and the next steps for the programme. The interim Medical Director explained that the first stage in the programme was a diagnostic phase.

In welcoming the approach, the Board commented that what was proposed looked more like a 'continuous improvement' rather than 'transformational' programme. The Board also emphasised the importance of presenting the programme to staff in discrete components rather than an overall approach. This would support engagement and understanding.

Resolved: that the programme be endorsed and that the commencement of the diagnostic phase be approved.

166/12 Monitor Quarterly Submission

The Director of Finance, Director of Corporate Affairs & Secretary and the Commercial Director submitted a report in respect of the quarter 2 return to Monitor.

The Director of Finance explained that the Compliance Framework required the submission of a quarterly financial and governance combined return, comprising a number of declarations.

In respect of the Declaration of Performance against Healthcare Targets, the Board noted that the Trust had failed to achieve the targets in respect of the cancer two week from referral to first seen for all urgent cancers and the A&E four hour wait target. This would result in an amber-green Governance Risk Rating, compared to the annual plan assessment of green. The Board noted that in the case of the former, Monitor could apply a red override rating if the target was not achieved in quarter 3. In respect of the A&E target, a red override could be applied if the Trust failed to achieve the target in any of the next three quarters.

The Board noted that the Finance Declaration would result in a Financial Risk Rating of 3 to the Trust.

The Director of Finance advised that the quarterly return required the Board to certify confirmed or not confirmed in respect of three statements

- That the Board anticipated the Trust would maintain a financial risk rating of at least 3 over the next 12 months
- That the Board is satisfied that plans in place are sufficient to ensure: ongoing compliance with all existing targets (after the application of thresholds); and a commitment to comply with all known targets going forwards
- The Board confirms that there are no matters arising in the quarter requiring an exception report to Monitor which have not already been reported

The Director of Finance recommended that the Board should confirm the finance statement on the basis of the forecast for the remainder of the current financial year and the annual plan position for the first two quarters of 2013/14. However, two key dependencies in 2013/14 would need to be recognised; the ability of commissioners to fund the Trust at the

income level anticipated in the plan and the success in delivering the recurrent elements of the 2012/13 cips.

In respect of the governance statement, the Board noted that the most significant risk was the achievement of the A&E four hour wait target. The Trust was facing a significant challenge from the rate of emergency admissions, which were 6% above the same period last year, and the substantial number of beds occupied by patients medically fit to leave the Trust. The Board took assurance from the discussion earlier in the meeting about the action being taken within A&E, across the Trust and in the wider health economy. On the basis of these actions and the degree of confidence in their anticipated success, the Board considered it appropriate to confirm the governance statement. The Chief Executive confirmed that the covering letter submitted with the return would explain the risks faced by the Trust and the action being taken to enable the Trust to meet this target.

With regard to exception reporting, the Board was recommended to confirm this on the basis of there being no material issues requiring exception reporting.

Resolved: that

- (a) the Chief Executive and Director of Finance be authorised to sign the quarter 2 Monitor return**
- (b) Confirmation of the statement be given that the Board anticipated that the Trust would maintain a financial risk rating of at least 3 over the next 12 months be approved**
- (c) Confirmation of the statement be given that the Board was satisfied that plans in place are sufficient to ensure: ongoing compliance with all existing targets (after the application of thresholds); and a commitment to comply with all known targets going forwards.**
- (d) Confirmation of the statement be given that the Board confirms that there are no matters arising in the quarter requiring an exception report to Monitor which have not already been reported**
- (e) The submission of the full return to Monitor be approved**

167/12 Open Board Meetings

The Director of Corporate Affairs & Secretary submitted a report setting out a request made at the Council of Governors that the Board hold its meetings in public, in advance of the requirements in the Health and Social Care Act 2012.

The Board noted that similar requests had been made in the past by Governors. However, the Board had decided to hold its meetings in private.

The Board noted that the provision requiring foundation trust boards to meet in public would probably be implemented by the Secretary of State in April 2013. The Board considered

that it would be appropriate to commence holding meetings in public when the provisions of the Act were implemented

Resolved: that the Board commence meeting in public when the terms of the Health and Social Care Act 2012 are enacted.

168/12 Minutes of Meetings

The Board received the draft minutes of the following meetings

Council of Governors	27 September 2012
Joint Board/Council Workshop	16 October 2012

The Chairman drew attention to significant issues discussed at the meetings.

Resolved: that the minutes be received.

169/12 Information Items

The Board received, for information, the following reports

- Legislative amendments to the Trust Constitution
- Half year annual plan review
- Board agenda plan

The Board noted that implementation orders had been made in respect of some aspects of the Health and Social Care Act 2012, and that this required changes to the Trust Constitution. The Board noted that the amendments required to the Constitution would be submitted to the Annual members Meeting in November.

In respect of the half year annual plan review, the Board commented on the need for the content and tone to be consistent with the reports in respect of the integrated board report and the Monitor quarterly return. The Commercial Director undertook to revised and reissue the report to the Board.

Resolved: that the Commercial Director update and reissue to the Board the half year annual plan review.

170/12 Date of Next Meeting

Resolved: that the next meeting be held at 9am on 29 November 2012.

171/12 Exclusion of Governors, the Press and Public

The Board noted that, had the meeting been in public, Governors, the press and public would have been excluded at this stage given the exempt nature of the remaining business, as defined by the Freedom of Information Act. The Governors present left the meeting at this stage.

172/12 Monitor Annual Plan Review

[Section 43, Freedom of Information Act]

The Chief Executive advised that the reports from Monitor were still awaited.

Resolved: that the report be noted.

173/12 Quality and Safety Report Exempt Appendix

[Section 40, Freedom of Information Act]

The Board received a confidential appendix setting out details of serious incidents reported in September.

There had been three serious incidents reported in the month. The Board noted the details of each.

The Board noted the schedule of open serious incidents as at 30 September 2012.

Resolved: that the report be noted.

Chairman

Date 29 November 2012

Board Schedule of Matters Arising

Agenda Item 3

Board Date	Board Minute	Subject	Decision	Owner	Update
30 October	156/12	Chief Exec's report – shaping the future response	Identified as a possible topic for Board workshop in December.	Ian Stoneham	The “Shaping the Future” consultation document was published mid October, following pre consultation. It identified two principal landlord roles at RBBC. 1) Urgent care centre – to be transferred from Heatherwood and 2) an out of hours service. The Commercial Director proposes that the December away day is briefed on updates to the strategy, announced by east Berkshire, and assesses the need for any further feedback required.
30 October	156/12	Chief Exec's report – IBP	The Chief Executive commented that the Board might wish to establish a sub-group to take forward delivery of the IBP.	Keith Eales / Ian Stoneham	See report elsewhere on this agenda.
30 October	156/12	Chief Exec's report – IT incident	The Commercial Director distribute an urgent note to Board Directors to provide reassurance that this failure of the IT system was fully understood and that there would not be a repeat of this particular failure The Commercial Director distribute information on	Ian Stoneham	Responses currently being drafted by Commercial Director and Head of Informatics

Board Schedule of Matters Arising

Agenda Item 3

			the implementation of the internal audit report on IT and the network resilience report.		
30 October	157/12	IPR – 2 week cancer wait times	The Care Group Director, Planned Care give consideration to the further action necessary to ensure the achievement of the two week wait for suspected cancer target.	Peter Malone	The 2ww target was hit in October.
30 October	158/12	Q&S report – quality governance group	A Quality Governance Group be established to oversee, as part of its role, the preparation of the annual quality accounts	Keith Eales / Alistair Flowerdew	See report elsewhere on this agenda.
30 October	158/12	Q&S report – safety thermometer	The interim Medical Director set out the performance against the Trust in respect of the NHS Safety Thermometer. The Board asked that future reports set out, as a comparator, what was considered to be the best performance levels nationally.	Alistair Flowerdew	This is work in progress – the national database does not currently allow for benchmarking data to be extracted.
30 October	158/12	Q&S report – Dr Foster guide	The Dr Foster guide to be sent to the Board when published.	Alistair Flowerdew	The guide will be published on 3/12/12 and distributed thereafter.
30 October	158/12	Q&S report – Quality Governance Group	A quality governance group be established.	Keith Eales	See report elsewhere on this agenda.
30 October	160/12	Financial forecast – capital expenditure	The Executive be strongly recommended to place a moratorium on capital expenditure, with the exception of statutory compliance work, for the remainder of the financial year subject to an analysis of the implications	Craig Anderson	The Capital Investment group have reviewed capital expenditure phasing for the 3 rd and 4 th quarter and agreed that all non critical, non contractual or non statutory expenditure will be deferred as much as possible. Key to what capital expenditure will be incurred will be concluding the

Board Schedule of Matters Arising**Agenda Item 3**

					negotiations with CSC
30 October	162/12	Pathology Transformation	A full business case to be considered at the January Board	Ian Stoneham/ Lindsey Barker	Scheduled for January Board.
30 October	164/12	Audiology contract changes	Clarification was sought with regard to the involvement by Trust staff in bids being prepared by competitors. The Care Group Director, Networked Care commented that it was unlikely that this was the case. However, she undertook to clarify this.	Lindsay Barker	No Trust staff have been involved in other AQP bids
30 October	169/12	Information items – half year review	The Board commented on the need for the content and tone to be consistent with the reports in respect of the integrated board report and the Monitor quarterly return. The Commercial Director undertook to revised and reissue the report to the Board.	Ian Stoneham	Completed

Board Schedule of Outstanding Decisions

Agenda Item 4

Board Date	Board Minute Ref	Subject	Decision	Owner	Report Due
November 2011	162/11	East Berkshire – collaborative approach	The Chief Executive advised that he had agreed to work with the Chief Executives of Heatherwood & Wexham and Frimley Park to assess the feasibility of making a collaborative response to the commissioning intentions of the Ascot and Bracknell clinical commissioning group. He would submit the case to the January 2012 Board for review.	Ed Donald (Ian Stoneham)	See Bracknell Business case report on this agenda. Complete
November 2011	167/11	Real Estate Strategy (RES)	Final strategy to be submitted in February 2012	Philip Holmes	Real estate strategy awaiting the clinical strategy and IBP.
June 2012	111/12	Bracknell Clinic Update	The Chief Executive commented that it would be appropriate for the Board to meet the Board of Frimley Park and for a similar meeting to take place at Executive level to discuss joint working	Ed Donald (Ian Stoneham)	Chairman and Chief Executive meeting has taken place The joint venture approach mooted in respect of RBBC has been overtaken by events
July 2012	118/12	East Berkshire collaboration business case	A business case setting out the partnership approach and the financial implications for the Trust would be submitted to the September Board meeting.	Ian Stoneham	See Bracknell Business case report on this agenda.
July 2012	118/12	West Berkshire Utilisation	The Chief Executive advised that a working group had been established to develop the use facilities at the West Berkshire Community Hospital (WBCH). A report on progress would be submitted to the Board in the autumn.	Peter Malone	Paper to be drafted for January Board

Governors of Governors

Title: Overseas Patient Income

Date: 29 November 2012

Lead: Craig Anderson

Purpose: This paper has been prepared in response to a request for information on the identification of entitlement to NHS treatment by overseas patients

Key Points:

- The process followed by the Trust in relation to overseas patients can be found in Appendix 1.
- Details of the total amounts invoiced during 2010/11, 2011/12 and 2012/13 (to the 31 October 2012) is given below

FOI Status This report will be made available on request

1 Background

1.1 The Trust undertakes a process to identify if an overseas patient is not ordinarily resident in the UK and if they are exempt, or not, from treatment charges. In the event that an overseas patient is not entitled to treatment under the NHS the Trust invoices the patient to recover the associated treatment costs.

2 Overseas patient entitlement status

2.1 The process followed by the Trust to ensure treatment entitlement is correct is shown in Appendix 1.

3 Overseas patient invoicing

3.1 If it is determined that a patient is not entitled to NHS treatment the patient is invoiced. The full process of invoicing and debt collection is also shown in Appendix 1.

- 3.2 The total amount invoiced to overseas patients and the amount written off by the Trust during 2010/11, 2011/12 and 2012/13 (to the 31 October 2012) was as follows:

Financial Year	Total amount invoiced	Total amount written off
2010/11	£172k	£84k
2011/12	£282k	£40k
2012/13 (at 31 Oct 12)	£194k	Nil

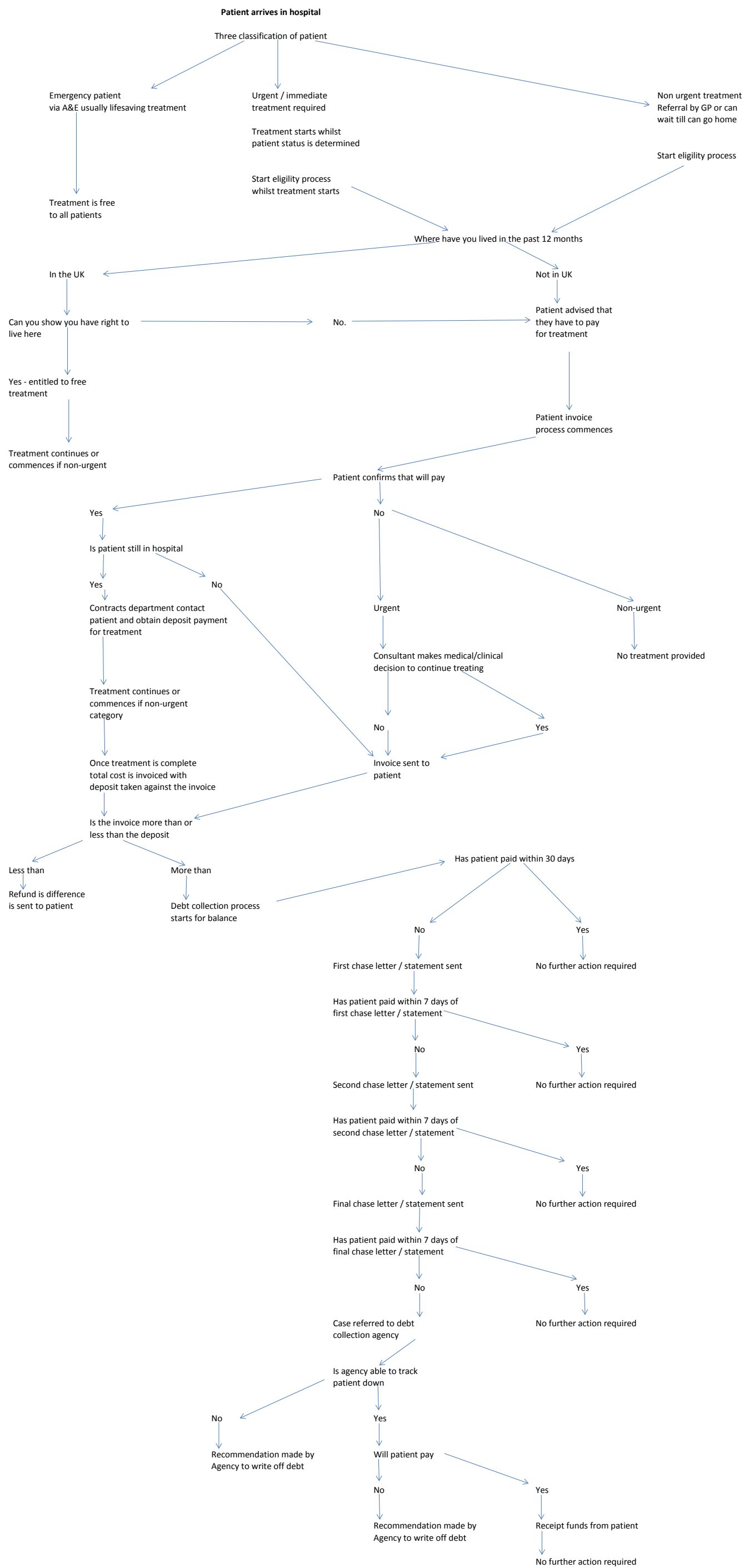
- 3.3 The total amount of overseas debt outstanding as at 31 October 2012 was £352k of which £242k is older than 90 days.

4 Attachments

- 4.1 The following are attached to this report:
- (a) Appendix 1 – Overseas patient process

5 Contact

Contact: Craig Anderson, Director of Finance
Phone: 0118 322 8833



Board of Directors

Title: Chief Executive's Report

Date: 29 November 2012

Lead: Ed Donald

Purpose: To report on the key issues and action being taken to deliver the Trust's strategic objectives, governance and financial risk ratings in support of the Trusts vision to deliver the best healthcare in the UK for patients in our community.

Key Points:

- **Strategic issues** – the coalition government has set out its priorities to the NHS commissioning board in the form of a mandate. The Trust's performance compared to the mandate priorities will be reported in the Integrated Performance Report going forwards. The Annual Plan stage 2 draft reports have been received from PWC on behalf of Monitor. Action has already been taken with regard to the financial stability recommendations. There is room for improvement with regard to the quality governance recommendations, to ensure the Trust is operating on the basis of best practice rather than custom and practice.
- **Strategic investments** – the final options for the Royal Berkshire Bracknell Clinic (RBBC) are the subject of a separate report to the Board. A review of the Cerner Millenium and CSC costs will be the subject of a discussion following the Board meeting to discuss options and agree the way forward.
- **Governance issues** – the forecast governance rating is on track to achieve a minimum of amber green in Q3 following improved performance of the 4 hour A&E standard. Delayed discharges are increasing and represent a significant risk to delivery of this target. The EPR stabilisation plan has been approved by the executive, to mitigate the risks to the operational and financial performance of the Trust.
- **Financial issues** – a FRR of 2.6 was achieved in month which rounds up to a FRR of 3. The key issue relates to the Trusts ability to accurately capture activity and income following implementation of Cerner Millenium. The Trust is also facing significant cost pressures in this area due to a significant increase in data correction and extra time required for patient administration. In addition, over 70 patients medically fit for discharge (equivalent to 3 wards) remain in a hospital bed due to lack of health and social care community capacity. There has also been a 6% increase in emergency admissions which is being reimbursed at 30% of tariff, resulting in the loss of £1.6m income year to date. The Trust continues to seek transitional support for cost pressures outside of its control.

Decision required: The Board is asked to NOTE the report.

FOI Status This report will be made available on request

1.0 Context

- 1.1 The Trust is facing significant operational and financial pressures as a result of 5 key issues: impact of Cerner Millennium implementation and stabilisation on accurate capture of activity and performance data; 2,500 un-coded episodes of care that need to be coded to ensure payment, 6% increase in emergency admissions; 70 patients medically fit for discharge, reduced theatre capacity due to the extended closure of 2 gynaecology theatres for safety repairs.
- 1.2 These issues have combined to reduce reported activity and income, which is the key reason for the Trust being £800k behind its revised break-even forecast for the year at the end of month 7. The Trust is working with Berkshire west to seek extensions for activity freeze dates to provide the time needed to ensure the activity position is accurately counted and coded to mitigate the risk of under-reporting, which would result in a loss of income. This work is being led by the Finance and Commercial Directors.
- 1.3 The Trust is continuing to discuss the need for transitional support with Berkshire West PCT. This is to mitigate the additional costs associated with high levels of patients medically fit for discharge and the significant increase in emergency admissions, which the Trust has no control over.
- 1.4 Despite these challenges, performance has improved further in month 7, with improvements in the 4 hour A&E and 2 week suspected cancer targets. The forecast is that each of these standards will be met in Q3 based on further improvements to performance in November.

2.0 Strategic issues

- 2.1 The first Mandate between the Government and the NHS Commissioning Board, setting out the ambitions for the health service for the next two years, was published during November.
 - 2.1.1 The Mandate reaffirms the Government's commitment to an NHS that remains comprehensive and universal – available to all, based on clinical need and not ability to pay – and that is able to meet patients' needs and expectations now and in the future.
 - 2.1.2 The NHS Mandate is structured around five key areas where the Government expects the NHS Commissioning Board to make improvements:
 - preventing people from dying prematurely
 - enhancing quality of life for people with long-term conditions
 - helping people to recover from episodes of ill health or following injury
 - ensuring that people have a positive experience of care
 - treating and caring for people in a safe environment and protecting them from avoidable harm.

- 2.1.3 The Integrated Performance Report will be updated to track the Trusts performance in these areas, where it is possible to monitor this.
- 2.2 The final draft Annual Plan stage 2 reviews for financial stability and quality governance has been circulated to Board members. The executive has drafted a response to the recommendations for the Board to consider. The Board is asked to discuss the executive's response and collectively agree its position to the recommendations made by Monitor.
- 2.2.1 It is expected that members of the Trust Board will be invited to meet with Monitor in the next 2 months to discuss the recommendations and action taken, once the final reports are issued.

3.0 Strategic investments

- 3.1 The Trust has a high cost of assets in relation to income, compared to peers. The focus of the executive has been to reduce these costs or improve income in 3 key areas: RBBC, Cerner Millenium and CSC, property surplus to requirements.
- 3.2 Good progress has been made with the Berkshire cluster PCTs for the Royal Berkshire Bracknell Clinic to become the Healthspace, based on a rental model with multiple providers operating from Brants Bridge. The executive has developed further options along with a financial appraisal for the Board to consider. This is the subject of a separate report to the Board.
- 3.3 Contract re-negotiations have now concluded with Cerner and CSC to achieve better value for money with regard these investments. A review of the costs and benefits associated with Cerner Millenium and CSC is the subject of a separate briefing following the Board meeting. The briefing includes options for the Board to consider when agreeing the best way forward.
- 3.4 The asset disposal programme has been taken forward by the executive with regards the sale of the remainder of the Battle site and some Craven Road properties, which are surplus to the Trusts needs. An update is provided in a separate report to the Board. The remainder of the estate strategy will be informed by the clinical services strategy.

3. Governance issues

- 3.1 Given the challenging operating environment described in section 1 above, the Trust has made good progress in all areas of performance.
- 3.2 The integrated performance report sets out the key issues in relation to the Trusts governance rating. The Trusts performance has improved in October, and the forecast for Q3 remains green/amber. The key risk to delivery of this forecast is the Trusts ability to sustain the improved A&E performance, given the increasing numbers of patients delayed in their discharge home.
- 3.3 The Cerner Millenium stabilisation plan has been approved by the executive and is being implemented by the Cerner Millenium task group, led by the Commercial Director. The executive receives updates on a weekly basis regarding progress. The top 3 priorities to resolve are: upgrades to Bedview, Vital Signs and the A&E system; action to reduce the backlog of follow-up appointments and action to ensure the Trust is capturing all of its activity and therefore income.

- 3.4. The time taken to respond to complaints and the level of pressure ulcers and falls are key areas for improvement. The action being taken is set out in the Safety and Quality report.

4. Finance issues

- 4.1 The key factors contributing to the Trusts financial performance in month 7 are set out in section 1 above, which resulted in a deficit of £0.9m in month compared to budget. This is £0.8m behind the October forecast to deliver break-even by year end. The year to date deficit is £3.7m which is £5.6m behind budget, which planned to deliver a £3m surplus at year end.
- 4.2 The key issue versus the October forecast relates to the level of income achieved. There remains significant uncertainty about the level of activity and income being reported through Cerner Millennium. Weekly meetings are ongoing between Corporate directorates and Care Groups at a senior level, to understand and resolve these issues. This work is being led by the Commercial and Finance Directors.
- 4.3 Cash was £17.5m, £6.4m lower than forecast due to the adverse EBITDA variance and timing of working capital.
- 4.4 The Director of Finance's report sets out the position in greater detail, identifying the key issues and action being taken to achieve the target break-even position at year end.
- 4.5 The PCT have agreed to reinvest the readmissions penalty in full with the Trust, with a £0.6m benefit year to date and estimated £1m benefit full year. Discussions continue regarding transitional funding, the aim being to agree a position in principle with the PCT prior to end of month 8.

5. Trust News

- 5.1 The Trust received TV, radio and press coverage for the launch of the KISS project in A&E which encourages patients to record the cause of any accidents so that researchers can look for trends to be tackled to reduce the risk of future attendances for common conditions where preventive action can be taken.
- 5.2 The Trust led a local campaign across press and radio to encourage awareness of norovirus and the importance of hand washing in stopping its spread. It was also an opportunity to remind people not to visit the hospital within 48 hours of any diarrhoea or vomiting.
- 5.3 The Trust secured day long regional TV coverage for the new organ donation memorial in main reception. The story has also been covered by regional media across the country.
- 5.4 Project Search and the Elderly Cancer Care Service were broadcast on South Today and the One Show respectively, showcasing the Trusts pioneering work in these areas.

Contact: Ed Donald, Chief Executive.
Phone: 0118 322 7230

Board of Directors

Title: Integrated Performance Report (IPR)

Date: 29 November 2012

Lead: Ian Stoneham, Commercial Director

Purpose: This paper is to update the Board on key risks in performance, in terms of both Governance and Financial Risk Rating in relation to the standards set by our Commissioners, the CQC and Monitor. It sets out the key risks and the actions being taken to ensure achievement of all targets and the delivery of our four simple aims going forwards.

Key Points: **Governance** - the Government has set out its priorities to the NHS Commissioning Board in the form of a mandate and Trusts performance will be compared to the mandate priorities. These will be incorporated into this Integrated Performance Report going forwards.

A&E – this remains the key governance issue for the Trust which it did not achieve in October. However, performance has improved in November and the trust is back on track to achieve the required 95% in Q3. Delayed transfers of care are increasing and we continue to work with our external partners to ensure there will be sufficient capacity in the system over the winter period.

Cancer – all cancer targets are expected to be achieved in October, including the two week wait target, with the exception of 62 day target. This was due to the low volume of patients seen and the impact of one breach – the Monitor rules set out in the Compliance framework confirm that there is no latitude on this point.

18 weeks – all 18 weeks targets were met in October with the exception of the incomplete pathways target. This is due to data quality issues and the central team are currently validating some 4000 pathways. Permission has been granted for the Trust to re-submit the data on 29th November at which point the expectation is that we will achieve this target.

Financial Risk Rating (FRR) – FRR in Month 7 is maintained at 3, although this has been achieved by a small margin. The key issues are lower levels of activity which is driving down income and non delivery of CIPs. Further details of the financial position are contained within the IPR and in more detail in the Finance report.

Summary

The key risks to the Governance and Financial Risk Ratings are set out above and detailed within the IPR. Post validation the Trust expects to achieve all targets with the exception of A&E and 62 day cancer screening, and based on the improvement in

November, expects to achieve the A&E target in Quarter 3. On that basis we will maintain the current governance rating of Amber Green in Quarter 3.

Decision required: To note the contents of the report.

Freedom of Information (FOI) Status This paper will be released on request.

1 RECOMMENDATION

The Board is asked to note the risks and actions contained within this report

2 CONTACT

Ian Stoneham, Commercial Director (0118 322 8777)

Trust Board Integrated Performance Report November 2012

Reporting Period: October 2012 (Month 7)

Ian Stoneham – Commercial Director

Trust Board Integrated Performance Report

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2.	Monitor	(Commercial Director)	Page 4
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Executive Summary

Commercial Director

Governance

At the time of writing the cancer targets are still undergoing validation, however we expect all targets to be achieved in October with the exception of the 62 day target. This is due to the low volume of patients seen in the month and a breach in October has had a significant impact. Monitor guidance specifies that the target is not applicable in low volume specialties (less than 5 patients in a quarter). The Trust will see more than 5 patients in a quarter.

All 18 weeks targets have been achieved this month with the exception of incomplete pathways. This is a data quality issue and there are currently some 4000 pathway records to be validated. Permission has been granted for the Trust to re-submit its data post validation, the deadline for which is 29th November.

The key governance issue for the Trust remains the A&E 4 hour target which did not achieve the required target in October. However performance has improved since the beginning of November and the Trust is back on track to achieve 95% for Q3; changes to model of service, use of capacity in ED and CDU, focus on discharges across the wards and consistent senior leadership focus are planned during November to provide a more robust pathway. Work continues with our external partners to ensure there is an increase in capacity to support winter pressures. Bed reconfiguration is planned for 5th December with the major dependency being staffing levels across all wards to minimise risk.

The impact of implementation of Cerner Millennium continues to cause issues within outpatient services and management of patient flow across the organisation.

Changes to Bedview are required before the proposed timeline from Cerner; an option to revert to Bedman during winter is being considered.

Finance

The key financial aim for 2012/13 is to maintain our FRR of 3 through delivering at least a break even surplus (versus an original budget of £3.2m surplus) and maintaining a cash balance of £20m – however this requires management of capital spend to provide a buffer for further slippage in surplus.

Key factors, including the Trust's ability to accurately capture activity and income following the implementation of Cerner Millennium, the number of medically fit for discharge patients in the Trust and the increase in emergency admissions have contributed to the trust's financial performance in Month 7. This has resulted in a deficit of £900k in month compared to budget which is £800k adrift of the October forecast. The year to date deficit is £3.7m which is £5.6m behind budget.

The Finance report sets out the position in more detail, and the actions being taken to address the situation.

Monitor Governance Rating - Summary

Commercial Director

MONITOR Target or Indicator (per Compliance Framework 12/13)	Scoring	Target Q3	Q1	Q2	October (Current)	October (Forecast)
18 Weeks: admitted patients	1.0	90%	93.1%	90.9%	91.2%	91.2%
18 Weeks: non-admitted patients	1.0	95%	99.3%	98.6%	99.1%	99.1%
18 Weeks: patients on incomplete pathways monthly target (See Note*)	1.0	92%	92.3%	92.5%	89.0%	89.0%
A&E: 4hr Limit	1.0	95%	95.2%	94.6%	94.5%	94.5%
Meeting the C.Diff objective	1.0	19	7	5	1	1
Cancer 31 day wait: surgery	1.0	94%	98.4%	98.8%	94.4%	94.7%
Cancer 31 day wait: anti cancer drug treatments		98%	99.1%	100.0%	98.7%	98.7%
Cancer 31 day wait: radiotherapy		94%	94.4%	95.9%	95.7%	95.4%
Cancer 62 day wait: GP Referral	1.0	85%	85.2%	86.5%	81.3%	82.0%
Cancer 62 day wait: NHS cancer screening service		90%	87.2%	92.1%	66.7%	69.7%
Cancer 31 day wait: to first treatment	0.5	96%	96.9%	97.8%	95.7%	96.4%
Cancer 2 week wait: cancer suspected	0.5	93%	91.8%	89.9%	93.5%	94.8%
Cancer 2 week wait: breast patients		93%	93.1%	90.7%	92.7%	93.2%
Meeting the MRSA objective	1.0	0	0	0	0	0

Score

2.50

1.5

4

2

Indicative Governance risk rating

AMBER-RED	AMBER-GREEN	RED	AMBER-RED
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Note*: Performance across quarter 1 for the Incomplete Pathways target was 88% in April, 95% in May and 92% in June and the breach of this target in April has resulted in the service performance score being re-evaluated to 2.5 in Q1 and, therefore, Amber-Red.

At the time of writing, cancer performance is still undergoing validation. However, the expectation is that all targets will be met with the exception of the 62 day screening target, which has failed due to one breach and the small volume of patients seen. All 18 weeks targets have been achieved with the exception of the incomplete pathways target. This is a data quality issue and currently over 4000 records are being validated by the central team. Permission has been granted for the Trust to re-submit the data post validation on 29th November and the expectation is that the target will be achieved. The in month rating for October is therefore likely to be Amber-Red. With the exception of the incomplete pathways target (which is measured monthly) all other targets are measured quarterly. Assuming A&E continues to improve and performance in the other targets is held, then the expectation is that we will achieve an Amber-Green rating as a minimum at the end of Quarter 3.

Care Quality Commission (CQC)

Medical Director

Inspections

The final report of the Dignity & Nutrition Inspection for Older People carried out on 14th August 2012 at the Royal Berkshire Hospital was received by the Trust on 15th October 2012.

There were no changes from the draft report which found the Trust to be compliant with the five Outcomes reviewed.

The action plan addressing minor points within the report has been compiled and sent to the CQC on 24th October 2012.

The actions are due for completion by 31st January 2013.

Quality & Risk Profile (QRP)

Within the 31st October 2012 QPR, there continues to be no red or amber Outcome level risks and the risk rating has improved from the previous QPR as a result of outcome 5, Nutrition changing from low yellow to high green following the positive Dignity and Nutrition Inspection.

Since 1st April 2012, there have been no red or amber risks at Outcome level and the month on month risk profile has remained the same for 10 of the Outcomes and improved for 6 of the Outcomes.

There are 9 low yellow, 2 high yellow, 4 high green and 1 low green Outcome level risks in the October QPR.

In response to the Trust's request for the CQC to remove its 2010/11 inspection data from the QPR, it has said that it retains inspection data items as risk estimates for two years from the date of inspection, with the risk weightings being reduced due to age and due to the addition of more recent inspections.

Financial Risk Rating

Finance Director

Monitor Equivalent Risk Rating

Criteria	Metrics	Actual
Achievement of Plan	EBITDA achieved (Actual as % of plan)	3
Underlying Performance	EBITDA margin (EBITDA as % of income).	3
Financial Efficiency	Return on assets excluding dividend (surplus as a % of average assets employed); I&E surplus margin net of dividend (surplus as a % of income).	2
Liquidity	Liquidity ratio (days)	3

Rating after overriding rules	2.6
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Over-riding rules - Monitor
One financial criteria scored at 1 or 2 - max 2 or 3 respectively
Two financial criteria scored 1 or 2 - max 1 or 2 respectively
PDC dividend not paid in full - max 2

Summary

The key financial aim for 2012/13 is to maintain our FRR of 3 through:

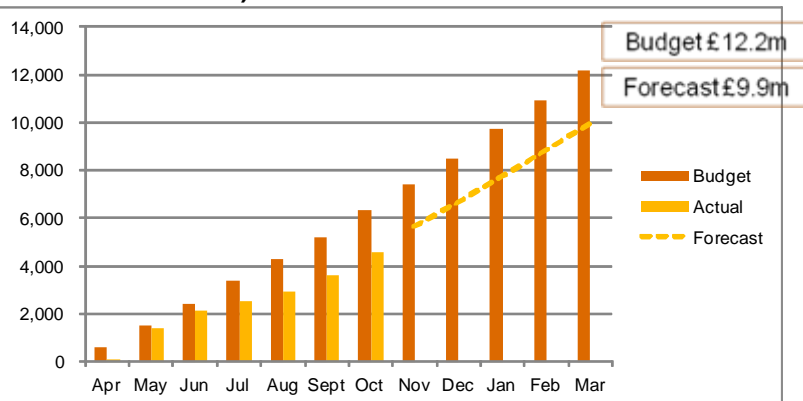
Delivering at least a break even surplus (versus an original budget of £3.2msurplus)

Maintaining cash balance of £20m – requires management of capital spend to provide buffer for further slippage in surplus

The year to date deficit is £3.7m which is £5.6m behind budget
FRR of 3 maintained but only by the smallest of margins
Greatest risk to maintaining FRR of 3 in H2 is level of activity and income, ongoing EPR spend, non-delivery of CIPS, and E&F costs.

Key opportunities are ; income CIPs, and transitional funding from the PCT

CIP Actual versus budget phasing (excluding new cost/income CIPS)

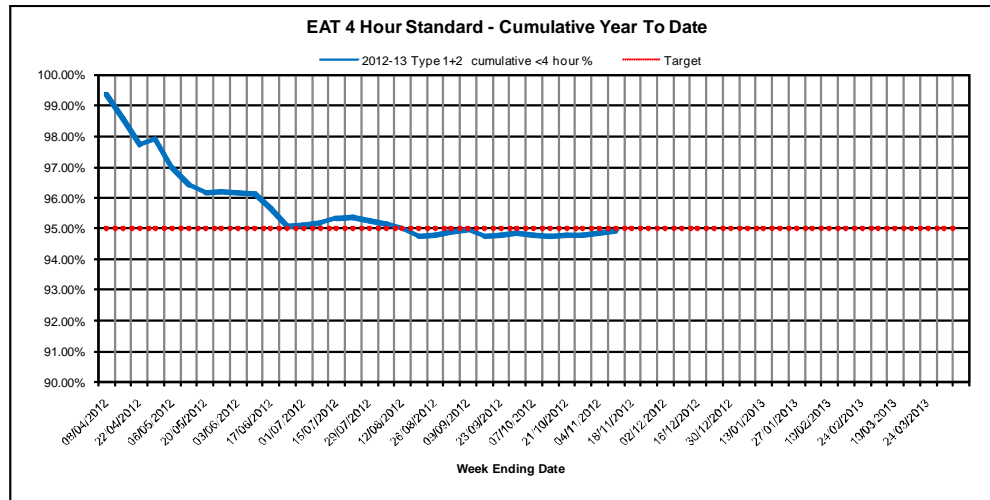


Area of Review	Key Highlights	Month Rating	Projected Year End Rating
FRR	October YTD FRR 2.6 which rounds to a 3 for Monitor reporting		
Financial Position	YTD deficit of £(3.7)m vs budget surplus +£1.9m driven by variances in income and expenditure below.		
Activity/Income	YTD income of £187.9m, +£2.6m vs Budget with £1.9m of higher drugs income (offset by £1.6m of higher drugs cost), £2.6m of incremental PCT funding, £1.0m settlement from prior year, some £2.1m of income CIPs, and other income some £0.6m better than budget, all being offset by £2.2m of contract penalties and underlying some activity £3.4m behind budget.		
Expenditure	YTD expenditure of £191.6m, £(8.2)m adverse vs Budget with pay £1.5m above budget (par offset by incremental PCT funding, drugs £1.6m above budget (offset by incremental income), CIPs £1.8m below budget, EPR costs £1m above budget and estates some £0.5m above budget.		
EBITDA	YTD 5.3% vs Budget 8.2% (£5.2m adverse variance)		
Cash	Cash of £17.5m, vs Budget of £25.0m driven by lower EBITDA and higher capex		
Capital	YTD expenditure of £8.4m vs Budget of £8.9m driven by EPR		
CIPs	YTD delivery £4.5m , £(1.8)m behind plan		

A&E Quality Indicators

Director Urgent Care

	Target	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	YTD
A&E attendances - All	N/A	6,811	,7683	7,454	7,422	7,158	7,343	7,871	51,742
Seen within 4 hours - RBH site Type 1 only	95%	97.54%	94.0%	91.6%	95.1%	92.7%	93.8%	93.8%	94.0%
Seen within 4 hours - RBH site Type 1 & 2 only	95%	97.9%	94.9%	92.7%	95.7%	93.6%	94.6%	94.5%	94.8%
Unplanned re-attendance rate	<5%	2.3%	1.9%	2.2%	2.2%	2.7%	2.3%	2.0%	2.2%
Total time spent in A&E (95th percentile)	<4 hours	239	239	239	239	239	239	239	239
Left department without being seen	<5%	3.1%	4.2%	3.4%	3.7%	4.2%	3.6%	2.4%	3.5%
Time to initial assessment (95th percentile)	<15 mins	0	0	0	0	0	0	0	0
Time to treatment in department (median)	<60 mins	66	75	77	64	58	62	55	65
Ambulance handover (emergency) H15 Compliance	<=15 mins	56.9%	58.2%	56.7%	63.2%	62.8%	71.2%	61.75%	58.77%



Context

- NEL activity has been 6.7% above same period last year (April – Oct)
- Number of patients 'medically fit' to leave the Trust have remained above 55 during October
- October saw the highest number of attendances this year

Performance – as at 11.11.12

- Strong performance on the EAT 4 hr standard from the beginning of November has improved the Q3 position to 95.34% and YTD position has also improved - now at 94.93%
- Daily performance needs to be 96% to achieve standard for the year
- The median time to treatment quality indicator was achieved for this month at 55mins due to minor injury unit and Consultant triage

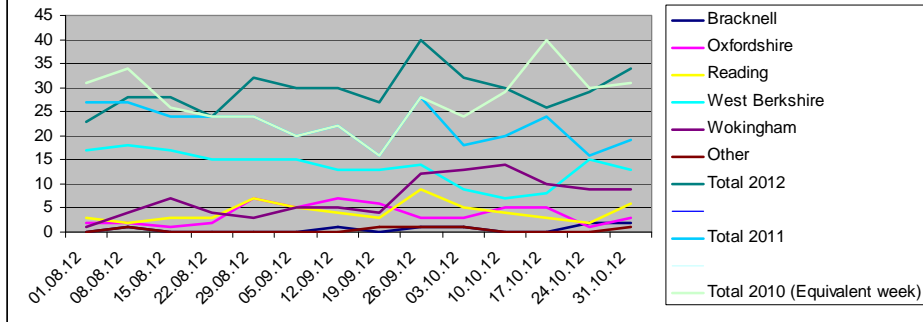
Actions

- Changes to medical 'triage' and management of GP referrals into ED from 19.11.12
- Review of observation area and use of all suitable facilities
- Convert triage bays in CDU
- Redefine pathways for trauma and emergency surgical patients
- Review of senior manager on-call role and rota
- 7 day working
- Bed Reconfiguration to 'go live' on 05.12.12
- Hurley to be fully opened
- Agreement reached with Commissioners to fund 10 nursing home beds through until March 2012.
- Additional 25 bed spaces identified within RBFT.
- Trigger levels being developed to inform when to escalate
- Work continues with partners to increase community and LA capacity to support winter pressures.

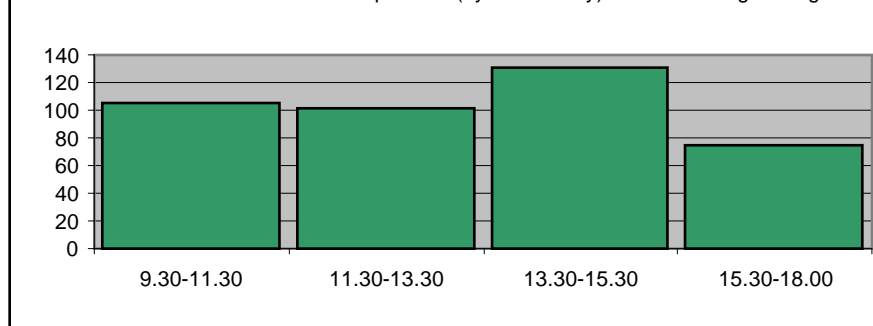
Delayed Transfers of Care

Director of Nursing

DTOC August-October 2010.2011.2012



Volume of patients (by time of day) in the discharge lounge



Admission Avoidance

During October the team assessed 290 people over the age of 65 in CDU and admission avoidance was achieved for 85 of them (29%).

16 people were sent out to community hospitals, 3 went out with Rapid response schemes and others were supported by packages of care by families.

Discharge Lounge

453 people went through the discharge lounge. 71% of people were identified as suitable. Reasons for patients not arriving included clinical delay as well as transport arriving before the patient could come down.

We will be increasing the proportion of patients coming to discharge lounge early in the day & will speed up identification of patients for community hospitals on or before date of discharge

The new transport system for discharge is working effectively and there is capacity to take more patients out of hospital from 10am. The challenge is to identify patients who are ready from this time.

Initiatives

Investment by BWPCT to support additional winter capacity:

- 10 nursing home beds funded
- Additional transport capacity, including uplift in contract with Red Cross to support ED and CDU
- Increase in capacity in Wokingham Intermediate Care Services
- Extension of opening times to Single Point of Access & Rapid Reablement Team
- 15 additional community beds (Wokingham & Oakwood)

18 Weeks Targets

Director Planned Care

Planned Care - 18 Weeks Performance – October 2012

Specialty	Admitted		Non Admitted		Incompletes
	Q1	Q2	Q1	Q2	Sept 12
General Surgery	87.4%	93.2%	99.6%	98.9%	90.8%
Urology	94.7%	90.8%	99.2%	97.7%	86.1%
T&O	91.7%	91.0%	99.4%	98.4%	93.4%
ENT	97.2%	96.4%	98.6%	97.3%	96.4%
Ophthalmology	91.3%	84.6%	99.4%	98.5%	93.6%
Oral Surgery	87.4%	85.2%	96.7%	91.7%	87.7%
Plastic Surgery	100%	97.9%	97.7%	100%	100%
Gastroenterology	95.6%	99.2%	99.2%	97.9%	94.0%
Gynaecology	97.7%	94.0%	99.7%	99.2%	90.7%
Trust Total	92.9%	90.8%	99.3%	98.6%	92.7%
B.W Total	92.0%	90.0%	99.3%	98.5%	92.5%

Context

All 18 week targets in October have been achieved with the exception of the target for incomplete pathways which is a data quality issue. Permission has been granted for the Trust to re submit figures once validation has been completed by the end of this month.

Oral surgery remedial action plan in place and on target for delivery by end Dec 2012, as agreed with the PCT.

The Admitted Urology & Plastics Incomplete remedial 18 week action plans have been closed by the commissioners.

Action

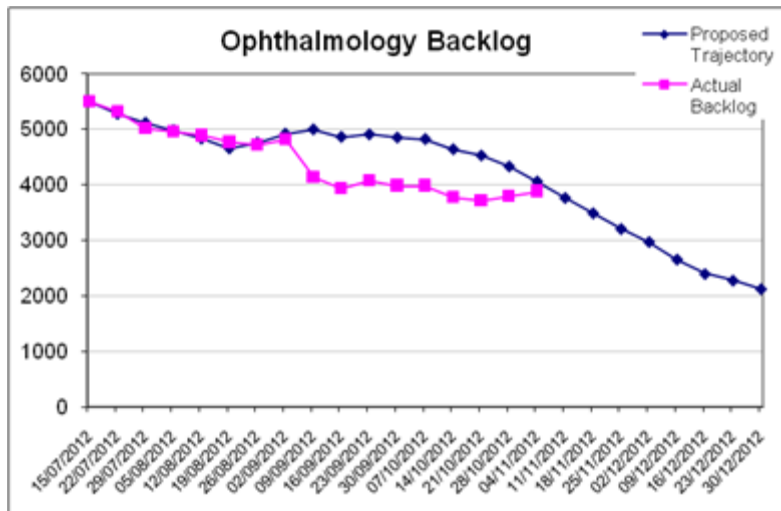
Incomplete pathways require significant validation from the central data quality team . 4000 pathways require validation.

Graph 1 – Ophthalmology Backlog

Our trajectory has started to climb though we are still ahead of plan.

Key issues:

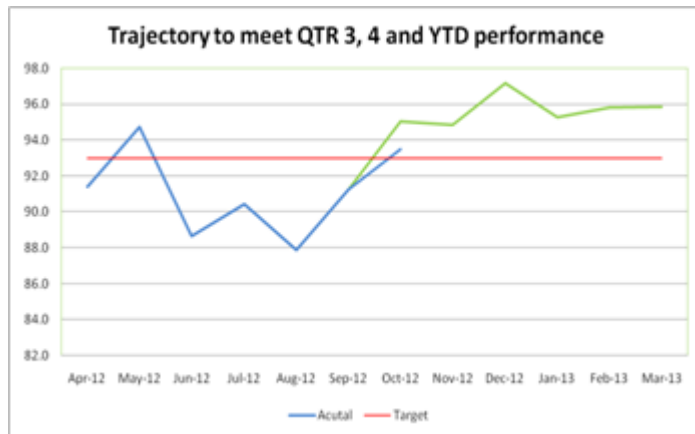
1. Loss of booking capacity due to EPR failure two weeks ago and Saturday clinic lost. The connection issue was at Windsor and the system was down there for 3 days, including Saturday. Capacity is being used for patients cancelled during that time.
2. Identifying enough extra clinic capacity to book patients.
3. Extra validation - some patients are appearing on the list 2-3 times when in fact they have been seen. Three days work is required to clean the list. Revalidating list again (expected 200 to be removed).
4. Saturday clinics are booked throughout Dec. Clinics to reduce waiting list at RBH are being booked.



Cancer Targets

Director Planned Care

	Target	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	YTD
	Trust						Trust
Two Week Wait	93%	88.8%	90.5%	88.3%	91.0%	93.5%	90.8%
2 week wait breast symptom	93%	84.0%	94.9%	87.1%	90.2%	92.7%	93.2%
31 day 1st treated	96%	96.9%	97.9%	97.8%	97.1%	95.7%	97.6%
31 day Chemo.	98%	100%	100%	100%	100%	98.7%	99.5%
31 day Surgery	94%	88%	100%	100%	96.3%	94.4%	97.0%
31 day Radiotherapy	94%	100.0%	92.9%	96.1%	96.5%	95.7%	94.8%
Other	94%	100%	100%	100%	100%	100%	100.0%
62 day (2ww)	85%	83.3%	85.5%	86.8%	85.1%	80.8%	85.9%
62 day screening	90%	82.6%	94.1%	90.9%	90.9%	66.7%	90.8%
62 day upgrade	Not pub	100%	100%	100%	No Treatment	100%	84.6%



Graph 1 - 2WW Performance

Context

October's numbers are currently not validated however the expectation is that all targets will be achieved with the exception of the 62 day screening service. There has been one breach and this has impacted on the small volume of patients seen.

Skin remains a significant pressure after the resignation of a consultant in April this year.

October has seen huge increase in the number of referrals, particularly for Breast

The Commissioners have closed the action plans for 31 day & 62 day first definite treatment

cancer targets as we have achieved the target for 3 successive months

Actions

2WW remedial action plan continues:

Dermatology - A 6 month locum will be recruited into (anticipate Dec 12) whilst recruitment of a substantive consultant goes ahead. The Minor Op Nurse resource has increased by 0.5WTE to help manage demand.

Respiratory – 0.5WTE locum consultant has been recruited but will now be covering unforeseen long term sickness.

Breast - A business case for a breast surgery fellow is being written to improve capacity to meet the high demand (anticipate Feb 13 recruitment). Approx. 60 2WW patients have been sent to Dunedin Booking rules for 2WW patients are being revised

Endoscopy - The locum Consultant has been appointed – start date 1/12/12. Fellow has been approved by the Care Group Board. The appointments will be made in line with the planned re-opening of the endoscopy suite at WBCH mid November. This will provide an additional 30 to 25 colonoscopies per week (majority for suspected cancer). Additional endoscopy lists are running on every Thursday through October providing an additional 20 endoscopies.

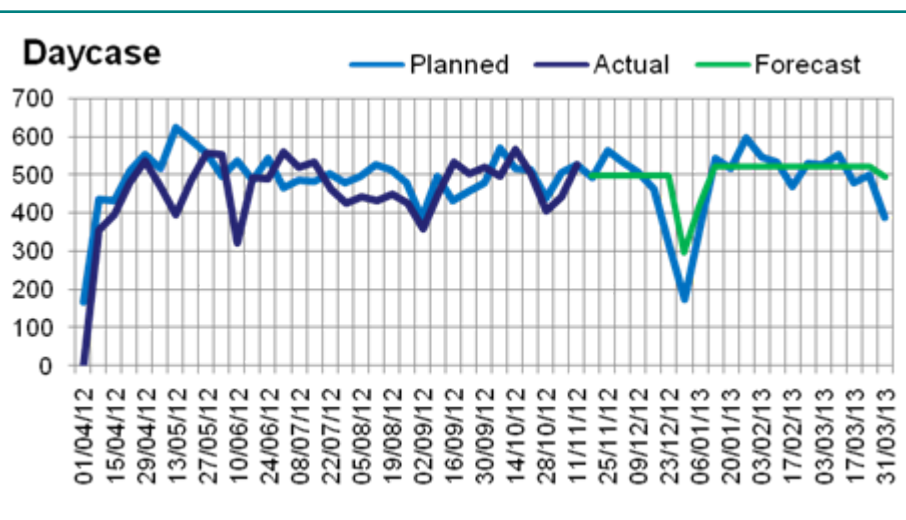
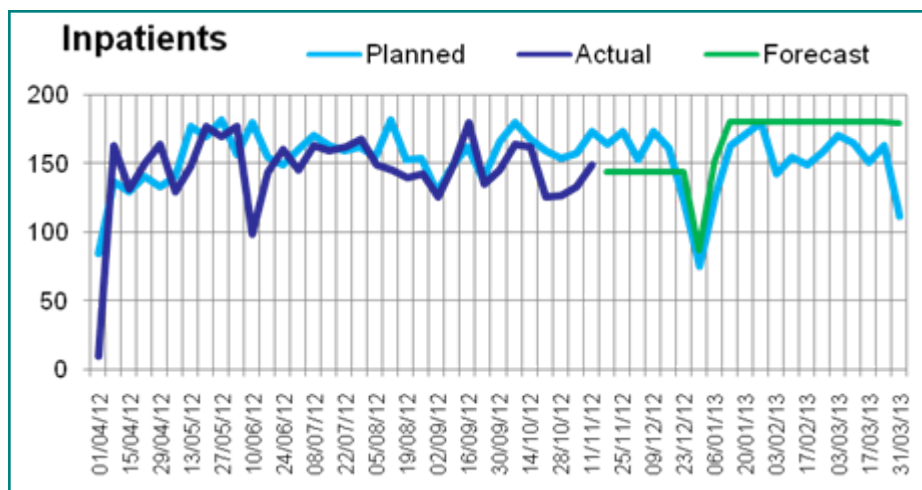
Gastroenterology - The locum consultant post detailed above will enable more OPAs.

Forecast

All targets, apart from 62 day post-screening, will be achieved for M7 after validation.

Planned Care Activity Recovery Plans

Director Planned Care



Planned Care Group Activity Recovery Plan

The recovery plan has been revised this month to reflect the out-turn position at October.

Each Directorate has agreed to the plan.

Admin support has been provided to contact patients to confirm the acceptance of surgery, in order to reduce the number of last minute cancellations. It is essential that a 60% improvement could be achieved. This will enable time to allow the team to fill any vacant slot.

All lists are being scrutinised to ensure they are filled to maximum potential.

A 6 week rolling report of list utilisation is now published.

Only 2 lists are available in November – all other lists are booked or allocated.

From December, the 2 Gynae theatres are planned to be reopened. At this point 20 lists per week will become available. It is planned to continue to utilise the theatres at the current run rate

Maternity Dashboard

Director Urgent Care

		RAG rating parameters		April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
		Goal/ green	Red flag												
Births	Benchmarked to 5900 per annum	< 466 per month	> 520 per month	491	491	473	504	518	521	541					
Normal Vaginal Deliveries	SVD (proportion of total)	63%	<60%	56%	61%	59%	56%	60%	59%	59%					
Rushey Midwifery led Unit	No of deliveries (proportion of total)	10%	<7%	15%	14%	14%	14%	14%	15%	15%					
Homebirths	No of deliveries (proportion of total)	> 5%	< 3%	3%	4%	3%	3%	2%	2%	3%					
1:1 care in labour	Midwife care to women in established labour	>98%	<96%	95%	98%	98%	99%	97%	98%	95%					
Caesarean sections	Elective	10%	> 11.4%	11%	12%	12%	13%	11%	12%	12%					
	Emergency	13%	> 15%	16%	15%	12%	14%	13%	15.5%	15%					
Staffing **	Hours per week of dedicated senior obstetric time on delivery suite	60 hrs	< 60 hrs	68.6	70.5	65	65	90	81						
	Midwife : birth ratio	1:34	>1:36	1:33	1:36	1:35	1:36	1:37	1:40	1:40					
	Midwifery vacancies	< 5%	> 10%	4.4%	6%	5%	7%	10.5%	10%	13%					
Complaints	No of Complaints	<3	> 7	5	5	2	2	4	4	7					
	No of times unit diversion policy implemented	<1	> 3	2	2	2	8	6	2	6					
	No of times unit attempted to divert but no other unit able to accept	0	1 or more					1	1	3					

** Please note as from Aug 12 figures reported are 'consultant and post CCT' obstetric cover. Prior to Aug 12 the figures are consultants only.

- Both September and October saw high levels of births, with October being the highest this year.
- Number of births is monitored monthly and future projections indicate we may exceed 6,000 births this year.
- The low midwifery staffing levels is the main contributory factor to the increase in the number of red flags in the October dashboard.
- Every effort is made to provide 1:1 care to women in established labour and staffing is prioritised to do this. However, there has been an increase in the occasions where this has not been possible. This may have been for a very short period of time but nonetheless this falls below the standard of care which should be provided.
- The midwife to birth ratio reported is staff in post; the total utilised workforce ratio is 1:37 which is still low. As detailed previously in this report plans to address this situation are in place.
- The main reason for the unit diversions was insufficient midwives for the workload. During October, 6 women were diverted to other maternity units for care.
- Of concern is the number of attempted diversions where no other unit could accept. A system for reviewing each diversion or attempted diversion is being developed with the Clinical Quality Improvement manager

Stroke Targets

Director Urgent Care

	Targets	June	July	August	September	October
Proportion of people with high risk TIA fully investigated and treated within 24 hrs (national NHS target)	90%	89%	87.5%	100%	100%	100%
Proportion of patients admitted directly to an acute stroke unit within 4 hours of hospital arrival	90% by April 2011	64.9%	46.4%	52.4%	50%	65.5%
Proportion of stroke patients scanned within 24 hours of hospital arrival	100% by April 2011	85.7%	90.9%	85.4%	89.1%	94.8%
Proportion of patients spending 90% of their inpatient stay on a specialist stroke unit (national NHS target)	80% by April 2011	93%	80.4%	83.3%	84.8%	81%

Context:

Increase in East Berks patients and above projected figure in original business case

Actions:

- Business case for more capacity in the community led by PCT is nearly complete.
- The majority of breaches result from delays in clerking in A&E. However, performance for first two weeks of November has significantly improved due to senior triage commenced in A&E in September.
- Issues flagging patients due to EPR and lack of Bed man functionality (discussions in progress)
- Additional 12 stroke rehab beds identified on Caversham as part of bed reconfiguration.
- HASU beds increased from 2 to 5. A review of stroke activity to be undertaken to compare actuals against original business case and understand whether there is any financial impact in line with NEL thresholds.

Cost Improvement Programmes (CIPs)

Summary CIP Position:

CIP target for 2012/13 = **£12.5m**

Cost CIPs delivered to date = **£4.5m**

Income CIPs delivered to date = **£2.1m**

Current PMO year end Forecast

Cost CIPs = **£11m** (includes £1.1m new opportunities)

Income CIPs = **£7.7m** (includes £3.4m new opportunities, all of which is required to get us back to plan)

Note: New opportunities identified (both cost and income) have yet to be fully developed by Care Groups and therefore still require validation by the PMO. The figures above represent the initial view of potential savings/income available.

Details of existing projects and progress against delivery are shown on slides 15 & 16 of this pack. Details of the new cost and income projects will be added to next month's report.

Summary Position

Following work undertaken by Care Groups and Corporate areas, further new opportunities for both cost savings and income CIPs have been identified totalling some £4.5m. This, in addition to the current forecast on existing cost and income projects (of £14.2m) leads to a healthier position assuming all the new opportunities are delivered. It should also be noted that the additional new income projects identified are required to bring us back to the original income plan.

New projects are currently being developed with PMO to ensure that appropriate project documentation is produced to support delivery. Once completed this will enable the PMO to provide a more rigorous risk rating of the new projects and the impact on the year end position. Performance management of all CIPs continues to be undertaken through the fortnightly QIPP Programme Board.

Recommendations identified in the Monitor Stage 2 review for CIPs and PMO have been addressed and this will help support the PMO in driving forward delivery of the CIP Programme, and performance management of project teams. PwC have provided support in responding to the recommendations.

The Exec has now commissioned Newton Europe to work alongside teams to support delivery of additional quality improvement projects in 5 areas, including theatres, outpatients and materials management. This will commence shortly with a 2-3 week diagnostic phase after which time the Exec will take forward the implementation as part of the transformation agenda. Newton's have demonstrated significant efficiency savings and service improvements in these areas at other Trusts and therefore we anticipate that this will also feed into the Trust's CIP programme for 2013/14.

Cost Improvement Programme

Finance Director

PMO Governance Report October 2012 - CIPs

Project Description	Exec Sponsor	In Year Annual Plan Target (000's)	Mth 7 Actual 12/13 (£000's)	YTD Actual (000's)	RAG (based on CIP delivery)	Current Risk Rated Forecast (000's)	PCT Transformation Investment	Comments
Efficient Resource Planning, including: Trust wide skill mix review Corporate function review Active Management of vacancies Stopping of EPR PAs	Director of Workforce & OD	£1,000	£142	£1,157	Green	£1,304		The majority of the nursing skill mix CIP is on target to deliver, however the reconfiguration of CDU project has now ceased for the remainder of FY12/13. Active vacancy management in Urgent Care continues to over perform in month 7. The remaining workforce schemes continue to be on track in month 7.
Efficient Capacity Planning, including: Review of Outpatients Review of theatre utilisation Decontamination contract & services Pathology shared services Bed base review	Commercial Director	£2,500	£35	£246	Red	£755	£1,500	The decontamination contract has been signed, with savings backdated from April 2012. This will deliver £423k in year. The next step is to proceed with plans to bring the service in house or other options to provide the service at a site other than Battle. A capacity model has now been developed and the Commercial team are working with Care Groups to refine the model and agree realistic assumptions. This will then enable a robust review of areas such as outpatients, looking at specifics such as clinic utilisation. The pathology options appraisal is proceeding, however it is increasingly unlikely that savings will be made this year.
Efficient Procurement & Stock Control	Finance Director	£3,000	£216	£1,134	Amber	£2,461		Procurement continue to work across all functions of the Trust to deliver a further £3m of in year savings. Any shortfall, with no identified project, is being worked through with the care groups to develop schemes further.
Drugs Spend, including: Review of Trust formulary Policing of non formulary Reduction in FP10 usage Review of cancer regimes	Networked care Group Director	£1,000	£12	£374	Red	£603		Several drugs have now been identified as offering savings with work underway to identify the value of these savings. A long term major project to review the options available to the Trust for the asepsis service has commenced. This will compare an in-house option with tendering the service.
Efficient Infrastructure & IT, including: Review of EPR contract with Cerner De-scoping of CSC contract Various individual estates & facilities projects	Finance Director & Director Estates & Facilities	£2,000	£6	£23	Amber	£1,476		Estates & Facilities are currently reviewing their project plans to determine the level of savings for Q3&Q4. However the majority of their projects are income generation schemes rather than savings. Negotiations with Cerner and CSC are ongoing to ensure delivery of savings against these projects. The forecast savings against these two projects is now £1.4m following recent discussions.
Carry Forward projects from FY11/12	Finance Director	£3,000	£334	£1,634	Green	£3,304		The carry forward value is £3.3m. Year to date delivery totals £1.6m. For the remainder of FY12/13 there will be equal installments of the CIP carry forward value.
TOTAL CIPs FY 12/13		£12,500	£746	£4,568		£9,903	£1,500	

The current PMO risk rating of the CIP programme is £9.9m against our target of £12.5m. Significant work has been undertaken throughout month 7 to address the shortfall. A number of schemes have been identified by the Care Groups and are now being worked through with assistance from the PMO. The Programme Board continues to meet to ensure ongoing focus on both the CIPs and shortfall projects. The new opportunities identified in addition to the above suggest a further £1.1m savings potential, taking the forecast closer to £11m for pure cost savings. Details of the new opportunities, and the risk rating will be included in next month's report.

Income CIPs

Finance Director

PMO Governance Report October 2012 - INCOME CIP Programme

Project Description	Exec Sponsor	In Year Annual Plan Target (000's)	Mth 7 Actual 12/13 (£000's)	YTD Actual (000's)	RAG (based on CIP delivery)	Current Risk Rated Forecast (000's)	PCT Transformation Investment	Comments
CQUINs, including: End of Life Dementia Reduce Elective Admissions Improvement in management of Unscheduled Care	Chief Nurse	£2,500	£0	£1,044	Amber	£2,007	£0	The Dementia scheme is working with EPR to find a more suitable way of reporting which is impacting on the forecast. The Sepsis CQUIN requires some investment to help to speed up the diagnosis of Septic patients, thereby initiating quicker treatment within the CQUIN timescales. Due to the reporting timetable of CQUINs there has been no significant change in month 7.
Estates & Facilities, including: Asset rationalisation of Battle Site Car Parking barriers Recharge to 3rd parties	Director of Estates & Facilities	£1,138	£0	£11	Amber	£685	£0	The car parking barriers will be installed at the end of November to provide additional income. A final offer has been received for the Battle site from the developers but requires agreement from SCAS who own the remaining section of the proposed site.
Planned Care, including: Private Patient Income Sale of Infusion Pumps Enhanced EDL process	Clinical Care Group Director, Planned Care	£1,355	£68	£675	Amber	£1,060	£0	Private patient income continues to deliver against its target. The sale of the old infusion pumps will commence in Q4 following the approval of the new contract. Now that EPR is stabilising, focus needs to be returned to income generation schemes to ensure that opportunities are not overlooked.
Urgent Care, including: HDU for Paeds	Clinical Care Group Director, Urgent Care	£450	£0	£128	Amber	£353	£0	In month 7 there was no significant change to the income position.
Networked Care, including: Private Provision of Orthoses South Oxfordshire Wheelchair Service	Clinical Care Group Director, Networked Care	£18	£2	£14	Amber	£15	£0	Networked Care's smaller projects continue to deliver against target.
Trustwide, including: Clinical Coding	Chief Finance Officer	£1,000	£46	£250	Red	£250	£0	It continues to be the case that Clinical coding is delivering a steady stream of income but an overoptimistic forecast means there is little chance of succeeding against this target.
TOTAL IIPs FY 12/13		£6,461	£116	£2,121		£4,369	£0	

The current PMO risk rating for the year end forecast of the IIP programme is £4.4m. Income schemes are being driven across the Care Groups with regular monthly meetings with the Directors of Ops and Directors of Finance and the PMO Care Group Leads. This provides an opportunity to review existing schemes as well as pursue other opportunities. A separate report to show CIPs and IIPs will now be provided enabling a more rigorous scrutiny of this work to take place. In addition to the above, Care Groups have now also identified a further potential £3.4m of income CIP opportunities. These are currently in development and we will be able to provide a more rigorous validation of these projects in next month's report.

Patient Experience – Complaints

Director of Nursing

Complaints and PALS from August -October 2012

	Complaints	% response in 25 days	% response in 25 days OR extension agreed*	PALS	Local Resolution Meetings	Compliments
August	40	30%	77%	374	2	13
September	42	19%	62%	231	5	4
October	37	14%	73%	268	8	11

Complaint numbers have reduced this month. However, complaints relating to communication/behaviour and attitude have increased this month. Response times continue to be of concern with 14% of complaints closed within 25 working days and 73% closed within an agreed extension.

Complaints referred to Ombudsman

No complaints were referred to the Ombudsman during October.

Themes

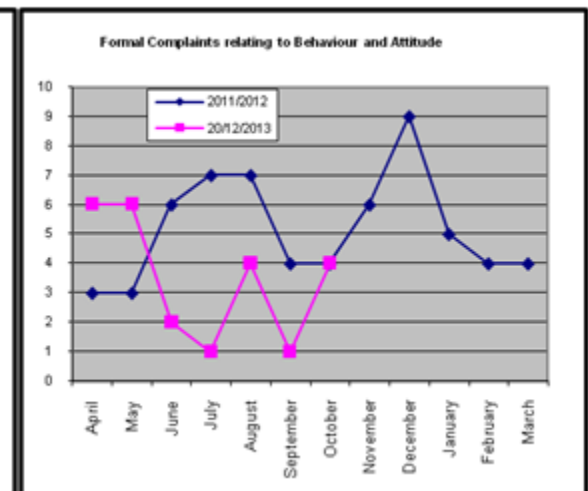
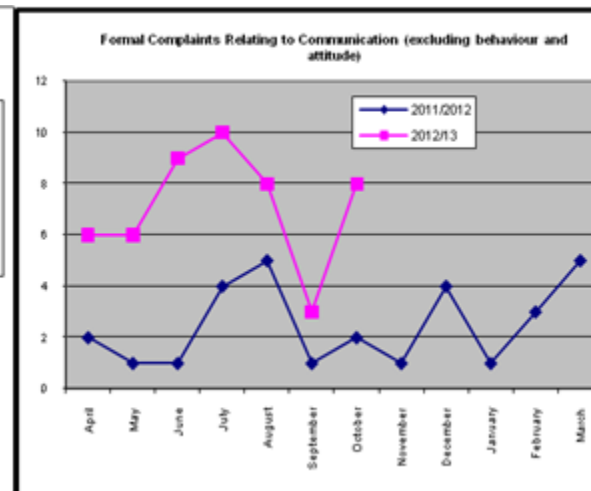
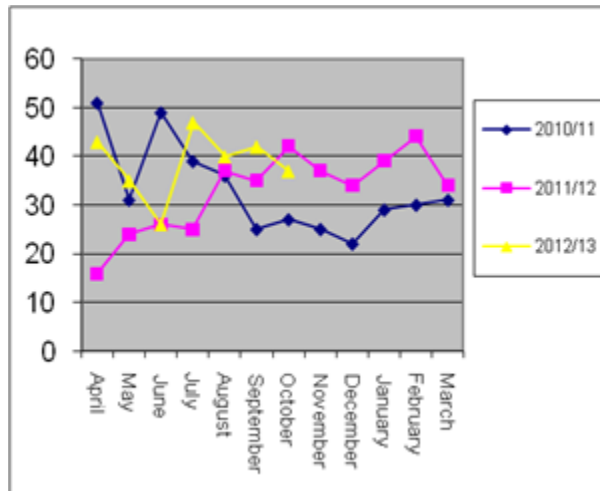
The top three complaint themes for October were:

- Clinical treatment doctor
- Clinical treatment nurse
- Communication with doctor

Care Group action plans are in place to address individual complaints as well as key themes.

Trust wide complaints review being led by Director of Nursing focusing on complaint handling and learning from complaints due to be completed by December 2012.

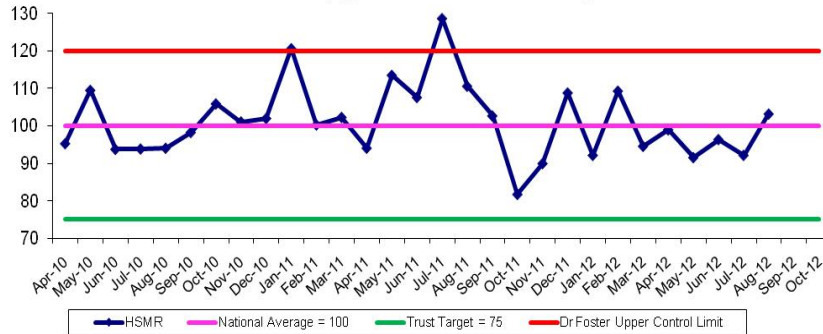
Formal complaints received each month



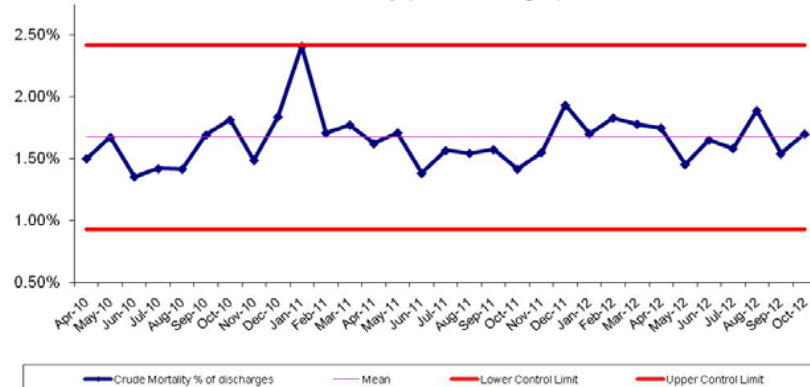
Mortality and HSMR

Medical Director

HSMR (against 2011/12 benchmark)

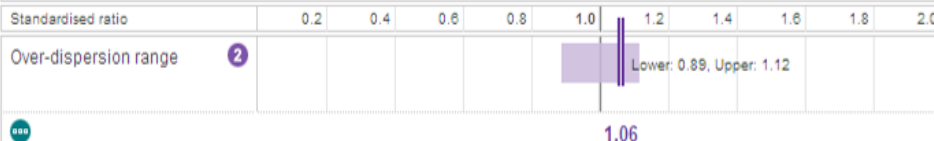


Crude Mortality (% of discharges)



Main SHMI value • April 2011 - March 2012

I00699: Summary Hospital-level Mortality Indicator (SHMI)
Rolling one year period, six months in arrears



Context

- The HSMR for 2012/13 (Apr -Aug 12) is 96.4 (within expected range)
- The HSMR 12 months rolling (Sep-11 to Aug-12) is 97.0 (within expected range)
- The HSMR for elective admissions 12 months rolling (Sep-11 to Aug-12) is 126.8 (25 patient deaths out of an expected 20) – this is within the expected range
- The Trust's monthly HSMR for Aug-12 (most recent validated monthly data) is 103.3 (within expected range, though above the Trust's target of 75)
- The crude mortality rate for Oct-12 is 1.70% (122 patient deaths) (within expected range)
- The SHMI for Apr-11 to Mar-12 is 1.06 (within expected range) – the next SHMI update is due at the end of Jan-13

Action

Coding reviews from notes

- All elderly care patients
 - Patients who have had a therapeutic endoscopic procedures on biliary tract – dedicated consultant engagement in coding process
 - All deceased patients
- Outliers
- Reviewed monthly - To date no areas of patient safety concern have been identified
 - Quality Improvement
 - Surgical high dependency unit to be in place by Dec 2012
 - Improved co-morbidity coding directly from notes
 - Bi-annual audit of 50 patients used to identify learning
 - Joint project with GPs initiated to review deaths 30 days after discharge

Clinical Effectiveness

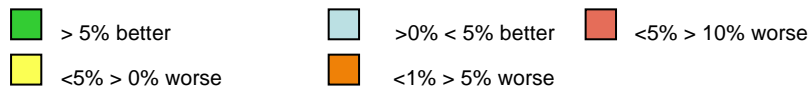
Medical Director

Dr Foster Patient Safety Indicators

Indicator		Observed	Expected	Observed rate/K	Expected rate/K
Deaths in low-risk diagnosis groups*		10	24.2	0.28	0.68
Decubitus Ulcer		319	242.4	31.41	23.86
Deaths after surgery		38	47.3	103.54	128.89
Infections associated with central line*		0	0.9	0.00	0.05
Post-operative hip fracture*		0	1.9	0.00	0.07
Post-op Haemorrhage or Haematoma		9	17.3	0.31	0.59
Post-operative physiologic and metabolic derangements*		2	2.0	0.08	0.08
Post-operative respiratory failure		17	16.4	0.72	0.69
Post-operative pulmonary embolism or deep vein thrombosis		61	48.9	2.06	1.65
Post-operative sepsis		3	5.1	3.14	5.33
Post-operative wound dehiscence*		3	1.4	2.59	1.18
Accidental puncture or laceration		72	68.5	1.17	1.11
Obstetric trauma - vaginal delivery with instrument*		74	71.0	88.15	82.71
Obstetric trauma - vaginal delivery without instrument*		82	118.5	25.85	37.37
Obstetric trauma - caesarean delivery*		2	5.1	1.34	3.43

CHKS Indicators - RBFT compared to best 12 Trusts

Indicator	Apr 2012	May 2012	Jun 2012	Jul 2012	Aug 2012	Sep 2012
Average Length of Stay (Spell)	2.5	2.5	2.5	2.6	2.7	2.6
Complication Rate - Attributed (Spell)%	1.0	1.0	0.9	0.7	0.6	0.3
Complication Rate - Treated (Spell) %	2.5	2.2	2.2	2.5	2.1	1.3
Data Quality (FCE)	92.5	92.6	86.5	84.0	83.6	59.6
Day Cases (Spell) %	77.5	78.7	78.8	79.1	79.7	79.1
Day Cases - Basket of 25 (Spell) %	85.7	86.4	84.4	85.3	83.8	85.0
Misadventure Rate (Spell) %	0.11	0.15	0.09	0.09	0.12	0.05



Context

The Dr Foster Patient Safety Indicators are adapted from the set of 20 devised by the Agency of Healthcare Research and Quality (AHRQ) in the US. The alerts (colours) presented are from July and August 2012, with the data from August 2012.

Pressure ulcers are worse than expected (red). This is due to coding from notes in Elderly Care from October 2011, which means that more pressure ulcers are now coded.

Better than expected

Deaths in low-risk diagnosis groups have decreased to better than expected

Obstetric trauma - vaginal delivery without instrument has decreased to better than expected

Post-op haemorrhage has decreased to better than expected

CHKS

In comparison to the best 12 trusts (peer 3), we are within or better than expected for the majority of indicators. However, we are worse than expected for complication rate treated and data quality in September 2012.

Workforce Summary

Director of HR

	Month Target / Limit	Oct 2012					
		Trust	Urgent	Planned	Networked	Corporate	E&F
Workforce turnover %	1.0	1.0	1.1	0.8	0.9	1.2	0.9
Vacancy rate %	5.0	4.8	3.1	5.3	-1.4	15.9	12.9
Sickness rate % (previous month)	2.8	3.4	3.6	3.7	2.5	2.7	4.3
Agency spend % of total staff cost	5.3	8.7	12.4	8.9	6.6	3.7	0.0
Appraisal rate %	95.0	74.7	72.9	66.7	80.5	82.5	86.1
Medics EWTD compliance %	100.0						
Mandatory Training - Patient Related	100.0						
Mandatory Training - Generic	100.0						
	12 Month Target / Limit	Rolling 12 Months to Oct 2012					
		Trust	Urgent	Planned	Networked	Corporate	E&F
Workforce turnover %	12.0	13.3	13.0	12.8	15.5	18.6	6.9
Vacancy rate %	5.0						
Sickness rate % (previous month)	2.8	3.4	3.5	3.4	2.8	2.8	5.0
Agency spend % of total staff cost	5.3						
Appraisal rate %	95.0	74.7	72.9	66.7	80.5	82.5	86.1
Medics EWTD compliance %	100.0						

Current Position:

NCG: Budgeted WTE reduced in order to apply vacancy factor to each area. Currently 30.05 WTEs not working due to Maternity/Adoption leave, Career Breaks or external secondment. Additionally 36.71 WTE staff employed on training programmes and counted in contracted WTE but externally funded and not shown Networked Care Pay Bill is currently under spent at the end of October by £181,000

UCG: all vacancies scrutinized by a sub group of the Board each week to ensure only recruiting essential posts, grades and hours. Due to EPR Go Live UCG utilising 13 temp admin staff - under on going review to ensure we do not retain the cost longer than necessary. With the bed base open NHSP and Agency use is also high at this time. Bed reconfiguration will take place in December which will enable full staffing of Kennet and Redlands however, will result in a workforce gap on Adelaide Annexe.

PCG - nursing skill mix review of in and outpatient areas has been undertaken and has provided assurance there are no areas over established. An additional hours rate for undertaking additional activity has been agreed and implemented to recognise staff undertaking additional activity. Appraisal completion rate is steadily increasing however sickness absence has also increased. Within PCG over 50% of the absence relates to long term sickness absence. A review of agency A&C has also been completed to ensure their ongoing usage is business critical.

Corporate and E&F - A couple of key appointments for the corporate function have had their new starters commence during October and others have recruited and are waiting for people to start, e.g. Governance. Portering team have held a large recruitment campaign during October which will hopefully translate into a large number of new starters towards the end of the year. We have had some successes with LTS returns to work during October, but short term sickness has increased, albeit is being managed appropriately

Action - NCG: All vacancies recruited to in Care Group are signed off by the Care Group board and the financial impact closely monitored by the Finance Director to ensure pay remains within budget.

UCG; Finance and HR are reviewing establishments to ensure all workforce reconfigurations are being implemented. Vacancy review will continue for the financial year. Ongoing work to match incoming staff to established budgets throughout the bed base changes.

PCG - analysis of sickness absence is being undertaken to identify hot spot areas requiring further attention, ongoing management of staff reaching trigger levels. Focus on appraisal completion is also ongoing and appraisal breakdowns are circulated weekly to Clinical Director, Matron and Directorate Manager with areas of concern highlighted.

Corporate and E&F - Continuation of management of sickness absence, and a review of corporate vacancies to establish what would be appropriate to hold / recruit to

Mandatory Training RAG data is from 2 months ago. Current data is being validated and will be reported next month.

Appendices

Key Performance Indicators

Key Performance Indicators

	Target 2012/13	Out-turn 2011/12	Q1	Q2	Oct-12	Q3	YTD	Organisation requiring data				
								Monitor	DOH	CQC	PCT	Board
Patient Experience (1) Board Responsibility: Director of Nursing Caroline Ainslie												
Complaints - % timely response	90%	93%	77%	68%	73%	73%	73%				X	X
Number of formal complaints received	-	393	104	129	37	37	270				X	X
Complaints received relating to behaviour and attitude	4.3	4.76	14	6	4	4	24					X
Patient Survey - Overall rating	-	94%	93%	97%	97%	97%	96%		X		X	X
Inpatient survey question: "Involved as much as desired in decisions about care and treatment"	85	83	84	86	84	84	85					X
Inpatient survey question: "Informed about medication side effects"	70	65	69	81	83	83	78					X
Patients (in ED or CDU) with a diagnosis of sepsis receive antibiotics within an hour	>70%	Not measured	26%	28%	70%	70%	41%					X
Mixed sex accommodation - breaches	0	1	0	0	0	0	0		X		X	X
Patient Experience (2) Board Responsibility: Planned Care Group Director Peter Malone												
Admitted in 18 weeks percentage	90%	94.9%	93.1%	90.9%	91.2%		91.8%	X	X		X	
Non admitted in 18 weeks percentage	95%	99.5%	99.3%	98.6%	99.1%	99.1%	99.0%	X	X		X	
18 weeks Incomplete pathways	92%	no data	92.3%	92.5%	89.0%	89.0%	91.3%		X		X	
18 weeks - Admitted 95th percentile	<=23	19-20							X		X	
18 weeks - Admitted Median Wait	tba	7-8							X		X	
18 weeks - Admitted backlog	350	415	576	1184					X			
18 weeks - Non - admitted 95th percentile	<=18.3	10-11							X		X	
18 weeks - Non admitted Median Wait	tba	1-2							X		X	
13 week outpatient waits	99.97%	99.9%	99.8%		93.1%		tbc		X		X	
26 week inpatient waits	99.97%	99.6%	99.4%		95.9%		tbc		X		X	
Audiology - Non Admitted in 18 weeks	95%		100%	99.8%	100%		99.9%		X		X	
Audiology - Incomplete pathways				99.1%	100%		tbc					
Diagnostics in 6 weeks %	tba		100%	98.5%	99.7%	99.7%	99.4%		X		X	
2 week wait for suspected cancer	93%	94.7%	91.8%	89.9%	93.5%	93.5%	91.7%	X	X		X	
31 day first treatment: all cancers	96%	96.5%	96.9%	97.8%	95.7%	95.7%	96.8%	X	X		X	
31 day subsequent treatment - Drugs	98%	99.5%	99.1%	100.0%	98.7%	98.7%	99.3%	X	X		X	
31 day subsequent treatment - Surgery	94%	96.3%	98.4%	98.8%	94.4%	94.4%	97.2%	X	X		X	
31 day subsequent treatment Radiotherapy	94%	96.7%	94.4%	95.9%	95.7%	95.7%	95.3%	X	X		X	
62 day standard: all cancers	85%	85.0%	85.2%	86.5%	81.3%	81.3%	84.3%	X	X		X	
62 day consultant upgrade: all cancers	not pub	91.7%	88.9%	100.0%	100.0%	100.0%	96.3%	X	X		X	
62 day screening standard: all cancers	90%	90.1%	87.2%	92.1%	66.7%	66.7%	82.0%	X	X		X	
2 week wait breast symptoms	93%	93.1%	93.1%	90.7%	92.7%	92.7%	92.2%	X	X		X	
C&B direct booking as % of total referrals	60%	56%	62%	60%	61%	61%	60.9%		X		X	
C&B slots unavailable	0.04	0.06	0.06	0.03	0.03	0.03	0.04		X		X	
PROMS			Report to be developed						X			

Key Performance Indicators

	Target 2012/13	Out-turn 2011/12	Q1	Q2	Oct-12	Q3	YTD	Organisation requiring data				
								Monitor	DOH	CQC	PCT	Board
Patient Experience (3) Board Responsibility: Urgent Care Group Director - Sue Edees												
A&E attendance within 4 hours Types 1 & 2	95%	95.7%	95.2%	94.6%	94.5%	94.5%	94.8%	X	X		X	
Seen within 4 hours - RBH site Type 1 only	95%	TBC	94.3%	93.9%	93.8%	93.8%	94.0%					
A&E Unplanned re-attendance rate	<5%	2.3%	2.1%	2.4%	2.0%	2.0%	2.2%				X	
Total time spent in A&E - 4 hr wait (95th percentile) Non Admitted	240 mins	246	239	239	239	239	239				X	
A&E Left department without being seen	<5%	3.3%	3.6%	3.8%	2.4%	2.4%	3.3%				X	
A&E Time to initial assessment (95th percentile)	<15 mins	0	0	0	0	0	0				X	
A&E Time to treatment in department (median)	<60 mins	70	73	61	55	55	63				X	
Mothers booked < 13 weeks	tba	89.3%	88.0%	88.7%	87.3%	87.3%	88.0%		X		X	
Learning disability target out of 24 (multiple questions)	tba	pass		pass	pass		pass		X			
Patient Experience (4) Board Responsibility: Interim Medical Director Emma Vaux												
Electronic Discharge letters in 24 hours	tba	93%	93.0%	94.1%	94.3%	94.3%	93.8%				X	
Never Events	tba	1	0	1	0	0	1					
Best Healthcare Outcomes (1) Board Responsibility: Interim Medical Director Emma Vaux												
HSMR (56 diagnoses)12 months rolling	75	94.9							X			X
(SHMI) Statistical (OD) banding	2 (as	2 (as		2	2	2			X			X
SHMI Percentage of admitted patients whose treatment included palliative care	0.93%	1.10%		1.07%	1.16%	1.16%			X			X
SHMI Percentage of admitted patients whose deaths were included in the SHMI and whose treatment included palliative care	16.60%	22.50%		21.06%	23.31%	23.31%			X			X
30 day emergency re-admission rate	tba	6.8%	7.3%	7.3%	6.8%	6.8%	7.1%				X	
30 day elective re-admission rate	tba	2.9%	3.6%	5.5%	4.6%	4.6%	4.6%				X	
Rate of Patient Safety Incidents per 100 Admissions	5.9	4.7	6.4	5.4	6.0	6.0	5.9		X			X
Percentage of incidents resulting in severe harm and death	0.70%	1.00%	0.92%	0.51%	1.02%	1.02%	0.82%		X			X
Unplanned return to theatre in 48 hrs	n/a	0.0%	0.0%	0.00	0.2%	0.2%	0.1%				X	
Risk Assessment VTE	90%	83.8%	81.7%	85.8%	91.0%	91.0%	86.2%		X		X	X
Best Healthcare Outcomes (2): Board Responsibility: Director of Nursing Caroline Ainslie												
MRSA bacteraemias (trust acquired)	1	0	0	0	0	0	0	X	X		X	
Clostridium Difficile (trust acquired)	77	107	7	5	1	1	13	X	X		X	
MRSA screening (elective pts)	100%	TBC							X		X	
MSSA surveillance (trust acquired)	tba	16	0	5	0	0	5		X		X	
Ecoli (trust acquired)			8	12	4	4	24					
Hand Hygiene (bare below the elbow)	95%		96.8%	95.9%	94.0%	94.0%	95.6%					
Bare below the elbow	100%		98.8%	98.2%	99.0%	99.0%	98.7%					
Patient falls	5.6/ 1,000 bed days	5.8	6.8	5.8	4.6	4.6	5.7				X	
Incident (Red clinical reported)	0	51	17	13	4	4.4	34				X	
Serious falls (i.e. Severe Injury/Death)	0	18	4	5	6	6	15		X		X	
Pressure Ulcer Incidence per bed days/1000	1.42	1.47	2.02	1.86	1.64						X	
Pressure Ulcer grade 3 or 4 Trust acquired (serious incident)			8	5	3							
Appropriate VTE Prophylaxis for adult IP	85%	TBC	89.9%	88.4%	94.2%	94.2%	90.8%				X	
Adverse events that happen to pts with dementia	98		10	11	5	5	26				X	
National Standards of Cleanliness												
Trust				93.3%	93.2%	93.2%	93%					
Urgent care				93.8%	94.2%	94.2%	94%					
Networked Care				93.6%	93.7%	93.7%	94%					
Planned Care				93.4%	93.4%	93.4%	93%					

Key Performance Indicators

	Target 2012/13	Out-turn 2011/12	Q1	Q2	Oct-12	Q3	YTD	Organisation requiring data				
								Monitor	DOH	CQC	PCT	Board
Best Healthcare Outcomes (3) Board Responsibility: Urgent Care Group Director Sue Edees												
Caesarean Section rate	24%	26%	26%	26%	27%	27%	26%				X	
Normal Births	63%	58%	59%	58%	59%	59%	59%				X	
% Vaginal births following C Section	70%	58%	67%	72%	76%	76%	72%				X	
Mothers breast feeding	nat av	78.7%	77.6%	79.5%	80.0%	80.0%	79.0%		X		X	
Mothers smoking at the time of delivery	8%	8.2%	7.6%	6.7%	6.3%	6.3%	6.9%		X		X	
# Neck of Femur Surgery in 36 hours	75%	73.32%	84.4%	73.8%	75.0%	75.0%	77.7%				X	
Neonatal BCG	95%	86.0%	91%	86%	91%	91%	90%				X	
Maternity smoking cessation: Smokers referred to the	tbc		76.7%	73.0%	67.0%	67.0%	72.2%				X	
Stroke: patients presenting with AF , anti-coagulated on discharge (60% by April 2011)	60%			62.5%	76.5%	76.5%			X		X	
Stroke: High-risk TIA pts fully investigated and treated within 24 hours	80%			94.7%	100.0%	100.0%			X		X	
Stroke: patients admitted directly to an acute stroke unit within 4 hours	90%			53.5%	65.5%	65.5%			X		X	
Stroke: patients spending 90% of their inpatient stay on a specialist stroke unit	80%				81.0%	81.0%						
Stroke: patients scanned within one hour of hospital arrival	50%			42.9%	53.4%	53.4%			X		X	
Stroke: patients scanned within 24 hours	100%			91.6%	94.8%	94.8%			X		X	
Stroke: patients supported by a stroke skilled Early Supported Discharge team	40%			21.7%	19.5%	19.5%			X		X	
Stroke: patients and carers with joint care plans on discharge from hospital to final place of residence	85%				no data	0%			X		X	
Stroke: Physiotherapist assessments < 72 hrs	95%			96.7%	96.6%	96.6%			X		X	
Stroke: Occupational Therapist assessments < 72 hours	95%			95.6%	96.2%	96.2%			X		X	
Stroke: MDT goal settings < 5 days	95%			97.8%	96.3%	96.3%			X		X	
Average Length of Stay (LOS) from admission to discharge (days)				16	19	19			X		X	
Stroke: patients Swallow screened < 24 hours	95%			98%	100%	100%			X		X	
Stroke: Door to needle time <60mins	95%			81.2%	89.5%	89.5%			X		X	
Stroke: Patients discharged to pre-admission address				97%	81%	81%			X		X	
Stroke: patients with 30 day mortality from stroke onset				9%	16%	16%			X		X	
Best Healthcare Outcomes (4) Board Responsibility: Networked Care Group Director Lindsey Barker												
Think Glucose: Diabetes Assessment	83%	91.4%	94.0%	94.4%	93.0%	93.0%	93.8%				X	
Diabetes Discharge Plan of Care	90%	99.8%	100%	99.5%	100.0%	100.0%	100%				X	
Diabetic admitted LOS	2.6	>5	2.52	3.68	Not avail.		3.10				X	
Diabetes self medication	90%		90.7%	94.3%	94.0%	94.0%	93.0%				X	
Trust Membership												
Total		23,278			23,504				X			
Public		18,123			18,558				X			
Staff		5,155			4,946				X			
Media coverage by tone:	Positive	58%			63%							X
	Negative	19%			19%							X
	Neutral	23%			19%							X

Key Performance Indicators

	Target 2012/13	Out-turn 2011/12	Q1	Q2	Oct-12	Q3	YTD	Organisation requiring data				
								Monitor	DOH	CQC	PCT	Board
Value for Money (1) Board Responsibility: Director of Finance Craig Anderson												
	(£m)											
Income	£315.63	317.41	78.80	81.66	27.42	27.42	187.88	X				X
Direct costs	-£289.66	(303.74)	(74.82)	(76.92)	(26.27)	(26.27)	(178.00)	X				X
EBIDTA	£25.97	13.68	3.98	4.75	1.14	1.14	9.87	X				X
Other costs	-£22.80	(22.53)	(5.49)	(6.04)	(2.08)	(2.08)	(13.62)	X				X
Net surplus/deficit	£3.16	(8.85)	(1.51)	(1.30)	(0.94)	(0.94)	(3.74)	X				X
Cost improvement Programme	£12.50	18.20	2.10	1.51	0.98	0.98	4.59	X				X
Value for Money (2) Board Responsibility: Care Group Directors Peter Malone, Lindsey Barker & Sue Edees												
Average elective length of stay	2.0	2.80	2.7	2.7	3.0	3.0	2.8		X			X
Average non-elective length of stay	5.0	4.40	4.49	4.3	4.6	4.6	4.47		X			X
New to follow up outpatient ratio **	2.06	n/a	2.09	1.94	1.91	1.91	1.98					X
Elective inpatients *	3,873	9,646	2,160	1,900	654	654	4,714		X		X	X
Non-elective inpatients*	18,604	43,206	11,074	11,907	3,901	3,901	26,882		X		X	X
Day cases*	14,214	33,344	7,821	7,259	2,697	2,697	17,777		X		X	X
New attended outpatients*	73,518	170,362	40,608	44,858	17,033	17,033	102,499		X		X	X
Outpatient DNA rate	5.0%	6.9%	6.7%	6.6%	8.0%	8.0%	7.1%					X
Outpatient cancellation rate	TBC	26.6%	27.6%	24.3%	25.3%	25.3%	25.7%					X
Delayed discharges	3.5%	4.31%	5.34%	5.71%	5.01%	5.01%	5.35%	X	X		X	X
Theatre utilisation rate	98%	98.3%	98.6%	90.9%	91.6%	91.6%	93.7%					X
Last minute non-clinical cancelled operations	A: <=0.8%	0.53%	0.33%	0.77%	0.91%	0.91%	0.67%		X		X	X
Cancelled Operations not re-booked in 28 days	A: <=5%	2.20%	9%	12%	3%	3%	8%		X		X	X
Coding completeness	100%	99.4	95.0%	78.0%	61.7%	61.7%	78.2%				X	X
Ethnic coding	85%	89.8%	89.1%	88.9%	88.6%	88.6%	88.9%		X			X
NHS number coding (IP)	99%	99.6%	99.4%	99.1%	98.8%	98.8%	99.1%		X			X
Value for Money (3) Board Responsibility: Director for Corporate Affairs Keith Eales												
FOI's requests received	TBC	328	85	80	13	13	178					X
FOI breaches of statutory deadline	TBC	15%	16%	16.0%	23.0%	23.0%	18.4%					X
Best Place to Work, Train & Learn Board Responsibility: Director of HR Janine Brennan												
Staff in post		4,224	4,313	4,328	4,349	4,349	4,330					X
Workforce turnover	1%	11.95%	3.0%	1.3%	1.0%	1.0%	1.8%					X
Vacancy rate	5%	4.17%	5.2%	5.3%	4.8%	4.8%	5.1%					X
Sickness and absence rate (previous month)	2.8%	3.10%	3.3%	3.2%	next mth		3.3%					X
Agency spend % of total staff cost	5.3%	5.81%	4.5%	5.9%	8.7%	8.7%	6.4%					X
Appraisal rate	95%	63.3%	54%	66%	75%	75%	65%					X
Medics EWTD compliance %	tbc	100%	100% Annual Audit									X
Staff costs as a % of income	tbc	59.05%	59%	62%	60%	60%	60%					X
** Based on the following specialties: Urology, T&O, ENT, A&E Ophthalmology and Othodronics. This is a cumulative ratio.												

Royal Berkshire NHS Foundation Trust

Board of Directors

Title: Quality and Patient Safety Report

Date: 29 November 2012

Lead: Alistair Flowerdew, Medical Director
Caroline Ainslie, Executive Director of Nursing

Purpose: This paper is to update the Board on significant issues related to clinical quality, patient safety, infection prevention and control, clinical standards and patients' experience. The paper relates to issues occurring during October 2012.

Key Points: **Sepsis**

- The October point prevalence audit showed that 70% of patients with suspected sepsis were given antibiotics within 1 hour (the Quality Accounts priority is 70% by end of March 2013).

Safety Thermometer

- The CQUIN target is to undertake and submit data collection and we are meeting this target very well at 100%.

VTE

- VTE risk assessments reached 91.02% in October, exceeding the 90% target

Neutropenic Sepsis

- In September, 9/10 (90%) patients received IV antibiotics within 1 hour of presentation to the Trust. Antibiotics for the 10th patient were prescribed at 0:35mins but administered at 1hr 15mins post presentation.

Research and Development

- RBFT currently ahead of our set patient recruitment target by 5%
- The number of NIHR Portfolio adopted studies actively recruiting in RBFT is on the increase
- Increased NIHR Portfolio activity translates to additional funding for RBFT

EPR Impact

- Two key risks have been identified which relate to patient appointments and protecting patient confidentiality.

NICE Technology Appraisals

- The following NICE Technology Appraisals guidance that were previously reported as having breached the 3 month implementation deadline have now been implemented.
 - TA241 Leukaemia (chronic myeloid) - dasatinib, nilotinib, imatinib (intolerant, resistant) – Haematology
 - TA251 Leukaemia (chronic myeloid, first line) - dasatinib, nilotinib and standard-dose
 - TA208 Gastric cancer (HER2-positive metastatic) - trastuzumab (TA208) – the PCT has confirmed funding for the test.
- On 29 October the Trust responded to a request from the SHA to provide information on compliance with NICE Technology Appraisals. There was no central record of compliance for guidance published before August 2007 therefore these guidance were reviewed. This review identified 3 Technology Appraisals that the Trust could not be reported as compliant; 1 is in the process of being implemented and the status has not been confirmed for the other 2. See slide 14.

Decision required: To note the report

Freedom of Information (FOI) Status Appendix 1 to this report contains confidential information which falls within the Freedom of information Exemptions guidance Section 40 – Personal information; as it contains detailed information on incidents that could be associated to the personal data (name) of patients, staff and public.

1 RECOMMENDATION

1.1 The Board is asked:

NOTE: To note the issues and actions contained within this report
AGREE: The amended process for the Quality Accounts Assurance

2 ATTACHMENTS

2.1 The following are attached to this report:

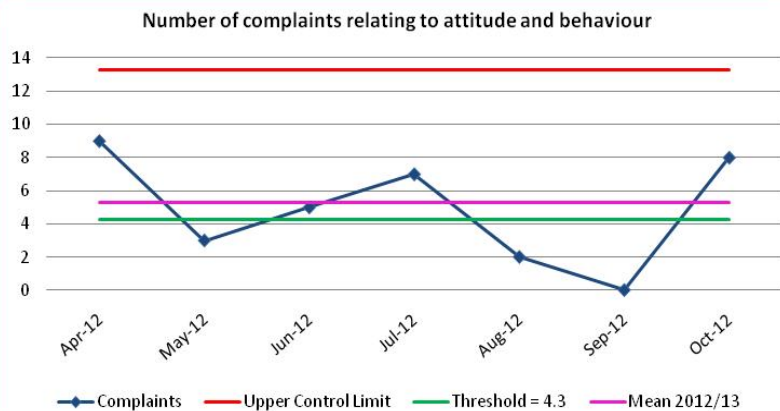
- Appendix 1: Incident Report (FOI Exemption Section 40) – see agenda item 16
- Appendix 2: Patient Relations Annual Report 2011/12

3 CONTACT

Alistair Flowerdew, Interim Medical Director (0118 322 7227)
Caroline Ainslie, Executive Director of Nursing (0118 322 7445)

Staff courtesy and communication

Quality Accounts priority 1: Providing a positive patient experience by improving staff courtesy and communication, measured by reducing the average (mean) number of complaints received relating to behaviour and attitude from 4.76 to 4.3 and by increasing the weighted score from the rolling inpatient survey for the question: "Involved as much as desired in decisions about care and treatment" from an average of 83 to an average of 85 for April 2012-March 2013.



Complaints relating to attitude and behaviour were slightly above the average in October. There was an improvement of patients feeling that they were involved with decisions about their care and treatment however the score is still below the threshold in October.

Actions in progress

Networked Care

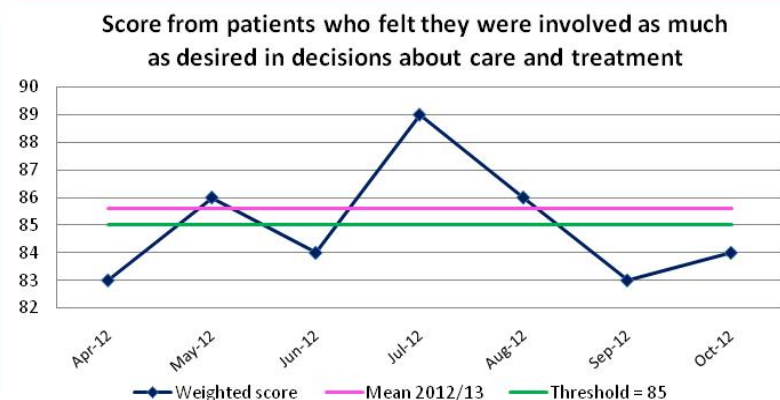
- "Welcoming Ward" – a team is currently being assembled and the first meeting was held on 24 October. The aim of the project is to establish how the wards can be made more welcoming through directions and signage, information for patients and carers, appropriate and targeted customer service training, ward managers visibility and role modelling on the wards and considering staff satisfaction/morale.
- "App and a map" - a route planning project looking at how the patient travels around the hospital without getting lost and how patients are assisted by staff.

Urgent Care

Clinical staff to receive training regarding communicating DNACPR decisions, specifically with the families of patients who lack capacity
Practice Educators to work with clinical staff regarding improving communication with families of patients who are being placed on the Liverpool Care Pathway
Practice Educators to provide one hour customer care/communication training for ward and outpatient staff (including all nurses and administration staff)

Planned Care

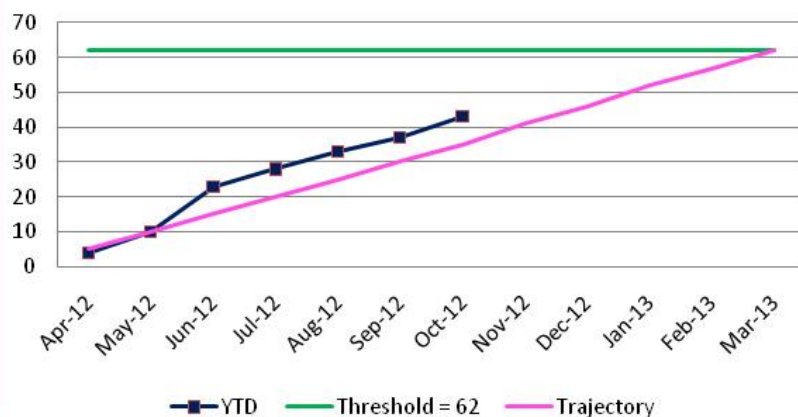
Rolling out model excellent practice and challenge poor practice
Focus on improving experience of women in miscarriage



Outpatient experience

Quality Accounts priority 2: Improving the Outpatient Experience by doubling patient participation in the online NHS Choices feedback (from 31 to 62 responses per year) by March 2013.

Participation in NHS Choices online feedback



We are above trajectory for improving our patient participation rates in NHS Choices. While this is an improvement, we are aiming to go beyond the target.

In order to gather and respond to more timely feedback about Outpatients, we are focussing our efforts on the feedback on the independent NHS Choices website.

Actions in progress

- Ophthalmology outpatients: A development strategy has been put in place with additional community clinics planned to improve capacity and improvements in the area are beginning.
- The patient relations team continue to encourage patients to add positive feedback to NHS Choices



To improve participation in NHS Choices we have added this Quick Response Code, which can be scanned by any smart phone and will instantly connect you to the NHS Choices webpage to our "How was your experience?" poster.

NHS Choices Feedback	Number of responses	% recommendations
Frimley Park Hospital	88/102	86
Great Western Swindon	40/49	81
Hampshire Hospitals	29/38	76
Royal Berkshire Hospital	54/73	73
Oxford University Hospitals	36/50	72
Wexham Park Hospital	33/50	66

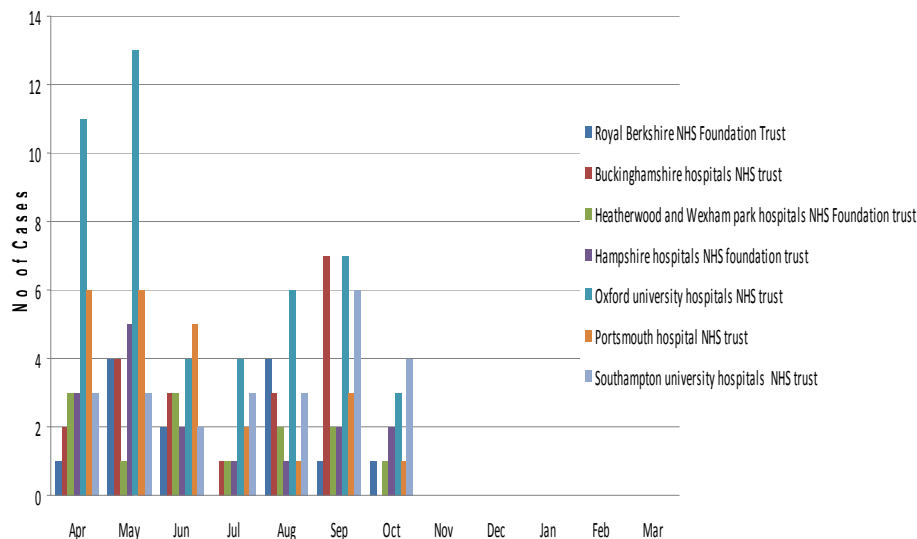
Infection Control

The trust takes a zero tolerance approach to avoidable infections.

Quality Accounts priority 3: Decreasing hospital-associated infections by reducing the numbers of patients who are infected with *Clostridium difficile* while in hospital to less than 77 patients by March 2013.

The integrated performance report identifies that the trust is on trajectory for reducing hospital associated *Clostridium difficile* in line with the priority above. The chart below highlights that our improved performance in comparison with neighbouring trusts.

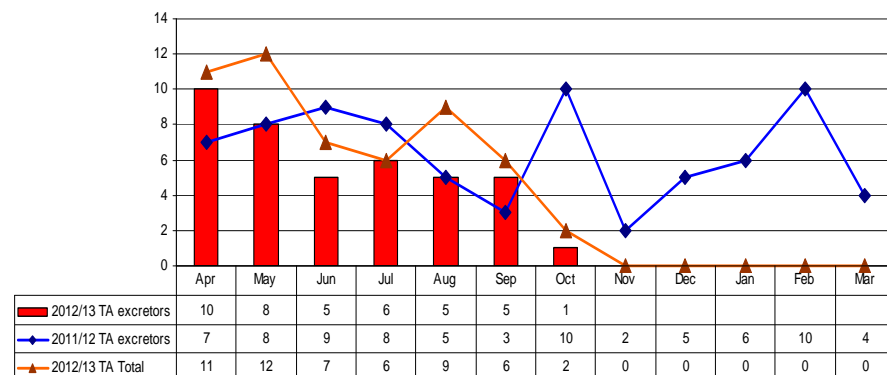
Comparison *Clostridium difficile* rates 2012/13



The trust continues to use added value testing to identify *Cdiff* excretors (patients colonised with *Cdiff* which is not currently producing toxin, but has the potential to do so). The aim is to reduce harm to the population by minimising the pool of affected patients in the local health community. It should prevent these patients becoming cases, prevent these patients infecting others and to prevent new cases.

The chart below identifies that the number of these excretors fell considerably in October.

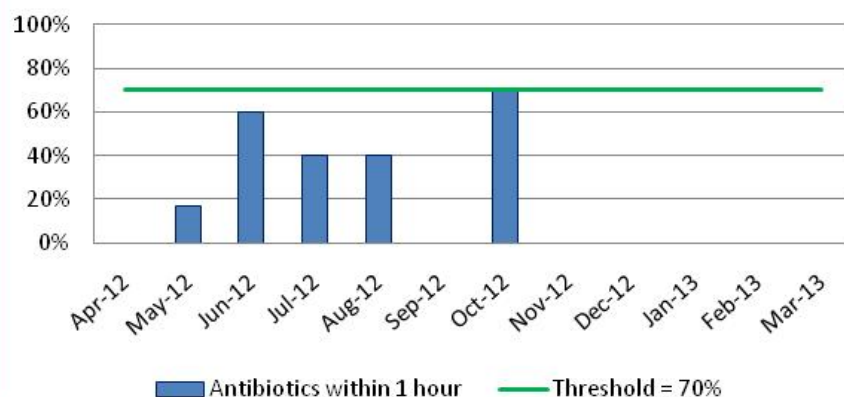
TA *Clostridium difficile* excretors 2012/13 and previous excretors 2011/12



Reducing Harm from Sepsis

Quality Accounts Priority 4: Reducing harm from sepsis by ensuring that at least 70% of patients (in the Emergency Department and Clinical Decision Unit) with a diagnosis of sepsis receive antibiotics within an hour by March 2013. This is also a CQUIN for 2012/13.

Percentage of patients with sepsis who receive antibiotics within 1 hour



The October point prevalence audit showed that 70% of patients with suspected sepsis were given antibiotics within 1 hour.

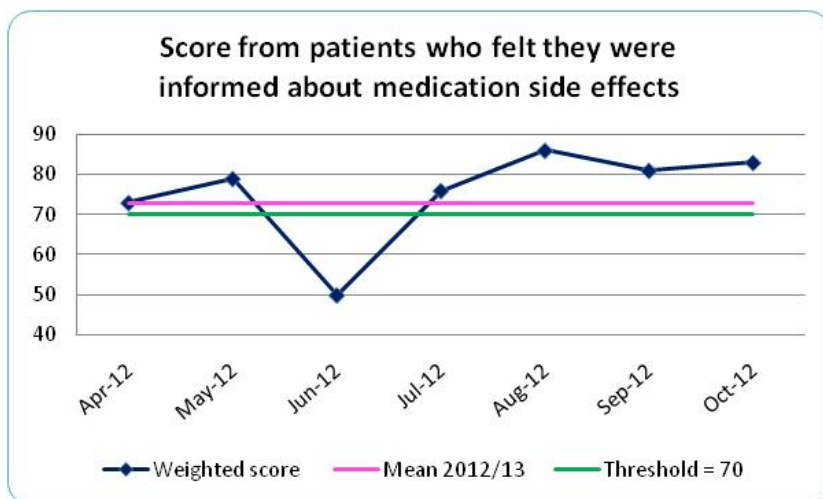
With the PCT we have agreed a local CQUIN target based on the percentage of adult patients admitted to the Emergency Department and CDU with a diagnosis of sepsis who receive intravenous antibiotics within one hour of medical assessment. This is measured by a monthly point prevalence audit on a single day of on average 25 patients.

Actions in progress

- Expansion of Point of Care Analyser, currently used for patients with possible neutropenic sepsis, for patients in ED with infection and I x SIRS symptoms
- Educational Mock Inquest 30th November, around a septic patient.
- Educational clinical scenario 14th December, of events leading to this patient's death, and film as to what should have happened.
- Pilot of SOS (Suspicion of Sepsis) alerts using SBAR communication during December on 7 wards.
- Mortality review by 30 Consultants of patients who died from pneumonia (May- July 2012)
- Notes review of 30 patients who died within 30 days of discharge Annual RBH Sepsis Conference, December 10th
- Sepsis Podcasts with Wessex HEIC
- Round table preliminary meeting with South of England Clinical Leads to promote good practice - 10th December 12

Timely Informed Discharge

Quality Accounts priority 5: Ensuring timely informed discharge by increasing the numbers of patients who are “Informed about medication side effects” measured by the rolling patient survey weighted score for that question, from 65 to 70 by March 2013.



Our aim is to make improvements in the information given by us about medications during the discharge process.

Actions in progress

- New nursing discharge letter training.
- This document is on the intranet and training has been given to wards. Feedback from stakeholders indicates that usage of the document is widespread and there have been no complaints to this team since the introduction of the form that DNs have not been informed of relevant discharges.
- Urgent Care are commencing a quality improvement project around this topic

On average our patients feel that they are more informed about medication side effects



EPR Impact



Concerns and Incidents Raised

- 15 patient safety incidents were recorded in June/July/August as directly attributable to EPR, and all of these have resulted in no harm to the patient and may well have occurred with previous data systems such as BedMan.
- As an example incident WEB43054 stated: Repeated lack of information from EPR clinic lists about which children require specialist Speech and Language Therapy (SLT) assessment to inform ENT management plan. This led to SLT having to significantly overrun clinic, with a patient wait of 2.5 hours in order to achieve a competent assessment. This issue with clinic templates has been highlighted for over one year and urgently needs to be addressed.
- EPR has resulted in an increased workload for many staff, as there is a requirement to access computers more regularly for a variety of patient-associated reasons such as recording and seeing VitalPac Early Warning Scores (ViEWS) scores, patient information and to transfer patients. All these require the user to log on and then proceed through multiple clicks to get to the data area needed – this will take each user at least 1 minute each time they need to access EPR, before they have even begin the task in question.
- There have been requests for additional computer access in the form of extra tablets, and mobile PCs. It has been reported that the lack of equipment is impacting the ability of staff to access and update patient records in a timely manner.
- Patients have been inappropriately booked and arrived for appointments that have not been scheduled with a Doctor, this is increasing 2 week waits. In addition, it is reported that there is increased time spent trying to book patients in.
- It has been reported that office and managerial staff are spending additional time reviewing and correcting activity. This has created a distraction from normal business and may be impacting on service provision, both in terms of operational capacity and quality.
- There were more complaints within the Planned Care Group about administration, with a peak in July of 10 complaints that correlates with EPR however this increase has now reduced.

Context

Electronic Patient Records (EPR) went live on 18 June 2012.

Risks identified

- The most significant risk to patients is when they are inadvertently cancelled, or not booked for appropriate waiting list, or follow up appointments.
- The other risk identified is protecting patient confidentiality. Staff have developed multiple paper and spreadsheet systems in order to ensure that patients are not missed, handovers occur and vital signs can be easily and immediately recorded at the bedside. However, this means that there is an increase risk of mislaying potentially patient-identifiable information.

Risk mitigation

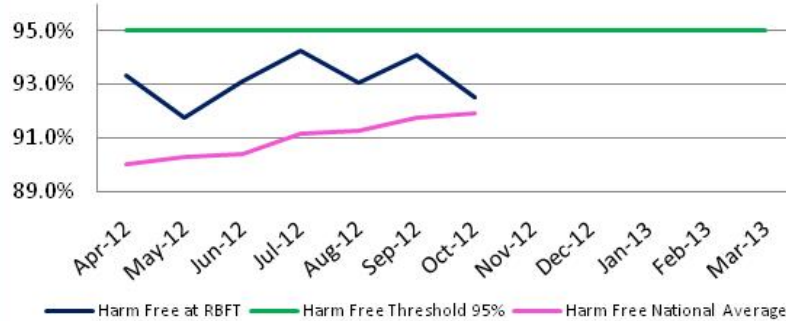
- Office and managerial staff are reviewing and correcting activity
- EPR has been amended to allow easier follow up and handover
- Staff have been reminded about the confidentiality issues associated with paper notes and handover sheets.
- The EPR Stabilisation Plan addresses changes to the configuration and software, support for staff and removal of backlog to acceptable normal working levels
- The Trust Risk Register is currently being reviewed and the EPR risks are being reconsidered.

Safety Thermometer (CQUIN)

Supporting harm free care

Data are generated by a monthly point prevalence audit of all inpatients (as defined in the NHS Safety Thermometer guidance) on a specified date for four outcomes. Data collection is defined in a CQUIN target, and improvement of 10% harm reduction via the Annual Plan.

Safety Thermometer: Harm Free Care



Context

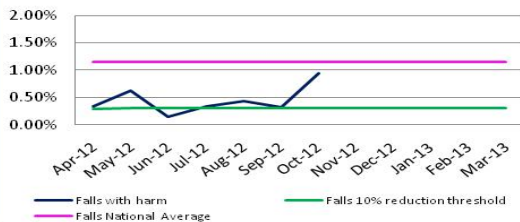
The CQUIN target is to undertake and submit data collection and we are meeting this target very well at 100%.

The Annual plan has a stretch improvement target of 10% reduction, which was set prior to the availability of baseline data.

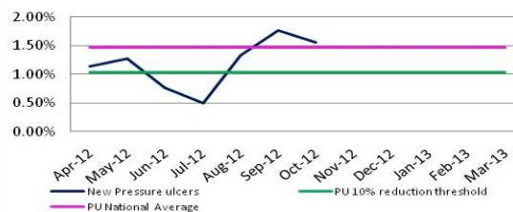
The HSJ reported on 30 August that the NHS Safety Thermometer reveals that 9% of all NHS patients have suffered an avoidable harm (91% harm-free). The Department of Health's target is to deliver "harm-free care" to 95 per cent of patients "by 2012".

On average we are providing 93% harm-free care, above the National average and on target to achieve 95%.

Safety Thermometer Falls (harm)



Safety Thermometer New Pressure Ulcers



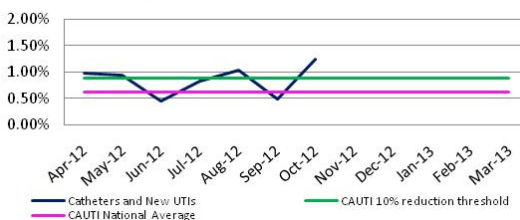
October 2012

New Pressure ulcers: RBFT is above the National average and not on target for the 10% reduction threshold.

Falls Harm: RBFT is below the National average (which is good), but is not on target for the 10% reduction threshold

New Catheter UTIs: RBFT is above the National average and not on target for the 10% reduction threshold.

Safety Thermometer New Catheter UTIs



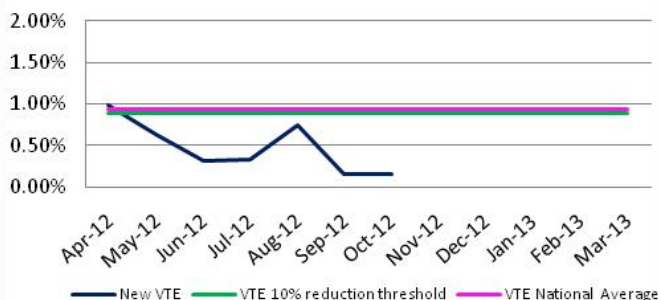
New Catheter UTIs

The definition of new CAUTIs is antibiotic treatment started on, or during admission for a urinary tract infection associated with indwelling catheter. This will include patients from the community who are admitted with a suspected infection that we then treat. This is the first year of this data collection and we are using the benchmarking to help identify actions where relevant.

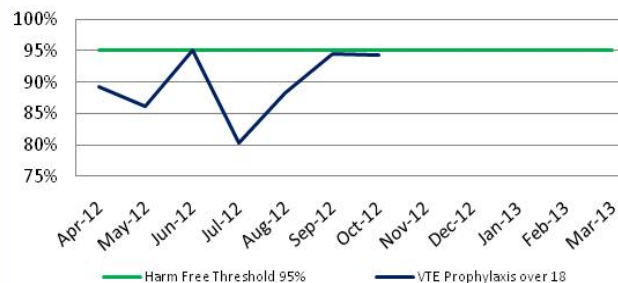
Venous Thromboembolism (VTE)

For 2012/13 the Trust has a CQUIN target worth £241,000 for undertaking a VTE risk assessment on admission to hospital in at least 90% of patients.

Safety Thermometer New VTE s



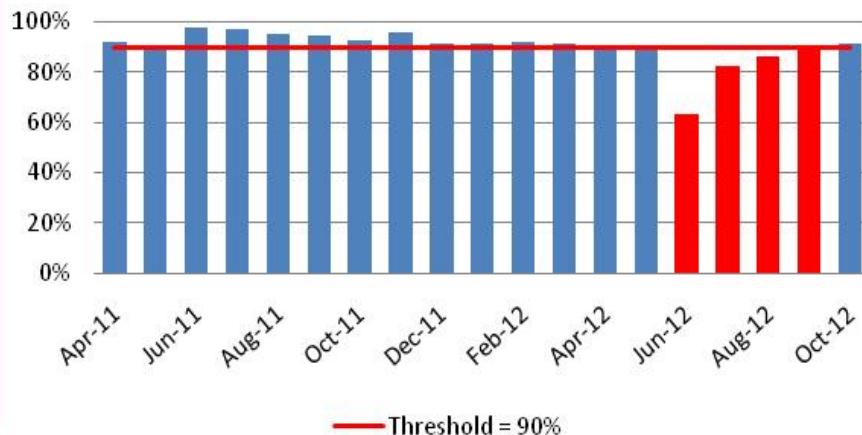
Safety Thermometer VTE Prophylaxis



Context

- VTE risk assessments reached 91.02% in October
- Patients with new venous thromboembolisms are identified via the Safety Thermometer
- Appropriate VTE prophylaxis is measured via the Safety Thermometer

Percentage of patients with completed VTE Risk assessments

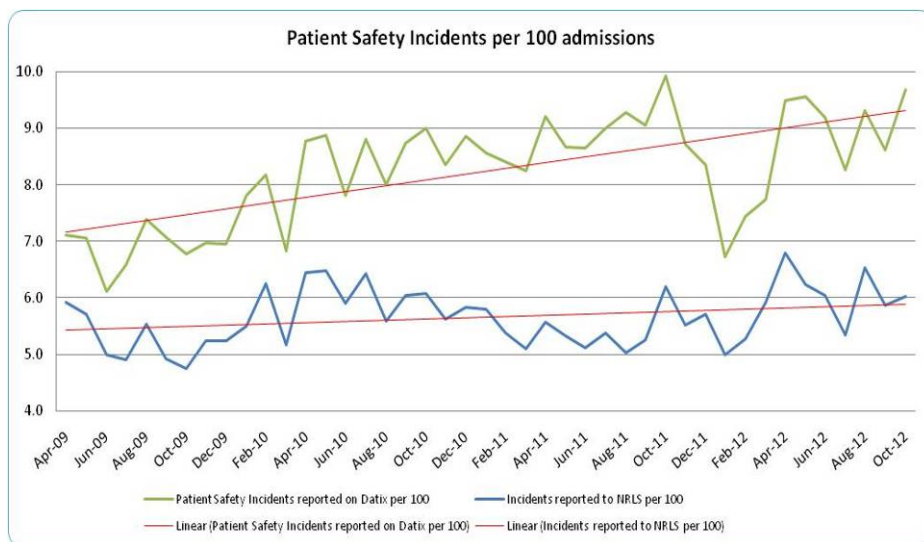


- VTE risk assessments achieved the 90% threshold
- RBFT has less patients (than the National average) who have developed new venous thromboembolisms and is on target for 10% reduction threshold.
- Appropriate VTE prophylaxis is administered to just under 95% of patients.

Actions in progress

- Ongoing business as usual
- Continual review of targets and thresholds

Incidents



Incidents

We continue to increase our reporting (which is good) and at 6.0 incidents per 100 admissions, are within normal reporting range (national median is 5.9).

Serious incidents

- There were 6 serious incidents (no Never Events) reported to the PCT in October: 3 x pressure ulcers, 1 x fall with #NOF, 1 x patient deterioration, 1 x IT failure. Full details will be discussed at the Clinical Governance Committee. Root Cause Analysis are being undertaken to enable the Trust to learn from these incidents.
- There were 5 Amber incidents reported, all now undergoing local Root Cause Analysis.

Serious incidents Closure Overdue with PCT

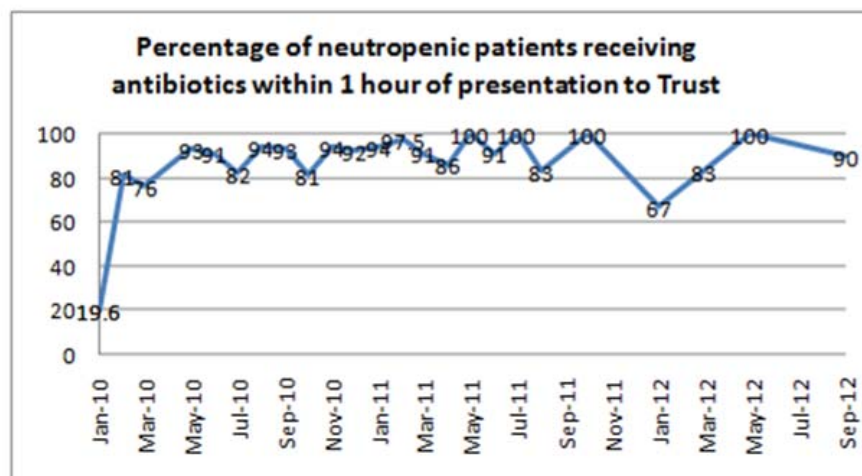
Incident Date	SI Number	Care Group	Category	Days overdue
22-Aug-12	2012 22997	Planned	Confidential information leak	29
27-Mar-11	2011/5788	Urgent	Fall	Clock Stop agreed
15-Jul-12	2012/17271	Urgent	Unexpected death	59
16-Aug-12	2012/20405	Urgent	Fall	27

Action Progress: Closure Overdue with PCT

Our contract states that serious incidents must be investigated and final reports received by the PCT within 45 working days. Care Group Directors have been made aware of overdue serious incidents listed below.

Neutropenic sepsis

In September, 9/10 (90%) patients received IV antibiotics within 1 hour of presentation to the Trust. Antibiotics for the 10th patient were prescribed at 0:35mins but administered at 1hr 15mins post presentation.



An audit during September 2012 found:

- 38 patients attended ED/ CDU with possible Neutropenic Sepsis (recent chemotherapy/ 'unwell' / one or more SIRS signs)
- Of these 10 patients were neutropenic (26%).
- 9/10 (90%) patients received antibiotics within 1 hour of presentation to ED/ CDU
- 2 further patients were septic and 2 became neutropenic during their hospital admission
- One patient treated for Neutropenic Sepsis was receiving Lenograstim (day 5).
- The Near Patient Testing machine was only used for 16/38 patients (42%) even though it was only out of service for one morning.
- Two patients were moved to inappropriate beds for their condition

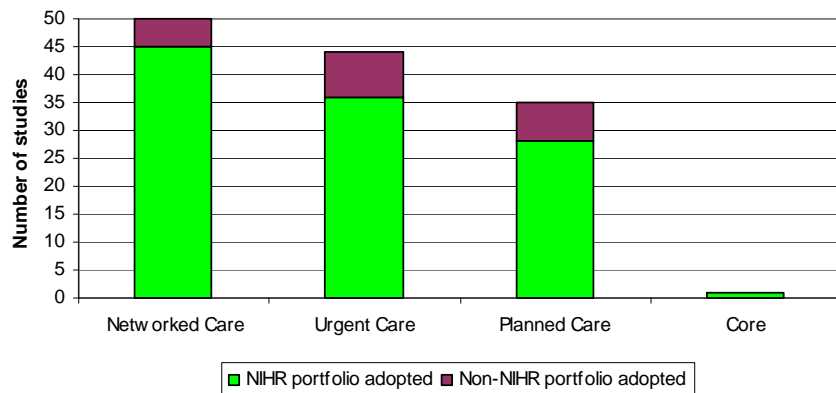
Actions in progress

Action
1. Review notes of septic patient who had antibiotics at 7hrs 50 mins
2. Review how Act5 machine can be used for all patients with possible Neutropenic Sepsis.
3. Bed Managers to review how decisions are made as to where patients are moved to during extremely tight capacity

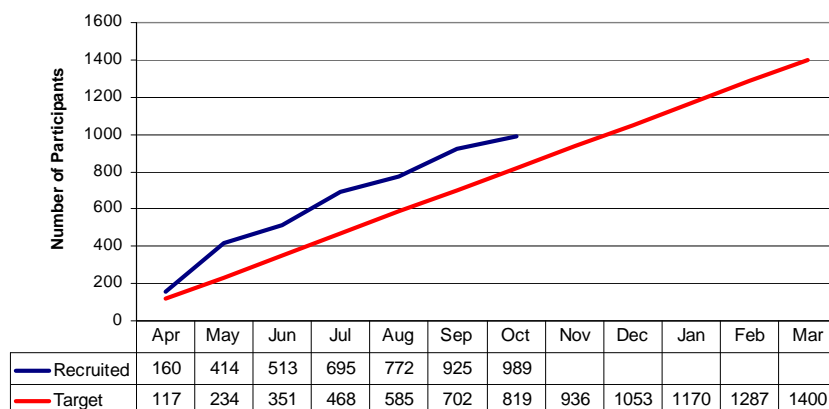
Research and Development (R&D)

National Institute for Health Research (NIHR) Priority: Improving the quality of care provided to patients through clinical trials and contributing to the wider goals of advancing healthcare research.

Research studies open to recruitment in 2012/13 as of 14.11.12



Cumulative Recruitment versus Target 2012/13



The NIHR Clinical Research Network (CRN) Portfolio consists of high-quality clinical research studies that are eligible for consideration for support from the [Clinical Research Network](#) in England. Recruitment data from the NIHR CRN Portfolio is used to inform the allocation of NHS infrastructure for research in Trusts. Research funding is attributed to the RBFT based on the number of NIHR portfolio adopted studies actively recruiting patients into these trials.

Non-NIHR portfolio adopted studies are not funded by the NIHR, but are pivotal in answering important questions raised by researchers.

The national league table for research delivery

The NIHR Clinical Research Network is committed to making NHS research delivery performance transparent and visible, so that healthcare professionals and patients can see how well the pledge in the NHS Constitution is being delivered.

RBFT Research Profile and 'Vital Statistics' available at http://www.crncc.nihr.ac.uk/health+professionals/research_performance

Current progress against TVCLRN High Level Objectives for 2012/13

- Annual patient recruitment target = recruiting above target (see opposite).
- At least 80% of NIHR studies closing in 2012 / 13 meeting recruitment target within study time scales = mid year status still under review.
- Increase the number of NIHR commercial research by an additional 5 studies = 1 NIHR commercial study approved, 6 others in progress.
- Staff learning = Berkshire Healthcare Research Collaboration event on 11th January 2013 covering all aspects of how to initiate, conduct and manage research projects.
- Visibility of Board Engagement: Summary report submitted to Trust Board October 2012 and monthly update available as of Oct 2012.

Risks identified

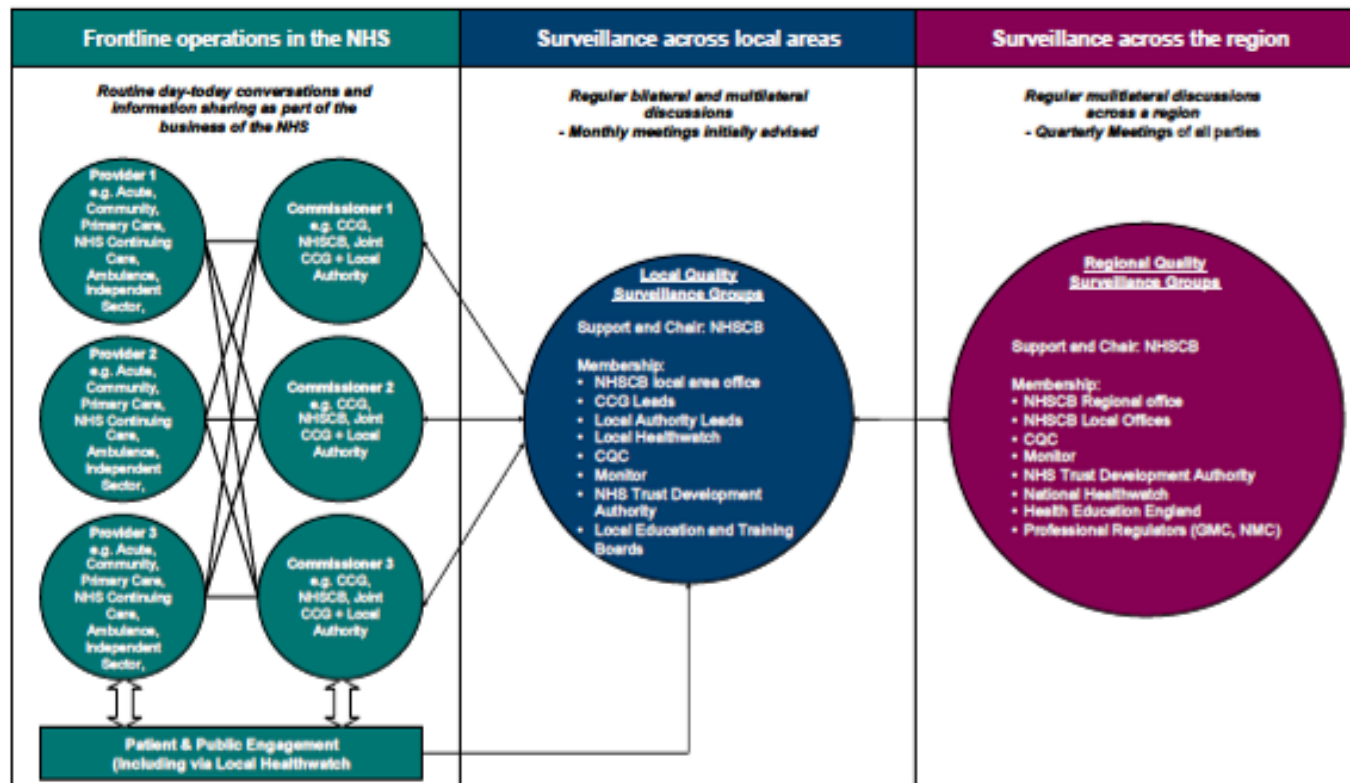
- Staff contract extensions and recruitment of new staff is pivotal to ongoing activity to generate recurrent income.
- The withdrawal of the Innovation Fund restricts R&D capability and the lack of a Clinical Research Facility reduces the ability to income generate.

National Quality Board

- The patient comes first – not the needs of any organisation
- Quality is everybody's business – from the ward to the board; from the supervisory bodies to the regulators, from the commissioners to primary care clinicians and managers
- If we have concerns we speak out and raise questions without hesitation
- We listen in a systematic way to what our patients and our staff tell us about the quality of care
- If concerns are raised, we listen and 'go and look'

The National Quality Board (NQB) has published a draft report – Quality in the new health system – maintaining and improving quality from April 2013.

It sets out the distinct roles and responsibilities for quality of the different parts of the system (both improving quality and ensuring that the essential standards of quality and safety are maintained). It also details how these distinct roles should work together to share information and take coordinated action, where appropriate, in a culture of open, honest transparency and cooperation.



Revalidation

Aim to achieve 100% appraisal rate for doctors by April 2013

Current Overall Appraisal Rates:

Appraisals completed at end of the month. "To date" = financial year running from 01/04/2012 – 31/03/2013.	No. of Doctors	No. of appraisals completed to date	Percentage of total to date
Consultants (Inc. Locum Consultants)	256	93	36%
Staff grade, associate specialist, speciality doctor (Inc. Locum)	91	38	42%
Total	347	131	38%

Revalidation is coming in to affect December 2012. It is a GMC requirement that all licensed doctors are revalidated every 5 years by having regular appraisals to give extra confidence to patients that their doctor is up to date and fit to practise. These regular checks will help to improve the quality of the care received by patients.

It is our aim to have achieved 100% appraisal rate by April 2013 (with agreed exceptions). To have revalidated all doctors with a prescribed connection to the RBFT by March 2016.

We are currently on target to meeting 100% appraisal rates and are indeed ahead of other Trust's in South Central region *we do not have any figures from other trusts but the South Central team has told us we are ahead of the game.

Cumulative Appraisal Rates 01/04/2012 – 31/03/2013: Consultant:

	Expected	Cumulative Expected	Observed in Month	Cumulative Observed
April	30	29	19	19
May	37	66	24	43
June	27	93	10	53
July	14	107	18	71
August	5	112	4	75
September	9	121	12	93

SAS/Staff Grade/Specialty:

	Expected	Cumulative Expected	Observed in Month	Cumulative Observed
April	14	14	10	10
May	19	33	11	21
June	5	38	6	27
July	2	40	3	30
August	3	43	4	34
September	6	49	3	38

NICE Technology Appraisals

Innovation scorecards will highlight availability of NICE-approved drugs

Patients and the public will soon be able to see information on how quickly their local hospitals and primary care organisations are providing NICE-approved treatments and drugs. There is as yet no date for when this will happen.

- This will be linked to the National drive by the NICE Medicines and Prescribing Centre encouraging action in Trusts to review local formulary processes to begin implementation of the Innovation Health and Wealth scheme.
- Government proposals are for an 'innovation scorecard' to display this information. Hospitals and commissioning bodies will be automatically added to publicly available lists that show which latest NICE-approved treatments and drugs are available in their local areas.

The following NICE Technology Appraisals guidance that were previously reported as having breaching the 3 month implementation deadline have now been implemented.

- TA241 Leukaemia (chronic myeloid) - dasatinib, nilotinib, imatinib (intolerant, resistant) – Haematology
- TA251 Leukaemia (chronic myeloid, first line) - dasatinib, nilotinib and standard-dose
- TA208 Gastric cancer (HER2-positive metastatic) - trastuzumab (TA208) – the PCT has confirmed funding for the test.

Innovation Health and Wealth – Submission to the SHA

On 29 October the Trust responded to a request from the SHA to provide information on compliance with NICE Technology Appraisals. The Trust response was submitted to the Trust Clinical Governance Committee.

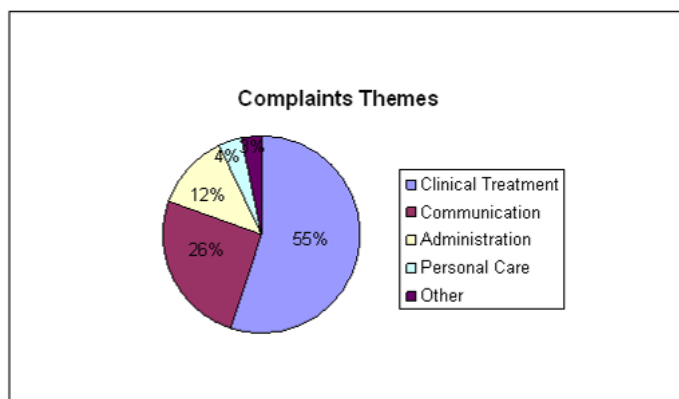
There was no central evidence for Technology Appraisals guidance published before August 2007 therefore these were reviewed. Initially there were 11 Technology Appraisals that the Trust could not report as compliant; this is now 3:

TA48	Renal failure - home versus hospital haemodialysis (TA48)	Implementation in progress. Business case has been submitted.
TA49	Central venous catheters - ultrasound locating devices (TA49)	Status not confirmed
TA68	Macular degeneration (age-related) - photodynamic therapy (TA68)	Status not confirmed

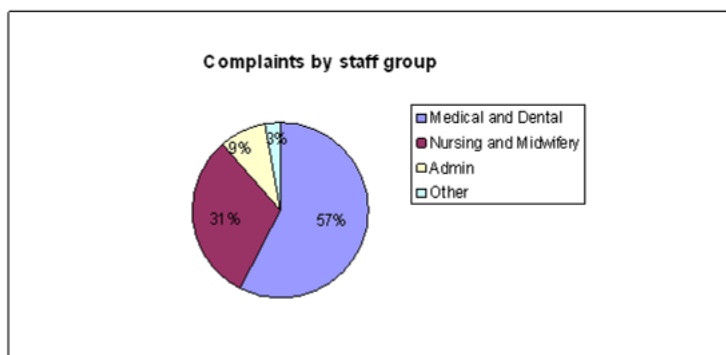
Patient Relations – Annual Report

April 2011 – March 2012

See IPR and annual report (appended) for full detail



The majority of concerns raised by patients are in relation to Administration and Clinical Treatment. Each Care Group assesses any specific trends within their area and address issues on an individual basis. Complaints relating to attitude and behaviour are closely monitored and in 2011/12 specific training was offered to all staff regarding communication. This theme formed one of the quality account priorities for 2012/13 – see slide 1.



Handling of Complaints

The trust monitors the number of complaints responded to within 25 working days (or an extension agreed with the complainant). **Performance against this target was 93% compared with 92% the previous year.**

103 Local Resolution Meetings were held – giving the opportunity for complainants to meet with the medical teams to discuss the concerns that they raised.

The Trust has an internal complaints review panel chaired by the Director for Corporate Affairs with the Medical Director and a governor in attendance. Complaints can be referred to this panel if the complainant is not happy with their response and the Care Group believes it to have been fully investigated.

Six complaints were referred to the panel in 2011/12 – in four cases it was found that the complaint had been fully investigated, one complaint was referred for an independent review and one complainant was offered a further meeting with clinicians.

Aims for 2012/13

Review of complaints – The Director of Nursing is currently leading a Trustwide review of complaint handling. This will be completed by the end of December 2012. Recommendations from this review will focus on improving the quality of complaint handling and experience for complainants, as well as ensuring lessons learned are implemented and shared across the Trust.

Further training – it is recognised that further training is required for investigating officers to ensure that good quality investigations are undertaken. Training for patient facing staff is also required to support with resolving problems before they escalate to formal complaints.

Quality Account Indicators

	National Average/ Target	Jul-12	Aug-12	Sep-12	Q2	Oct-12
Patient Experience						
Responsiveness to inpatients' personal needs (http://www.dh.gov.uk/)	Target = 68	85.2	87	85.4		85
Percentage of staff who would recommend the provider to friends or family needing care (http://www.nhsstaffsurveys.com/)	65%					
Patient reported outcome measures (PROMs) for i) groin hernia surgery EQ-5D Adjusted average health gain (http://www.ic.nhs.uk/)	0.082					
ii) PROMs for hip replacement surgery EQ-5D Adjusted average health gain (http://www.ic.nhs.uk/)	0.411					
iv) PROMs for knee replacement surgery EQ-5D Adjusted average health gain (http://www.ic.nhs.uk/)	0.295					
Patient Safety						
Rate of patient safety incidents per 100 admissions April-September Report (http://www.nrls.npsa.nhs.uk/)	5.9	5.3	6.6	6.3	5.4	6.0
Percentage of incidents resulting in severe harm and death April-September Report (http://www.nrls.npsa.nhs.uk/)	0.70%	1.13%	0.92%	0.67%	0.51%	1.02%
Percentage of admitted patients risk-assessed for Venous Thromboembolism - Trust data submitted to (http://www.dh.gov.uk/)	Target = 90%	82.46%	86.24%	88.81%		91.02%
Rate of C. difficile per 100,000 bed-days for specimens taken from patients aged 2 years and over (Trust apportioned cases) (http://www.hpa.org.uk/)	28.9				awaiting data	
Number of Grade 3 or 4 hospital-acquired pressure ulcers (Trust incident data)	No national data	2	0	3	5	3
Clinical Effectiveness						
Summary Hospital-Level Mortality Indicator (SHMI) value (http://www.ic.nhs.uk/)	1	1.07				1.06
(SHMI) Statistical (OD) banding (http://www.ic.nhs.uk/)	2 (as expected)	2				2
SHMI Percentage of admitted patients whose treatment included palliative care (http://www.ic.nhs.uk/) I00720	0.93%	1.07%				1.16%
SHMI Percentage of admitted patients whose deaths were included in the SHMI and whose treatment included palliative care (http://www.ic.nhs.uk/) I00721	16.60%	21.06%				23.31%
Emergency readmissions of patients aged 0-15 to hospital within 28 days of discharge (http://www.ic.nhs.uk/)	10.25%	6.60%	6.60%	awaiting data		awaiting data
Emergency readmissions of patients aged over 16 to hospital within 28 days of discharge (http://www.ic.nhs.uk/)	11.61%	3.70%	3.30%	awaiting data		awaiting data

Context

- The indicators for the 2011/12 Quality Accounts were identified by the Department of Health guidance (Gateway reference number: 17240).
- The data that form these indicators are sourced externally and governed by standard national definitions.
- The data reported here reflect National data where known, or internal data sources.

Performance

Performance against the targets and National average is indicated by the coloured boxes (blue indicates within expected range).

Actions

Grade 3 and 4 pressure ulcers continue to cause concern and ongoing actions were reported in the September Quality Report.

Patient Safety Executive Walkarounds

Notable Good Practice



Issues Noted for Action



Context

To date there have been 81 Patient Safety Executive Walkarounds. These started in September 2009 and are now undertaken every two weeks, alternating with the Patient Experience Executive Walkarounds.

The aims of these workarounds are to:

- Increase the awareness of safety issues among all clinicians
- Make safety a priority for senior leaders by spending a dedicated time promoting a safety culture
- Educate staff about patient safety concepts such as incident reporting
- Obtain and act on information gathered that identifies areas for improvement
- Build communication and relationships with frontline staff

Action Progress

Patient Safety Executive Walkarounds have occurred most recently on: Adelaide, Iffley, MRI suite Cellular Pathology and ICU. The reports with notable good practice and issues noted for action are logged against the CQC Outcomes are shared with local Clinical Governance leads for review.

Patient Relations Department Annual Report 2011/12

Kirsty Ward, Group Director of Nursing

1.0 Purpose of Report

The purpose of this report is to provide a review of the overall performance of Complaints handling at the Royal Berkshire Hospital NHS Foundation Trust between April 2011 and March 2012.

The contents of this report specifically meet the requirements set out for Complaints Annual Reports in section 18 of the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009.

2.0 Introduction

This report will review the overall performance of Complaints handling and will review actions taken to improve services from complaints received, highlight key achievements over the past 12 months and summarise aims for 2012/13.

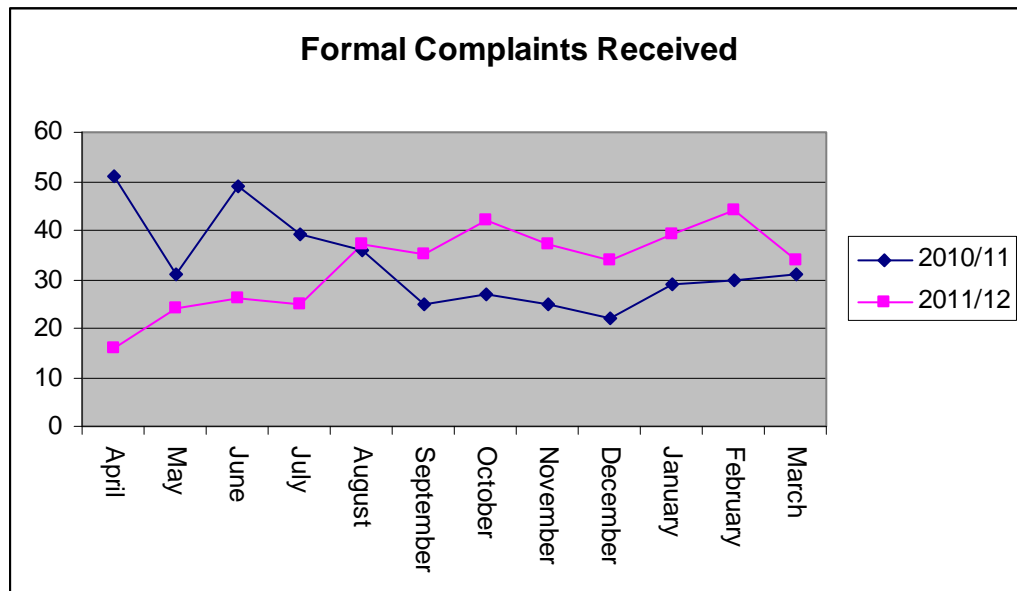
The Complaints function is integrated with the PALS service to offer a combined Patient Relations Department.

3.0 Reporting processes

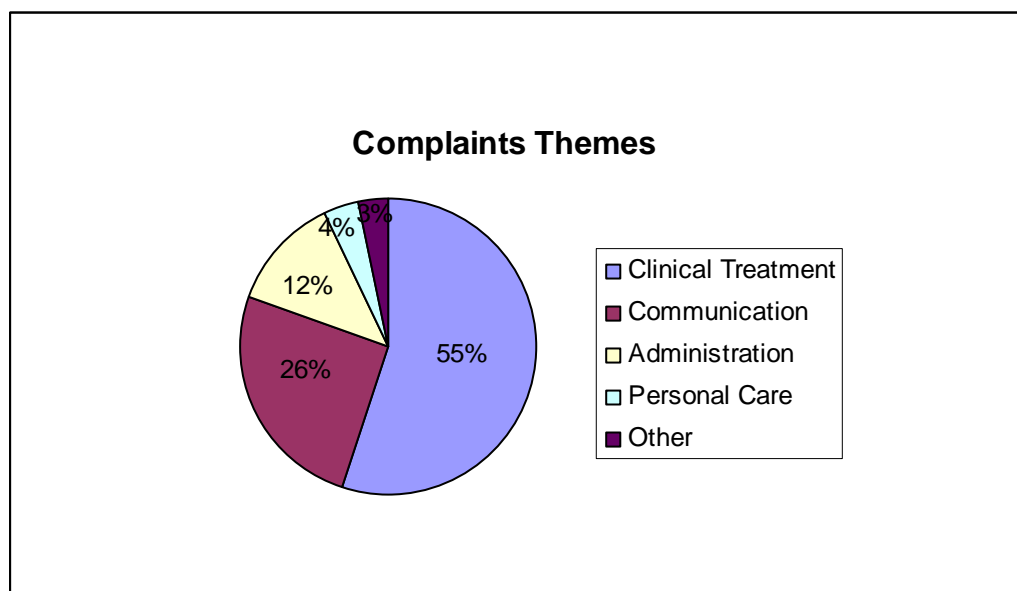
- 3.1 Board of Directors – the Board receive a monthly report detailing numbers of formal complaints, themes and response times.
- 3.2 Clinical Assurance Committee – which is a sub committee of the Board of Governors.
- 3.3 Care Group Board Meetings – each Care Group Board receive an update report on a monthly basis.
- 3.4 Patient Experience Committee – a copy of the Board report is tabled at this meeting which has representatives from patient panels and all care groups.
- 3.5 Patient Safety Council – the patient safety council receives an aggregated report of complaints, incidents and claims.
- 3.6 Clinical Governance Committees – complaints are a standing agenda item at each local clinical governance committee, giving an opportunity for trends to be reviewed by the multi-disciplinary team.

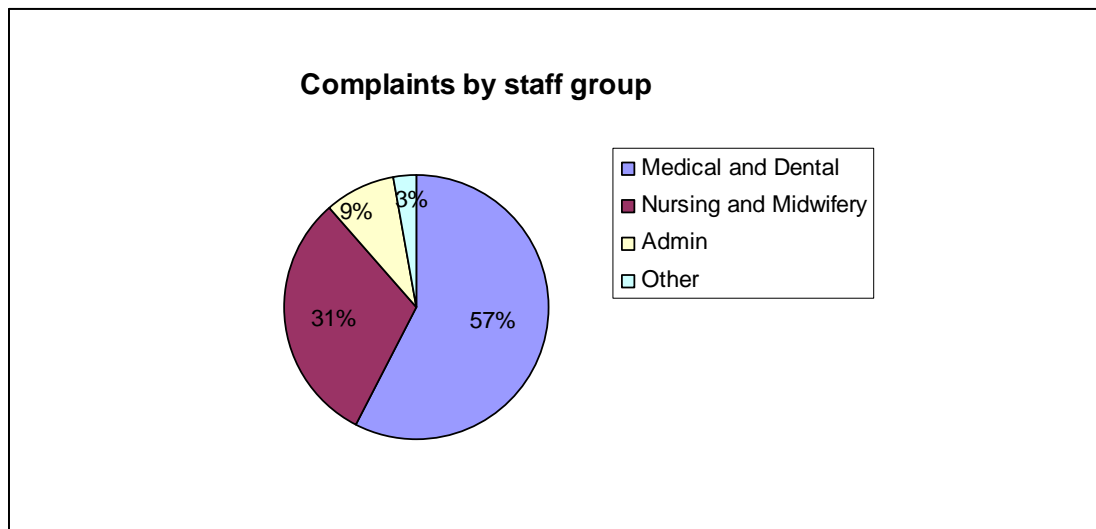
4.0 Number of formal complaints received

A total of 393 formal complaints were received during 2011/12, compared with 395 in 2010/11. 93% of complaints were responded to either within 25 working days or within an extension agreed with the complainant.

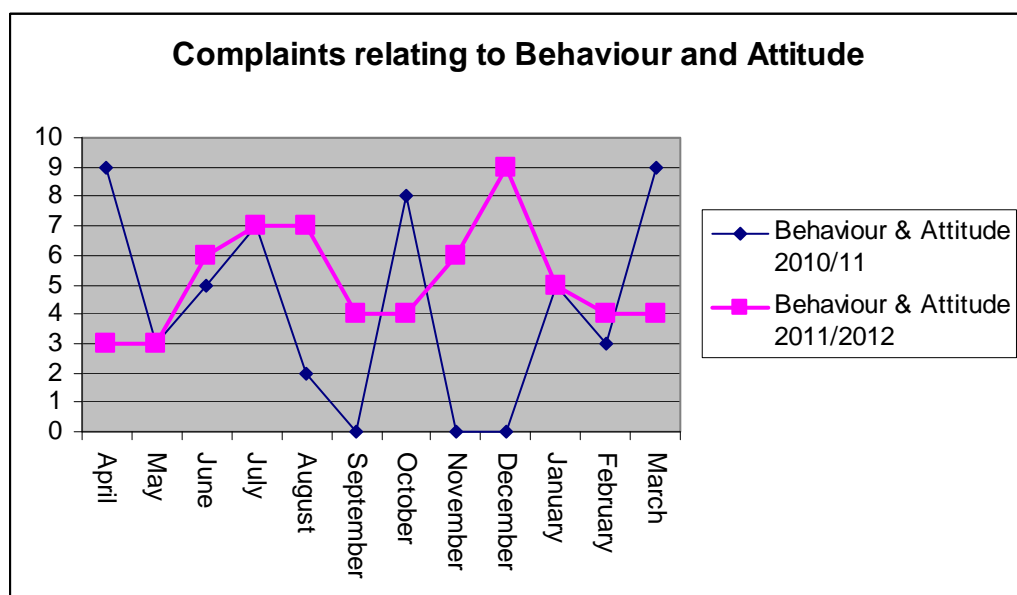


The charts below detail the top themes for formal complaints and complaints by staff group for 2011/12. The majority of complaints received relating to clinical treatment and communication were in relation to medical staff.





Complaints relating to behaviour and attitude are closely monitored and trends acted upon.



5.0 Complaints Referred to the Parliamentary and Health Service Ombudsman (PHSO)

Three complaints were referred to the PHSO in 2011/12, of these only one was further investigated by them and upheld. The actions agreed as a result of the upheld complaint have been completed.

6.0 Handling of Complaints

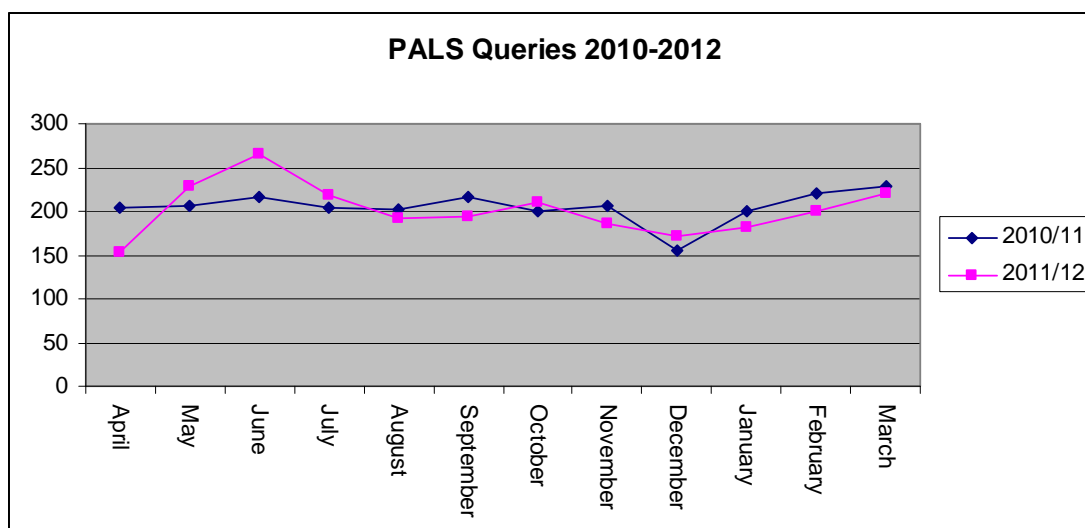
The trust monitors the number of complaints responded to within 25 working days (or an extension agreed with the complainant). Performance against this target was 93% compared with 92% the previous year.

103 Local Resolution Meetings were held – giving the opportunity for complainants to meet with the medical teams to discuss the concerns that they raised.

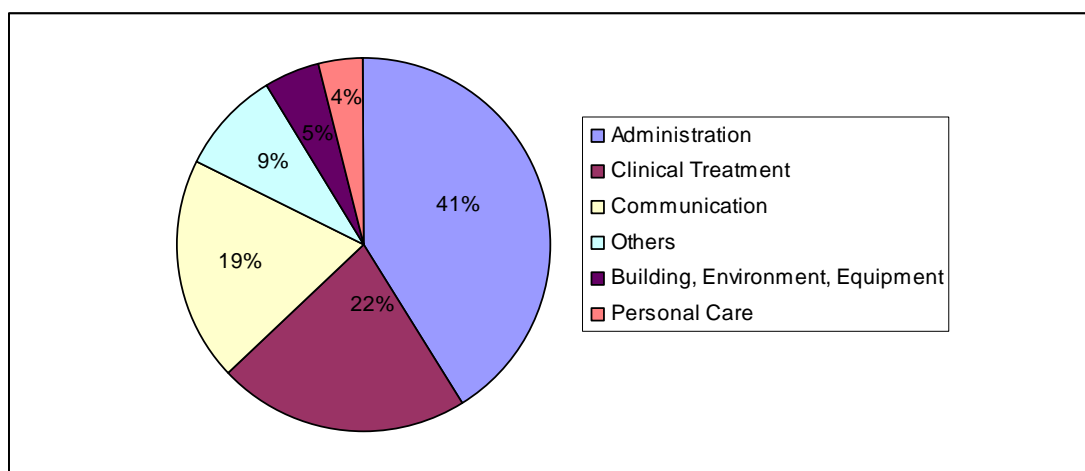
The Trust has an internal complaints review panel chaired by the Director for Corporate Affairs with the Medical Director and a governor in attendance. Complaints can be referred to this panel if the complainant is not happy with their response and the Care Group believes it to have been fully investigated. Six complaints were referred to the panel in 2011/12 – in four cases it was found that the complaint had been fully investigated, one complaint was referred for an independent review and one complainant was offered a further meeting with clinicians.

7.0 PALS Queries

PALS queries are informal enquiries that can be resolved within 48 hours, usually issues that do not require a formal investigation. The total number of PALS queries received in 2011/12 was 2424, compared with 2460 the previous year. This shows a small but important decrease in queries which were also down by 1.24% from 2009/10 to 2010/11.



The chart below shows the top themes for PALS queries for 2011/12. The majority relate to administration, typically these were about appointments – cancelled or rescheduled. These tend to be dealt with quickly and informally by the Patient Relations Team.



8.0 Matters of general importance arising out of complaints

The majority of concerns raised by patients are in relation to Administration and Clinical Treatment. Each Care Group assesses any specific trends within their area and address issues on an individual basis.

Complaints relating to attitude and behaviour are closely monitored and in 2011/12 specific training was offered to all staff regarding communication. This theme formed one of the quality account priorities for 2012/13.

9.0 Actions taken to improve services as a result of complaints received

To ensure organisational learning from complaints, any actions agreed following an investigation are recorded and monitored. Each Care Group has a rolling action plan which is monitored on a monthly basis and reported to the Patient Experience Committee which meets quarterly. The actions agreed are monitored by the Matrons and Group Directors of Nursing.

An example of where actions were taken as a result of a complaint is when concerns were raised by a relative regarding the poor care/treatment of her relative following a fall on the ward, with the patient waiting seven days for a CT scan. The investigation that followed showed that the ward was staffed with junior doctors. A management flowchart was developed and implemented to prevent such an event occurring again. This is now being used, successfully, Trustwide.

10.0 Positive Feedback

Whilst compliments are logged within the Patient Relations Team it is acknowledged that this is not a true reflection of the number of thank you letters that are sent to the Trust as most of these are sent directly to the ward or clinician. Some positive feedback received within the department however includes:

"I was recently in Redlands Ward for a bowel cancer operation being discharged on the day that the ward moved back to Lister. I would like to say how impressed I was with my treatment at all levels, it could not have been better. A traumatic period but super staff helped so much. I would very much appreciate it if my thanks and appreciation could be conveyed to the surgical team and the staff of the ward."

"We recently had our new baby at the RBH, and wanted to write to thank all those involved in this process for the fabulous care I received. From the time we were seen by xxx (November 2011) until our baby was born, the care we received was amazing. I don't believe we could have paid for better or more professional care."

11.0 Key Achievements for 2011/12

- 11.1 Reorganisation – the Trust implemented a new Care Group structure (clinically led) in November 2011 which has been mirrored in the Patient Relations Department. This has allowed the staff to work more closely with the Care Groups and build better relationships with complainants.
- 11.2 Training – training for investigating officers has been rolled out and this continues to be offered on an individual basis. More formal training has been provided for healthcare assistants and junior doctors.
- 11.3 Patient meetings – the Trust offers all complainants the opportunity to meet with staff to discuss their concerns and uptake of this has been good. The Patient Relations Department also arrange PALS and Bereavement meetings, usually for concerned relatives. Again, feedback regarding these has been positive.

12.0 Aims for 2012/13

- 12.1 Review of complaints – The Director of Nursing is currently leading a Trustwide review of complaint handling. This will be completed by the end of December 2012. Recommendations from this review will focus on improving the quality of complaint handling and experience for complainants, as well as ensuring lessons learned are implemented and shared across the Trust.
- 12.2 Further training – it is recognised that further training is required for investigating officers to ensure that good quality investigations are undertaken. Training for patient facing staff is also required to support with resolving problems before they escalate to formal complaints.

Board of Directors

Title: Director of Finance Report

Date: 29th November 2012

Lead: Craig Anderson

Purpose: To update the Trust Executive and Board on the financial results of the Trust for October 2012

Decision

Required: To NOTE the contents of this report and to APPROVE the signing of the contract in Section 3.

Financial Targets

- The key financial aim for 2012/13 is to maintain our FRR of 3 through:
 - Delivering at least a break even surplus (versus an original budget of £3.2msurplus)
 - Maintaining cash balance of £20m – requires management of capital spend to provide buffer for further slippage in surplus
- Current surplus £3.0m adverse to budget driven by reduced PCT activity, non delivery of CIPs and pay and non pay overspends
- FRR of 3 maintained but only by the smallest of margins
- Greatest risk to maintaining FRR of 3 in H2 is level of activity and income, ongoing EPR spend, non-delivery of CIPS, and E&F costs.
- Key opportunities are ; income CIPs, and transitional funding from the PCT

Area of Review	Key Highlights	Month Rating	Projected Year End Rating
FRR	October YTD FRR 2.6 which rounds to a 3 for Monitor reporting		
Financial Position	YTD deficit of £(3.7)m vs budget surplus +£1.9m driven by variances in income and expenditure below.		
Activity/Income	YTD income of £187.9m, +£2.6m vs Budget with £1.9m of higher drugs income (offset by £1.6m of higher drugs cost), £2.6m of incremental PCT funding, £1.0m settlement from prior year, some £2.1m of income CIPs, and other income some £0.6m better than budget, all being offset by £2.2m of contract penalties and underlying some activity £3.4m behind budget.		
Expenditure	YTD expenditure of £191.6m, £(8.2)m adverse vs Budget with pay £1.5m above budget (par offset by incremental PCT funding, drugs £1.6m above budget (offset by incremental income), CIPs £1.8m below budget, EPR costs £1m above budget and estates some £0.5m above budget.		
EBITDA	YTD 5.3% vs Budget 8.2% (£5.2m adverse variance)		
Cash	Cash of £18.6m, vs Budget of £25.0m driven by lower EBITDA and higher capex and timing of working capital payments and receipts, the timing of which has no impact on FRR		
Capital	YTD expenditure of £8.4m vs Budget of £8.9m driven by EPR		
CIPs	YTD delivery £4.5m , £(1.8)m behind plan		

1. Financial Position

Overall Financial Performance - Performance behind both Q2 forecast and budget. FRR of 2.6 – but only just

Results for Month
£m

7

Period				YTD			
Actual	Vs Q2F	Vs Budget	Index PY	Actual	Vs Q2F	Vs Budget	Index PY
27.4	(0.4)	(0.5)	101	187.9	(0.4)	2.6	104
(15.7)	0.1	(0.4)	100	(109.0)	0.1	(1.5)	102
(2.9)	(0.3)	(0.5)	127	(18.9)	(0.3)	(1.6)	116
(9.1)	(0.2)	(1.3)	114	(59.6)	(0.2)	(5.1)	110
(0.6)	0.0	0.0	85	(4.2)	0.0	(0.1)	87
(0.0)	(0.0)	(0.0)	(334)	(0.0)	(0.0)	(0.0)	2
(0.9)	(0.8)	(2.6)	(228)	(3.7)	(0.8)	(5.6)	178
2.6							

Period				YTD			
Actual	Q2F	Budget	PY	Actual	Q2F	Budget	PY
(4.4)	0.8	(1.0)		(18.1)	(12.9)	(11.8)	
18.6	23.9	25.0		18.6	23.9	25.0	
1.1	1.9	3.6	2.3	9.9	10.7	15.1	11.7
4.2%	6.9%	13.0%	8.5%	5.3%	5.7%	8.2%	6.4%

- FRR of 2.6, but only just. Rounds up to 3.
- High number of working days in the month, 23, but low income per working day pre provisions, £0.07m less than September.
- Ongoing issues with accurate capture of activity off EPR. Resulting judgements made in reporting of income that are significant in the context of the margin by which FRR achieved
- (£1.6m) YTD for NEL Threshold penalty and (£0.6m) YTD for NEL Readmits penalty – driven by high non elective work
- Ongoing EPR costs drive £0.4m of incremental cost in October
- Drugs costs significantly higher than PY but recovery % remains on target at 65% YTD and cost per work day in line with previous months.
- Pay costs impacted by high agency in October.

Income behind budget and forecast, despite significant estimates included for activity and pricing. M7 NEL penalties total £0.6m (£2.3m YTD)

Analysis :

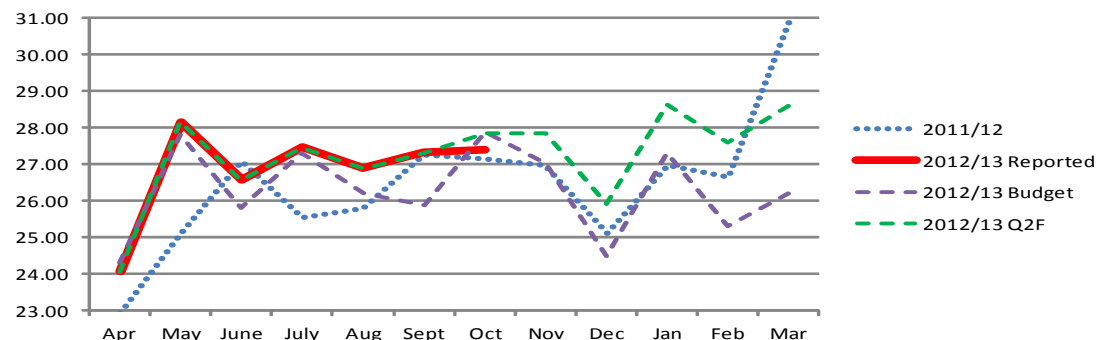
- Income includes £1.0m activity/income estimated by care groups, not recorded on EPR
- Despite this, average Income per day indexed at just 92 for M7 (ie 8% down) – equates to £101 less per day. YTD is 4% ahead of PY.
- Risk of non recovery of income accrued if 2,500 uncoded spells from June to September are not coded by 22 November. £nil provided. Extension to cut off being sought from PCT.
- CQUIN income set at 100%.
- Transitional Funding at £288k (£2.5m YTD).
- Provision for NEL Threshold £0.5m (£1.6m YTD) and NEL Readmits £0.1m (£0.6m YTD).
- NEL Threshold provision based on reported NEL activity excluding Berkshire East.
- £nil included for all other contract penalties such as first to follow up ratios and contract data challenges pending validation of data.

Action :

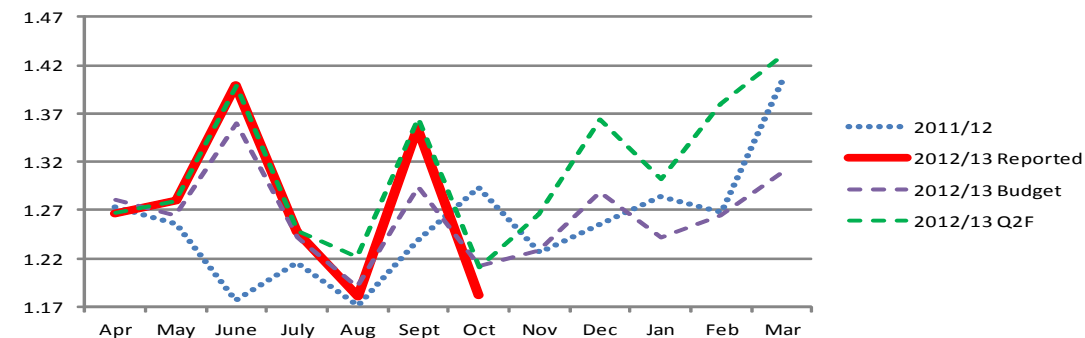
- Understand activity reported v activity delivered
- Continue to drive activity, particularly within planned care.
- Code all uncoded June to September spells within an agreed cut off timetable.
- Progress transitional funding with PCT

Income	MONTH				YTD			
	Actual £m	Vs Q2F £m	Vs Budget £m	Index PY	Actual £m	Vs Q2F £m	Vs Budget £m	Index PY
Income from Activities	25.7	(0.2)	(0.4)	102	174.5	(0.2)	2.0	105
Other Patient Care Income	0.2	(0.2)	(0.1)	55	2.0	(0.2)	(0.0)	97
Other Operating Income	1.5	(0.0)	0.0	93	11.3	(0.0)	0.6	92
Total Income	27.4	(0.4)	(0.5)	101	187.9	(0.4)	2.6	104
Income per working day £k	1,192	(19)	(21)	92	1,278	(3)	18	104

Income £m



Average Daily Income £m



Pay costs broadly in line with both Q2 forecast and PY, however the ratio of Bank to Agency Nurses continues to decrease, 47% in M7 vs YTD vs 80% benchmark.

Pay Costs £K				VS Q2F		VS BUDGET		INDEX VS PY	
Group Description	M06	M07	MoM Movement	Month vs Q2F	YTD vs Q2F	Month vs Budget	YTD vs Budget	Month	YTD
Medical Staff	(4,532)	(4,470)	(73)	47	47	(49)	(212)	102	103
Nursing	(6,339)	(6,298)	84	121	121	(217)	(1,054)	99	101
PAMs	(882)	(898)	(27)	(16)	(16)	(1)	203	103	105
Scientist and PTBs	(1,016)	(1,002)	18	72	72	108	593	98	101
Pharmacists	(189)	(184)	(14)	26	26	16	135	108	102
Admin & Management	(2,175)	(2,177)	(5)	(8)	(8)	4	84	100	103
Ancillary & Maintenance	(749)	(683)	69	(21)	(21)	(47)	(157)	91	101
Other Pay	(12)	(11)	(21)	(128)	(128)	(177)	(1,067)	(119)	3,261
Pay	(15,894)	(15,724)	170	92	92	(364)	(1,475)	100	102
Bank as a % of Total Agency	57%	47%							

Analysis :

- Care Group pay is £0.1m favourable vs Q2F driven by Urgent Care
- Agency costs are flat vs PY, however bank % is low at 47%
- Other Pay is driven by CIPs. Overall at Trust level Pay CIPs have delivered £1.1m YTD, representing a shortfall of £(0.4)m vs Budget

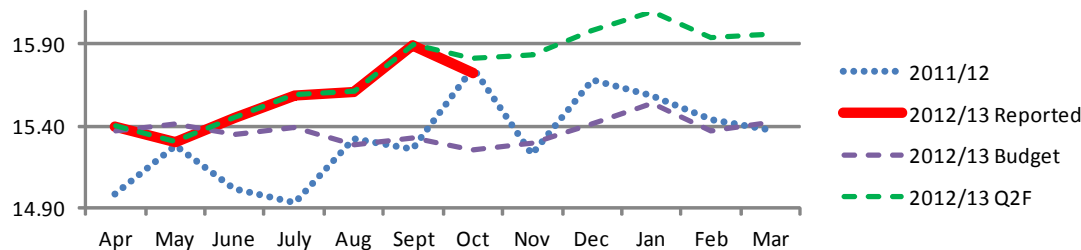
Action :

- Review of medic resource plans underway to assess value medic resource plans
- Ensure timely release of rosters to minimise use of agency staff
- Continue to gain PCT funding for medically fit for discharge patients.

By Care Group £k	Act vs Q2F		Act vs Budget	
	Month	YTD	Month	YTD
Urgent Care	208	208	(204)	(1,612)
Planned Care	(83)	(83)	(52)	430
Networked Care	10	10	(25)	181
Total Care Groups	135	135	(280)	(1,000)
Total Other	(43)	(43)	(84)	(475)
TOTAL	92	92	(364)	(1,475)

Pay as % Income					
Actuals				Budget	
This Month	Last Month	YTD	PY YTD	This Month	YTD
57%	57%	58%	59%	55%	58%

Pay £m



Non Pay Costs – Drugs spend is 27% up vs PY driven by PBR–excluded Drugs. YTD income recovery at 65% is in line with target.

Non Pay - Drugs	MONTH				YTD			
	Actual	Vs Q2F	Vs Budget	Index				
	£m	£m	£m	PY	Actual £m	£m	£m	PY
Urgent Care	(0.4)	(0.0)	(0.1)	140	(2.9)	(0.0)	(0.3)	119
Planned Care	(1.0)	0.0	(0.0)	116	(7.2)	0.0	(0.0)	112
Networked Care	(1.1)	0.0	(0.1)	101	(8.1)	0.0	(0.8)	113
Other	(0.3)	(0.3)	(0.2)	(901)	(0.7)	(0.3)	(0.4)	359
Total Non Pay Drugs	(2.9)	(0.3)	(0.5)	127	(18.9)	(0.3)	(1.6)	116

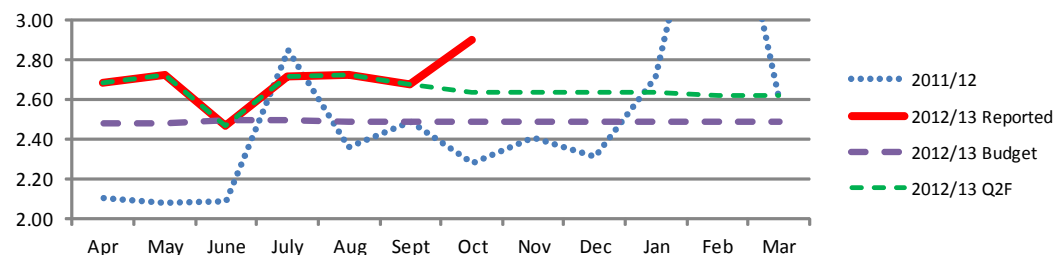
Analysis :

- Key driver of YTD variance vs Budget is Networked Care (Rheumatology)
- Planned Care have seen an increase in the use of Lucentis in October
- There have also been stock adjustments with the introduction of JAC which require further investigation

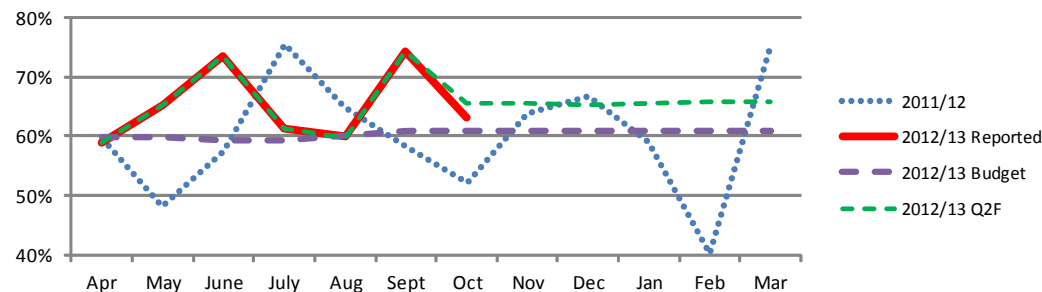
Action :

- Continue to drive maximum recharge of 64%
- Stretch challenge to specialties to reduce drugs spend by 15%
- Ensure ongoing links with Pharmacy experts in ProCure as ProCure is due to close in February
- Review of formulary by Drugs and Therapeutics Group
- Conclude review of stock adjustments with new system

Drugs Spend £m



Drugs Income % Spend



Non Pay Costs – Excluding Drugs £(0.2)m overspent vs Q2F driven predominantly by CSC/Cerner/Trustwide CIPs.

Non Pay ex Drugs	MONTH				YTD			
	Actual £m	Vs Q2F £m	Vs Budget £m	Index PY	Actual £m	Vs Q2F £m	Vs Budget £m	Index PY
Clinical Service & Supplies	(3.4)	(0.1)	(0.3)	98	(22.1)	(0.1)	(0.9)	95
General Supplies & Services	(0.6)	(0.1)	(0.1)	112	(3.7)	(0.1)	(0.0)	106
Establishment Expenses	(0.3)	(0.0)	(0.0)	138	(1.9)	(0.0)	0.1	111
Other Establishment Expenses	(0.7)	0.0	0.2	130	(4.9)	0.0	1.6	116
Prem, Trans & Fixed Plant	(1.5)	0.3	(0.4)	163	(10.2)	0.3	(2.6)	141
Depreciation	(1.5)	(0.0)	(0.2)	124	(9.4)	(0.0)	(0.3)	121
Leases	(0.0)	0.1	0.1	23	(0.8)	0.1	0.4	72
Miscellaneous Services	(1.1)	(0.4)	(0.7)	111	(6.5)	(0.4)	(3.4)	124
Total Non Pay ex Drugs	(9.1)	(0.2)	(1.3)	114	(59.6)	(0.2)	(5.1)	110

Analysis :

- EPR consultant agency costs (within Prem, Trans & Fixed Plant) were £350k for the month (£1.8m YTD) vs Q2F of £0.8m
- Central CIPs in Q2F Misc Services are £(0.4)m for the month
- £0.2m within Misc Services due to default by charity on Robbie lease

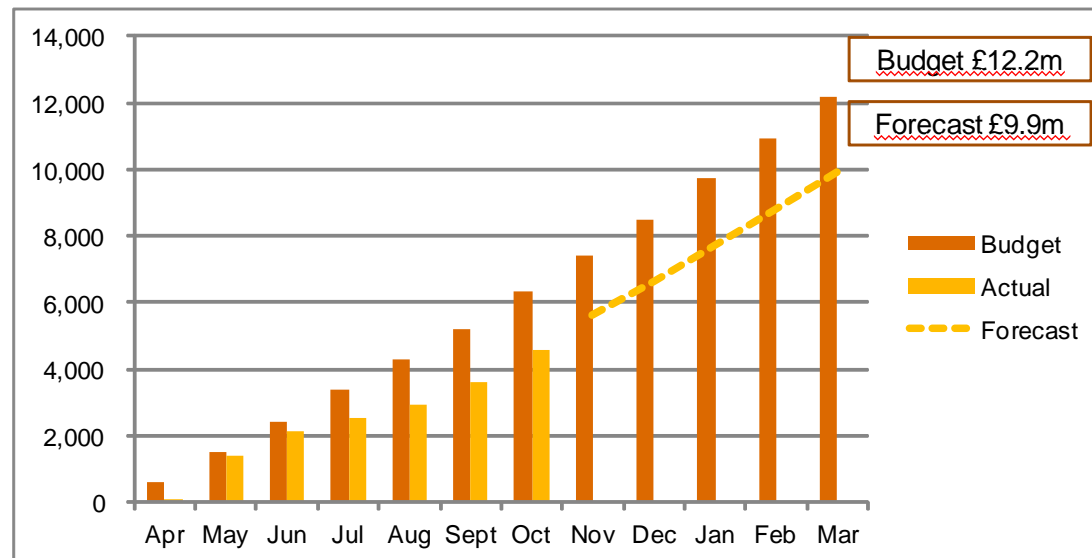
Action :

- Benchmarking of clinical supplies spend underway, to be assisted by use of third party
- Monthly review of estates to control spend
- Discussion with PCT to support EPR costs

Non Pay ex Drugs	MONTH				YTD			
	Actual £m	Vs Q2F £m	Vs Budget £m	Index PY	Actual £m	Vs Q2F £m	Vs Budget £m	Index PY
Urgent Care	(0.9)	(0.1)	(0.1)	107	(5.9)	(0.1)	0.1	96
Planned Care	(2.0)	0.0	0.1	90	(13.5)	0.0	1.2	93
Networked Care	(1.3)	(0.1)	(0.1)	(198)	(8.0)	(0.1)	0.1	96
Estates & Facilities	(1.2)	(0.1)	(0.2)	95	(9.0)	(0.1)	(1.0)	115
HFMS	0.3	0.0	(0.0)	44	1.8	0.0	(0.1)	94
Other Corporate	(3.9)	0.1	(1.0)	81	(25.1)	0.1	(5.4)	130
Total Non Pay ex Drugs	(9.1)	(0.2)	(1.3)	114	(59.6)	(0.2)	(5.1)	110

YTD Cost CIPs are £(1.7)m behind Budget, however income CIPs of £2.1m have been booked

CIP Phasing - Cumulative Budget and Latest Forecast £'000



Analysis :

- Cost CIPs £(1.7)m adverse to budget driven by Non-Pay £(1.4)m and Pay £(0.3)m
- Incremental Income CIPs of £2.1m have been booked
- Latest PMO full year assessment for cost CIPs is £9.9m versus full year budget £12.2m
- Main variances are Estates, IT, Capacity Planning and Drugs (see IPR)
- Full year income CIPs assessed at circa £4.4m

Action :

- QIPP Programme Board implemented, chaired by CEO
- Incremental cost and income CIPs identified as part of October forecast
- Looking ahead focus on transformation programmes critical. Newtons have been appointed to assist in this exercise.

2. Contractual Position with Commissioners for 2012/13 and 2013/14

There remains two areas of negotiation with regards to agreeing 2012/13 contracts :

- (i) the Non Elective threshold with BEPCT for 2012/13. BEPCT originally offered an increase of 5% over prior year threshold levels but we are seeking confirmation if this is still their offer.
- (ii) Appropriate finding for a local neonatal unit with Specialist Commissioners. We have recently received confirmation of the clinical standard that we are expected to meet and are reviewing the cost of providing this level of service.

The Commissioners remain concerned at the reliability of the Contract Activity reporting for 2012/13 and the impact of the EPR Implementation. As previously reported the contractual reporting provisions have been relaxed to allow the Trust to amend the activity reported for the months of June to September 2012. Originally this was set at the 22nd November but we are looking to extend this data further.

Berkshire West PCT continues to take a strict contractual stance on the Trust's clinical performance, (eg cancer waits and diagnostic waits and A&E performance). Formal Notice of Fines have been issued, which are to be held over and considered within the year end financial settlement for the 2012/13. Eight other Contractual Notices for 18 week breaches at specialty level have been received. The Trust has issued Action Plans to address these and no financial consequences are envisaged

The PCT's Contract Notice to withhold contractual payments due to the absence of Trust Remedial Action Plan for ambulance handovers has been withdrawn, as a result of the progress made by the Trust on this point.

The Trust is already working with its Commissioners on the 2013/14 Contract Plans. As in previous years the commissioners have warned that unless the Trust concludes negotiations by 31 March 2013 it may regard the Trust as being outside of the standard NHS Contract Terms from 1 April. This would have a substantial impact of the Trust's cash-flow since monthly default on-account contractual payments would not be enforceable from April 2013 onwards until the 2013/14 contract was signed.

3. Other Information / Contracts and requisitions over £500k for approval

Syringe driver and infusion pump proposal. £1.024m, five year contract with Fresenius.

The contract is for the supply and maintenance of 440 infusion pumps and associated equipment for a five year period with a total contract value of £1.024m.

The current contract expired in 2011 and we are currently liable for costs of £400k for an over consumption charge under the existing contract. This charge will be waived upon signing of the new contract.

The cost of continuing with the existing pumps for a further 5 years has been estimated at £1.546m (including the over consumption charge referred to above)

APPROVAL is sought for one or more Executives to sign the above contract with Fresenius.

Lloyds pharmacy – costs for October - £0.512m. Requisition number 4300929

Cost for outpatient pharmacy for October were above the level required for Board sign off.

APPROVAL is sought for this requisition

4. Appendices

The following reports are included as Appendices:

- Appendix (i) Statement of Comprehensive Income (SOCi): Month and Ytd Actual vs Budget
- Appendix (ii) Income by Point of Delivery
- Appendix (iii) Care Group Financial Reports
- Appendix (iv) Statement of Financial Position (SOFP)
- Appendix (v) Cash Flow Statement
- Appendix (vi) Capital Expenditure Summary
- Appendix (vii) Financial Risk Rating
- Appendix (viii) Patient Level Reporting – 2011/12 FY, 2012/13 Q1

Appendix (i): Statement of Comprehensive Income (SOCl) – Month and YTD Actual vs Budget

RBFT (New Org)																			
Results for Month	ACTUALS £K								MoM £K		Vs Q2F £K		Vs Budget £K		Vs PY £K		Index PY		
7	1	2	3	4	5	6	7	YTD	£'000	Index	7	YTD_M0	7	YTD_M0	7	YTD_M0	7	YTD_M0	
Total	(2,508)	1,311	(303)	185	(1,327)	(154)	(937)	(3,733)	(782)	607	(804)	(804)	(2,636)	(5,632)	(1,347)	(1,641)	(228)	178	
Income	24,067	28,154	26,577	27,461	26,889	27,314	27,416	187,880	102	100	(433)	(433)	(479)	2,591	253	7,052	101	104	
Income from Activities	21,930	25,859	24,866	25,880	24,751	25,522	25,689	174,496	167	101	(187)	(187)	(373)	2,041	523	8,077	102	105	
Primary Care Trusts Income	20,353	24,085	23,052	24,220	22,226	23,325	23,638	160,899	313	101	(418)	(418)	205	(32)	(337)	4,242	99	103	
Specific Drug Funding	1,577	1,773	1,815	1,660	2,525	2,196	2,051	13,597	(145)	93	231	231	(578)	2,074	860	3,835	172	139	
Drugs Income	1,577	1,773	1,815	1,660	1,625	1,983	1,827	12,261	(156)	92	103	103	345	1,884	637	2,499	153	126	
Drugs Income - Infliximab	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Drugs Income - Herceptin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Devices Income	0	0	0	0	900	213	223	1,336	11	105	128	128	(923)	190	223	1,336	0	0	
Department Of Health Income	0	0	0	0	0	0	0	0	0	0	(0)	(0)	(0)	(1)	0	(1)	0	0	
Other Patient Care Income	263	543	362	(84)	300	470	180	2,035	(289)	38	(207)	(207)	(112)	(9)	(145)	(69)	55	97	
Other Operating Income	1,874	1,753	1,349	1,666	1,838	1,323	1,547	11,349	224	117	(39)	(39)	6	560	(125)	(956)	93	92	
Pay	(15,400)	(15,307)	(15,455)	(15,591)	(15,608)	(15,894)	(15,724)	(108,978)	170	99	92	92	(364)	(1,475)	31	(2,431)	100	102	
Medical Staff	(4,311)	(4,457)	(4,410)	(4,443)	(4,563)	(4,532)	(4,470)	(31,187)	62	99	47	47	(49)	(212)	(73)	(994)	102	103	
Nursing	(6,238)	(6,049)	(6,259)	(6,251)	(6,198)	(6,339)	(6,298)	(43,631)	41	99	121	121	(217)	(1,054)	84	(619)	99	101	
PAMs	(860)	(860)	(855)	(853)	(838)	(882)	(898)	(6,046)	(16)	102	(16)	(16)	(1)	203	(27)	(270)	103	105	
Scientist and PTBs	(1,001)	(994)	(986)	(1,022)	(989)	(1,016)	(1,002)	(7,010)	14	99	72	72	108	593	18	(54)	98	101	
Pharmacists	(171)	(178)	(174)	(191)	(178)	(189)	(184)	(1,265)	5	97	26	26	16	135	(14)	(28)	108	102	
Admin & Management	(2,082)	(2,076)	(2,050)	(2,098)	(2,119)	(2,175)	(2,177)	(14,777)	(2)	100	(8)	(8)	4	84	(5)	(363)	100	103	
Ancillary & Maintenance	(730)	(686)	(712)	(721)	(712)	(749)	(683)	(4,993)	66	91	(21)	(21)	(47)	(157)	69	(34)	91	101	
Other Pay	(7)	(7)	(9)	(12)	(12)	(12)	(11)	(70)	0	98	(128)	(128)	(177)	(1,067)	(21)	(68)	(119)	3,261	
Non Pay	(10,531)	(10,934)	(10,835)	(11,091)	(12,036)	(10,981)	(12,032)	(78,440)	(1,051)	110	(462)	(462)	(1,792)	(6,657)	(1,732)	(8,068)	117	111	
Drugs	(2,683)	(2,722)	(2,468)	(2,711)	(2,721)	(2,674)	(2,895)	(18,874)	(221)	108	(262)	(262)	(457)	(1,574)	(616)	(2,640)	127	116	
Clinical Service & Supplies	(3,070)	(3,257)	(3,198)	(3,088)	(3,113)	(3,018)	(3,394)	(22,136)	(376)	112	(118)	(118)	(347)	(874)	59	1,231	98	95	
General Supplies & Services	(529)	(584)	(549)	(598)	(532)	(350)	(572)	(3,714)	(221)	163	(112)	(112)	(98)	(25)	(63)	(223)	112	106	
Establishment Expenses	(255)	(320)	(273)	(255)	(288)	(223)	(311)	(1,924)	(88)	140	(14)	(14)	(17)	123	(85)	(185)	138	111	
Other Establishment Expenses	(748)	(709)	(523)	(794)	(639)	(778)	(706)	(4,896)	72	91	49	49	219	1,574	(164)	(663)	130	116	
Prem, Trans & Fixed Plant	(1,123)	(1,340)	(1,549)	(1,253)	(1,532)	(1,881)	(1,527)	(10,206)	354	81	325	325	(403)	(2,605)	(590)	(2,981)	163	141	
Depreciation	(1,157)	(1,159)	(1,329)	(1,416)	(1,405)	(1,463)	(1,484)	(9,413)	(20)	101	(27)	(27)	(166)	(282)	(287)	(1,658)	124	121	
Leases	(183)	(74)	(136)	(143)	(141)	(93)	(39)	(809)	55	42	136	136	137	420	126	307	23	72	
Miscellaneous Services	(783)	(769)	(810)	(832)	(1,665)	(502)	(1,106)	(6,467)	(604)	220	(437)	(437)	(658)	(3,414)	(112)	(1,257)	111	124	
Other	(629)	(601)	(590)	(594)	(570)	(595)	(596)	(4,175)	(1)	100	0	0	0	(73)	102	647	85	87	
PDC Dividend	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(3,373)	0	100	0	0	0	0	121	848	80	80	
Interest Receiveable	(147)	(120)	(109)	(112)	(88)	(113)	(114)	(803)	(1)	101	0	0	0	(73)	(19)	(201)	120	133	
Exceptional	(15)	(1)	(1)	(1)	(1)	1	(1)	(19)	(2)	(176)	(1)	(1)	(1)	(19)	(1)	1.159	(334)	2	

Appendix (ii): Income from Activities by Point of Delivery – month Agenda Item 4c)

POD Group	POD Detail	Annual Contract (Activity)	Annual Contract (£'000)	Mth 07 Only Contract (Activity)	Mth 07 Only Contract (£'000)	Mth 07 Only Actual (Activity)	Mth 07 Only Actual (£'000)	Mth 07 Var (Activity)	Mth 07 Var (£'000)
A&E	Accident & Emergency	105,016	10,750	8,919	913	8,912	910	(7)	(3)
A&E Total			10,750		913		910		(3)
Outpatient	Outpatient FA Multi Prof Cons Led	3,392	670	317	63	326	75	9	12
	Outpatient FA Single Prof Cons Led	130,899	21,377	12,239	1,999	12,949	2,105	710	106
	Add Back PCT QIPPs - Outpatient FA Single Prof Cons Led		(58)		(5)		0		5
	Outpatient FA Single Prof Non-Cons Led	9,700	1,151	906	108	906	103	0	(5)
	Outpatient FUP Multi Prof Cons Led	6,447	620	603	58	522	57	(81)	(1)
	Add Back PCT QIPPs - Outpatient FUP Multi Prof Cons Led		37		3		0		(3)
	Outpatient FUP Single Prof Cons Led	230,856	23,813	21,584	2,226	19,930	2,037	(1,654)	(189)
	Add Back PCT QIPPs - Outpatient FUP Single Prof Cons Led		356		32		0		(32)
	Outpatient FUP Single Prof Non-Cons Led	59,458	3,281	5,559	307	6,416	360	857	53
	Non Face to Face	1,204	31	113	3	121	3	8	0
	Outpatient Procedures	22,457	5,817	2,100	544	2,037	588	(63)	44
	Add Back PCT QIPPs - Outpatient Procedures		(625)		(56)		0		56
Outpatient Total			56,470		5,281		5,328		47
Inpatient	Elective Inpatients	8,957	26,405	838	2,469	811	2,522	(27)	53
	Add Back PCT QIPPs - Elective		26		2		0		(2)
	Elective Excess Bed Days	2,381	638	222	60	138	36	(84)	(24)
	Day Cases	31,541	29,786	2,949	2,785	2,984	2,922	35	137
	Add Back PCT QIPPs - Day Cases		1,075		96		0		(96)
	Regular Day Admission	3,393	1,059	317	99	118	37	(199)	(62)
	Emergency Inpatients (Excluding Maternity)	27,784	61,178	2,360	5,196	2,116	4,488	(244)	(708)
	Add Back PCT QIPPs - Emergency Inpatients (Excluding Maternity)		2,484		222		0		(222)
	Maternity Inpatients	11,980	15,375	1,018	1,306	1,042	1,452	24	146
	Emergency Same Day	923	831	78	71	74	71	(4)	0
	Emergency Short Stay	2,721	2,030	231	172	298	318	67	146
	Emergency Excess Bed Days	15,332	3,938	1,302	334	1,682	464	380	130
	Maternity Excess Bed Days	1,319	595	112	51	99	45	(13)	(6)
	Rehab Bed Days	5,607	1,777	524	166	469	149	(55)	(17)
Inpatient Total			147,197		13,028		12,504		(524)
Critical Care	Adult Critical Care	3,365	4,774	286	405	222	301	(64)	(104)
	Neonatal Critical Care	5,807	3,521	494	299	721	528	227	229
Critical Care Total			9,172		705		829		124
Renal	Renal	76,249	10,630	6,354	886	0	899		13
	Renal EPO Drugs		457		38		41		3
Renal Total			11,087		924		940		16
Drugs	PbR Excluded Drugs		17,788		1,482		1,827		345
	PbR Excluded Devices		1,984		166		223		57
Drugs Total			19,772		1,648		2,050		402
Other	Orthotics Direct Access	3,773	935	353	87	348	83	(5)	(4)
	Pathology Direct Access	2,722,543	6,330	254,547	592	265,307	606	10,760	14
	Add Back PCT QIPPs - Pathology Direct Access		247		0		0		(22)
	Radiology Direct Access	32,496	1,257	3,038	118	3,283	125	245	7
	Add Back PCT QIPPs - Radiology Direct Access		116		10		0		(10)
	Radiotherapy		4,499		421	0	371		(50)
	Radiotherapy IMRT		32		3	0	19		16
	Chemotherapy		2,837		265	0	196		(69)
	Pre-op Assessments	23,995	984	2,243	92	1,746	72	(497)	(20)
	Unbundled Activity		56		5	0	0		(5)
	Post Discharge Rehab	822	504	77	47	25	15	(52)	(32)
	Non PbR Block Items		7,358		613		620		7
	Other	50,397	1,400	4,523	126	3,869	100	(654)	(26)
Other Total			26,555		2,401		2,207		(194)
Adjustments	ESD Discount		(150)		(13)		(13)		(1)
	Audiology Hearing Aid Assessment Discount (re Pathway Tariff)		0		0		(56)		(56)
	SCAS Delays Penalties		0		0		(8)		(8)
	Best Practice Top Ups		0		0		111		111
	Non Elective Threshold		0		0		(518)		(518)
	Non Elective Readmissions		0		0		(84)		(84)
	Outpatient New to Follow Up Ratio		0		0		0		0
	OP Procedure to Daycase Ratio		0		0		0		0
	Contract Income Provision		0		0		(57)		(57)
	Contract Income Provision Release re 2011/12		0		0		150		150
	Add Back PCT QIPPs		0		0		0		0
	COQUINS		6,414		573		317		(256)
	PCT Transitional Funding		0		0		288		288
	Adjust re EPR Activity Errors		0		0		0		0
	Adjust re missing activity		0		0		608		608
	Adjust re Mths 3-5 Duplicate U Coded Spells		0		0		(150)		(150)
	Adjust Budget to Top-Down Total		4,210		350		0		(350)
Adjustments Total			10,474		911		588		(323)
Other Income from Activities	TVIC Dermatology		1,923		160		156		(4)
	Change re Spells in Progress (vs M12 11-12)		0		0		25		25
	Oxford Morbid Obesity Service		328		27		29		2
	Bowel Screening		537		45		105		60
	Others		237		20		18		(2)
Other Income from Activities Total			3,025		252		333		81
TOTAL (= 'Income from Activities' per MARS)			293,625		26,063		25,689		(374)

Appendix (ii): Income from Activities by Point of Delivery – ytd

Agenda Item 4c)

POD Group	POD Detail	Annual Contract (Activity)	Annual Contract (£'000)	YTD Mth 07 Contract (Activity)	YTD Mth 07 Contract (£'000)	YTD Mth 07 Actual (Activity)	YTD Mth 07 Actual (£'000)	YTD Var (Activity)	YTD Var (£'000)
A&E	Accident & Emergency	105,016	10,750	61,571	6,303	58,374	6,056	(3,197)	(247)
A&E Total			10,750		6,303		6,056		(247)
Outpatient	Outpatient FA Multi Prof Cons Led	3,392	670	1,999	395	2,218	479	219	84
	Outpatient FA Single Prof Cons Led	130,899	21,377	77,156	12,600	80,099	13,108	2,943	508
	Add Back PCT QIPPs - Outpatient FA Single Prof Cons Led		(58)		(34)		0		34
	Outpatient FA Single Prof Non-Cons Led	9,700	1,151	5,717	678	5,762	686	45	8
	Outpatient FUP Multi Prof Cons Led	6,447	620	3,800	365	3,889	413	89	48
	Add Back PCT QIPPs - Outpatient FUP Multi Prof Cons Led		37		22		0		(22)
	Outpatient FUP Single Prof Cons Led	230,856	23,813	136,074	14,036	128,328	13,366	(7,746)	(670)
	Add Back PCT QIPPs - Outpatient FUP Single Prof Cons Led		356		209		0		(209)
	Outpatient FUP Single Prof Non-Cons Led	59,458	3,281	35,046	1,934	38,030	2,150	2,984	216
	Non Face to Face	1,204	31	710	18	849	22	139	4
	Outpatient Procedures	22,457	5,817	13,237	3,429	12,746	3,213	(491)	(216)
	Add Back PCT QIPPs - Outpatient Procedures		(625)		(367)				367
Outpatient Total			56,470		33,286		33,437		151
Inpatient	Elective Inpatients	8,957	26,405	5,280	15,564	4,812	14,954	(468)	(610)
	Add Back PCT QIPPs - Elective		26		15		0		(15)
	Elective Excess Bed Days	2,381	638	1,403	376	669	174	(734)	(202)
	Day Cases	31,541	29,786	18,591	17,557	17,979	16,929	(612)	(628)
	Add Back PCT QIPPs - Day Cases		1,075		632		0		(632)
	Regular Day Admission	3,393	1,059	2,000	624	2,225	694	225	70
	Emergency Inpatients (Excluding Maternity)	27,784	61,178	16,290	35,869	16,750	38,054	460	2,185
	Add Back PCT QIPPs - Emergency Inpatients (Excluding Maternity)		2,484		1,460		0		(1,460)
	Maternity Inpatients	11,980	15,375	7,024	9,014	7,476	9,878	452	864
	Emergency Same Day	923	831	541	487	462	427	(79)	(60)
	Emergency Short Stay	2,721	2,030	1,595	1,190	1,662	1,335	67	145
	Emergency Excess Bed Days	15,332	3,938	8,989	2,309	10,501	2,727	1,512	418
	Maternity Excess Bed Days	1,319	595	773	349	626	283	(147)	(66)
	Rehab Bed Days	5,607	1,777	3,305	1,047	3,015	956	(290)	(91)
Inpatient Total			147,197		86,494		86,411		(83)
Critical Care	Adult Critical Care	3,365	4,774	1,973	2,799	2,105	2,868	132	69
	Neonatal Critical Care	5,807	3,521	3,405	2,064	3,345	2,220	(60)	156
Critical Care Total		9,172	8,295	5,378	4,863		5,088		225
Renal	Renal	76,249	10,630	44,479	6,201		6,284		83
	Renal EPO Drugs		457		267		282		15
Renal Total			11,087		6,467		6,566		99
Drugs	PbR Excluded Drugs		17,788		10,377		12,261		1,884
	PbR Excluded Devices		1,984		1,160		1,336		176
Drugs Total			19,772		11,537		13,597		2,060
Other	Orthotics Direct Access	3,773	935	2,224	551	1,771	423	(453)	(128)
	Pathology Direct Access	2,722,543	6,330	1,604,751	3,731	1,746,567	4,035	141,816	304
	Add Back PCT QIPPs - Pathology Direct Access		247		145		0		(145)
	Radiology Direct Access	32,496	1,257	19,154	741	22,061	832	2,907	91
	Add Back PCT QIPPs - Radiology Direct Access		116		68		0		(68)
	Radiotherapy		4,499		2,652		2,707		55
	Radiotherapy IMRT		32		19		19		0
	Chemotherapy		2,837		1,672		1,377		(295)
	Pre-op Assessments	23,995	984	14,143	580	10,781	442	(3,362)	(138)
	Unbundled Activity		56		33		0		(33)
	Post Discharge Rehab	822	504	485	297	121	73	(364)	(224)
	Non PbR Block Items		7,358		4,292		4,341		49
	Other	50,397	1,400	29,578	822	27,825	729	(1,753)	(93)
Other Total			26,555		15,603		14,978		(625)
Adjustments	ESD Discount		(150)		(88)		(88)		(1)
	Audiology Hearing Aid Assessment Discount (re Pathway Tariff)		0		0		(169)		(169)
	SCAS Delays Penalties		0		0		(58)		(58)
	Best Practice Top Ups		0		0		740		740
	Non Elective Threshold		0		0		(1,645)		(1,645)
	Non Elective Readmissions		0		0		(640)		(640)
	Outpatient Follow Up Activity Penalty		0		0		0		0
	OP Procedure to Daycase Ratio		0		0		0		0
	Contract Income Provision		0		0		(380)		(380)
	Contract Income Provision Release re 2011/12		0		0		998		998
	Add Back PCT QIPPs		0		0		0		0
	CQUINs		6,414		3,770		3,948		178
	PCT Transitional Funding		0		0		2,547		2,547
	Adjust re EPR Activity Errors		0		0		0		0
	Adjust re missing activity		0		0		1,579		1,579
	Adjust re Mths 3-5 Duplicate U Coded Spells		0		0		(450)		(450)
	Adjust Budget to Top-Down Total		4,210		2,455		0		(2,455)
Adjustments Total			10,474		6,137		6,382		244
Other Income from Activities	TVIC Dermatology		1,923		1,122		1,195		73
	Change re Spells in Progress (vs M12 11-12)		0		0		(39)		(39)
	Oxford Morbid Obesity Service		328		191		226		35
	Bowel Screening		537		313		378		65
	Others		237		138		221		83
Other Income from Activities Total			3,025		1,765		1,981		216
TOTAL (= 'Income from Activities' per MARS)			293,625		172,455		174,496		2,041

Appendix (iii): Care Group Financial Reports - UCG

Agenda Item 4c)

Urgent Care Group

FINANCIAL YEAR 2012/13 - COMPARISON OF CARE GROUP ACTUAL RESULTS TO BUDGET AND FORECAST

	MONTH 7					MONTH 7 YTD				
	Actual	Budget	Forecast	Variance to Budget	Variance to Forecast	Actual	Budget	Forecast	Variance to Budget	Variance to Forecast
Income from activities (excl drugs)	8,881,489	7,935,836	8,382,453	945,653	499,036	56,954,501	53,972,986	56,455,465	2,981,515	499,036
Drugs Income	276,130	796,909	205,547	(520,779)	70,583	1,590,170	1,641,619	1,519,587	(51,449)	70,583
Other Patient Care Income	26,824	66,776	67,882	(39,952)	(41,058)	305,906	474,068	346,963	(168,162)	(41,058)
Other Operating Income	108,815	83,550	83,550	25,265	25,265	560,670	584,850	535,405	(24,180)	25,265
Total Income	9,293,258	8,883,071	8,739,432	410,187	553,826	59,411,246	56,673,523	58,857,420	2,737,724	553,826
Medical Staff	(1,432,228)	(1,395,751)	(1,449,691)	(36,477)	17,463	(9,980,371)	(9,756,957)	(9,997,833)	(223,414)	17,463
Nursing	(3,105,676)	(2,938,001)	(3,286,981)	(167,675)	181,306	(21,819,008)	(20,206,839)	(22,000,314)	(1,612,169)	181,306
PAMs	(304,628)	(320,809)	(320,809)	16,181	16,181	(2,116,140)	(2,245,662)	(2,132,321)	129,522	16,181
Scientist and PTBs	(61,500)	(74,975)	(74,975)	13,476	13,476	(428,889)	(524,828)	(442,365)	95,939	13,476
Pharmacists	0	0	0	0	0	0	0	0	0	0
Admin & Management	(332,645)	(337,338)	(419,753)	4,693	87,108	(2,293,603)	(2,394,972)	(2,380,711)	101,369	87,108
Ancillary & Maintenance	0	0	0	0	0	0	0	0	0	0
Other Pay	19,602	53,703	126,922	(34,101)	(107,320)	112,790	215,589	220,110	(102,799)	(107,320)
Total Pay	(5,217,074)	(5,013,171)	(5,425,287)	(203,903)	208,213	(36,525,221)	(34,913,668)	(36,733,434)	(1,611,552)	208,213
<i>Pay as % of income</i>	56%	56%	62%	50%	-38%	61%	62%	62%	59%	-38%
<i>Contracted WTE</i>	1396.40	1434.16		-37.76		1410.56	1446.83		-36.27	
Drugs	(439,895)	(361,706)	(407,017)	(78,189)	(32,878)	(2,877,303)	(2,557,308)	(2,844,425)	(319,995)	(32,878)
Clinical Services and Supplies	(718,281)	(671,048)	(673,008)	(47,232)	(45,272)	(4,702,659)	(4,709,098)	(4,657,387)	6,440	(45,272)
General Services and Supplies	(92,528)	(61,224)	(62,111)	(31,304)	(30,417)	(535,859)	(433,890)	(505,443)	(101,969)	(30,417)
Establishment Expenses	(45,367)	(57,207)	(57,259)	11,841	11,892	(290,599)	(400,759)	(302,491)	110,160	11,892
Other Establishment Expenses	(2,568)	(3,433)	(3,433)	865	865	(25,177)	(24,031)	(26,042)	(1,147)	865
Prem, Trans & Fixed Plant	(25,512)	(14,715)	(14,720)	(10,797)	(10,792)	(79,245)	(103,033)	(68,452)	23,788	(10,792)
Leases	0	401	401	(401)	(401)	547	2,805	948	(2,257)	(401)
Miscellaneous Services (Excl Int Recharge)	(53,658)	(42,382)	(48,789)	(11,276)	(4,869)	(170,415)	(286,944)	(165,546)	116,529	(4,869)
Internal Recharges	(10,933)	(2,848)	(4,614)	(8,084)	(6,319)	(67,117)	(20,930)	(60,798)	(46,187)	(6,319)
Total Non Pay (excl depn)	(1,388,740)	(1,214,163)	(1,270,550)	(174,578)	(118,191)	(8,747,827)	(8,533,188)	(8,629,636)	(214,639)	(118,191)
Operating Surplus (Loss)	2,687,443	2,655,737	2,043,595	31,706	643,848	14,138,199	13,226,666	13,494,350	911,532	643,848
<i>Margin (Surplus/ Loss as a % income)</i>	29%	30%	23%	8%	116%	24%	23%	23%	33%	116%

Financial position

Commentary:

Income:

£410k above budget M7 and £2.74m ytd driven by CDU (risk CDU WD7 activity 250 patients lower than WD3), Paediatrics (M7) Gastro and Respiratory. Non Elective Threshold and Re-admissions for the Care Group reduced income by £(1,065)k (against £700k as at Month 6), due to changing the allocation of NE threshold adjustment.

The annual Urgent Care Group budget for income increased by £3.5m in Month 7 (£1.5m relating to M4-7) reducing the Networked Care target. Transitional funding coded to the Care Group year-to-date is £1.87m.

Pay:

£(204)k over budget in month - costs decreased by £(158)k from August driven by:

Nursing costs decreased by £100k from Month 6 : Hurley Ward transferred to Networked Care from 8/11 (£22k reduction on Month 6). Qualified permanent staffing costs were lower by £113k due to the bank holiday costs in Month 6 and continuing high vacancies.

Maternity costs are flat on Months 5 & 6 despite the usage of Thornbury.

Kenet & Loddon costs were £28k lower in Month 7 than Month 6.

Paediatrics Nursing staffing costs decreased by £48k from Month 6.

Drs costs decreased by £26k from Month 6: In Month 6 there were one off Consultant job plan review back pay costs of £(22)k.

Non Pay:

£(175)k over budget in month – increased by £(320)k from Month 6, in which there were significant one off benefits:

Drugs costs increased by £(88)k in Month 7 having been unusually low M6. Clinical Supplies and Service costs increased by £(161)k from Month 6, in Month 6 there were benefits from a Cardiology stock adjustment and block order prepayment of approximately £100k.

CSS costs in Emergency Care increased by £(69)k and were in line with Month 4 & 5 spend.

Key risks

Community based capacity does not materialise and further increases pressure upon the wards with operational efficiency impact.

NEL threshold and re-admit penalties approx £(1,065)k M1-7.

Agency requirements maintain current trajectory (approx £150k).

CDU not functioning as triage as it has in the first half (approx £300k).

Non pay pressures increase with activity over the winter months.

Cardiology Emergency activity falls by 15% compared with the first half (as was the case in 2011/12) (£143k at 30% marginal rate) – not in activity plan

Key Opportunities

Negotiation with PCT to achieve non recurrent funding for A&E and triage bays in CDU – new week

Recruit to vacancies reducing reliance on nursing agency staff shifts.

Achieve Paeds BPT, full achievement = £681k this is not in the income budget – need software system.

Further review of Cardiology consumables contracts - St Jude (Medtronic achieved approx £85k).

Non pay savings opportunities in Radiology at first through NHS Supplies.

New starters in Maternity and Paediatrics will reduce Thornbury usage.

Additional savings target of £15k per month per Directorate £(225k M8-M12).

Recharging Mental Health 1:1 costs.

In depth analysis of non pay pressures and maximisation of charitable funds opportunities.

Actions

Weekly review of Nursing agency staffing requirements commenced.

Review of drugs expenditure through the new Qlikview report.

Review of ICU Nursing establishment & A&E staffing review.

In depth non pay review and continuation of procurement meetings.

Forecast

Income Month 7 £9.23m against forecast of £8.74m, Paediatric income increased by £0.5 from Month 6 driven by OPNew activity being the highest this year and OPFU activity remaining high (up £165k), NNIC income was up £120k in the month driven by high discharges, Non Elective income was up by £240k.

Pay forecast Month 7 £(5,217)k against forecast of £(5,425)k, in the forecast there was approx. £(50)k per month for increasing midwifery costs and they have remained flat. In the forecast there was approximately £(75) per month for ED investment to assist with achieving national standards, costs have remained flat.

Kenet & Loddon costs decreased by £28k in the month, not in forecast.

Non Pay £(1,389)k against forecast of £(1,271)k, this is driven by increased Clinical Supplies costs in Paediatrics and ED and this requires actions to minimise going forward.

Appendix (iii): Care Group Financial Reports - PCG

Agenda Item 4c)

Planned Care Group

FINANCIAL YEAR 2012/13 - COMPARISON OF NETWORKED CARE ACTUAL RESULTS TO BUDGET

	MONTH 7					MONTH 7 YTD				
	Actual	Budget	Forecast	Variance to Budget	Variance to Forecast	Actual	Budget	Forecast	Variance to Budget	Variance to Forecast
Income from activities (excl drugs)	9,343,589	10,036,436	10,558,950	(692,847)	(1,215,361)	63,181,834	66,328,930	64,397,195	(3,147,096)	(1,215,361)
Drugs Income	865,882	979,730	750,255	(113,848)	115,627	5,671,697	4,779,800	5,556,071	891,897	115,627
Other Patient Care Income	15,155	74,977	244,137	(59,822)	(228,982)	1,152,943	524,839	1,381,925	628,104	(228,982)
Other Operating Income	83,100	107,652	106,242	(24,552)	(23,142)	770,122	686,631	793,264	83,491	(23,142)
Total Income	10,307,726	11,198,795	11,659,584	(891,069)	(1,351,858)	70,776,596	72,320,200	72,128,454	(1,543,604)	(1,351,858)
Medical Staff	(2,089,573)	(2,087,598)	(2,131,198)	(1,975)	41,625	(14,674,954)	(14,626,490)	(14,716,579)	(48,463)	41,625
Nursing	(1,949,784)	(2,025,273)	(1,921,563)	75,489	(28,221)	(13,517,287)	(14,266,738)	(13,489,066)	749,452	(28,221)
PAMs	(277,467)	(242,152)	(232,152)	(35,315)	(45,315)	(1,657,400)	(1,695,065)	(1,612,085)	37,665	(45,315)
Scientist and PTBs	(206,959)	(214,960)	(210,960)	8,001	4,001	(1,392,063)	(1,502,837)	(1,396,064)	110,775	4,001
Pharmacists	0	0	0	0	0	0	0	0	0	0
Admin & Management	(674,638)	(584,242)	(614,056)	(90,396)	(60,581)	(4,398,228)	(4,059,519)	(4,337,646)	(338,708)	(60,581)
Ancillary & Maintenance	(8,038)	(4,526)	(8,326)	(3,513)	287	(57,239)	(31,679)	(57,527)	(25,561)	287
Other Pay	16,325	20,505	11,305	(4,179)	5,021	88,729	143,533	83,708	(54,803)	5,021
Total Pay	(5,190,134)	(5,138,246)	(5,106,951)	(51,888)	(83,183)	(35,608,440)	(36,038,796)	(35,525,257)	430,356	(83,183)
<i>Pay as % of income</i>	50%	46%	44%	-6%	-6%	50%	50%	49%	28%	-6%
Drugs	(1,042,453)	(994,470)	(1,076,700)	(47,983)	34,247	(7,171,199)	(7,126,297)	(7,205,446)	(44,902)	34,247
Clinical Services and Supplies	(1,571,820)	(1,615,138)	(1,624,163)	43,318	52,343	(10,530,238)	(11,312,589)	(10,582,581)	782,351	52,343
General Services and Supplies	(82,517)	(75,636)	(69,753)	(6,881)	(12,764)	(539,859)	(530,036)	(527,095)	(9,823)	(12,764)
Establishment Expenses	(56,563)	(69,807)	(57,816)	13,244	1,253	(365,864)	(488,692)	(367,117)	122,828	1,253
Other Establishment Expenses	(8,078)	(6,048)	(1,048)	(2,030)	(7,030)	(13,849)	(42,337)	(6,819)	28,489	(7,030)
Prem, Trans & Fixed Plant	(60,438)	(26,315)	(36,043)	(34,123)	(24,396)	(268,623)	(208,844)	(244,227)	(59,779)	(24,396)
Leases	(10,713)	(43,650)	(43,650)	32,936	32,936	(257,247)	(305,548)	(290,183)	48,302	32,936
Miscellaneous Services (Excl Internal Recharges)	(220,955)	(238,232)	(195,497)	17,277	(25,457)	(1,391,530)	(1,636,330)	(1,366,073)	244,800	(25,457)
Internal Recharges	(12,903)	(15,805)	(14,570)	2,901	1,666	(87,768)	(111,858)	(89,434)	24,091	1,666
Total Non Pay (excl depn)	(3,066,440)	(3,085,101)	(3,119,239)	18,661	52,799	(20,626,177)	(21,762,532)	(20,678,977)	1,136,355	52,799
Operating Surplus (Loss)	2,051,153	2,975,448	3,433,395	(924,296)	(1,382,242)	14,541,978	14,518,871	15,924,220	23,107	(1,382,242)
<i>Margin (Surplus/ Loss as a % income)</i>	20%	27%	29%	104%	102%	21%	20%	22%	-2%	102%

Financial position Commentary

Income:
PCG continues to under perform against PCT income targets. The breakdown by speciality is as follows: Abdominal Surgery (£426k), Head & Neck (£154k), Specialist Surgery (£179k) only Berkshire Cancer Centre was ahead of target £46k.

In October the penalties within PCG income position are as follows; £245k non elective threshold and £75k non elective readmissions. The majority of the non elective readmissions are in General Surgery.

Private patient income has been estimated this month, the shortfall to budget primarily due to staffing issues within the private patients team. The private patient income generated from the Berkshire Cancer Centre (Radiotherapy) is only invoiced once treatment has been concluded resulting in peaks and troughs in the income figures.

The invoice sent to the League of Friends at WBCH has been reduced until suitable backing information can be obtained. The original invoice had been credited (£57k).

Pay:

The pay position of PCG is £52k over budget this month. The monthly average Q1 this year was £165k and for Q2 (£5k).

Nursing pay remains under budget, however the favourable variance to budget has reduced this month. This is due to recruitment to previously vacant posts and also an increase in bank and agency costs this month. The original £165k nursing CIP has been achieved and PCG is on target to meet the additional Q3 Nursing CIP.

Admin and Management continues to overspend against budget, (£90k) in month and (£339k) YTD of which spend on agency is (£104k) in month and (£521k) YTD. Additional support for EPrRis one reason for this however all areas of PCG are using agency to cover vacancies & maintain service levels.

Non-pay:

Drugs spend is consistent with the run rate of previous months, once the £260k Pegfilgrastim and £90k drugs credits are excluded. The majority of drugs dispensed from JAC are high cost drugs and are therefore recoverable from the PCT. Pegfilgrastim usage continues to decline, spend in October was £7k and the number of patients on this drug continues to decline.

The under spend in Clinical Services & Supplies is due to two main reasons - the achievement of the mattress library CIP & the control of outsourcing to private hospitals - BIH & Dunedin. This however is forecast to decrease due to waiting list and target pressures.

Key Risks

The correct coding of activity in PCG - in PCEU the capturing of Lucentis activity is a current issue.

Activity loss due to the closure of the Gynaecology theatres

Circle - market share

Key Opportunities

The PCEU Optometrist business case has been approved by the PCG board. This will enable Ophthalmology to reduce spend on outsourcing and also be able to offer a consistent service across both sites.

CESP - Growth in private patient Ophthalmology income

Depuy - The metal on metal hip replacement surgeries have yet to be invoiced to this company.

Actions

PCEU - Resolve incorrect recording of Lucentis procedures

Forecast

The starting basis for the Trust Q2 forecast was the budget for months 6-12 with adjustments made to reflect PCG projects and CIP savings.

The variance between the forecast submitted in Q2 and the M07 performance is £1.3m, almost all of this variance is on the PCT income account line. The reasons for this variance are as follows:

£320k penalties not included in the forecast
£150k movement of devices out of the PCT income line to Drugs
£363k additional PCG income challenge in forecast, not achieved
£50k assumption of Endoscopy activity at Newbury
£100k theatre failures & dropped lists

The forecast still assumes the PCG will be able to achieve its CQUINS - 1.5% of PCT plan & that the care group will be able to improve its performance against PCT plan in the second half of this financial year. The reasoning behind this is that the Gynaecology theatres will be operational at the beginning of 2013 and due to a better understanding of EPR more procedures will be captured correctly.

The HDU has been included in the forecast for the last three months of the financial year.

Appendix (iii): Care Group Financial Reports - NCG

Agenda Item 4c)

Networked Care Group

FINANCIAL YEAR 2012/13 - COMPARISON OF NETWORKED CARE ACTUAL RESULTS TO BUDGET										
	MONTH 7					MONTH 7 YTD				
	Actual	Budget	Forecast	Variance to Budget	Variance to Forecast	Actual	Budget	Forecast	Variance to Budget	Variance to Forecast
Income from activities (excl drugs)	5,126,410	5,102,926	5,729,744	23,484	(603,334)	37,414,121	38,123,414	38,017,455	(709,293)	(603,334)
Drugs Income	848,953	852,334	864,129	(3,381)	(15,176)	6,035,371	5,101,108	6,050,547	934,263	(15,176)
Other Patient Care Income	70,072	62,889	66,783	7,183	3,289	440,518	433,587	437,228	6,930	3,289
Other Operating Income	169,081	114,250	139,250	54,831	29,831	1,151,496	859,633	1,121,665	291,863	29,831
Total Income	6,214,517	6,132,399	6,799,906	82,118	(585,389)	45,041,505	44,517,742	45,626,895	523,763	(585,389)
Medical Staff	(874,418)	(884,736)	(855,451)	10,318	(18,968)	(5,933,947)	(6,222,677)	(5,914,980)	288,730	(18,968)
Nursing	(961,230)	(966,269)	(927,606)	5,039	(33,624)	(6,383,432)	(6,609,172)	(6,349,807)	225,740	(33,624)
PAMs	(304,172)	(319,303)	(314,803)	15,131	10,631	(2,166,751)	(2,209,481)	(2,177,382)	42,730	10,631
Scientist and PTBs	(624,081)	(721,443)	(683,638)	97,361	59,556	(4,498,550)	(4,879,799)	(4,558,106)	381,248	59,556
Pharmacists	(179,925)	(189,817)	(199,817)	9,892	19,892	(1,225,959)	(1,327,394)	(1,245,851)	101,435	19,892
Admin & Management	(257,102)	(246,798)	(252,131)	(10,304)	(4,971)	(1,692,140)	(1,768,341)	(1,687,169)	76,201	(4,971)
Ancillary & Maintenance	(6,579)	(8,538)	(10,038)	1,958	3,458	(66,973)	(59,764)	(70,431)	(7,209)	3,458
Other Pay	(8,304)	145,653	18,153	(153,958)	(26,458)	89,215	1,016,759	115,672	(927,544)	(26,458)
Total Pay	(3,215,811)	(3,191,249)	(3,225,328)	(24,562)	9,517	(21,878,537)	(22,059,868)	(21,888,054)	181,332	9,517
<i>Pay as % of income</i>	52%	52%	47%	30%	2%	49%	50%	48%	-35%	2%
Drugs	(1,104,706)	(1,024,194)	(1,152,912)	(80,511)	48,206	(8,086,133)	(7,298,235)	(8,134,340)	(787,898)	48,206
Clinical Services and Supplies	(1,072,901)	(965,149)	(964,239)	(107,752)	(108,662)	(6,783,845)	(6,563,831)	(6,675,183)	(220,013)	(108,662)
General Services and Supplies	(34,571)	(23,859)	(22,855)	(10,712)	(11,716)	(203,967)	(161,105)	(192,251)	(42,862)	(11,716)
Establishment Expenses	(35,438)	(39,002)	(39,542)	3,564	4,104	(262,796)	(272,662)	(266,899)	9,867	4,104
Other Establishment Expenses	(364)	(4,689)	(4,689)	4,325	4,325	(18,025)	(30,975)	(22,350)	12,950	4,325
Prem, Trans & Fixed Plant	(56,755)	(51,288)	(21,020)	(5,467)	(35,735)	(238,479)	(342,201)	(202,744)	103,722	(35,735)
Leases	238	(3,403)	(2,069)	3,641	2,308	(111)	(23,818)	(2,418)	23,707	2,308
Miscellaneous Services (Excl Internal Recharges)	(96,745)	(114,582)	(107,239)	17,837	10,495	(377,555)	(572,945)	(388,049)	195,390	10,495
Internal Recharges	(5,970)	10,999	(29,632)	(16,969)	23,662	(98,568)	(99,224)	(122,230)	656	23,662
Total Non Pay (excl depn)	(2,407,211)	(2,215,166)	(2,344,197)	(192,044)	(63,013)	(16,069,478)	(15,364,996)	(16,006,465)	(704,482)	(63,013)
Operating Surplus (Loss)	591,495	725,984	1,230,380	(134,489)	(638,885)	7,093,491	7,092,878	7,732,376	613	(638,885)
<i>Margin (Surplus/ Loss as a % income)</i>	10%	12%	18%	-164%	109%	16%	16%	17%	0%	109%

Financial position

Commentary:

Hurley step down ward has been included as part of Networked Care this month.

Income:

The Care Group has seen a £57k increase in PCT income compared to September but this includes accounting changes and income recoding between months.

Overall, the Care Group income has been reduced by £899k for NEL threshold & re-admission penalties YTD, an increase of £423k from September. These penalties were not included in the 12/13 budget.

Post physio rehab income, (£89k) has finally been recorded in the Physio specialty, where the work has been completed instead of Planned Care.

After a huge effort by the Orthotic's manager, we have now identified all the orthotics activity figures from June to September, which were not given a 'procedure banding' and therefore not recorded in EPR. There is approx £84k of missing income, which will be invoiced to in November.

The haematology income and activity remain a concern to the Care Group, especially as income has dropped £209k between months (see key opportunities).

The monthly income budget in respect of General Medicine non elective activity has reduced by £849k per month from October to reflect a shift in POD. These income targets have been moved to Rheumatology/ Endocrinology and Gastro/ Respiratory in Urgent Care.

Transitional funding for Hurley step down ward has been included at £6k for month 07. We are working with Urgent Care to ensure agreed transitional funding is allocated to this ward.

Pay:

Pay was £25k over budget in month with an increase of £71k on the monthly average.

Medics: The palliative care team is now fully accounted for in Networked Care, where as previously some staff were in Planned. This service is fully funded through the PCT or Deanery. PCT income is reflected within the cost centre whereas the Deanery income is held centrally.

Nursing: we have seen a £44k increase on last month due to inclusion of Hurley Step-down within NCG from October. Nursing pay remains marginally under budget, however, given that Hurley pay is £9.5k over budget in month, there is a risk that Hurley pay will present a cost pressure of £57k by year end.

Scientists & PTBs: The budget for audiology trainee's to become permanent staff has started in M7 but not all the trainees have converted to permanent roles.

Admin: October pay remains higher than budget as the Cerner Millennium support staff costs are still being incurred.

Non Pay:

Clinical Services & Supplies: This month the costs increased nearly £100k above the average spend.

The reagent costs are £162k, which is £20k above average and £90k above September's spending. This reflects the natural flow of the reagents being ordered and receipted, which is never consistent.

Blood products are up £20k on the monthly average. The population is getting older and we are seeing more patients.

Pathology non pay is activity related expense and the department are expanding their income opportunities both in the private and NHS sector (e.g. HPV testing and Circle).

Wheelchair repairs and spare parts are £20k above average as a result of clearing invoice back log.

Key risks

Our key hot spots remain the Cerner Millennium activity reporting in Haematology and EDL's in West Ward and the change in counting in Sexual Health

On the costs side we will continue to work with the Pathology team to ensure their ordering and stock levels remain consistent with their activity and service demands.

There are a number of outstanding drugs invoices & credit notes that have never been processed in Oracle or Ascribe of approx. £320k due incorrect prices, non-receipting and incorrect invoiced products. The finance team are working to resolve these. There are also 180 invoices in query after the implementation of the JAC stock system, which a combined finance, systems and pharmacy team are starting to resolve (see actions).

Key Opportunities

Review of clinic utilisation – number of patients seen per consultant within specialty and extra 'new patient' clinic.

On the accounting side, we are looking at the accuracy of the quarterly stock take figures and also cancelling all old unreceipted orders placed by staff who have left the Trust.

Geoff Lester to report on the internal demand for lab tests and subsequent actions to reduce the demand.

Joint project between the T&O team and Orthotics team to identify ways of working to reduce the spend on expensive orthosis.

Recording & reporting haematology daycases and RADAY activity, for M3-M6 remains a problem. We have agreed with the Contract lead to talk to the PCT about invoking the contractual clause whereby we can revert to invoicing for the planned activity if the EPR reporting data is poor and inaccurate.

In 12/13, the Sexual Health same day multiple appointments have only been recorded as one single outpatient appointment. This error of approx. 600 spells, from importing the data between the Lillie reporting system and the Finance SLAM was identified in October. We are checking with Contracting whether we can amend the counting process and correct the November activity figures, before the PCT contract freeze date.

Actions

In order to mitigate the effects of the Audiology AQP, we are continuing to purchase a bespoke audiology mobile unit and expanding GP clinics.

There continues to be discussion with the PCT regarding the introduction of Haematology Dawn scheme and its pricing over 3 years, which will generate care closer to home, and provide a surplus to the Trust.

The Aseptics team are writing a business case to explore the opportunities to ensure the aseptics service provides the best value for money and supports patient care in the future. These options include - bringing the service in house, collaborating with other NHS Trusts and fully outsourcing the service.

Forecast

Networked Care overall is £639k below forecast which is due to -

- £899k of NEL threshold and re-admit penalties YTD being allocated to the Care Group, which were included as a central pressure in the Q2 forecast.

- £120k from the receipting of the pathology reagents from the increased internal and external demand in the last few months (30% above plan). There is also some positive variance with the General medicine income after the introduction of EPR and the income following the consultant.

Appendix (iv): Statement of Financial Position

Agenda Item 4c)

	August 12 £000	September 12 £000	October 12 £000	PROJECTION October 12 £000
Assets				
Assets, Non-Current				
Intangible Assets, Net	25,411	31,938	31,131	31,833
Property, Plant and Equipment, Net	206,251	198,013	197,969	198,482
Deferred Tax Assets	0	0	111	0
Other Receivables, Non-Current	1,147	1,154	1,193	1,100
Assets, Non-Current, Total	232,809	231,105	230,404	231,415
Assets, Current				
Inventories	4,672	4,920	4,784	4,800
NHS Trade Receivables, Current	1,540	2,384	3,152	2,284
Non-NHS Trade Receivables, Current	2,440	2,348	2,297	2,800
Other Receivables, Current	2,283	1,138	1,057	1,000
Accrued Income	9,738	8,663	10,123	9,000
Prepayments, Current, non-PFI related	4,920	4,917	5,126	4,500
Cash and Cash Equivalents, Total	26,307	23,089	18,647	23,938
Assets held for sale	2,494	2,494	2,494	2,494
Assets, Current, Total	54,394	49,953	47,680	50,816
ASSETS, TOTAL	287,203	281,058	278,084	282,231
Liabilities				
Loans, non-commercial, Current (DH, FTFF, NLF, etc)	(3,669)	(3,669)	(3,669)	(3,669)
Provisions, Current	(8,635)	(5,791)	(5,396)	(5,000)
Current Tax Payables	(3,820)	(4,013)	(3,790)	(3,950)
Trade Creditors, Current	(5,770)	(6,797)	(4,516)	(6,500)
Other Creditors, Current	(2,328)	(2,466)	(2,333)	(2,200)
Capital Creditors, Current	(4,298)	(3,251)	(3,202)	(5,945)
Accruals, Current	(19,935)	(18,445)	(18,884)	(18,000)
Payments on Account	(2,159)	(2,477)	(2,395)	(2,400)
PDC dividend creditor, Current	(2,409)	0	(482)	(482)
Interest payable on non-commercial interest bearing borrowings, current	(304)	(425)	(547)	(540)
Liabilities Current, Total	(53,327)	(47,334)	(45,214)	(48,686)
NET CURRENT ASSETS (LIABILITIES)	1,067	2,619	2,466	2,130
Loans, Non-Current non-commercial (DH, FTFF, NLF, etc)	(36,078)	(36,078)	(36,078)	(36,078)
Provisions, Non-Current	(467)	(467)	(467)	(490)
Trade and Other Payables, Non-Current	(2,800)	(2,800)	(2,800)	(2,732)
Finance Leases, Non-current	(29)	(29)	0	(29)
Liabilities Non-Current, Total	(39,374)	(39,374)	(39,345)	(39,329)
TOTAL ASSETS EMPLOYED	194,502	194,350	193,525	194,216
Taxpayers' and Others' Equity				
Taxpayers' Equity				
Public Dividend Capital	156,548	156,548	156,548	156,548
Retained Earnings (Accumulated Losses)	10,922	10,767	9,942	10,633
Other Reserves				
Revaluation Reserve	26,545	26,545	26,545	26,545
Miscellaneous Other Reserves	490	490	490	490
TAXPAYERS' EQUITY, TOTAL	194,505	194,350	193,525	194,216
TOTAL ASSETS EMPLOYED	194,502	194,350	193,525	194,216
Other information				
Working Capital Facility				
Committed Working Capital facility in place	20,000	20,000	20,000	20,000

Analysis :

- Cash at £18.6m.
- NHS Trade Receivables hit by delayed monthly payment from Oxfordshire PCT. Now paid.
- Two large payments, £1.25m, in M7 paying down aged creditor balances, MITIE and Cerner.
- Accrued income high due to accruals for activity and income not captured from EPR.

Appendix (v): Cash Flow Statement

Agenda Item 4c)

ROYAL BERKSHIRE NHS FOUNDATION TRUST STATEMENT OF CASH FLOW

October 2012

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	YTD Sept 2012 Actual £000	Oct 2012 Actual £000	YTD Oct 2012 Actual £000	YTD Oct 2012 Projection £000
Opening cash Balance	36,797	23,089	36,797	36,797
Income	160,463	27,416	187,880	188,314
Expenditure (excluding depreciation)	(151,732)	(26,272)	(178,005)	(177,668)
Cash generated	8,731	1,144	9,875	10,646
Working Capital				
(Increase)/decrease in inventories	(309)	137	(172)	(189)
(Increase)/decrease in receivables	(10,725)	(2,343)	(13,068)	(10,790)
Increase/(decrease) in payables	1,590	(2,556)	(966)	(218)
	(9,444)	(4,762)	(14,206)	(11,197)
Capex (Capital expenditure)	(11,350)	(681)	(12,031)	(9,977)
PDC paid	(2,891)	0	(2,891)	(2,892)
Financial Activity				
Interest income/ Expense	(669)	(113)	(782)	(804)
Other	999	(30)	969	449
	331	(143)	187	(355)
Loan Drawdown	2,000	0	2,000	2,000
Loan (Repayment)	(1,084)	0	(1,084)	(1,084)
Net increase/(decrease) in cash	(13,708)	(4,442)	(18,150)	(12,859)
Closing Cash Balance	23,089	18,647	18,647	23,938

Appendix (vi): Capital Expenditure Summary

Agenda Item 4c)

October 12 Performance against capital budgets is shown

	2012/13 Original Plan	2012/13 Revised Forecast	Year to Date Budget	Spend to Date	Commit- ments	Orders to be raised
	£m	£m	£m	£m	£m	£m
Medical Equipment	1.50	2.04	0.82	(1.10)	(0.28)	(0.66)
Safety, regulatory , sustainability projects	4.60	4.20	1.10	(1.25)	(0.63)	(2.32)
Rushey Birthing Centre	1.05	1.05	1.05	(0.92)	(0.01)	(0.12)
EPR / IT	7.90	5.62	5.10	(4.76)	(0.06)	(0.80)
Other smaller projects	1.85	2.32	0.88	(0.39)	(0.37)	(1.56)
IT Infrastructure	2.40	4.40	0.00	0.00	0.00	(4.40)
Target Reduction	0.00	(0.33)	0.00	0.00	0.00	0.33
Sub Total	19.30	19.30	8.95	(8.42)	(1.35)	(9.53)

Appendix (vii): Financial Risk Rating

Agenda Item 4c)

Risk Ratings October 12

		Weighting in FRR calc	Period to date	Scoring Scale				
Underlying performance								
	EBITDA Margin metric		5.3%	11%	9%	5%	1%	<1%
	EBITDA Margin rating	25%	3	5	4	3	2	1
Achievement of plan								
	EBITDA % of plan achieved metric		71.7%	100%	85%	70%	50%	<50%
	EBITDA % of plan achieved rating	10%	3	5	4	3	2	1
Financial Efficiency								
	Net return after Financing metric		-2.7%	3%	2%	-1%	-5%	< -5%
	Net return after financing rating	20%	2	5	4	3	2	1
	IS Surplus margin metric		-2.0%	3%	2%	1%	-2%	< -2%
	IS Surplus margin rating	20%	2	5	4	3	2	1
	Financial Efficiency		2					
Liquidity								
	Liquidity days metric (WCF limited to 30 days)		17.9	60	25	15	10	<10
	Liquidity days rating	25%	3	5	4	3	2	1
Weighted Average Rating			2.6					
Quick Ratio				Last Month	Current			
				0.95	0.95			

Appendix (viii): Patient Level Reporting

- Patient level reporting excluding all impairments and exceptional items
- Indirect costs allocated on the basis of conversations with budget holders and reference to HFMA guidelines
- More details on allocation basis to be made available – next step is to identify owners for these to enable future management of changes

		Full Yr 2011/12					Q1 2012/13					
Care group	Specialty	Direct and Indirect Income	Direct/ Indirect costs	Direct and Indirect Costs and Income Contribution to trust overheads	Direct and Indirect Costs and Income Contribution % to trust overheads	Net Overhead Total	Direct and Indirect Income	Direct/ Indirect costs	Direct and Indirect Costs and Income Contribution to trust overheads	Direct and Indirect Costs and Income Contribution % to trust overheads	Net Overhead Total	Contr. % Diff
Netw orked	Audiological Medicine	£3,318,887	(£2,048,412)	£1,270,475	38.3%	(£420,643)	£847,820	(£570,602)	£277,218	32.7%	(£123,160)	5.6%
Netw orked	Clinical Haematology	£6,973,108	(£6,095,720)	£877,388	12.6%	(£888,565)	£1,775,325	(£1,708,465)	£66,860	3.8%	(£277,358)	8.8%
Netw orked	Dermatology	£2,320,262	(£2,055,881)	£264,381	11.4%	(£331,814)	£666,544	(£496,528)	£170,016	25.5%	(£83,252)	-14.1%
Netw orked	Endocrinology	£1,888,351	(£1,898,727)	(£10,376)	-0.5%	(£358,415)	£381,074	(£386,321)	(£5,247)	-1.4%	(£79,747)	0.8%
Netw orked	Geriatric Medicine	£13,995,955	(£11,670,591)	£2,325,364	16.6%	(£3,021,979)	£3,637,441	(£2,867,473)	£769,967	21.2%	(£856,335)	-4.6%
Netw orked	GUM	£4,752,146	(£3,315,575)	£1,436,571	30.2%	(£589,451)	£1,031,088	(£854,182)	£176,906	17.2%	(£173,974)	13.1%
Netw orked	Neurology	£4,440,233	(£3,417,946)	£1,022,287	23.0%	(£640,552)	£849,082	(£797,996)	£51,086	6.0%	(£156,805)	17.0%
Netw orked	Pain Management	£679,935	(£442,567)	£237,368	34.9%	(£183,405)	£194,780	(£145,783)	£48,998	25.2%	(£57,477)	9.8%
Netw orked	Rehabilitation	£2,166,124	(£2,091,970)	£74,154	3.4%	(£513,105)	£539,134	(£503,660)	£35,474	6.6%	(£138,421)	-3.2%
Netw orked	Renal	£14,862,493	(£11,492,154)	£3,370,339	22.7%	(£6,743,252)	£3,757,369	(£2,902,616)	£854,753	22.7%	(£934,098)	-0.1%
Netw orked	Rheumatology	£5,338,059	(£4,894,883)	£443,176	8.3%	(£1,014,659)	£1,487,266	(£1,272,056)	£215,210	14.5%	(£273,272)	-6.2%
Netw orked	Wheel Chair Clinic	£814,360	(£758,382)	£55,978	6.9%	(£136,160)	£258,163	(£206,584)	£51,579	20.0%	(£41,670)	-13.1%
Netw orked	Sue Ryder	£356,673	(£335,565)	£21,108	5.9%	(£43,507)	£120,640	(£85,330)	£35,311	29.3%	(£15,581)	-23.4%
Networked total		£61,906,586	(£50,518,373)	£11,388,213	18.4%	(£14,885,506)	£15,545,727	(£12,797,595)	£2,748,132	17.7%	(£3,211,150)	0.7%
Planned	Anaesthetics	£124,673	(£117,008)	£7,664	6.1%	(£34,069)	£49,635	(£75,636)	(£26,002)	-52.4%	(£18,422)	58.5%
Planned	ENT	£5,386,058	(£4,965,108)	£420,950	7.8%	(£1,392,986)	£1,331,741	(£1,232,919)	£98,822	7.4%	(£388,033)	0.4%
Planned	Clinical Oncology	£18,219,971	(£16,306,919)	£1,913,052	10.5%	(£9,859,535)	£4,932,869	(£4,329,290)	£603,579	12.2%	(£1,461,908)	-1.7%
Planned	General Surgery	£21,724,325	(£17,673,408)	£4,050,917	18.6%	(£4,257,844)	£5,278,884	(£4,247,744)	£1,031,140	19.5%	(£1,090,498)	-0.9%
Planned	Gynaecology	£7,108,726	(£5,714,568)	£1,394,158	19.6%	(£1,400,355)	£1,666,517	(£1,408,570)	£257,947	15.5%	(£374,707)	4.1%
Planned	Ophthalmology	£20,052,929	(£15,486,174)	£4,566,755	22.8%	(£3,545,465)	£4,692,266	(£3,814,884)	£877,382	18.7%	(£826,063)	4.1%
Planned	Oral Surgery	£2,799,233	(£2,333,318)	£465,916	16.6%	(£581,154)	£667,954	(£540,212)	£127,742	19.1%	(£152,299)	-2.5%
Planned	Trauma & Orthopaedics	£38,591,530	(£31,859,521)	£6,732,009	17.4%	(£6,352,999)	£9,255,551	(£7,850,084)	£1,405,467	15.2%	(£1,743,361)	2.3%
Planned	Plastic Surgery	£454,210	(£415,650)	£38,560	8.5%	(£77,166)	£118,115	(£102,148)	£15,967	13.5%	(£22,014)	-5.0%
Planned	Urology	£9,843,178	(£6,953,299)	£2,889,879	29.4%	(£1,718,628)	£2,332,993	(£1,769,106)	£563,888	24.2%	(£477,523)	5.2%
Planned total		£124,304,831	(£101,824,971)	£22,479,860	18.1%	(£29,220,201)	£30,326,525	(£25,370,594)	£4,955,931	16.3%	(£6,554,827)	1.7%
Urgent	Accident & Emergency	£9,987,283	(£10,768,137)	(£780,854)	-7.8%	(£2,146,579)	£2,651,187	(£2,950,763)	(£299,576)	-11.3%	(£671,254)	3.5%
Urgent	Thoracic Medicine	£5,778,357	(£4,650,129)	£1,128,227	19.5%	(£1,130,275)	£1,623,673	(£1,249,446)	£374,227	23.0%	(£330,872)	-3.5%
Urgent	Breast Screening	£1,199,168	(£769,996)	£429,172	35.8%	(£352,735)	£430,333	(£204,946)	£225,387	52.4%	(£99,029)	-16.6%
Urgent	Cardiology	£13,259,904	(£8,015,806)	£5,244,098	39.5%	(£1,903,056)	£3,481,359	(£2,197,826)	£1,283,533	36.9%	(£602,996)	2.7%
Urgent	Critical Care Medicine	£6,245,078	(£5,438,301)	£806,777	12.9%	(£1,474,365)	£1,704,194	(£1,342,737)	£361,457	21.2%	(£421,194)	-8.3%
Urgent	Gastroenterology	£9,267,676	(£6,760,455)	£2,507,221	27.1%	(£1,836,624)	£2,552,950	(£1,880,216)	£672,735	26.4%	(£563,901)	0.7%
Urgent	Obstetrics	£24,011,774	(£20,648,934)	£3,362,840	14.0%	(£4,363,799)	£5,750,018	(£5,256,848)	£493,170	8.6%	(£1,246,137)	5.4%
Urgent	Paediatric Community Nursing	£511,429	(£403,929)	£107,500	21.0%	(£174,330)	£124,189	(£115,637)	£8,552	6.9%	(£47,131)	14.1%
Urgent	Paediatric Medicine	£15,597,573	(£12,373,994)	£3,223,579	20.7%	(£3,234,046)	£3,442,840	(£2,948,908)	£493,932	14.3%	(£875,913)	6.3%
Urgent	Radiology	£1,957,529	(£513,055)	£1,444,474	73.8%	(£117,055)	£367,163	(£119,714)	£247,449	67.4%	(£25,142)	6.4%
Urgent total		£87,815,770	(£70,342,736)	£17,473,034	19.9%	(£16,732,864)	£22,127,906	(£18,267,041)	£3,860,865	17.4%	(£4,883,568)	2.4%
Other	Non Specialty Specific	£593,580	£0	£593,580	100.0%	£0	£1,401,105	(£65,776)	£1,335,329	95.3%	(£10,334)	4.7%
Other	Direct Access	£9,591,481	(£9,036,899)	£554,582	5.8%	(£2,241,072)	£2,396,329	(£2,530,098)	(£133,769)	-5.6%	(£639,541)	11.4%
Other	General Medicine	£13,117,114	(£8,930,661)	£4,186,454	31.9%	(£2,440,950)	£3,316,162	(£1,722,029)	£1,594,134	48.1%	(£544,237)	-16.2%
Other total		£23,302,175	(£17,967,560)	£5,334,616	22.9%	(£4,682,021)	£7,113,597	(£4,317,903)	£2,795,694	39.3%	(£1,194,113)	-16.4%
Total		£297,329,363	(£240,653,641)	£56,675,722	19.1%	(£65,520,592)	£75,113,754	(£60,753,132)	£14,360,622	19.1%	(£15,843,658)	-0.1%

Board of Directors

Title: Monitor Stage 2 Review – Financial Stability & Quality Governance

Date: 29 November 2012

Lead: Craig Anderson, Finance Director
Keith Eales, Director Corporate Affairs

Purpose: This paper is to seek approval from the Board on the Trust response to the recommendations set out in the two reports produced by PwC on behalf of Monitor.

Key Points:

- As part of the Monitor Stage 2 Annual Plan review, Monitor commissioned PwC to undertake a review of the Trust's financial stability and quality governance.
- The final report and recommendations from PwC on the Trust's financial stability was received in October, and the draft report on quality governance was received in November. The final quality governance report is expected by 29th November.
- The Executive has considered the recommendations set out in both reports and has produced a response, detailing the actions being taken (or that have already been taken) and these are set out in the attached paper. In reviewing the responses, PwC have provided additional input and challenge to help strengthen the response to Monitor and to address the findings from the original reports.
- The responses to the recommendations set out in the stage 2 reports have been prepared by the Exec with the assistance of PwC.
- These actions will be monitored through the various Executive meetings, such as the QIPP Programme Board, and a follow up paper will be brought back to Trust Board in January to report on progress against delivery.

Decision required: To note the contents of the report.

Freedom of Information (FOI) Status This paper will be released on request

1 RECOMMENDATION

The Board is asked to note the risks and actions contained within this report

2 CONTACTS

Craig Anderson, Finance Director
Keith Eales, Director Corporate Affairs

Monitor Stage 2 Annual Plan Review 2012-13
Response to Recommendations set out in the review of Financial Stability & Quality Governance Reports

Item No	Item Description	PWC Recommendations	Exec Lead	Trust Response & Current Status	Target Date	Measure	On Track to deliver?	Delivered?	Relevant Documents attached
Financial Stability									
1	CIPs – Devolution to Care Groups	<p>The Trust should devolve the entire organisational CIP requirement into Care Group budgets.</p> <p>We are sympathetic to Management's view that this has not been done to ensure that Care Group engagement is maintained and that positive relationships with the corporate centre are maintained. However, we are concerned that the budgets, and therefore actions, of the Care Groups are not aligned to the organization as a whole. Furthermore, devolving the CIP targets will strengthen accountability and increase the likelihood of delivery.</p>	Director of Finance	<p>CIPs to be devolved to each Care Group & Corporate as appropriate including Trust wide schemes which need to be led by one Care Group/Corporate on behalf of the Trust. There will be no centrally held CIPs in 2013/14</p> <p>Proposal being developed jointly by PMO and Finance and will be taken to QIPP Programme Board for approval in December.</p> <p>Care Group budgets for 2013/14 to include devolved targets.</p> <p>The indicative CIP target Trust wide is being considered currently but likely to be c4.5-5% of income.</p>	21 st December (March 2013)	CIP target devolved to Care Groups & Corporates as appropriate.			
2	CIPs - Programme Board	<p>The Trust has now put in place a Programme Board. This was following a verbal recommendation by PwC, although the Head of PMO had recently made the same recommendation to the Executive team. The Programme Board is chaired by the Chief Executive and will provide oversight to the CIP programme. However as this is newly established, there is a risk that the Board is not entirely effective until it has been properly bedded down and can drive the Programme forward.</p> <p>The Programme Board must play a lead role in driving the CIP Programme by supporting the PMO in holding Executives to account for the delivery of their projects. The Programme Board should also ensure that the recommendations of this report pertaining to the CIP programme are</p>	CEO	<p>The Trust has initiated fortnightly QIPP Programme Board meetings which commenced on 27th September, chaired by the CEO and attended by all Exec leads.</p> <p>The Programme Board has approved Terms of Reference and each meeting reviews the key CIP projects, including progress against milestones, issues and risks impacting delivery & next steps</p> <p>The Head of PMO works with the CEO to set the agenda and issues the papers with updated actions and milestones from the previous meeting.</p> <p>During the two weeks between meetings, the Head of PMO and Director of Finance meet with Exec members leading projects that</p>	Ongoing	Self –evaluation of effectiveness of the Programme Board including use of a rolling action log to be reviewed as the first item on each QIPP Board agenda to provide a measure of self-evaluation		Yes	QIPP meeting agenda Terms of Reference Project Status report

Item No	Item Description	PWC Recommendations	Exec Lead	Trust Response & Current Status	Target Date	Measure	On Track to deliver?	Delivered?	Relevant Documents attached
		implemented as soon as possible.		require additional scrutiny and challenge/support or escalation.					
3	CIPs - Plan development methodology	The PMO should separately categorise CIPs that it considers to be 'in development', and those that have moved into 'implementation'. The PMO should act as 'gate-keeper' between the two categories with clear and objective criteria as to what is required for the project to be allowed to move into implementation. Only when a project has moved into implementation should the financial impact be taken out of operational budgets and counted toward the Trust's identified total. This will improve the PMO's control over the robustness of CIPs that are identified, increase the level of assurance that is given to the Programme Board, and serve to reduce the volatility of forecast outturn savings.	Director of Finance	<p>Given the significant number of projects being managed by the PMO in 2012/13, for the remainder of this financial year the tracker has been split into two parts as follows:</p> <ol style="list-style-type: none"> 1) Implementation = CIPs & income projects in implementation stage are defined as those projects which have already started to deliver savings 2) Developmental = Those projects still being developed or as yet to deliver savings are captured within the development tracker <p>For FY2013/14 the tracker has been formatted in two parts as follows:</p> <ol style="list-style-type: none"> 1) Implementation = defined as those projects which have the five PMO gateway documents (project brief, financial metrics, project plan, QIA & risk/issues log) completed and signed off by Project Lead, but may not yet have started delivering savings if phased for later in the year. 2) Developmental = defined as those projects which are currently being initiated and worked through with the documentation still in draft format. The gateway in this case is completion of the 5 gateway documents as detailed in this report. 	30 Oct '12 (30 th Nov 12)	PMO reporting on status of overall Programme		Yes	Tracker for 2012/13 showing both parts
4	CIPs - Project workbooks	The Trust should develop and implement a suite of standard project management documentation in the form of a Project Workbook containing, a project initiation document, a project plan (including milestones), SMART KPIs (including quality safeguards), financial impacts, QIA, and		<p>The PMO now have a workbook developed which is made up of a standard set of project documentation known as the 'PMO gateway documents' and includes:</p> <ul style="list-style-type: none"> - Project brief - Financial metrics - Quality Impact Assessment tool 	30 Oct '12 (30 th Nov 12)	Project workbook to be agreed by QIPP Programme Board			Project brief Financial

Item No	Item Description	PWC Recommendations	Exec Lead	Trust Response & Current Status	Target Date	Measure	On Track to deliver?	Delivered?	Relevant Documents attached
		a risks and issues log. This is essential for the PMO to review and challenge effectively the status of any project that is under development or in implementation and to hold project leads to account for the delivery of the project.	Director of Finance	<ul style="list-style-type: none"> - Risk & issues log - Project plan <p>The project brief is the scoping document which defines the elements of the project, aims and over-arching financials to be achieved. This document is signed by both the Project Lead & Manager and then scanned and then into the PMO file directory along with the other 4 gateway documents.</p> <p>These will be required for all CIP projects from 2013.14 and for any new CIP projects in 12/13 teams will be required to provide at least the first 3 of the above list (dependent on scale & scope of project) Work books will be collated by the PMO but owned by the individual project leads.</p> <p>The project brief will also capture the KPIs and these will include at least 1 non financial KPI (where appropriate).</p> <p>Workbook to be agreed by Programme Board in November.</p>					metrics Quality Impact Assessment tool Risk & issues log Project plan (example)
5	CIPs -Robust plans	<p>Starting with the highest value schemes, the Trust should seek to capture all existing CIPs and Revenue Generation schemes into the new project workbooks, which are then held centrally by the PMO.</p> <p>This discipline will help to ensure that all projects are fully and robustly developed, assessed for their impact on clinical quality, and can be effectively tracked by the PMO. The ability of the PMO to hold project leads to account for the delivery of their schemes will be greatly improved. Project teams may prefer to cross-refer to other documentation where this exists, but the PMO must ensure that visibility of the project is maintained.</p> <p>The Programme Board may choose to set a minimum value for which the entire workbook</p>	Director of Finance	<p>For FY13/14 all projects, will have the full suite of gateway documentation as listed above in 4) unless abbreviated version agreed by Head of PMO based on scale & scope.</p> <p>For FY12/13:</p> <ul style="list-style-type: none"> - All projects will have a project brief, QIA and financial metrics completed by end of Nov12 - Concluded projects will not require further documentation and will be marked N/A on the tracker by the Head of Project Governance - projects still delivering and requiring ongoing actions will then be reviewed to determine if the other 2 gateway documents need to be completed and 	30 th Nov '12	Completion of workbooks for all material existing schemes		Yes	

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		needs to be completed, with an abbreviated version used for lower value schemes. This is particularly appropriate given the high number of existing schemes and the need to balance this against the urgency to identify new schemes to close the current shortfall. All FY13/14 projects should be captured using this process.		<p>updated on the tracker</p> <p>The documentation is regularly reviewed by the Project Manager and the Head of Project Governance. On agreement of the validity of the documentation, the Head of Project Governance updates the tracker in the PMO gateway section and includes a hyperlink to these documents.</p>					
6	PMO - FY12/13 CIP reporting of delivery	The PMO currently tracks the forecast delivery of CIPs. This is updated on a rolling basis with no reference to the original profile of budgeted savings for the project. The Programme Board should overhaul its CIP dashboard to provide the necessary level of visibility in respect of budgetary requirement, planned savings (for schemes in implementation) and forecast outturn.	Director of Finance	<p>The current CIP Programme reporting includes:</p> <ul style="list-style-type: none"> - Monthly cost CIP Board report - Monthly income CIP Board report - Monthly phasing report to show budget vs. actual by area for the Programme Board - Fortnightly highlight reports for top 10 projects for the Programme Board <p>Changes have been made to the current CIP tracker to ensure that this and all other reports consistently refer back to the original profile of budgeted savings for all new Projects in 12/13 and all projects from 2013/14.</p>	30 Oct '12 (30 th Nov 12)	Revised tracker & reporting approved by programme board		Yes	
7	CIPs - Project approval	The Programme Board should establish a clear process for the approval of projects for implementation. Key approvals for all projects should be given (and evidenced by signature) by the Executive SRO (Senior Responsible Officer), Project Lead, Clinical Lead, and Finance lead	Director of Finance	<p>All new savings opportunities are now captured on a separate CIP tracker for those in development stage. Before approval for implementation, each project now requires completion of the PMO gateway project documentation (Project Brief, financial metrics & QIA as a minimum). Once these are completed and signed off by PMO, Project Leads & Exec Directors, then approval to move to implementation will be taken via the Programme Board.</p> <p>The Head of PMO will provide written confirmation to the Head of Project Governance of the approval of projects. The</p>	30 Oct '12 (30 th Nov 12)	Approval process and evidence of approvals for all projects			Summary of all new recovery projects

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				<p>date of this approval will be stated on the tracker.</p> <p>For FY12/13 all 'recovery' projects will be initiated within Care Groups/Trust wide and are included on the in development tracker. A summary of these projects have been to QIPP Board and approved ion their developmental stage and continue to be monitored against delivery each meeting.</p>					
8	CIPs – Quality safeguarding	In addition to the above, the Programme Board should establish a panel of senior clinical staff and/or executives responsible for reviewing and approving the QIAs.	Director of Finance	<p>A QIA tool has been developed and is being used for all new projects from October 2012 onwards. Exec approval was provided for the QIA tool on 8th November.</p> <p>The QIA will be completed by the Clinical Lead (if appropriate) or the Project Lead for each individual project in conjunction with the PMO. All QIAs will be reviewed and tested by the Medical Director & Director of Nursing. Once agreed, a copy of the approval will be placed in the PMO file directory alongside the documentation.</p> <p>Any QIAs scoring above the threshold of 8 will be discussed at the QIPP Programme Board with the appropriate lead Director to assess impact & decision made as to whether the project should proceed or not.</p>	30 Oct '12 (30 th Nov 12)	Approval process and evidence of approvals for all projects			QIA tool
9	CIPs – Change Control	<p>The Programme Board should ensure that a proper system of change control is established.</p> <p>This will ensure that project plans and delivery timetables cannot be altered by project teams without robust review, challenge and authorisation at the appropriate level.</p> <p>It will also ensure that the PMO (and the Programme Board where appropriate/material) has an improved understanding and visibility of</p>	Director of Finance	<p>A change control log is in place and this, together with the tracker is issued weekly to the Exec and Care Group team. In future all changes to plans including delivery timetable will be authorised by either head of PMO, Director of finance or through QIPP Programme Board.</p> <p>Details of new projects, changes and projects in both development and implementing issuing to the QIPP Board.</p>	30 Oct '12 (30 th Nov 12)	Approved process of change control established		Yes	

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		<p>the reasons for non-delivery, either through project under-performance, poor planning, or slippage. This will mean that learnings are not lost.</p> <p>Project teams will also be better incentivised to deliver their projects and/or identify mitigation for any shortfalls, particularly if the organisational CIP requirement has been fully devolved.</p>							
10	CIPs – Plan development	<p>The Trust must take immediate action to address the current anticipated shortfall against the organisational CIP requirement of £12.5m. The Programme Board should formalise the process for working up new opportunities for FY12/13 and FY13/14. The Trust should set a clear process for this including a formal timetable.</p>	Director of Finance	<p>A list of new CIP opportunities has been identified, which are being developed with supporting documentation & financial metrics. Those plans developed to date suggest additional cost savings of around £1.15m and incremental income of some £3.4m.</p> <p>Plans are being monitored via the QIPP Programme Board. PMO resource is in place for each care Group & Corporate to support delivery.</p> <p>Current forecast of both cost and income CIPs at year end is £18.5m, although new cost and income CIPs have yet to be risk rated by the PMO, which will be completed once the project documentation for each is signed off.</p>	Plan developed by Oct '12, fortnightly checkpoints to Programme Board thereafter	Plan developed to identify new CIPs.		Yes	
11	Strategic Planning for 2013/14 & beyond	<p>The Trust is facing a number of significant challenges that must be resolved urgently & as part of a cohesive strategic plan, covering clinical strategy, estates and transformational cost saving, which aligns with the priorities of commissioners. The Trust's newly established Board is planning on refreshing its IBP throughout 2012. The Trust Board must ensure that this process is undertaken quickly and thoroughly, using external support as appropriate, so that issues in respect of Bracknell, for example, can be resolved and the new clinical strategies determined in time to</p>	Com Director	<p>The IBP process is underway and will be completed in phases over 12 months.</p> <p>Phase 1 including PEST, market assessment, SWOT informing service changes (downsize & developments) an income /activity planning model – reflecting demand and capacity vision and values, a review of the corporate strategic themes & options linked to the vision of the Trust; an update of the Clinical strategy – including a consolidation of the individual care groups and the first phase of supporting strategies. These are to include workforce,</p>	30 th Nov 12 (March 13)	New IBP developed.			Copy of IBP project timetable & plan

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		inform budget setting and the programme of transformational CIPs for 2013/14 and beyond.		<p>IM&T marketing, communications and estates and governance (aligned as appropriate to an LTFM and the 2013-14 – 2014-15 budgets. A first cut review of the IBP is scheduled for January 2013 completion of the first phase by March 2013.</p> <p>There is a risk that depth of the supporting strategies may need to be scaled back.</p> <p>The IBP is being driven by a fortnightly Strategy group. This is chaired by the CEO and attended by the IBP lead, Corporate Directors, Head of PMO its purpose is to:</p> <ul style="list-style-type: none"> • Oversees the alignment of the corporate objectives strategy and themes with the corporate and operating strategies and objectives, • Approve the assumptions and impact of NHS/Regulator guidance e.g. operating and compliance frameworks • Discusses issues and priorities • Review content and monitor progress. The Strategy Group is informed by: • a) Weekly progress meetings Chaired by the commercial director and attended by the Trust's advisor /facilitator and commercial team Finance and other invitees as required and b) Focus Workshops e.g. Market analysis, SWOT, service changes Vision and values Governor Member workshops • The Strategy Committee • Examples of best practice from other Trusts <p>A Trust Board away day is planned for early December 2012</p> <p>Initial options for transformation have been</p>					

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				<p>developed and will be taken through exec for approval in January 2013</p> <p>The transformational changes agreed within this will feed into the CIP transformation plan for 2013/14 & beyond. A list of CIP opportunities is being developed currently.</p>					
12	Bracknell Strategic review	<p>In 2012/13 the Trust is likely to post a loss in respect of the Bracknell facility of c£3 - £4m. The facility represents a significant financial drain on the organisation, and has increased the level of operational and financial gearing cost that the Trust is exposed to, reducing the flexibility of the trust's cost base.</p> <p>While the trust has kept its options in respect of Bracknell under review, the material nature of the cash drain on the organisation means that the newly formed Board must ensure that a solution is identified and implemented urgently. The Trust should seek expert legal, corporate finance, and / or operational support, as appropriate, to ensure that Bracknell is either disposed of or, if this is not possible, incorporated into a coherent clinical estates strategy.</p>	Com Director	<p>The Trust's preferred options to draw new activity from Bracknell and Ascot CCG including surgery and outpatient services working in partnership with Frimley NHST and private providers has been halted by a change in direction initiated through East Berkshire's Shaping the Future Strategy. This is proposing the redevelopment of the Wexham Park & Heatherwood Hospital's Heatherwood (WPH) site including diagnostics and surgery to help underpin the overall sustainability/ viability of WPH)</p> <p>The commercial directorate have drafted a revised RBBC options paper to go to the November Board. This sets out the financial impact of alternative options including sale, mothballing, and joint working arrangements with the PCT/CCGs, and the advantages and disadvantages of each option.</p> <p>The Board is being asked to discuss and approve a preferred option, and fall back options, should this not materialise as planned and the next steps proposed.</p> <p>The working arrangement between the Trust and the PCT/emerging CCGs (Joint Development Group) are focused on reaching a settlement consistent with the wider interest of the health economy/ East Berkshire's Shaping the Future Strategy. They include opportunities for RBBC to absorb a MIU and healthcare transferred from HWPH's Heatherwood hospital and other services provided by others across east Berkshire and</p>	<p>30th Nov 12</p> <p>(30th Dec 12)</p>	Advice received and any negotiation commenced			

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				<p>include some form of a cash injection.</p> <p>The Trust has retained GVA to seek buyers for RBBC –, discussed options with developers of healthcare practices – to date unfruitful. The Commercial Director is continuing to market test fall back options with private sector healthcare providers for solutions through networking and has engaged staff with corporate finance expertise.</p> <p>The Trust is to seek professional opinion on the indicative valuations of RBBC (depending on its usage) and other feasible options. aimed at assuring the Board on the soundness of its decision making.</p> <p>PCT/CCGs members of the joint development group have stated they will work with the Trust aimed at agreeing an amicable solution by December 2012. If the solution meets the Trust expectations it will prepare appropriate business case reflecting a full QIA assessment. If not it will pursue a fall back options which it is working on in parallel.</p>					
13	Board Effectiveness	<p>The trust Board is currently at a formative stage following a period of significant change since December 2011. The Board must quickly reach full operational effectiveness in order to drive the Trust forwards & meet the challenges ahead.</p> <p>We understand that the Chairman is planning to carry out a review of the effectiveness of the Board. We welcome this and recommend that this is concluded, and any recommendations implemented as soon as possible. We also recommend that the Board undertake a Programme of development to help ensure that it quickly becomes fully effective, using external support as appropriate. This should include ensuring that the NEDs take part in Monitor's non Executive Director Development Programme.</p>	Director of HR	<p>A board self assessment will be undertaken and the results analysed and presented to the board.</p> <p>A Training needs analysis will be undertaken with each board member, which, together with the outcomes of the board assessment process, will be used to inform board and individual development plans.</p>	<p>January 2013</p> <p>March 2013</p>	<p>Assessment complete.</p> <p>Development needs & plans identified.</p>			

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14	Electronic Patient Record	<p>It is our understanding that the Trust is now fully committed to the EPR system with no option to return to the previous system. The issues currently being experienced mean that the system represents a threat to both the Trust's income and the delivery of its access targets.</p> <p>a) The Trust should make a full assessment of the cost of rectifying the current issues & ensure that it is able to meet this requirement.</p> <p>b) The Trust should take legal advice to ascertain to what extent it may be able to recover unplanned costs from the supplier Cerner. The Trust should contact other Trusts who have experienced similar issues.</p> <p>c) While the current Board did not initiate the EPR Programme, the decision to go live was taken in June 2012 despite known implementation issues at other NHS organisations. The trust should carry out a review of the decision to press ahead with the decision, without any dual running which has resulted in these issues.</p>	Commercial Director	<p>The Trust must decide on an investment of £7m into the new EPR system to secure on going provider hosting services.</p> <p>It is taking this opportunity to undertake a rapid evaluation of the options to assess the VfM and affordability of the new system currently and with further upgrades compared with other options including alternatives in the market</p> <p>The initial evaluation is scheduled to be completed by the end on November 2012 and will include the feasibility of benefits realisation and the measurable incremental costs of the current system e.g. staff time for data entry, data quality plus patient safety considerations</p> <p>The executive team will be briefed on the initial findings of the evaluation W/e 30/11/2012 and a working group of NED's in early December 2012. There is no formal Board in December.</p> <p>If the outcomes from these meetings point to a commitment to the current EPR system then the Commercial Director will prepare a business case justifying its continued use and the incremental investment in the hosting service.</p> <p>If there is doubt then the Trust will make preparations for its replacement and complete the necessary procurement and business case processes including a "do nothing" do minimum based on the existing system.</p> <p>The Trust has undertaken a full assessment of the manpower resources and capital funding required rectifying the current issues & ensuring that the system is able to meet this requirement.</p> <p>The Commercial Director will provide to the Board an external assessment to support or otherwise its decision to press ahead with go live, without any dual running and whether the absence of dual running has resulted in the</p>	30 th Nov 2012 (30 th Dec 12)	Actions completed & findings reported to Trust Board for consideration			

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				issues referred to.					
15	Financial Controls	The Trust should expedite the proposed alignment of its authorization process for the requisitioning & ordering of goods from NHS Supply Chain with the more rigorous process for I-Procurement. It should also ensure that there is a 3 way match of GRN to purchase order to invoice for goods inward, in order to avoid possible misplacements and shortage of goods & equipment for which the Trust has paid.	Director of Finance	<p>Since Monitor undertook their review we have reconsidered the controls we apply and the benefit we would achieve by making the changes detailed in Monitor's recommendation.</p> <p>The Trust makes a significant number of orders each week, each one covering multiple line items and we do not see that there will be significant change in financial control or of cost incurred from moving to the current system and processes to iproc. Indeed there would be more manual intervention and hence risk of delay in what is a time sensitive process.</p> <p>The Trust already pre validates all those orders NHS Supply Chain orders above £5k, which are around 10 a week – the majority of orders are low value. There is robust post authorisation reporting, including to cost centre managers, care group director of operations, care group director of finance and trust director of finance, which give the opportunity to identify anomalous orders and change in ordering trends</p>	30 th Nov 2012	Systems in place and agreed as sound by internal auditors			
16	Cash Flow forecasting	The Trust should implement a rolling 12 month cash flow forecast (on an indirect basis). While the Trust currently has a high level of cash headroom (c£29m or c 30 days of operating expenditure) there is some marked risk to the delivery of the current year plan, which is likely to become more acute in years 2 and 3. As such the Trust should establish a proper cash flow forecasting process as soon as possible in line with industry best practice. This will increase the visibility of any potential emerging cash issues.	Director of Finance	The Trust will implement a rolling 12 month cash flow forecast, recognising though that the accuracy in the mid term is highly dependent on the outcome of negotiations with CCG's for the next financial year.	Q3 12/13	Rolling cash flow forecast in place			
17	Winter planning & Escalation	The Trust should confirm that it has an appropriate robust Trust Wide capacity plan to be able to cope with winter pressures whilst maintaining the current escalation wards in respect of delayed discharges of care. The plan should set out how the Trust plans to deliver the potential increase in non elective activity whilst maintaining its compliance with 18 week targets.	Care Group Directors	A Trust wide capacity plan is in place; however due to inability to de-escalate during 2012/13, additional escalation capacity required both internally and across the local health system. Internal review has identified additional 20 potential bed spaces for use during peak winter pressures and associated workforce options are being progressed.	31 st October 2012 (30 th Nov 12)	Trust wide capacity plan approved by Exec			

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				<p>Bed reconfiguration across inpatients beds to be implemented on 5/12/12 – this will provide each specialty with the correct number of inpatient beds and enable patients to be admitted to the correct specialty bed. A positive impact on LoS is anticipated.</p> <p>Daily monitoring of patients medically fit to leave the organisation is undertaken with partner organisations.</p> <p>A system-wide capacity and demand meeting is held fortnightly to agree escalation capacity across LA's and Community Provider. To date, Commissioners have funded:</p> <ul style="list-style-type: none"> - Additional 10 nursing home beds - 15 additional community beds - Uplift in capacity in Intermediate Care Services - Extended opening times of Single Point of Access to ensure all admission avoidance schemes are fully utilised - Increase in transport provision to maximise discharges from wards, and support ED / CDU in utilising admission avoidance schemes <p>New models of working in place across ED and CDU to provide consultant delivered triage and assessment of patients, and ensure that admission avoidance schemes are considered before decision to admit is made.</p>					
18	Budget Setting FY13/14	The Trust should develop a set of documented budget setting principles and requirements that should be consistently followed by the Care Groups in setting budgets for FY13/14. This should include normalization, proper budget phasing for the seasonality of the business and devolvement of CIPs.	Director of	<p>The budget setting principles will be documented and agreed by the Executive and in due course by the Trust Board, albeit that because the Trust Board is not meeting in December, this will not be until January.</p> <p>The budget paper for the Board will set out the process, principles and underlying assumptions for the budget so that the Board can satisfy itself as to</p>	Q3 FY13/14	Budget setting principles document agreed by Trust Board			

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		The Trust Board should also seek a greater degree of visibility and understanding of the budget setting process and underlying assumptions to satisfy itself that these are robust and reasonable respectively. The Board should thereby ensure that it has discharged its collective responsibility for the financial governance of the organisation and avoid placing inappropriate levels of reliance on the Director of Finance.	Finance	the reasonableness and robustness of the budget.					
Item No	Item Description	PWC Recommendations	Exec Lead	Trust Response & Current Status	Target Date	Measure	Delivery - RAG Status		Relevant Documents attached
Quality Governance									
1	Board membership & effectiveness	The Chair should complete his review of the Board membership & effectiveness as soon as practical.	Director Corporate Affairs	Committee review due for Board consideration in November 2012	Within 3 mths	Governor approval of recommended actions from Chair's review			
2	External review of Board Effectiveness	The trust should have the external review of Board effectiveness recommended by the external auditors completed once the Board has stabilized & developed during 2012/13	Director Corporate Affairs	The Trust has agreed to an evaluation in response to a recommendation from the external auditors 2011/12 accounts work. The trust response was that the timing of the review would be agreed at the end of the 2012/13 year and completed in early 2013/14.	Within 6 mths	Agreement at Board level of outcome of external review			
3	Clinical Governance	The Trust should continue to embed the Care group structure, in particular ensuring that Clinical Governance Committee and the Board obtain adequate assurance from each of the Care groups in respect of quality governance	Medical Director & Director of Nursing	The Trust is reviewing the framework of clinical governance reporting from specialities, care groups and subsequently to Clinical Governance Committee. In addition greater emphasis will be given to ensuring shared learning will be disseminated across the care groups.	Within 3 mths	Approval of revised arrangements by Clinical Governance Committee			
4	Standardisation of Performance, Quality & Safety reporting	Performance, quality & safety reporting should be standardized across the Care Groups in order to aid comparison by the Board and its sub committees.	Care Group Directors	Format agreed and implemented	Within 3 mths	Approval of revised report format by Clinical Governance Committee			
5	Electronic Patient	Progress against the EPR stabilization plan along with outstanding issues should be	Commercial Director	The Trust has commenced implementation of its stabilization plan. This is being governed	Within 1 mth	Board approval that the recovery plan has been			

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	record	presented to the Board at every meeting until the issues with the EPR system are resolved.		<p>through an Executive Governance Committee, Chaired by the CEO which meets monthly and comprises a NED, representative from the SHA the DoF Comm. Dir, Head of Informatics, Head of Governance, Care Groups and the Medical Director. This is informed by a trust EPR Working Group chaired by the Commercial Director. The working group comprises the Lead Clinician and the directors of operations for each care group and the Head of Informatics.</p> <p>The stabilization plan summarises each work stream which requires to be addressed and an implementation plan for each (noting who and when). The summary is driven by a detailed project plan which is reviewed at each meeting. Specific risk and issues logs are being implemented and will be shared with the Governance Committee at its next meeting</p> <p>It is a proposal for the Board that they receive the minutes of the EPR Governance Committee.</p> <p>It will be an agenda item for each Board meeting until the issues are resolved.</p>		delivered			
6	Data Quality	Data quality issues must be identified at a specialty and Care Group level and addressed. Where relevant, the Board should be made aware of these issues along with the actions being taken to address the problem.	Commercial Director	<p>Data quality issues are identified on a dashboard, operational at go live. This data goes down to individual patient level through a hierarchy of Trust, Care Group and specialty. The dashboard is available and used in all the Care Groups through senior management to ASMs. The Care groups follow through actions to address where it is possible to do so.</p> <p>In addition, the data quality team collates and correct data issues centrally. The central team undertakes corrections which are too complex for the care groups. Where repetitive or fundamental issues are identified, the data quality group follows through with the training team, who work with the care groups to rectify / retrain and improve working practices to prevent going forwards.</p> <p>Weekly activity and performance meetings with a group of directors includes discussions on the quality of the data from Millennium and current actions concerning them</p>	Ongoing	Exec team to provide assurance to the Board on Data Quality when presenting the Integrated Performance report			

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				<p>Central reports are all validated by care group owners and the care group informatics leads before publication, with an agreed list of approvers. The main aggregated data reported has financial consequences, and care group accountants also validate financial outturn to activity reported on a monthly basis, with regular meetings between finance and informatics, and a log of issues and agreed actions, aimed not only at correction, but also long term prevention. The care groups have ongoing responsibility to validate patients on the 18 week pathway, which covers examining the key data items describing a patient pathway from referral to treatment, and the key data for cohorts of patients within this are validated from source by the care groups every month.</p> <p>Where independent clinical systems are also used to manage patients – such as in theatres or for parts of ophthalmology, data is validated centrally against those systems every month currently. The Director of Operations, informatics lead, and finance lead for planned care currently are meeting the Head of Informatics on a daily basis to validate real time elective admission data.</p> <p>An extensive review of non elective activity for Q2 is still in progress, undertaken by both the central team and the care group clinical directors; this involves scrutinising individual patient inpatient spells.</p> <p>The Executive team are receiving regular weekly updates, which often includes issues concerning data quality and Millennium</p> <p>The stabilization plan includes the specific quality issues and the actions required to resolve these. e.g. data corrections/ validations and backlogs. The plan is progressed by an EPR team weekly and a summary of which is reported weekly to the Executive.</p> <p>EPR issues are reported to the Board by the CEO and Commercial Director and are reflected in the IPR. Moving forward, specific reports on the progress toward resolving outstanding data quality issues will be taken to the Board monthly</p>					

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7	Reporting	The Trust should continue to refine the performance, quality & patient safety reporting within the Care Groups and through to the Trust Board in order to ensure the requirements of the Board are met.	Medical Director / Director of Nursing/ Commercial ; Director	<p>Changes have been made to the Board quality report in the last quarter and since the appointment of new Medical Director</p> <p>Further work has been identified to benchmark the Trust's quality performance against similar sized and best performing Trusts. These will include essential national standards, mortality rates. and performance reports from national specialty associations</p> <p>Meetings are being scheduled between the Medical Director, Chairman of Trust and Chair of Clinical Governance Committee, head of Quality DoN and other to discuss plans to improve the Trust's performance year on year. It is proposed that this group meets quarterly to review progress and further performance, quality & patient safety developments for the benefit of patients.</p>	Within 3 mths	Board approval of revised reporting format			
8	IPR	Once the format of the IPR is finalized, the Trust should instruct internal audit to test the key measures included in the report	Commercial Director	<p>The IPR provides a single source of activity performance measures required by the Trust, Monitor Commissioners and other agencies (listed in the report). It is reviewed by the Executive and the Board as standing agenda items.</p> <p>The IPR revised format is scheduled to go to the internal auditors after the November Board. They are to be requested to forward it to Audit Committee for scrutiny and to make recommendations for its improvement</p>	Within 6 mths	Audit Committee approval of internal audit review			
9	Quality Governance framework Compliance	The Trust should implement a process to challenge and seek assurance over the level of compliance with the QGF. The Trust should consider a regular (at least annually, but preferably quarterly) mechanism to review their level of compliance with each of the ten areas of the QGF. This process should involve Care group senior management and utilize the skills and experience of newly appointed Executive Directors.	Director Corpora	A process will be agreed by the Board at the November 2012 meeting.	Within 3 moths	Board approval of the outcome of the assessment			
10	Nomination of	A short period of time at each Board meeting should be allocated for the accountable	CEO	An accountable Executive Director has been nominated for each significant external	Immediate	Board approval of the schedule of Executive			

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	Accountable Executives	Executive Director lead for each significant external requirement to provide an update on any key changes which require the Board's attention.		requirement. Each lead will provide an update on their area at the trust Board meeting.		leads		Yes	
11	Board Effectiveness	See recommendation 1. Following this review the development needs of the Board should be assessed and appropriate training arranged.	Director of HR	Development needs will be identified and a Trust Board development programme agreed or individual development needs addressed within individual appraisal as appropriate	Within 6 mths	HR Director to report to the Board on Board Development			
12	NED Training	The Trust should ensure that recently appointed NEDs take part in Monitor's NED Development Programme	Director of Corporate Affairs	The training and development needs of the NEDs are being identified in discussion with the Chairman. Once identified appropriate courses will be considered, including the Monitor NED development programme.	Within 6 mths	Attendance at programme			
13	Trust Board Agendas	The Chair, ECO & Trust Board Secretary should review the agenda of future meetings to ensure that appropriate focus is given to the items on the agenda and to allow proper debate and challenge	CEO	Reduce number of items on agendas and ensure sufficient time allocated for discussion.	Immediate	Chair, CEO & Trust Board Secretary to review Board agenda in 6 mths & make further changes if required		Yes	
14	Approval Process of projects	The QIPP Programme Board should establish a clear process for the approval of projects for implementation. Key approvals for all projects should be given by the Exec SRO, Project Lead, and Clinical & Finance leads. In addition the Programme Board should establish a panel of senior clinical staff and/or Executives responsible for reviewing and approving the QIAs.	Director of Finance	<p>All new savings opportunities are now captured on a separate CIP tracker for those in development stage. Before approval for implementation, each project now requires completion of the PMO gateway project documentation (Project Brief, financial metrics & QIA as a minimum). Once these are completed and signed off by PMO, Project Leads & Exec Directors, then approval to move to implementation will be taken via the Programme Board.</p> <p>The Head of PMO will provide written confirmation to the Head of Project Governance of the approval of projects. The date of this approval will be stated on the tracker.</p> <p>For FY12/13 all 'recovery' projects will be initiated within Care Groups/Trust wide and included on the in development tracker. A summary of these projects have been to QIPP Board and approved on their developmental stage.</p>	Immediate	Board approval of change in process			

Item No	Item Description	PWC Recommendations	Exec Lead	Trust Response & Current Status	Target Date	Measure	On Track to deliver?	Delivered?	Relevant Documents attached
				<p>As detailed in the financial stability section, the process for QIAs will be as follows:</p> <p>The QIA will be completed by the Clinical Lead (if appropriate) or the Project Lead for each individual project in conjunction with the PMO. All QIAs will be reviewed and tested by the Medical Director & Director of Nursing. Once agreed, a copy of the approval will be placed in the PMO file directory alongside the documentation.</p> <p>Any QIAs scoring above the threshold will be discussed at the QIPP Programme Board with the appropriate lead Director to assess impact & decision made as to whether the project should proceed or not.</p>					
15	Impact of CIPs	The Trust should monitor the ongoing impact on CIPs on quality as well as finances and ensure that the Board receives assurance on both of these.	Director of Finance	Detailed reporting on CIPs is included within the monthly Trust Board Integrated Performance Report as well as being covered within the Board Finance report. IN future this will now also include detail of the Quality Impact Assessments to provide assurance of impact on quality. These will be signed off by Senior Clinicians and those in excess of a threshold score (level to be agreed) will also be reviewed by the QIPP Programme Board.	Within 3 mths	Revised Board reporting on CIPs			

Note – Target dates in black are those defined in the PwC reports. Red target dates are those re – set by the Trust as being realistic.

Royal Berkshire NHS Foundation Trust

Board

Subject: Monitor Quality Governance Framework

Date: 29 November 2012

Lead: Keith Eales

Purpose: To set out the Monitor quality governance framework (QGF), the scoring system introduced by Monitor as part of the assessment process for foundation trusts and to propose an approach for determining an assessment against the CGF to underpin the quarterly return to Monitor.

Key Points:

- Monitor has had a quality governance framework in place for a couple of years. This has been developed with the addition of a scoring mechanism to assess FT applicants
- The Trust has assessed its position against the framework in 2011 and 2012 (but has not used the scoring mechanism)
- The second stage review undertaken by PwC will recommend a more detailed assessment of the position of the Trust against the framework as part of the regular submissions to Monitor
- This report sets out a process for an in-depth assessment, led by a sub-group of the Board.

Decision required: To recommend the establishment of a sub-group of the Board to carry out a quarterly in-depth assessment of the position of the Trust against the quality governance framework

1 Introduction

- 1.1 In recent years Monitor has given more focus to the assessment of quality governance as part of the foundation trust assessment process and in submissions under the terms of the Compliance Framework.
- 1.2 In 2010 Monitor introduced a quality governance framework (appendix 1). Foundation trusts were required to self-certify against the framework as part of the annual plan submission. In the same year, Monitor introduced quality governance into the foundation trust assessment process, with the addition of a four point RAG scale.
- 1.3 The Trust self-certified against the framework in April 2011 and again in January 2012 (both assessments are available from Keith Eales). The Trust did not, and was not required to, apply the scoring mechanism as part of the assessment.

2 Monitor Quality Governance Framework

- 2.1 Monitor defines quality governance as the combination of structures and processes at and below board level to lead on trust-wide quality performance including
- ensuring required standards are achieved
 - investigating and taking action on sub-standard performance
 - planning and driving continuous improvement
 - identifying, sharing and ensuring delivery of best-practice
 - identifying and managing risks to quality of care
- 2.2 The components of the quality governance framework are as follows

Strategy	Capabilities and Culture	Processes and Structure	Measurement
1A Does quality drive the trust's strategy?	2A Does the Board have the necessary leadership, skills and knowledge to ensure delivery of the quality agenda?	3A Are there clear roles and accountabilities in relation to quality governance?	4A Is appropriate quality information being analysed and challenged?
1B Is the Board sufficiently aware of potential risks to quality?	2B Does the Board promote a quality-focused culture throughout the trust?	3B Are there clearly defined, well understood processes for escalating and resolving issues and managing performance?	4B Is the Board assured of the robustness of the quality information?
		3C Does the Board actively engage patients, staff and other key stakeholders on quality?	4C Is quality information being used effectively

- 2.3 Alongside the framework is a scoring mechanism, which is attached as appendix 2. To be authorised as an FT, a Trust must score 3.5 or less. An overriding rule states that no category can be rated as entirely amber/red.
- 2.4 The framework, and the scoring mechanism, allows Monitor to test whether boards are taking quality governance seriously and are genuinely set up to deliver. Monitor has commented robust self-assessment is critical, and that boards must see evidence that quality governance processes are not just in place but are effective.

3 Assessment in 2012

- 3.1 The annual plan second stage review undertaken by PwC will suggest that an assessment against the quality governance framework should underpin the quarterly return required under the Compliance Framework. This would be in addition to the assessment as part of the quality account and annual plan submissions.
- 3.2 To address this, it is proposed that
- The Quality Governance Group established at the last meeting, as a sub-group of the Board, is given an expanded remit to oversee the assessment of the position of the Trust against the quality governance framework
 - The Group would comprise two non-executive directors (one of whom would be chair), the Medical Director, Director of Nursing and a Care Group Director. Other staff would attend as appropriate
 - A nominated lead director would be identified to collate evidence against each of the questions posed in the quality governance framework. This would be evidence of processes being in place and of their effectiveness
 - The evidence against each question in the framework would be reviewed by the Group, which would assign a score
 - The Group would provide a summary report to the Board on the outcome of the scoring
- 3.5 It is suggested that this approach commences from the submission of the return to Monitor for the third quarter.

4 Recommendation

- 4.1 The Board is asked to agree the approach set out in paragraph 3.2.

5 Attachments

- 5.1 The following are attached to this report:

Appendix 1 – Quality Governance Framework

Appendix 2 – Quality Governance Framework scoring method

Appendix 3 – Terms of reference for the Quality Governance Group

Contact: Keith Eales

Phone: 0118 322 8439

Quality Governance Framework

July 2010



Monitor's *Quality Governance Framework*

Quality governance is the combination of structures and processes at and below board level to lead on trust-wide quality performance including:

- ensuring required standards are achieved;
- investigating and taking action on sub-standard performance;
- planning and driving continuous improvement;
- identifying, sharing and ensuring delivery of best-practice; and
- identifying and managing risks to quality of care.

Diagram 1 lists the four areas and ten questions underpinning Monitor's *Quality Governance Framework*, while samples of good practice in each are set out in the tables below.

Diagram 1: Monitor's *Quality Governance Framework*

Strategy	Capabilities and culture	Processes and structure	Measurement
<p>1A Does quality drive the trust's strategy?</p> <p>1B Is the board sufficiently aware of potential risks to quality?</p>	<p>2A Does the board have the necessary leadership, skills and knowledge to ensure delivery of the quality agenda?</p> <p>2B Does the board promote a quality-focused culture throughout the trust?</p>	<p>3A Are there clear roles and accountabilities in relation to quality governance?</p> <p>3B Are there clearly defined, well understood processes for escalating and resolving issues and managing quality performance?</p> <p>3C Does the board actively engage patients, staff and other key stakeholders on quality?</p>	<p>4A Is appropriate quality information being analysed and challenged?</p> <p>4B Is the board assured of the robustness of the quality information?</p> <p>4C Is quality information used effectively?</p>

Strategy	Example good practice
1A: Does quality drive the trust's strategy?	<p>Quality is embedded in the trust's overall strategy</p> <ul style="list-style-type: none"> • The trust's strategy comprises a small number of ambitious trust-wide quality goals covering safety, clinical outcomes and patient experience which drive year on year improvement • Quality goals reflect local as well as national priorities, reflecting what is relevant to patient and staff • Quality goals are selected to have the highest possible impact across the overall trust • Wherever possible, quality goals are specific, measurable and time-bound • Overall trust-wide quality goals link directly to goals in divisions/services (which will be tailored to the specific service) • There is a clear action plan for achieving the quality goals, with designated lead and timeframes <p>Applicants are able to demonstrate that the quality goals are effectively communicated and well-understood across the trust and the community it serves</p> <p>The board regularly tracks performance relative to quality goals</p>
1B: Is the board sufficiently aware of potential risks to quality?	<p>The board regularly assesses and understands current and future risks to quality and is taking steps to address them</p> <p>The board regularly reviews quality risks in an up-to-date risk register</p> <p>The board risk register is supported and fed by quality issues captured in directorate/service risk registers</p> <p>The risk register covers potential future external risks to quality (e.g. new techniques/technologies, competitive landscape, demographics, policy change, funding, regulatory landscape) as well as internal risks</p> <p>There is clear evidence of action to mitigate risks to quality</p> <p>Proposed initiatives are rated according to their potential impact on quality (e.g. clinical staff cuts would likely receive a high risk assessment)</p> <p>Initiatives with significant potential to impact quality are supported by a detailed assessment that could include:</p> <ul style="list-style-type: none"> • 'Bottom-up' analysis of where waste exists in current processes and how it can be reduced without impacting quality (e.g. Lean) • Internal and external benchmarking of relevant operational efficiency metrics (of which nurse/bed ratio, average length of stay, bed occupancy, bed density and doctors/bed are examples which can be markers of quality) • Historical evidence illustrating prior experience in making operational changes without negatively impacting quality (e.g. impact of previous changes to nurse/bed ratio on patient complaints) <p>The board is assured that initiatives have been assessed for quality</p> <p>All initiatives are accepted and understood by clinicians</p> <p>There is clear subsequent ownership (e.g. relevant clinical director)</p> <p>There is an appropriate mechanism in place for capturing front-line staff concerns, including a defined whistleblower policy</p> <p>Initiatives' impact on quality is monitored on an ongoing basis (post-implementation)</p> <p>Key measures of quality and early warning indicators identified for each initiative</p> <p>Quality measures monitored before and after implementation</p> <p>Mitigating action taken where necessary</p>

Capabilities and Culture	Example good practice:
<p>2A: Does the board have the necessary leadership and skills and knowledge to ensure delivery of the quality agenda?</p>	<p>The board is assured that quality governance is subject to rigorous challenge, including full NED engagement and review (either through participation in Audit Committee or relevant quality-focused committees and sub-committees)</p> <p>The capabilities required in relation to delivering good quality governance are reflected in the make-up of the board</p> <p>Board members are able to:</p> <ul style="list-style-type: none"> • Describe the trust's top three quality-related priorities • Identify well- and poor-performing services in relation to quality, and actions the trust is taking to address them, • Explain how it uses external benchmarks to assess quality in the organisation (e.g. adherence to NICE guidelines, recognised Royal College or Faculty measures). • Understand the purpose of each metric they review, be able to interpret them and draw conclusions from them • Be clear about basic processes and structures of quality governance • Feel they have the information and confidence to challenge data • Be clear about when it is necessary to seek external assurances on quality e.g. how and when it will access independent advice on clinical matters. <p>Applicants are able to give specific examples of when the board has had a significant impact on improving quality performance (e.g. must provide evidence of the board's role in leading on quality)</p> <p>The board conducts regular self-assessments to test its skills and capabilities; and has a succession plan to ensure they are maintained</p> <p>Board members have attended training sessions covering the core elements of quality governance and continuous improvement</p>
<p>2B: Does the board promote a quality-focused culture throughout the Trust?</p>	<p>The board takes an active leadership role on quality</p> <p>The board takes a proactive approach to improving quality (e.g. it actively seeks to apply lessons learnt in other trusts and external organisations)</p> <p>The board regularly commits resources (time and money) to delivering quality initiatives</p> <p>The board is actively engaged in the delivery of quality improvement initiatives (e.g. some initiatives led personally by board members)</p> <p>The board encourages staff empowerment on quality</p> <p>Staff are encouraged to participate in quality / continuous improvement training and development</p> <p>Staff feel comfortable reporting harm and errors (these are seen as the basis for learning, rather than punishment)</p> <p>Staff are entrusted with delivering the quality improvement initiatives they have identified (and held to account for delivery)</p> <p>Internal communications (e.g. monthly newsletter, intranet, notice boards) regularly feature articles on quality</p>

Structures and Processes	Example good practice
3A: Are there clear roles and accountabilities in relation to quality governance?	<p>Each and every board member understand their ultimate accountability for quality</p> <p>There is a clear organisation structure that cascades responsibility for delivering quality performance from 'board to ward to board' (and there are specified owners in-post and actively fulfilling their responsibilities)</p> <p>Quality is a core part of main board meetings, both as a standing agenda item and as an integrated element of all major discussions and decisions</p> <p>Quality performance is discussed in more detail each month by a quality-focused board sub-committee with a stable, regularly attending membership</p>
3B: Are there clearly defined, well understood processes for escalating and resolving issues and managing performance?	<p>Boards are clear about the processes for escalating quality performance issues to the board</p> <ul style="list-style-type: none"> • Processes are documented • There are agreed rules determining which issues should be escalated. These rules cover, amongst other issues, escalation of serious untoward incidents and complaints. <p>Robust action plans are put in place to address quality performance issues (e.g., including issues arising from serious untoward incidents and complaints). With actions having:</p> <ul style="list-style-type: none"> • Designated owners and time frames • Regular follow-ups at subsequent board meetings <p>Lessons from quality performance issues are well-documented and shared across the trust on a regular, timely basis, leading to rapid implementation at scale of good-practice</p> <p>There is a well-functioning, impactful clinical and internal audit process in relation to quality governance, with clear evidence of action to resolve audit concerns</p> <ul style="list-style-type: none"> • Continuous rolling programme that measures and improves quality • Action plans completed from audit • Re-audits undertaken to assess improvement <p>A 'whistleblower'/error reporting process is defined and communicated to staff; and staff are prepared if necessary to blow the whistle</p> <p>There is a performance management system with clinical governance policies for addressing under-performance and recognising and incentivising good performance at individual, team and service line levels</p>

3C: Does the board actively engage patients, staff and other key stakeholders on quality?

Quality outcomes are made public (and accessible) regularly, and include objective coverage of both good and bad performance

The Board actively engages patients on quality, e.g.:

- Patient feedback is actively solicited, made easy to give and based on validated tools
- Patient views are proactively sought during the design of new pathways and processes
- All patient feedback is reviewed on an ongoing basis, with summary reports reviewed regularly and intelligently by the Board
- The board regularly reviews and interrogates complaints and serious untoward incident data
- The board uses a range of approaches to 'bring patients into the board room' (e.g. face-to-face discussions, video diaries, ward rounds, patient shadowing)

The board actively engages staff on quality, e.g.:

- Staff are encouraged to provide feedback on an ongoing basis, as well as through specific mechanisms (e.g. monthly 'temperature gauge' plus annual staff survey)
- All staff feedback is reviewed on an ongoing basis with summary reports reviewed regularly and intelligently by the board

The board actively engages all other key stakeholders on quality, e.g.:

- Quality performance is clearly communicated to commissioners to enable them to make educated decisions
- Feedback from PALS and LINKs is considered
- For care pathways involving GP and community care, discussions are held with all providers to identify potential issues and ensure overall quality along the pathway
- The board is clear about Governors' involvement in quality governance

Measurement	Example good practice
<p>4A: Is appropriate quality information being analysed and challenged?</p>	<p>The board reviews a monthly 'dashboard' of the most important metrics. Good practice dashboards include:</p> <ul style="list-style-type: none"> • Key relevant national priority indicators and regulatory requirements • Selection of other metrics covering safety, clinical effectiveness and patient experience (at least 3 each) • Selected 'advance warning' indicators • Adverse event reports/ serious untoward incident reports/ patterns of complaints • Measures of instances of harm (e.g. Global Trigger Tool) • Monitor's risk ratings (with risks to future scores highlighted) • Where possible/appropriate, percentage compliance to agreed best-practice pathways • Qualitative descriptions and commentary to back up quantitative information <p>The board is able to justify the selected metrics as being:</p> <ul style="list-style-type: none"> • Linked to trust's overall strategy and priorities • Covering all of the trust's major focus areas • The best available ones to use • Useful to review <p>The board dashboard is backed up by a 'pyramid' of more granular reports reviewed by sub-committees, divisional leads and individual service lines</p> <p>Quality information is analysed and challenged at the individual consultant level</p> <p>The board dashboard is frequently reviewed and updated to maximise effectiveness of decisions; and in areas lacking useful metrics, the board commits time and resources to developing new metrics</p>
<p>4B: Is the board assured of the robustness of the quality information?</p>	<p>There are clearly documented, robust controls to assure ongoing information accuracy, validity and comprehensiveness</p> <ul style="list-style-type: none"> • Each directorate/service has a well-documented, well-functioning process for clinical governance that assures the board of the quality of its data • Clinical audit programme is driven by national audits, with processes for initiating additional audits as a result of identification of local risks (e.g. incidents) • Electronic systems are used where possible, generating reliable reports with minimal ongoing effort • Information can be traced to source and is signed-off by owners <p>There is clear evidence of action to resolve audit concerns</p> <ul style="list-style-type: none"> • Action plans are completed from audit (and subject to regular follow-up reviews) • Re-audits are undertaken to assess performance improvement <p>There are no major concerns with coding accuracy performance</p>

4C: Is quality information being used effectively?

Information in Quality Reports is displayed clearly and consistently
Information is compared with target levels of performance (in conjunction with a R/A/G rating), historic own performance and external benchmarks (where available and helpful)
Information being reviewed must be the most recent available, and recent enough to be relevant
'On demand' data is available for the highest priority metrics
Information is 'humanised'/personalised where possible (e.g. unexpected deaths shown as an absolute number, not embedded in a mortality rate)
Trust is able to demonstrate how reviewing information has resulted in actions which have successfully improved quality performance

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Scoring against the Framework

Monitor

Independent Regulator
of NHS Foundation Trusts

Score	Risk rating	Definition	Evidence
0	Green	Meets or exceeds expectations	Many elements of good practice + no major omissions
0.5	Amber/Green	Partially meets expectations but confident in management's capacity to deliver green performance within reasonable timeframe	Some elements of good practice + no major omissions + robust action plans for shortfalls and proven track record of delivery
1	Amber/Red	Partially meets expectations but some concerns on capacity to deliver within a reasonable timeframe	Some elements of good practice + no major omissions + action plans for shortfalls in early stages and limited evidence of delivery in past
4	Red	Does not meet expectations	Major omission in quality governance identified + significant volume of action plans required, concerns on management delivery capacity

- Authorisation criteria is a score of 3.5 or less
- Quality Governance score of 4 or worse cannot be authorised
- Overriding rule states no category can be rated entirely Amber/Red

Terms of Reference

Constitution and Membership

The Group will be appointed by the Board to oversee:

- a) Submissions and judgements in respect of the Monitor Quality Governance Framework
- b) The production of the Trust's Quality Accounts

The Group is a time limited task group and will be expected to conclude its business and disband once the Board is assured that quality governance is fully embedded within the Trust. The Group will submit a work plan to the Board setting out when it expects to complete its remit.

The Group will be chaired by a non executive director. The membership will comprise one other non executive director, the Medical Director, Director of Nursing and a Care Group Director.

The quorum of the Group will be 2 members.

Attendance

Members are expected to attend three quarters meetings in any one financial year.

The Director of Corporate Affairs & Secretary (or their nominee) will act as secretary to the Committee.

The Group may invite other staff and external advisors to attend for all or part of any meeting.

Frequency of Meetings

The Group will meet on a quarterly basis at such other times as may be required.

Monitoring

The work of the Group will be kept under review by the Board.

Duties

The main duties of the group will include:

Quality Governance Framework

1. Providing overview and challenge of submissions in respect of the Monitor Quality Governance Framework.
2. Ensuring that the Trust has systems and processes in place to deliver the highest possible quality of service.
3. Undertaking a quarterly assessment of quality governance issues and performance in advance of each Monitor quarterly submission.
4. Escalating and reporting to the Board any issues of concern in respect of quality governance.

Quality Accounts

5. Overseeing the production and delivery of the Trust's Quality Accounts process, ensuring that all relevant stakeholders are engaged and that a robust document is produced to agreed timescales.
6. Recommending quality accounts priorities and indicators to the Board following review of consultation responses and other source documents.
7. Undertaking detailed reviews of Quality Accounts drafts.

Reporting

The minutes of meetings will be formally recorded and submitted to the Board after each meeting.

The Group will also review these terms of reference on an annual basis if necessary and report to the Board accordingly.

Reviewed by the Group:

Approved by the Board:

Royal Berkshire NHS Foundation Trust

Board of Directors

Title: Legislative Amendments to the Trust Constitution

Date: 29 November 2012

Lead: Keith Eales

Purpose: To confirm and recommend to the Annual Members Meeting the changes required to the Trust Constitution by the Health and Social Care Act 2012.

Key Points:

- The provisions of the Health and Social Care Act 2012 will require significant amendments to the Trust Constitution.
- Some provisions were implemented from October 2012. The majority of provisions in the Act are expected to come into force on April 2013.
- The Board considered proposed changes at the last meeting.
- The Joint Constitution Review Group has given final consideration to the revised document and has resolved all outstanding issues with the lawyers advising the Trust.
- The Board is now asked to recommend the revised Constitution to the Annual members Meeting for approval

Decision required The Board is asked to recommend the revised Trust Constitution to the Annual Members Meeting for approval.

FOI Status This report will be made available on request.

Contact: Keith Eales, Director of Corporate Affairs
Phone: 0118 322 8439

CONSTITUTION OF
ROYAL BERKSHIRE NHS FOUNDATION TRUST
(A PUBLIC BENEFIT CORPORATION)

[Additions made in blue and deletions made in red are to be incorporated as soon as possible]

[Additions made in plum and deletions made in green are to be incorporated following commencement of the remaining relevant provisions of the Health and Social Care Act 2012, expected to be in April 2013]

CONSTITUTION OF ROYAL BERKSHIRE NHS FOUNDATION TRUST (A PUBLIC BENEFIT CORPORATION)

1. DEFINITIONS

- 1.1 Unless the contrary intention appears or the context otherwise requires, words or expressions contained in this constitution bear the same meaning as in the ~~National Health Service Act 2006~~~~Health and Social Care (Community Health and Standards) Act 2003~~.
- 1.2 References in this constitution to legislation include all amendments, replacements or re-enactments made.
- 1.3 Headings are for ease of reference only and are not to affect interpretation.
- 1.4 Words importing the masculine gender only shall include the feminine gender; words importing the singular shall include the plural and vice-versa.

- 1.5 In this constitution:

"the 2003 Act"	means the Health and Social Care (Community Health and Standards) Act 2003;
"the 1977 Act"	means the National Health Service Act 1977;
"the 2006 Act"	means the National Health Service Act 2006;
"the 2012 Act"	means the Health and Social Care Act 2012;
"allied healthcare professionals"	means professionals regulated by the Council for Professions Supplementary to Medicine;
"appointed Governors"	means those Governors appointed by the appointing organisations;
"appointing organisations"	means those organisations named in this constitution who are entitled to appoint Governors;
"authorisation"	means an authorisation given by the Independent Regulator Monitor;
"areas of the Trust"	means the five areas specified in Annex 1 which are (1) Reading, (2) Wokingham, (3) West Berkshire and borders, (4) East Berkshire and borders, (5) South Oxfordshire;
"Audit Commission"	means the Audit Commission for Local Authorities and the National Health Service in England and Wales;
"Board of Directors"	means the Board of Directors as constituted in accordance with this constitution;

“Council of Governors”	means the Council of Governors as constituted in accordance with this constitution, which has the same meaning as the board of governors in the 2003 Act;
“Director”	means a member of the Board of Directors;
“elected Governors”	means those Governors elected by the public constituencies and the classes of the staff constituency;
“external auditor”	means the person appointed to carry out the functions set out in Schedule 5 to the 2003 Act;
“Financial year”	means: <ul style="list-style-type: none"> (a) the period beginning with the date on which the Trust is authorised and ending with the next 31 March; and (b) each successive period of twelve months beginning with 1 April.
“Local Authority Governor”	means a member of the Council of Governors appointed by one or more local authorities whose area includes the whole or part of the area of the Trust;
“Independent Regulator Monitor”	means the regulator for the purpose of Part 1 of the 2003 Act means the body corporate known as Monitor, as provided by Section 61 of the 2012 Act;
“member”	means a member of the Trust;
“the NHS Trust”	means the Royal Berkshire and Battle Hospitals NHS Trust which made the application to become an NHS foundation trust;
“Partnership Governor”	means a member of the Council of Governors appointed by a partnership organisation named in this constitution;
“PCT Governor”	means a member of the Council of Governors appointed by a Primary Care Trust for which the Trust provides goods or services;
“public constituency”	means (collectively) those members living in one of the areas of the Trust;
“Public Governor”	means a member of the Council of Governors elected by the members of one of the public constituencies;

“registered dentist”	means a registered dentist within the meaning of the Dentists Act 1984;
“registered medical practitioner”	means a fully registered person within the meaning of the Medicines Act 1983 who holds a licence to practice under that Act;
“Secretary”	means the Secretary of the Trust or any other person appointed to perform the duties of the Secretary, including a joint, assistant or deputy secretary;
“staff constituency”	means (collectively) those members of the five classes comprising the staff constituency;
“Staff Governor”	means a member of the Council of Governors elected by the members of one of the classes of the staff constituency;
“the Trust”	means the Royal Berkshire NHS Foundation Trust;

2. NAME AND STATUS

The name of the Trust is to be “Royal Berkshire NHS Foundation Trust”. The Trust is a public benefit corporation authorised under the ~~National Health Service Act 2006~~ ~~Health and Social Care (Community Health and Standards) Act 2003~~.

3. PURPOSE

- 3.1 The ~~principal Trust's~~ purpose of the Trust is ~~to serve the community by~~ the provision of goods and services for the purposes of the health service in England.
- 3.2 The Trust does not fulfil its principal purpose unless, in each financial year, its total income from the provision of goods and services for the purposes of the health service in England is greater than its total income from the provision of goods and services for any other purposes.

~~The Trust does not fulfill its principal purpose unless, in each financial year, its total income from the provision of goods and services for the purposes of the health service in England is greater than its total income from the provision of goods and services for any other purposes~~

- 3.3 The Trust may provide goods and services for any purpose related to
 - 3.3.1 the provision of services provided to individuals for or in connection with the prevention, diagnosis or treatment of illness and
 - 3.3.2 the promotion and protection of public health

- 3.4 The Trust may also carry on activities other than those mentioned in the above paragraph for the purpose of making additional income available in order better to carry on its principal purpose.

FUNCTIONS

~~The function of the Trust is to provide goods and services, including education and training, research, accommodation and other facilities, for purposes related to the provision of health care.~~

~~The Trust may also carry on other functions for the purpose of making additional income available in order to carry on the Trust's principal purpose better.~~

4. POWERS

- 4.1 The Trust may do anything which appears to it to be necessary or desirable for the purposes of or in connection with its functions.
- 4.2 In particular it may:
- 4.2.1 acquire and dispose of property;
 - 4.2.2 enter into contracts;
 - 4.2.3 accept gifts of property (including property to be held on trust for the purposes of the Trust or for any purposes relating to the health service);
 - 4.2.4 employ staff.
- 4.3 Any power of the Trust to pay remuneration and allowances to any person includes the power to make arrangements for providing or securing the provision of pensions or gratuities (including those payable by way of compensation for loss of employment or loss or reduction of pay).
- 4.4 The Trust may borrow money for the purposes of or in connection with its functions, subject to any limit imposed by its authorisation or specified in the prudential borrowing code made by ~~the Independent Regulator~~ Monitor from time to time.
- 4.5 The Trust may invest money (other than money held by it as trustee) for the purposes of or in connection with its functions. The investment may include investment by:
- 4.5.1 forming, or participating in forming, bodies corporate;
 - 4.5.2 otherwise acquiring membership of bodies corporate.
- 4.6 The Trust may give financial assistance (whether by way of loan, guarantee or otherwise) to any person for the purposes of or in connection with its functions.

5. COMMITMENTS

- 5.1 The Trust shall exercise its functions effectively, efficiently and economically.

Representative membership

- 5.2 The Trust shall at all times ~~take steps~~ ~~strive~~ to ensure that taken as a whole its actual membership is representative of those eligible for membership. To this end:

5.2.1 the Trust shall at all times have in place and pursue a membership strategy which shall be approved by the Council of Governors, and shall be reviewed by them from time to time, and at least every three years;

5.2.2 ~~At least every three years the Council of Governors will review the public constituency boundaries and membership in light of patient flows to the Trust during those three years.~~

5.2.3 the Council of Governors shall present to each annual members meeting:

5.2.3.1 a report on steps taken to secure that taken as a whole the actual membership of its public constituencies and of the classes of the staff constituency is representative of those eligible for such membership;

5.2.3.2 the progress of the membership strategy;

5.2.3.3 any changes to the membership strategy.

~~Co-operation with health service bodies~~

- 5.3 ~~In deciding which areas are to be areas for public constituencies, or in deciding whether or not the Trust should have a patients' constituency, the Trust shall have regard to the need for those eligible for such membership to be representative of those to whom the Trust provides services~~ ~~In exercising its functions the Trust shall co-operate with Health Authorities, Special Health Authorities, Primary Care Trusts, NHS Trusts and NHS Foundation Trusts.~~

Respect for rights of people

- 5.4 In conducting its affairs, the Trust shall respect the rights of members of the community it serves, its employees and people dealing with the Trust as set out in the Charter of Fundamental Rights of the European Union.

Openness

- 5.5 In conducting its affairs, the Trust shall have regard to the need to provide information to members and conduct its affairs in an open and accessible way.

Prohibiting Distribution

- 5.6 The profits or surpluses of the Trust are not to be distributed either directly or indirectly in any way at all among members ~~of the Trust.~~

6. FRAMEWORK

- 6.1 The affairs of the Trust are to be conducted by the Board of Directors, the Council of Governors and the members in accordance with this constitution ~~and the Trust's authorisation~~. The members, the Council of Governors and the Board of Directors are to have the roles and responsibilities set out in this constitution.

Members

- 6.2 Members may attend and participate at members meetings, vote in elections to, and stand for, election for the Council of Governors, and take such other part in the affairs of the Trust as is provided in this constitution.

Council of Governors

- 6.3 The roles and responsibilities of the Council of Governors, which are to be carried out in accordance with this constitution ~~and the Trust's authorisation~~, are:

- 6.3.1 to hold the non-executive Directors individually and collectively to account for the performance of the Board of Directors;
- 6.3.2 to represent the interests of the members as a whole and the interests of the public;
- 6.3.3 at a General Meeting:
 - 6.3.3.1 to appoint or remove the Chairman and the other non-executive Directors;
 - 6.3.3.2 to approve an appointment (by the non-executive Directors) of the chief executive;
 - 6.3.3.3 to decide the remuneration and allowances, and the other terms and conditions of office, of the non-executive Directors;
 - 6.3.3.4 to appoint or remove the Trust's external auditor;
 - 6.3.3.5 to be presented with the annual accounts, any report of the external auditor on them and the annual report;
- 6.3.4 to provide their views to the Board of Directors when the Board of Directors is preparing the document containing information about the Trust's forward planning;
- 6.3.5 to respond as appropriate when consulted by the Board of Directors in accordance with this constitution;
- 6.3.6 to undertake such functions as the Board of Directors shall from time to time request;
- 6.3.7 from time to time to review and make recommendations regarding the Trust's membership strategy and its policy for the composition of the Council of Governors and of the non-executive Directors;
- 6.3.8 when appropriate to make recommendations for the revision of this constitution;

- 6.3.9 to require one or more Directors to attend a meeting of the Council of Governors for the purpose of obtaining information about the Trust's performance of its functions or the Directors' performance of their duties (and deciding whether to propose a vote on the Trust's or Directors' performance); and
- 6.3.10 to approve any merger, acquisition, separation or dissolution application in respect of the Trust before the application is made to Monitor.
- 6.4 If Monitor has appointed a panel for advising governors, a Governor may refer a question to that panel as to whether the Trust has failed or is failing to act in accordance with this Constitution or Chapter 5 of the 2006 Act. A Governor may only refer a question under this paragraph if more than half of the members of the Council of Governors voting approve the referral.
- 6.5 The Trust will take steps to secure that Governors are equipped with the skills and knowledge they require in their capacity as such.

Board of Directors

- 6.6 The general duty of the Board of Directors, and of each Director individually, is to act with a view to promoting the success of the Trust so as to maximise the benefits for the members as a whole and for the public.
- 6.7 The business of the Trust is to be managed by the Board of Directors, which ~~(subject to any contrary provisions of the 2003 Act as given effect by this constitution)~~ shall exercise all the powers of the Trust.
- 6.8 Any of the powers of the Trust may be delegated to a committee of Directors or to an executive Director.

7. MEMBERS

- 7.1 The members ~~of the Trust~~ are those individuals whose names are entered in the register of members. Every member is to be either a member of one of the public constituencies or a member of one of the classes of the staff constituency.
- 7.2 Subject to this constitution, membership is open to any individual who:
 - 7.2.1 is over sixteen years of age;
 - 7.2.2 is entitled under this constitution to be a member of one of the public constituencies or one of the classes of the staff constituency; and
 - 7.2.3 completes a membership application form in whatever form the Secretary specifies.

Public constituencies

- 7.3 There are five public constituencies corresponding to the five areas of the Trust specified in Annex 1. Individuals may become or continue as a member of a public constituency:

- 7.3.1 who live in the relevant area of the Trust;
 - 7.3.2 who are not a member of another public constituency; and
 - 7.3.3 who are not eligible to be members of any of the classes of the staff constituency.
- 7.4 The minimum number of members of each of the public constituencies is to be:
- 7.4.1 Reading - 100 members
 - 7.4.2 Wokingham – 75 members
 - 7.4.3 West Berkshire and borders– 75 members
 - 7.4.4 East Berkshire and borders– 50 members
 - 7.4.5 South Oxfordshire – 50 members

Staff constituency

- 7.5 The staff constituency is divided into ~~five~~~~six~~ classes as follows:
- 7.5.1 registered medical practitioners and registered dentists
 - 7.5.2 registered nurses and midwives
 - 7.5.3 allied healthcare professionals/professional and technical
 - 7.5.4 health care support workers and ancillary
 - 7.5.5 managers and administrative and clerical
 - 7.5.6 ~~volunteers.~~
- 7.6 Individuals may become or continue as members of one of the classes of the staff constituency:
- 7.6.1 who are employed under a contract of employment by the Trust and who either
 - 7.6.1.1 are employed by the Trust under a contract of employment which has no fixed term or a fixed term of at least 12 months; or
 - 7.6.1.2 who have been continuously employed by the Trust for at least 12 months; or
 - 7.6.2 who are not so employed but who nevertheless exercise functions for the purposes of the Trust and who have exercised the functions for the purposes of the Trust ~~or the NHS Trust~~ for a continuous period of at least 12 months. ~~For the avoidance of doubt, this does not include those who assist or provide services to the Trust on a voluntary basis.~~

- 7.7 Chapter 1 of Part XIV of the Employment Rights Act 1996 applies in determining whether an individual has been continuously employed by the Trust for the purposes of paragraph 7.6.1.2 above or has continuously exercised functions for the purposes of the Trust for the purpose of paragraph 7.6.2 above.
- 7.8 Where there is dispute as to the particular class of the staff constituency into which an eligible member of that constituency falls the matter shall be referred to the membership sub-committee of the Council of Governors whose decision shall be final.
- 7.9 All individuals who are entitled under this constitution to become members of one of the classes of the staff constituency, and who
- 7.9.1 have been invited by the Trust to become a member of the appropriate class, and
- 7.9.2 have not informed the Trust that they do not wish to do so shall become members of the appropriate class.
- 7.10 A person who is eligible to be a member of one of the classes of the staff constituency may not become or continue as a member of any of the public constituencies, and may not become or continue as a member of more than one class of the staff constituency.
- 7.11 The minimum number of members of each class of the staff constituency is as follows:
- 7.11.1 registered medical practitioners and registered dentists – 25 members
- 7.11.2 registered nurses and midwives – 75 members
- 7.11.3 allied healthcare professionals/professional and technical – 25 members
- 7.11.4 healthcare support workers and ancillary – 50 members
- 7.11.5 managers and administrative and clerical – 50 members
- 7.11.6 volunteers – 25 members

8. TERMINATION OF MEMBERSHIP

- 8.1 A member shall cease to be a member if:
- 8.1.1 they resign by notice to the Secretary;
- 8.1.2 they die;
- 8.1.3 they are expelled from membership under this constitution;
- 8.1.4 they cease to be entitled under this constitution to be a member of any of the public constituencies or of any of the classes of the staff constituency;

- 8.1.5 if it appears to the Secretary that they no longer wish to be a member of the Trust, and after enquiries made by the membership sub-committee of the Council of Governors, they fail to demonstrate that they wish to continue to be a member of the Trust.
- 8.2 A member may be expelled by a resolution approved by a two-thirds majority of the Council of Governors present and voting at a General Meeting. The following procedure is to be adopted.
 - 8.2.1 Any member may complain to the Secretary that another member has acted in a way detrimental to the interests of the Trust.
 - 8.2.2 If a complaint is made, the Council of Governors may consider the complaint having taken such steps as it considers appropriate to ensure that each member's point of view is heard and may either:
 - 8.2.2.1 dismiss the complaint and take no further action; or
 - 8.2.2.2 for a period not exceeding twelve months suspend the rights of the member complained of to attend members meetings and vote under this Constitution;
 - 8.2.2.3 arrange for a resolution to expel the member complained of to be considered at the next General Meeting of the Council of Governors.
 - 8.2.3 If a resolution to expel a member is to be considered by the Council of Governors, details of the complaint must be sent to the member complained of not less than one calendar month before the meeting with an invitation to answer the complaint and attend the meeting.
 - 8.2.4 At the meeting the Council of Governors will consider evidence in support of the complaint and such evidence as the member complained of may wish to place before them.
 - 8.2.5 If the member complained of fails to attend the meeting without reasonable cause the meeting may proceed in their absence.
 - 8.2.6 A person expelled from membership will cease to be a member upon the declaration by the Chairman of the meeting that the resolution to expel them is carried.
 - 8.2.7 No person who has been expelled from membership is to be readmitted except by a resolution carried by the votes of two-thirds of the Council of Governors present and voting at a General Meeting.
 - 8.2.8 General Meetings of the Council of Governors held to consider a resolution for expulsion of a member or readmission of an expelled member shall not be open to members of the public.

9. MEMBERS MEETINGS

- 9.1 The Trust is to hold a members meeting (called the annual members meeting) within nine months of the end of each financial year. This meeting may be combined with the meeting of the Council of Governors referred to in

paragraph 6.3.3.5, at which the Council of Governors is presented with the annual accounts, any report of the auditor on them and the annual report.

- 9.2 All members meetings other than annual meetings are called special members meetings.
- 9.3 Members meetings are open to all members ~~of the Trust~~, Governors and Directors, ~~and~~ representatives of the ~~external~~ auditor, ~~and but not to~~ members of the public unless the Council of Governors decides otherwise. The Council of Governors may invite representatives of the media and any experts or advisors whose attendance they consider to be in the best interests of the Trust to attend a members meeting.
- 9.4 All members meetings are to be convened by the Secretary by order of the Council of Governors.
- 9.5 The Council of Governors may decide where a members meeting is to be held and may also for the benefit of members:
 - 9.5.1 arrange for the annual members meeting to be held in different venues each year:
 - 9.5.2 make provisions for a members meeting to be held at different venues simultaneously or at different times. In making such provision the Council of Governors shall also fix an appropriate quorum for each venue, provided that the aggregate of the quorum requirements shall not be less than the quorum set out below.
- 9.6 At the annual members meeting:
 - 9.6.1 at least one~~the Board of~~ Directors shall present to the members:
 - 9.6.1.1 the annual accounts
 - 9.6.1.2 any report of the ~~financial~~ auditor ~~on them~~
 - 9.6.1.3 any report of any other ~~external~~ auditor of the Trust's affairs
 - 9.6.1.4 forward planning information for the next financial year; ~~and~~
 - 9.6.1.5 ~~the annual report~~
 - 9.6.2 the Council of Governors shall present to the members:
 - 9.6.2.1 a report on steps taken to secure that (taken as a whole) the actual membership of its public constituencies and of the classes of the staff constituency is representative of those eligible for such membership;
 - 9.6.2.2 the progress of the membership strategy
 - 9.6.2.3 any proposed changes to the policy for the composition of the Council of Governors and of the non-executive Directors
 - 9.6.3 the results of the election and appointment of Governors and the appointment of non-executive Directors will be announced.

- 9.6.4 Where an amendment has been made to this Constitution in relation to the powers or duties of the Council of Governors, at least one Governor shall attend the next annual members meeting to be held, at which the Governor shall present the amendment and the members shall be entitled to vote on whether they approve the amendment.
- 9.6.5 If more than half the members voting approve the amendment, the amendment shall continue to have effect; otherwise it shall cease to have effect and the Trust shall take such steps as are necessary as a result.
- 9.7 Notice of a members meeting is to be given:
- 9.7.1 by notice to all members;
- 9.7.2 by notice prominently displayed at the head office and at all of the Trust's places of business; and
- 9.7.3 by notice on the Trust's website
- at least 14 clear days before the date of the meeting. The notice must:
- 9.7.4 be given to the Council of Governors and the Board of Directors, and to the ~~external~~ auditor;
- 9.7.5 state whether the meeting is an annual or special members meeting;
- 9.7.6 give the time, date and place of the meeting; and
- 9.7.7 indicate the business to be dealt with at the meeting.
- 9.8 Before a members meeting can do business there must be a quorum present. Except where this constitution says otherwise a quorum is one member present from each of the Trust's constituencies.
- 9.9 The Trust may make arrangements for members to vote by post, or by using electronic communications.
- 9.10 It is the responsibility of the Council of Governors, the Chairman of the meeting and the Secretary to ensure that at any members meeting:
- 9.10.1 the issues to be decided are clearly explained;
- 9.10.2 sufficient information is provided to members to enable rational discussion to take place.
- 9.11 The Chairman of the Trust, or in their absence the Vice Chairman of the Council of Governors, shall act as chairman at all members meetings of the Trust. If neither the Chairman nor the Vice Chairman of the Council of Governors is present, the members of the Council of Governors present shall elect one of their number to be Chairman and if there is only one Governor present and willing to act they shall be Chairman.
- 9.12 If no quorum is present within half an hour of the time fixed for the start of the meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Council of

Governors determine. If a quorum is not present within half an hour of the time fixed for the start of the adjourned meeting, the number of members present during the meeting is to be a quorum.

- 9.13 A resolution put to the vote at a members meeting shall be decided upon by a poll.
- 9.14 Every member present and every member who has voted by post or using electronic communications is to have one vote. In the case of an equality of votes the Chairman of the meeting is to have a second or casting vote.
- 9.15 The result of any vote will be declared by the Chairman and entered in the minute book. The minute book will be conclusive evidence of the result of the vote.

10. COUNCIL OF GOVERNORS

- 10.1 The Trust is to have a Council of Governors. It is to consist of Public Governors, Staff Governors, ~~a PCT Governor~~, Local Authority Governors and Partnership Governors.
- 10.2 The aggregate number of Public Governors is to be more than half of the total number of members of the Council of Governors.
- 10.3 The Trust is to have a Code of Conduct for the Council of Governors which all Governors will be required to sign a declaration stating their commit to abide by the Code.
- 10.4 The Council of Governors shall seek to ensure, subject to the requirements of the 200~~3~~⁶ Act, that the composition of the Council of Governors meets the following objectives:
 - 10.4.1 the interests of the community served by the Trust are appropriately represented;
 - 10.4.2 the level of representation of the public constituencies, the classes of the staff constituency and the appointing organisations strikes an appropriate balance having regard to their legitimate interest in the Trust's affairs;and to this end, the Council of Governors:
 - 10.4.3 shall at all times maintain a policy for the composition of the Council of Governors which takes account of the membership strategy; and
 - 10.4.4 shall from time to time and not less than every three years review the policy for the composition of the Council of Governors; and
 - 10.4.5 when appropriate shall propose amendments to this constitution.
- 10.5 The Council of Governors of the Trust is to comprise:
 - 10.5.1 fifteen Public Governors, from the following public constituencies:
 - 10.5.1.1 Reading –five Public Governors;

- 10.5.1.2 Wokingham – three Public Governors;
- 10.5.1.3 West Berkshire and borders – three Public Governors;
- 10.5.1.4 East Berkshire and borders – three Public Governors
- 10.5.1.5 South Oxfordshire – one Public Governor;

10.5.2 ~~six~~five Staff Governors from the following classes:

- 10.5.2.1 registered medical practitioners and registered dentists. – one Staff Governor;
- 10.5.2.2 registered nurses and midwives – one Staff Governor;
- 10.5.2.3 allied healthcare professionals / professional and technical – one Staff Governor;
- 10.5.2.4 healthcare support workers and ancillary – one Staff Governor;
- 10.5.2.5 managers and administrative and clerical – one Staff Governor;
- 10.5.2.6 volunteers – one Staff Governor;

~~one PCT Governor, to be appointed by Reading PCT;~~

10.5.3 three Local Authority Governors, to be appointed one each by Reading Borough Council, Wokingham ~~District~~ Borough Council and West Berkshire ~~District~~ Council;

10.5.4 five Partnership Governors appointed by partnership organisations.

10.6 The partnership organisations that may appoint a Partnership Governor are

- 10.6.1 ~~The federation of Clinical Commissioning Groups representing East Berkshire The Thames Valley Strategic Health Authority~~ (one Partnership Governor)
- 10.6.2 ~~The federation of Clinical Commissioning Groups representing West Berkshire~~ (one Partnership Governor)
- 10.6.3 The Princess Royal Trust for Carers (one Partnership Governor)
- 10.6.4 Reading Campaign for Racial Equality (one Partnership Governor)
- 10.6.5 One Youth ~~representative MP~~ to be appointed by ~~Wokingham Borough Council (and representing the areas of) Reading Borough Council, in consultation with Wokingham District Reading Borough Council or and West Berkshire District Council in consultation with the Wokingham Youth Service.~~

~~Reading University and Thames Valley University (one Partnership Governor between them)~~

Elected Governors

- 10.7 Public Governors are to be elected by the members of their public constituencies, and Staff Governors are to be elected by the members of their class of the staff constituency. Each class/constituency may elect any of their number to be a Governor in accordance with the provisions of this constitution.
- 10.8 If contested, the elections must be by secret ballot.
- 10.9 Elections shall be carried out in accordance with the rules set out in Annex 2 using the first past the post system.
- 10.10 A member of a public constituency may not vote at an election for a Public Governor unless within twenty-one days before they vote they have made a declaration in the form specified by the Council of Governors that they are qualified to vote as a member of the relevant constituency. It is an offence knowingly or recklessly to make such a declaration which is false in a material particular.

PCT Governors

~~The Secretary, having consulted Reading PCT and is to adopt a process for agreeing the appointment of the PCT Governor with that Primary Care Trust.~~

Local Authority Governors

- 10.11 The Secretary, having consulted Reading Borough Council, Wokingham Borough District Council and West Berkshire District Council is to adopt a process for agreeing the appointment of Local Authority Governors with those local authorities.

Partnership Governors

- 10.12 The Partnership Governors are to be appointed by the partnership organisations in accordance with a process agreed with the Secretary.

Appointment of a Vice Chairman of the Council of Governors

- 10.13 The Council of Governors shall appoint one of the Public Governors to be Vice Chairman of the Council of Governors.

Terms of office for Governors

- 10.14 Elected Governors:
- 10.14.1 shall hold office for a period of three years commencing immediately after the annual members meeting at which their election is announced;
 - 10.14.2 are eligible for re-election at the end of that period;
 - 10.14.3 may not hold office for more than six consecutive years and shall not be eligible for re-election if they have already held office for more than three consecutive years.

10.15 Appointed Governors:

- 10.15.1 shall hold office for a period of three years commencing immediately after the annual members meeting at which their appointment is announced;
- 10.15.2 are eligible for re-appointment at the end of that period;
- 10.15.3 may not hold office for longer than six consecutive years and shall not be eligible for re-election if they have already held office for more than three consecutive years.

10.16 For the purposes of these provisions concerning terms of office for Governors, “year” means a period commencing immediately after the conclusion of the annual members meeting, and ending at the conclusion of the next annual members meeting.

Eligibility to be a Governor

10.17 A person may not become a Governor of the Trust, and if already holding such office will immediately cease to do so if:

- 10.17.1 they are a Director of the Trust, or a governor or director of a health service body (unless they are appointed by an appointing organisation which is a health service body);
- 10.17.2 they are the spouse, partner, parent or child of a member of the Board of Directors of the Trust;
- 10.17.3 they are under sixteen years of age;
- 10.17.4 being a member of one of the public constituencies, they refuse to sign a declaration in the form specified by the Council of Governors of the particulars of their qualification to vote as a member of the Trust, and that they are not prevented from being a member of the Council of Governors.
- 10.17.5 they have been adjudged bankrupt or their estate has been sequestrated and in either case they have not been discharged;
- 10.17.6 they have made a composition or arrangement with, or granted a trust deed for, their creditors and have not been discharged in respect of it;
- 10.17.7 they have within the preceding five years been convicted in the British Islands of any offence, and a sentence of imprisonment (whether suspended or not) for a period of three months or more (without the option of a fine) was imposed;
- 10.17.8 they are the subject of a sex offender order;
- 10.17.9 they have within the preceding two years been dismissed, otherwise than by reason of redundancy, from any paid employment with a health service body;

- 10.17.10 they are a person whose tenure of office as the Chairman or as a member or director of a health service body has been terminated on the grounds that their appointment is not in the interests of the health service, for non-attendance at meetings, or for non-disclosure of a pecuniary interest;
- 10.17.11 they have had their name removed, from a relevant list of medical practitioners pursuant to Paragraph 10 of the National Health Service (Performers Lists) Regulations 2004 or Section 151 of the 2006 Act (or similar provision elsewhere), and has not subsequently had his name included in such a list, ~~by a direction under section 46 of the 1977 Act from any list prepared under Part II of that Act, and have not subsequently had their name included in such a list.~~

Termination of office and removal of Governors

- 10.18 A person holding office as a Governor shall immediately cease to do so if
 - 10.18.1 they resign by notice in writing to the Secretary;
 - 10.18.2 they fail to attend two meetings in any Financial Year, unless the other Governors are satisfied that:
 - 10.18.2.1 the absences were due to reasonable causes; and
 - 10.18.2.2 they will be able to start attending meetings of the Trust again within such a period as the other Governors consider reasonable.
 - 10.18.3 in the case of an elected Governor, they cease to be a member of the constituency or class of the constituency by which they were elected;
 - 10.18.4 in the case of an appointed Governor, the appointing organisation terminates the appointment;
 - 10.18.5 they have refused without reasonable cause to undertake any training which the Council of Governors requires all Governors to undertake;
 - 10.18.6 they have failed without reasonable cause to sign and deliver to the Secretary a statement in the form required by the Council of Governors confirming acceptance of the code of conduct for Governors;
 - 10.18.7 they are removed from the Council of Governors under the following provisions.
- 10.19 A Governor may be removed from the Council of Governors by a resolution approved by not less than three quarters of the remaining Governors present and voting on the grounds that:
 - 10.19.1 they have committed a serious breach of the code of conduct, or

- 10.19.2 they have acted in a manner detrimental to the interests of the Trust, and
- 10.19.3 the Council of Governors considers that it is not in the best interests of the Trust for them to continue as a Governor.

Vacancies amongst Governors

- 10.20 Where a vacancy arises on the Council of Governors for any reason other than expiry of term of office, the following provisions will apply.
- 10.21 Where the vacancy arises amongst the appointed Governors, the Secretary shall request that the appointing organisation appoints a replacement to hold office for the remainder of the term of office.
- 10.22 Where the vacancy arises amongst the elected Governors, the Council of Governors shall be at liberty either:
 - 10.22.1 to call an election within three months to fill the seat for the remainder of that term of office, or
 - 10.22.2 to invite the next highest polling candidate for that seat at the most recent election, who is willing to take office, to fill the seat until the next annual election, at which time the seat will fall vacant and subject to election for any unexpired period of the term of office.

Expenses and remuneration of Governors

- 10.23 The Trust may reimburse Governors for travelling and other costs and expenses at such rates as the executive remuneration committee of the non-executive Directors decides. These are to be disclosed in the annual report.
- 10.24 Governors are not to receive remuneration.

Meetings of the Council of Governors

- 10.25 The Council of Governors is to meet at least three times in each financial year. Save in the case of emergencies or the need to conduct urgent business, the Secretary shall give at least fourteen days written notice of the date and place of every meeting of the Council of Governors to all Governors. Notice will also be published in a local newspaper or newspapers circulating in the area served by the Trust, and on the Trust's website.
- 10.26 Meetings of the Council of Governors may be called by the Secretary, or by the Chairman, or by ten Governors (including not less than five Public Governors) who give written notice to the Secretary specifying the business to be carried out. The Secretary shall send a written notice to all Governors as soon as possible after receipt of such a request. The Secretary shall call a meeting on at least fourteen but not more than twenty-eight days' notice to discuss the specified business. If the Secretary fails to call such a meeting then the Chairman or the ten Governors, whichever is the case, shall call such a meeting.
- 10.27 Save as stated otherwise in this constitution all meetings of the Council of Governors are to be General Meetings open to members of the public unless

the Council of Governors decides otherwise in relation to all or part of a meeting for reasons of commercial confidentiality or on other proper grounds. The Chairman may exclude any member of the public from a meeting of the Council of Governors if they are interfering with or preventing the proper conduct of the meeting.

- 10.28 ~~Ten~~~~Fourteen~~ Governors including not less than ~~five~~~~eight~~ Public Governors, ~~not less than two Staff Governors and not less than four appointed Governors~~ shall form a quorum.
- 10.29 The Chairman of the Trust or, in their absence, the Deputy Chairman of the Board of Directors, or in their absence one of the other non-executive Directors shall preside at meetings of the Council of Governors. If the person presiding at any such meeting has a conflict of interest in relation to the business being discussed, the Vice Chairman of the Council of Governors will chair that part of the meeting.
- 10.30 The Council of Governors may invite the Chief Executive or any other member or members of the Board of Directors, or a representative of the ~~external~~ auditor or other advisors to attend a meeting of the Council of Governors.
- 10.31 The Council of Governors may agree that its members can participate in its meetings by telephone, video or computer link. Participation in a meeting in this manner shall be deemed to constitute presence in person at the meeting.
- 10.32 Subject to this constitution and the following provisions of this paragraph, questions arising at a meeting of the Council of Governors shall be decided by a majority of votes.
- 10.32.1 In case of an equality of votes the person presiding at or chairing the meeting shall have a casting vote.
- 10.32.2 No resolution of the Council of Governors shall be passed if it is unanimously opposed by all of the Public Governors present. This provision shall only apply if there are ten or more Public Governors present.
- 10.33 The Council of Governors may not delegate any of its powers to a committee or sub-committee, but it may appoint committees consisting of its members, Directors and other persons to assist the Council of Governors in carrying out its functions.
- 10.34 The Council of Governors may, through the Secretary, request that advisors assist them or any committee they appoint in carrying out their functions.
- 10.35 All decisions taken in good faith at a meeting of the Council of Governors or of any committee shall be valid even if it is discovered subsequently that there was a defect in the calling of the meeting, or the appointment of the Governors attending the meeting.

Disclosure of interests

- 10.36 Any Governor who has a material interest in a matter as defined below shall declare such interest to the Council of Governors and:

- 10.36.1 shall not be present except with the permission of the Council of Governors during any discussion of the matter, and
- 10.36.2 shall not vote on any issue arising out of or connected with the matter (and if by inadvertence they do remain and vote, their vote shall not be counted).
- 10.37 Any Governor who fails to disclose any interest required to be disclosed under the preceding paragraph must permanently vacate their office if required to do so by a majority of the remaining Governors.
- 10.38 Subject to the exceptions below, a material interest is
 - 10.38.1 any directorship of a company;
 - 10.38.2 any interest held by a Governor in any firm or company or business which, in connection with the matter, is trading with the Trust, or is likely to be considered as a potential trading partner with the Trust;
 - 10.38.3 any interest in an organisation providing health and social care services to the National Health Service;
 - 10.38.4 a position of authority in a charity or voluntary organisation in the field of health and social care;
 - 10.38.5 any connection with any organisation, entity or company considering entering into a financial arrangement with the Trust including but not limited to lenders or banks.
- 10.39 The exceptions which shall not be treated as material interests are as follows:
 - 10.39.1 shares not exceeding 2% of the total shares in issue held in any company whose shares are listed on any public exchange;
 - 10.39.2 an employment contract held by a Staff Governor;
 - 10.39.3 a contract with their PCT held by a PCT Governor;
 - 10.39.4 an employment contract with a local authority held by a Local Authority Governor;
 - 10.39.5 an employment contract with a partnership organisation, held by a Partnership Governor.
- 10.40 The Council of Governors is to adopt its own standing orders for its practice and procedure, in particular for its procedure at meetings.

Declaration

- 10.41 An elected Governor may not vote at a meeting of the Council of Governors unless, before attending the meeting, they have made a declaration in the form specified by the Council of Governors of the particulars of their qualification to vote as a member of the Trust, and that they are not prevented from being a member of the Council of Governors. An elected Governor shall be deemed to have confirmed the declaration upon attending any subsequent

meeting of the Council of Governors, and every agenda for meetings of the Council of Governors will draw this to the attention of elected Governors.

11. BOARD OF DIRECTORS

11.1 The Trust is to have a Board of Directors. It is to consist of executive and non-executive Directors.

11.2 The board is to include:

11.2.1 the following non-executive Directors:

11.2.1.1 a Chairman, who is to be appointed (and removed) by the Council of Governors at a General Meeting;

11.2.1.2 up to seven other non-executive Directors who are to be appointed (and removed) by the Council of Governors at a General Meeting

in each case subject to the approval of a majority of the Council of Governors (in the case of an appointment) present and voting at the meeting, and a three-quarters majority of all of the members of the Council of Governors (in the case of a removal) voting at the meeting;

11.2.2 the following executive Directors:

11.2.2.1 a Chief Executive (who is the accountable officer), who is to be appointed (and removed) by the non-executive Directors, and whose appointment is subject to the approval of a majority of the members of the Council of Governors present and voting at a General Meeting;

11.2.2.2 a Finance Director, a registered medical practitioner or a registered dentist, a registered nurse or registered midwife, and up to three other executive Directors, all of whom are to be appointed (and removed) by a committee comprising the Chairman, the Chief Executive and the other non-executive Directors.

11.3 Only a member of a public constituency is eligible for appointment as a non-executive Director.

11.4 The Board of Directors shall elect one of the non-executive Directors to be Deputy Chairman of the Board of Directors. If the Chairman is unable to discharge their office as Chairman of the Trust, the Deputy Chairman of the Board of Directors shall be acting Chairman of the Trust.

11.5 Non-executive Directors are to be appointed by the Council of Governors using the following procedure.

11.5.1 The Council of Governors will maintain a policy for the composition of the non-executive Directors which takes account of the membership strategy, and which they shall review from time to time and not less than every three years.

11.5.2 The Chairman (or in the case of the appointment of the Chairman, the Deputy Chairman), or Vice Chairman of the Council of Governors, two Governors, the Chief Executive will work with an independent advisor to identify the skills and experience required for non-executive Directors.

11.5.3 Appropriate candidates will be identified by a nominations committee which will include the Chairman (or the Deputy Chairman (unless they are standing for appointment, in which case another non-executive Director, when a Chairman is being appointed) and at least one elected Governor and one appointed Governor. The nominations committee will take account of the policy maintained by the Council of Governors and the skills and experience required. The Chief Executive will be entitled to attend meetings of the Nominations Committee unless the Committee decides otherwise and the Committee shall take into account the Chief Executive's views.

Terms of Office

11.6 The Chairman and the non-executive Directors are to be appointed for a period of office of ~~three~~^{four} years in accordance with the terms and conditions of office, including remuneration and allowances, decided by the Council of Governors at a General Meeting. Any re-appointment of a non-executive Director shall be subject to a satisfactory appraisal carried out in accordance with procedures which the Board of Directors have approved. *At the end of the first period of three years a non-executive Director may be appointed for a further period of three years. If a non-executive Director has held office for more than three years, any further appointment shall be for a term of one year.*

11.7 The executive remuneration committee of non-executive Directors shall decide the terms and conditions of office including remuneration and allowances of all the executive Directors.

Disqualification

11.8 A person may not become or continue as a Director of the Trust if:

11.8.1 they are a member of the Council of Governors;

11.8.2 they are the spouse, partner, parent or child of a member of the Board of Directors of the Trust;

11.8.3 they have been adjudged bankrupt or their estate has been sequestrated and in either case they have not been discharged;

11.8.4 they have made a composition or arrangement with, or granted a trust deed for, their creditors and have not been discharged in respect of it;

11.8.5 they have within the preceding five years been convicted in the British Islands of any offence, and a sentence of imprisonment (whether suspended or not) for a period of three months or more (without the option of a fine) was imposed;

- 11.8.6 they are the subject of a disqualification order made under the Company Directors Disqualification Act 1986;
- 11.8.7 in the case of a non-executive Director, they are no longer a member of a public constituency;
- 11.8.8 they are a person whose tenure of office as a Chairman or as a member or director of a health service body has been terminated on the grounds that their appointment is not in the interests of the health service, for non attendance at meetings, or for non-disclosure of a pecuniary interest;
- 11.8.9 they have had their name removed, from a relevant list of medical practitioners pursuant to Paragraph 10 of the National Health Service (Performers Lists) Regulations 2004 or Section 151 of the 2006 Act (or similar provision elsewhere), and has not subsequently had his name included in such a list, ~~by a direction under section 46 of the 1977 Act from any list prepared under Part II of that Act, and have not subsequently had their name included in such a list;~~
- 11.8.10 they have within the preceding two years been dismissed, otherwise than by reason of redundancy, from any paid employment with a health service body;
- 11.8.11 in the case of a non-executive Director they have refused without reasonable cause to fulfil any training requirement established by the Board of Directors;
- 11.8.12 they have failed without reasonable cause to sign and deliver to the Secretary a statement in the form required by the Board of Directors confirming acceptance of the code of conduct for Directors.

Committees and delegation

- 11.9 The Board of Directors may delegate any of its powers to a committee of Directors or to an executive Director.
- 11.10 The Board of Directors shall appoint a committee of non-executive Directors as an audit committee to perform such monitoring, reviewing and other functions as are appropriate.
- 11.11 The Board of Directors shall appoint an executive remuneration committee of non-executive Directors to decide the remuneration and allowances, and the other terms and conditions of office, of the executive Directors.

Meetings of Directors

- 11.12 Save in the case of emergencies or the need to conduct urgent business, the Secretary shall give to all Directors at least fourteen days written notice of the date and place of every meeting of the Board of Directors.
- 11.13 Before holding a meeting, the Board of Directors will send a copy of the agenda to the Council of Governors.

- 11.14 Save as stated otherwise in this constitution all meetings of the Board of Directors are to be open to members of the public unless the Board of Directors decides otherwise in relation to all or part of a meeting for reasons of commercial confidentiality or on other proper grounds. The Chairman may exclude any members of the public from a meeting of the Board of Directors if they are interfering with or preventing the proper conduct of the meeting. ~~Meetings of the Board of Directors shall be held in private unless the Board of Directors decides otherwise in relation to all or part of a meeting.~~
- 11.15 Meetings of the Board of Directors are called by the Secretary, or by the Chairman, or by four Directors who give written notice to the Secretary specifying the business to be carried out. The Secretary shall send a written notice to all Directors as soon as possible after receipt of such a request. The Secretary shall call a meeting on at least fourteen but not more than twenty-eight days' notice to discuss the specified business. If the Secretary fails to call such a meeting then the Chairman or four Directors, whichever is the case, shall call such a meeting.
- 11.16 Four Directors including not less than one executive Director, and not less than one non-executive Director shall form a quorum.
- 11.17 The Board of Directors may agree that its members can participate in its meetings by telephone, video or computer link. Participation in a meeting in this manner shall be deemed to constitute presence in person at the meeting.
- 11.18 The Chairman of the Trust or, in their absence, the Deputy Chairman of the Board of Directors, and in their absence one of the other non-executive Directors in attendance is to chair meetings of the Board of Directors.
- 11.19 Subject to the following provisions of this paragraph, questions arising at a meeting of the Board of Directors shall be decided by a majority of votes.
- 11.19.1 In case of an equality of votes the Chairman shall have a second and casting vote.
- 11.19.2 No resolution of the Board of Directors shall be passed if it is opposed by all of the executive Directors present or by all of the non-executive Directors present.
- 11.20 As soon as practicable after holding a meeting, the Board of Directors shall send a copy of the minutes of the meeting to the Council of Governors.
- 11.21 The Board of Directors is to adopt Standing Orders covering the proceedings and business of its meetings. The proceedings shall not however be invalidated by any vacancy of its membership, or defect in a Director's appointment.

Conflicts of Interest of Directors

11.22

- 11.22.1 Each Director has duty to avoid a situation in which the Director has or can have a direct or indirect interest that conflicts or possibly may conflict with the interests of the Trust. This duty is not infringed if the situation cannot reasonably be regarded as likely to

give rise to a conflict of interest, or if the matter has been authorised in accordance with this Constitution.

11.22.2 Each Director has a duty not to accept a benefit from a third party by reason of being a Director or doing or not doing anything in that capacity. This duty is not infringed if acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest.

11.22.3 If a Director is aware that he has in anyway a direct interest in a proposed transaction or arrangement with the Trust, he shall disclose the nature and extent of that interest to the other Directors as soon as he is aware of it and in all cases, before the Trust enters into the transaction or arrangement. If any declaration proves to be or becomes inaccurate or incomplete, the Director shall make a further declaration.

11.22.4 A Director need not declare an interest:

11.22.4.1 if it cannot reasonably be regarded as likely to give rise to a conflict of interest;

11.22.4.2 if, or to the extent that, the Directors are already aware of it;

11.22.4.3 if, or to the extent that, it concerns terms of the Director's appointment that have been or are to be considered:

11.22.4.3.1 by a meeting of the Board of Directors; or

11.22.4.3.2 by a committee of the Directors appointed for that purpose under the Constitution.

11.23 Any Director who has ~~a material interest in a matter as defined below~~ shall declared ~~an~~ ~~such~~ interest to the Board of Directors ~~and~~:

11.23.1 shall not be present except with the permission of the Board of Directors during any discussion of the matter, and

11.23.2 shall not vote on any issue arising out of or connected with the matter (and if by inadvertence they do remain and vote, their vote shall not be counted).

11.24 Any Director who fails to disclose any interest required to be disclosed under the preceding paragraph must permanently vacate their office if required to do so by a majority of the remaining Directors and (in the case of a non-executive Director) by the requisite majority of the Council of Governors.

11.25 ~~A material interest is~~ The following shall always be treated as a relevant interest:

11.25.1 any directorship of a company;

- 11.25.2 any interest (excluding a holding of shares in a company whose shares are listed on any public exchange where the holding is less than 2% of the total shares in issue) held by a Director in any firm or company or business which, in connection with the matter, is trading with the Trust, or is likely to be considered as a potential trading partner with the Trust;
- 11.25.3 any interest in an organisation providing health and social care services to the National Health Service;
- 11.25.4 a position of authority in a charity or voluntary organisation in the field of health and social care. any affiliation to a special interest group campaigning on health or social care issues;
- 11.25.5 any connection with any organisation, entity or company considering entering into a financial arrangement with the Trust including but not limited to lenders or banks.

Expenses

- 11.26 The Trust may reimburse Directors for travelling and other costs and expenses incurred in carrying out their duties at such rates as the executive remuneration committee of non-executive Directors decides. These are to be disclosed in the annual report.
- 11.27 The remuneration and allowances for Directors are to be disclosed in the annual report.

12. SECRETARY

- 12.1 The Trust shall have a Secretary who may be an employee. The Secretary may not be a Governor, or the Chief Executive or the Finance Director. The Secretary's functions shall include:
 - 12.1.1 acting as Secretary to the Council of Governors and the Board of Directors, and any committees;
 - 12.1.2 summoning and attending all members meetings, meetings of the Council of Governors and the Board of Directors, and keeping the minutes of those meetings;
 - 12.1.3 keeping the register of members and other registers and books required by this constitution to be kept;
 - 12.1.4 having charge of the Trust's seal;
 - 12.1.5 publishing to members in an appropriate form information which they should have about the Trust's affairs;
 - 12.1.6 preparing and sending to ~~the Independent Regulator-Monitor~~ and any other statutory body all returns which are required to be made.
- 12.2 Minutes of every members meeting, of every meeting of the Council of Governors and of every meeting of the Board of Directors are to be kept. Minutes of meetings will be read at the next meeting and signed by the

Chairman of that meeting. The signed minutes will be conclusive evidence of the events of the meeting.

- 12.3 The Secretary is to be appointed and removed by a nominations committee which will include the Chairman, the Chief Executive and the other non-executive Directors, subject to the approval of the Council of Governors.

13. REGISTERS

- 13.1 The Trust is to have:

- 13.1.1 a register of ~~M~~members showing, in respect of each member:
 - 13.1.1.1 the constituency to which they belong; and
 - 13.1.1.2 where there are classes of the constituency, the class to which they belong;
- 13.1.2 a register of members of the Council of Governors;
- 13.1.3 a register of Directors;
- 13.1.4 a register of interests of members of the Council of Governors;
- 13.1.5 a register of interests of the Directors.

- 13.2 The Secretary shall remove from the register of members the name of any member who ceases to be entitled to be a member under the provisions of this constitution.

- 13.3 The Secretary is to send to ~~the Independent Regulator~~ Monitor a list of persons who were first elected or appointed as Governors or Directors.

14. PUBLIC DOCUMENTS

- 14.1 The following documents of the Trust are to be available for inspection by members of the public free of charge at all reasonable times, and shall be available on the Trust's website:

- 14.1.1 a copy of the current constitution;
- 14.1.2 ~~a copy of the current authorisation~~
- 14.1.3 a copy of the latest annual accounts and of any report of the ~~external~~ auditor on them;
- 14.1.4 a copy of the report of any other ~~external~~ auditors appointed by the Council of Governors to review and publish a report on any other aspect of the Trust's affairs;
- 14.1.5 a copy of the latest annual report;
- 14.1.6 a copy of the latest information as to its forward planning;
- 14.1.7 a copy of the Trust's membership development strategy;

- 14.1.8 a copy of the Trust's policy for the composition of the Council of Governors and the non-executive Directors;
- 14.1.9 ~~a copy of any notice given under section 23 of the 2003 Act (regulator's notice to failing NHS foundation Trust).~~
- 14.1.10 The Trust shall also make the following documents relating to a special administration of the Trust available for inspection by members of the public free of charge at all reasonable times:
 - 14.1.10.1 a copy of any order made under section 65D (appointment of trust special administrator), 65J (power to extend time), 65KC (action following Secretary of State's rejection of final report), 65L (trusts coming out of administration) or 65LA (trusts to be dissolved) of the 2006 Act;
 - 14.1.10.2 a copy of any report laid under section 65D (appointment of trust special administrator) of the 2006 Act;
 - 14.1.10.3 a copy of any information published under section 65D (appointment of trust special administrator) of the 2006 Act;
 - 14.1.10.4 a copy of any draft report published under section 65F (administrator's draft report) of the 2006 Act;
 - 14.1.10.5 a copy of any statement provided under section 65F (administrator's draft report) of the 2006 Act;
 - 14.1.10.6 a copy of any notice published under section 65D (administrator's draft report), 65G (consultation plan), 65H (consultation requirements), 65J (power to extend time), 65KA (Monitor's decision), 65KB (Secretary of State's response to Monitor's decision), 65KC (action following Secretary of State's rejection of final report) or 65KD (Secretary of State's response to re-submitted final report) of the 2006 Act;
 - 14.1.10.7 a copy of any statement published or provided under section 65G (consultation plan) of the 2006 Act;
 - 14.1.10.8 a copy of any final report published under section 65I (administrator's final report) of the 2006 Act;
 - 14.1.10.9 a copy of any statement published under section 65J (power to extend time) or 65KC (action following Secretary of State's rejection of final report) of the 2006 Act; and
 - 14.1.10.10 a copy of any information published under section 65M (replacement of trust special administrator) of the 2006 Act.
- 14.2 The registers shall be made available for inspection by members of the public, except in circumstances prescribed by the Public Benefit Corporation (Register of Member) Regulations 2004 (S.I. 2004 No. 539); and so far as

they are required to be available they are to be available free of charge at all reasonable times.

- 14.3 Any person who requests it is to be provided with a copy or extract from any of the above documents or registers. The Trust may impose a reasonable charge for providing the copy or extract, but a member is entitled to a copy or extract from the documents or registers free of charge.

15. AUDITORS

- 15.1 The Trust is to have an **external** auditor ~~and is to provide the external auditor with every facility and all information which he may reasonably require for the purposes of his functions under Part 1 of the 2003 Act.~~
- 15.2 ~~A person may only be appointed as the external auditor if he (or in the case of a firm each of its members) is a member of one or more of the bodies referred to in paragraph 23(4) of Schedule 1 to the 2003 Act.~~
- 15.3 An officer of the Audit Commission may be appointed as the **external** auditor with the agreement of the Audit Commission.
- 15.4 The Council of Governors at a General Meeting shall appoint or remove the Trust's **external** auditor.
- 15.5 ~~The external auditor is to carry out his duties in accordance with Schedule 5 to the 2003 Act and in accordance with any directions given by the Independent Regulator Monitor on standards, procedures and techniques to be adopted.~~
- 15.6 The Board of Directors may resolve that other **external** auditors be appointed to review and publish a report on any other aspect of the Trust's performance. Any such auditors are to be appointed by the Council of Governors.

16. ACCOUNTS

- 16.1 The Trust ~~is to~~ must keep proper accounts and proper records in **such form as the Independent Regulator may with the approval of the Treasury direct relation to the accounts.**
- 16.2 **Monitor may, with the approval of the Secretary of State give directions to the Trust as to the content and form of its accounts.**
- 16.3 The accounts are to be audited by the Trust's **external** auditor.
- 16.4 The following documents will be made available to the Comptroller and Auditor General for examination at his request:
- 16.4.1 the accounts;
- 16.4.2 ~~any the~~ records relating to them; and
- 16.4.3 any report of the **external** auditor on them.

- 16.5 The Trust ~~is to~~ shall prepare in respect of each financial year annual accounts in such form as ~~the Independent Regulator~~ Monitor may with the approval of the ~~Treasury~~ Secretary of State direct.
- 16.6 The functions of the Trust with respect to the preparation of the annual accounts shall be delegated to the Accounting Officer.
- 16.7 In preparing its annual accounts, the Trust is to comply with any directions given by ~~the Independent Regulator~~ Monitor with the approval of the ~~Treasury~~ Secretary of State as to:
- 16.7.1 the methods and principles according to which the accounts are to be prepared;
 - 16.7.2 the content and form of the accounts;
- 16.8 The annual accounts, any report of the ~~external~~ auditor on them, and the annual report are to be presented to the Council of Governors at a General Meeting.
- 16.9 The Trust ~~shall~~ must:
- 16.9.1 lay a copy of the annual accounts, and any report of the ~~external~~ auditor on them, before Parliament; and
 - 16.9.2 ~~once it has done so,~~ send copies of those documents to ~~the Independent Regulator~~ Monitor within such period as Monitor may direct.
- 16.10 The Chief Executive as accounting officer is responsible for the preparation of the annual accounts, for laying before Parliament a copy of the annual accounts and any report of the ~~external~~ auditor on them, and for sending copies of such documents to ~~the Independent Regulator~~ Monitor.
- 16.11 ~~Each forward plan must contain information about~~

17. ANNUAL REPORTS AND FORWARD PLANS

- 17.1 The Trust is to prepare annual reports and send them to ~~the Independent Regulator~~ Monitor.
- 17.2 The reports are to give:
- 17.2.1 information on any steps taken by the Trust to secure that (taken as a whole) the actual membership of the public constituencies and the classes of the staff constituency is representative of those eligible for such membership; and
 - 17.2.2 information on the impact that income received by the Trust otherwise than from the provision of goods and services for the purposes of the health service in England has had on the provision by the Trust of goods and services for those purposes;
 - 17.2.3 information on any exercise by the Council of Governors of its power to require a Director to attend a meeting;

- 17.2.4 information on the Trust's policy on pay, on the work of the committee of non-executive Directors established to decide the remuneration and allowances and the other terms and conditions of office of the executive Directors and on such other procedures as the Trust has on pay;
- 17.2.5 information on the remuneration of the Directors and on the expenses of the Governors and the Directors; and
- 17.2.6 any other information ~~the Independent Regulator~~ Monitor requires.
- 17.3 The Trust is to comply with any decision ~~the Independent Regulator~~ Monitor makes as to:
 - 17.3.1 the form of the reports;
 - 17.3.2 when the reports are to be sent to him;
 - 17.3.3 the periods to which the reports are to relate.
- 17.4 The Trust is to give information as to its forward planning in respect of each financial year to ~~the Independent Regulator~~ Monitor. The document containing this information is to be prepared by the Directors, and in preparing the document, the Board of Directors must have regard to the views of the Council of Governors.
- 17.5 Each forward plan must include information about –
 - 17.5.1 the activities other than the provision of goods and services for the purposes of the health service in England that the Trust proposes to carry on, and
 - 17.5.2 the income it expects to receive from doing so.
- 17.6 Where a forward plan contains a proposal that the Trust carry on an activity of a kind mentioned in sub-paragraph 17.5.1 the Council of Governors must
 - 17.6.1 determine whether it is satisfied that the carrying on of the activity will not to any significant extent interfere with the fulfilment by the Trust of its principal purpose or the performance of its other functions, and
 - 17.6.2 notify the Directors of the Trust of its determination.
- 17.7 Until the Council of Governors has notified the Directors that it has made a determination in accordance with paragraph 17.6.1 that it is satisfied that the carrying on of the proposed activity will not to any significant extent interfere with the fulfilment of its other functions, the Trust shall not implement the proposal.
- 17.8 Where the Trust proposes to increase by 5% or more the proportion of its total income in any financial year attributable to activities other than the provision of goods and services for the purposes of the health service in England the Trust may implement the proposal only if more than half of the

members of the Council of Governors of the Trust voting approve its implementation.

18. Significant Transactions

18.1 The Trust may enter into a Significant Transaction only if more than half of the members of the Council of Governors voting approve entering into the transaction.

18.2 "Significant Transaction" means:

18.2.1 the acquisition of, or an agreement to acquire, whether contingent or not, assets the value of which is more than 10% of the value of the Trust's gross assets before the acquisition; or

18.2.2 the disposition of, or an agreement to dispose of, whether contingent or not, assets of the Trust the value of which is more than 10% of the value of the Trust's gross assets before the disposition; or

18.2.3 a transaction that has or is likely to have the effect of the Trust acquiring rights or interests or incurring obligations or liabilities, including contingent liabilities, the value of which is more than 10% of the value of the Trust's gross assets before the transaction.

18.3 For the purpose of this paragraph 18:

18.3.1 "gross assets" means the total of fixed assets and current assets;

18.3.2 in assessing the value of any contingent liability for the purposes of sub-paragraph 18.2.3, the Directors:

18.3.2.1 must have regard to all circumstances that the Directors know, or ought to know, affect, or may affect, the value of the contingent liability; and

18.3.2.2 may rely on estimates of the contingent liability that are reasonable in the circumstances; and

18.3.2.3 may take account of the likelihood of the contingency occurring.

19. INDEMNITY

Members of the Council of Governors and the Board of Directors and the Secretary who act honestly and in good faith will not have to meet out of their personal resources any personal civil liability which is incurred in the execution or purported execution of their functions, save where they have acted recklessly. Any costs arising in this way will be met by the Trust. The Trust may purchase and maintain insurance against any such liability for its own benefit and the benefit of members of the Council of Governors and the Board of Directors and the Secretary.

20. EXECUTION OF DOCUMENTS

- 20.1 A document purporting to be duly executed under the Trust's seal or to be signed on its behalf is to be received in evidence and, unless the contrary is proved, taken to be so executed or signed.
- 20.2 The Trust is to have a seal, but this is not to be affixed except under the authority of the Board of Directors.

21. DISPUTE RESOLUTION PROCEDURES

- 21.1 Any dispute touching and concerning membership of a constituency, the right to membership of the Trust or the conduct of individual Governors shall be referred to membership sub-committee of the Council of Governors for resolution.
 - 21.1.1 The membership sub committee will be chaired by the Vice Chairman and comprise 5 other Governors at least two of whom must be from the public constituencies and one from the staff constituency.
 - 21.1.2 The committee will be advised by the Secretary to the Trust.
 - 21.1.3 If the membership sub-committee is unable to resolve the dispute the matter shall be referred to an Appeals Panel comprising no less than two Non-Executive Directors, a Governor of the relevant constituency and the Chief Executive whose decision shall be final.
- 21.2 Subject to the above paragraph, every unresolved dispute which arises out of this constitution between the Trust and:
 - 21.2.1 a member; or
 - 21.2.2 any person aggrieved who has ceased to be a member within the six months prior to the date of the dispute; or
 - 21.2.3 any person bringing a claim under this constitution; or
 - 21.2.4 an office-holder of the Trustis to be submitted to an arbitrator agreed by the parties or in the absence of agreement to be nominated by the Strategic Health Authority. The arbitrator's decision will be binding and conclusive on all parties.
- 21.3 Any person bringing a dispute must, if required to do so, deposit with the Trust a reasonable sum (not exceeding £250) to be determined by the Board of Governors and approved by the Secretary. The arbitrator will decide how the costs of the arbitration will be paid and what should be done with the deposit.

22. AMENDMENT OF THE CONSTITUTION

The Trust may make amendments to this Constitution only if:

- 22.1.1 more than half of the members of the Council of Governors voting;
and

- 22.1.2 more than half of the members of the Board of Directors voting;
approve the amendments.
- 22.2 Amendments take effect as soon as the conditions in paragraph 22.1 are satisfied, but an amendment shall have no effect in so far as the Constitution would, as a result of the amendment, not accord with Schedule 7 of the 2006 Act.
- 22.3 The Trust shall inform Monitor of amendments to the Constitution.
- 22.4 If an amendment relates to the powers or duties of the Council of Governors, paragraphs 9.6.4 and 9.6.5 of the Constitution shall apply.
- 22.5 ~~Proposals to amend this constitution can only be made by:~~
- 22.5.1 ~~A majority of the Board of Directors, or~~
- 22.5.2 ~~A two thirds majority of the Council of Governors present and voting at a General Meeting.~~
- 22.6 ~~No amendment shall be made to this constitution unless:~~
- 22.6.1 ~~it has been approved by a majority of those members of the Trust present and voting at a members meeting duly called by order of the Council of Governors in accordance with this constitution; and~~
- 22.6.2 it has been approved by **Monitor** ~~the Independent Regulator.~~
- 22.7 ~~No amendment shall be made to the provisions of this constitution concerning the public constituencies unless it has also been approved by a majority of the members of all of the public constituencies voting at a members meeting.~~
- 22.8 ~~No amendment shall be made to the provisions of this constitution concerning the staff constituency or the classes of the staff constituency unless it has also been approved by a majority of the members of all of the classes of the staff constituency voting at a members meeting.~~

23. MERGER, ACQUISITION, SEPARATION AND DISSOLUTION OF THE TRUST

- 23.1 More than half of the members of the Council of Governors must approve any application for any of the following before the application is made to Monitor:
- 23.1.1 the dissolution of the Trust and another NHS Foundation trust and the establishment of the new NHS foundation trust;
- 23.1.2 the acquisition by the Trust of another NHS foundation trust;
- 23.1.3 the acquisition of the Trust by another NHS foundation trust;
- 23.1.4 the dissolution of the Trust and the establishment of two or more new NHS foundation trusts; or
- 23.1.5 the dissolution of the Trust.

~~The Trust may in accordance with section 27 of the 2003 Act apply to the Independent Regulator Monitor jointly with another NHS Foundation Trust or an NHS Trust for authorisation of the dissolution of the Trust and the transfer of some or all of their property and liabilities to a new NHS Foundation Trust established under that section. Such application shall only be made if a majority of those members of the Trust present and voting at a members meeting shall have approved the making of such an application.~~

DISSOLUTION OF THE TRUST

~~The Trust may not be dissolved except by order of the Secretary of State for Health, in accordance with Section 25 of the 2003 Act.~~

24. HEAD OFFICE AND WEBSITE

- 24.1 The Trust's head office is at Royal Berkshire Hospital, London Road, Reading RG1 5AN
- 24.2 The Trust will maintain a website: www.rbbh.nhs.uk
- 24.3 The Trust will display its name on the outside of its head office and every other place at which it carries on business, and on its business letters, notices, advertisements, other publications.

25. NOTICES

- 25.1 Any notice required by this constitution to be given shall be given in writing or shall be given using electronic communications to an address for the time being notified for that purpose. "Address" in relation to electronic communications includes any number or address used for the purposes of such communications.
- 25.2 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be treated as delivered 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, 48 hours after it was sent.

TRANSITION SCHEDULE

26. COUNCIL OF GOVERNORS

- 26.1 ~~Not less than one third of the initial Public Governors and of the initial Staff Governors who polled the highest votes will serve a term of office ending at the conclusion of the annual members meeting in 2009; not less than one third of the Public Governors and of the Staff Governors who polled the next highest number of votes will serve a term of office ending at the conclusion of the annual members meeting in 2008; the remaining Public Governors and Staff Governors will serve a term of office ending at the conclusion of the annual members meeting in 2007.~~
- 26.2 ~~Where following the outcome of elections in 2006, 2007 and 2008, the Council of Governors is of the view that on the basis of the policy for the composition of the Council of Governors, the interests of the community served by the Trust are not appropriately represented, or the level of representation of the public constituency, the staff constituency and the partnership organisations does not strike an appropriate balance having regard to their legitimate interest in the Trust's affairs, the Council of Governors may work with any of the appointing organisations to identify individuals who shall be invited to attend and speak (but not vote) at meetings of the Council of Governors.~~
- 26.3 ~~Any such invitation shall be for a period of one year, and may be renewed, but may not extend beyond the annual members meeting in 2008.~~
- 26.4 ~~In calculating the periods of three years and six years for the purposes of eligibility to seek re-election or to be re-appointed as Governors under this constitution, the period between their election or appointment as initial Governors and the conclusion of the annual general meeting in 2006 shall be ignored.~~

27. BOARD OF DIRECTORS

- 27.1 ~~The power to appoint the initial Chairman of the Trust is to be exercised by appointing the Chairman of the NHS Trust, if they wish to be appointed.~~
- 27.2 ~~The power to appoint the other initial non-executive Directors of the Trust is to be exercised, so far as possible, by appointing any of the non-executive Directors of the NHS Trust who wish to be appointed.~~
- 27.3 ~~An initial non-executive Director appointed in this way does not have to be a member of a public constituency.~~
- 27.4 ~~A Chairman or non-executive Director appointed in accordance with these provisions is to be appointed for the unexpired period of their term of office with the NHS Trust; but if on any such appointment, that period is less than 12 months, they are to be appointed for 12 months.~~

- 27.5 ~~The initial remuneration and allowances of the initial executive Directors are to be determined by a committee of the non-executive Directors of the NHS Trust.~~
- 27.6 ~~The power to appoint the initial Chief Executive of the Trust is to be exercised by appointing the Chief Executive of the NHS Trust, if they wish to be appointed. Such appointment does not require the approval of the Council of Governors.~~
- 27.7 ~~The Board of Directors of the NHS Trust shall appoint the first Secretary of the Trust.~~

28. ~~APPROVAL OF ELECTION PROCEDURES, MEMBERSHIP STRATEGY ETC.~~

- 28.1 ~~For the purposes of the election of the first members of the Council of Governors, elections shall be carried out in accordance with the rules set out in Annex 2, using the first past the post method of voting.~~
- 28.2 ~~The Board of Directors of the NHS Trust will prepare and approve the first membership strategy and the first policy for the composition of the Council of Governors and of the non-executive Directors.~~
- 28.3 ~~These will be reviewed by the Council of Governors following the election and appointment of the initial Governors.~~
- 28.4 ~~For the purposes of the period before the NHS Trust becomes the Trust:~~
- ~~28.4.1 the Board of Directors will prepare and approve:~~
 - ~~28.4.1.1 a membership application form~~
 - ~~28.4.1.2 a form of declaration required by section 36 (1) of the 2003 Act;~~
 - ~~28.4.1.3 a form of declaration required by section 36 (2) of the 2003 Act; and~~
 - ~~28.4.1.4 a form of declaration required by section 36 (3) of the 2003 Act;~~
 - ~~28.4.1.5 a form confirming acceptance of a code of conduct for Governors;~~
 - ~~28.4.2 the Chief Executive will consult and agree arrangements with the appointing organisations for the appointment of appointed Governors;~~
 - ~~28.4.3 the Chief Executive will make a final decision about the class of the staff constituency of which an individual is entitled to be a member.~~

ANNEX 1

AREAS OF THE TRUST

1. READING

All the electoral wards in Reading Borough Council (unitary authority) area

2. WOKINGHAM

All the electoral wards in Wokingham District Council (unitary authority) area

3. WEST BERKSHIRE AND BORDERS

- (a) all the electoral wards in West Berkshire District Council
- (b) The following electoral wards from Basingstoke and Deane Borough Council area of north Hampshire
 - Baughurst
 - Burghclere
 - Calleva
 - East Woodhay
 - Highclere and Bourne
 - Kingsclere
 - Pamber
 - Tadley North
 - Tadley South
- (c) The following electoral ward from the Test Valley Borough Council area of north Hampshire
 - Bourne Valley

4. EAST BERKSHIRE AND BORDERS

- (a) All the electoral wards in Bracknell Forest Borough Council (unitary authority)
- (b) All the electoral wards in Slough Borough Council (unitary authority)
- (c) All the electoral wards in the Royal Borough of Windsor and Maidenhead (unitary authority)
- (d) The following electoral wards from South Buckinghamshire District Council:
 - Burnham Beeches
 - Burnham Church
 - Burnham Lent Rise
 - Dorney and Burnham South
 - Farnham Royal

- Iver Heath
- Iver Village and Rickings Park
- Stoke Pogies
- Taplow
- Wexham and Iver West

5. SOUTH OXFORDSHIRE

The following electoral wards from South Oxfordshire District Council:

- Chiltern Woods
- Cholsey and Wallingford South
- Crowmarsh
- Didcot All Saints
- Didcot Ladygrove
- Didcot Northbourne
- Didcot Park
- Goring
- Hagbourne
- Henley North
- Henley South
- Shiplake
- Sonning Common
- Wallingford North
- Woodcote

ANNEX 2

ELECTION RULES

Audit Committee Minutes

Audit Committee

Wednesday 7 November 2012

9.00am – 11.10am

Boardroom, Level 4, Royal Berkshire Hospital

Members

Mr. Brian Hendon	(Non-Executive Director) (Chair)
Mr. John Barrett	(Non-Executive Director)
Mr. Tim Caiger	(Non-Executive Director)

In attendance

Advisors

Ms. Harriet Aldridge	(Senior Manager, PWC)
Ms. Debbie Coffey	(Local Counter Fraud Specialist) (up to minute 107/12)
Mr. Neil Thomas	(Partner, KPMG)

Trust Staff

Mr. Craig Anderson	(Director of Finance)
Mr. Stephen Billingham	(Chairman)
Mr. Graham Butler	(Deputy Director of Finance)
Mr. Ed Donald	(Chief Executive) (from minute 109/12)
Dr. Keith Eales	(Director of Corporate Affairs and Secretary)
Mrs. Caroline Lynch	(Governance Officer)

Apologies

Mr. Clive Everest	(Partner, PWC)
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103/12 Minutes 11 September 2012

The minutes of the meeting held on 11 September were approved as a correct record and signed by the Chairman.

104/12 Matters Arising Schedule

The Committee received the matters arising schedule.

Minute 82/12: (58/12, 36/12): Matters Arising: ISA 260: The Director of Finance confirmed that a review of the infrastructure of IT had been carried out and progress was underway to recruit to a five month fixed term appointment in order to progress issues and to develop the IT infrastructure.

The Committee discussed the recent failure of the IT system. The Director of Finance advised that the recent review of the IT infrastructure had identified a number of issues including single points of failure which had resulted in the recent failure of the IT system. An action plan to address this and other issues identified would be developed and the external resource was being appointed to deliver against this action plan. The Committee considered this to be a matter of urgency and requested that a copy of this report should be circulated to members as soon as possible.

Action: C Anderson

The Director of Finance advised that the external resource would report to the Head of Informatics. The Committee queried whether this most appropriate line management given the day-to-day demands of the EPR system. The Director of Finance agreed to raise the Committee concerns with the Chief Executive.

Action: C Anderson

The Director of Finance advised that PwC would undertake audit work to identify progress against the action plan and audit days had been allocated into the audit plan. The Senior Manager, PwC, advised that this audit work on the IT system would be required to enable PwC to provide the head of internal audit opinion and this presented a high risk area for the Trust.

The Director of Finance reported that business continuity plans were not included on the corporate risk register as these plans were well embedded and proven to work. It was considered however that disaster recovery plans, in particular the robustness of IT, should be added to the corporate risk register.

Action: C Anderson

The Committee agreed that the issue of the IT infrastructure would be discussed at the planned non-executive session on EPR.

Resolved: that the matters arising schedule be noted.

105/12 Schedule of Outstanding Actions

The Committee received the schedule of outstanding actions and noted that all actions from previous meetings had been completed.

Resolved: that the schedule be noted.

106/12 Counter Fraud Progress Report

The Local Counter Fraud Specialist (LCFS) introduced the report.

The Committee noted that the LCFS had targeted counter fraud awareness training to Care Groups. Managers from Care Groups who had received training then disseminated this to their own teams. A total of 602 members of staff had received training although it was noted that this figure did not include staff who would have received information direct from their managers.

The Committee discussed controls in place to reduce instances of patients who received, but were not entitled, to medical treatment. The LCFS advised the Trust's overseas patient co-ordinator worked closely with counter fraud and patients were routinely asked to provide proof of identity. In such instances where staff were not assured that patients were entitled

to free medical treatment a copy of the patient's passport was requested and the LCFS subsequently carried out checks with the UK Border Agency to verify this. The LCFS confirmed that this issue was included as part of the counter fraud awareness training delivered to staff.

Resolved: that the report be noted.

107/12 Internal Audit Progress Report

The Senior Manager, PwC, introduced the report.

The Committee noted that three audit reports had been completed and fieldwork had been completed in respect of audits for consultant job plans and safeguarding.

The Senior Manager, PwC, drew attention to the outstanding management response in respect of the draft estate strategy audit. One high risk recommendation had been issued following the audit due to a number of medium risk findings.

The Committee expressed concern that the management response was still outstanding. It was agreed that the Director of Finance would raise the matter with the Executive lead and a report would be provided at the next meeting.

Action: C Anderson

The Committee noted the audit relating to serious incident reporting. It was queried whether this audit report had been submitted to the Clinical Governance Committee. It was recommended that the Director of Finance should raise the issue of ensuring that internal audit reports were submitted to the appropriate Committees with the Executive team.

Action: C Anderson

The Senior Manager, PwC, advised that there had been a small delay with the 2012/13 internal audit plan. However as the new Medical Director was now in post it was anticipated that work on the plan would now be progressed.

The Committee noted that PwC had reviewed their internal audit methodology in the context of the new NHS internal audit standards and had confirmed that it was fully compliant.

Resolved: that that report be noted.

108/12 External Audit Progress Report

The Partner, KPMG, introduced the report which outlined a summary of additional work performed since the last meeting of the Committee which included attendance at the Council of Governors Business Assurance Committee, completion of the 2011/12 statutory accounts audit for HFMS, engagement with internal audit to plan 2012/13 reliance and agree terms of reference.

Resolved: that the report be noted.

109/12 External Audit Plan 2012/13

The Partner, KPMG, introduced the report and drew attention to the high risks areas outlined by KPMG in the report in terms of their impact on the external auditor's financial statements opinion. The Committee noted there would be no increase in fees for 2012/13.

The Partner, KPMG, advised that Monitor guidance was awaited in respect of the quality accounts audit.

The Director of Finance advised that a review of assets would be undertaken and it was anticipated that there would be an impairment in respect of the IT assets. The assistance of an external advisor was being sought to carry out this review.

The Committee queried the reason for seeking the assistance of an external advisor for this work and whether the skills required currently existed with internal staff to carry out this work. The Director of Finance advised an independent valuation would provide the Board with assurance that the valuation process undertaken was robust as the Board was required to provide a representation to external audit on the process undertaken.

The Committee recommended that the valuation work should be carried out by internal staff followed by a brief review by an independent advisor. **Action: C Anderson**

The Director of Finance reported that specific piece of work would be undertaken in respect of going concern. This would provide the Committee and the Board with assurance that, due to the current financial climate, that the going concern issue had been appropriately reviewed.

It was noted that this would be discussed at the planned Board strategy workshop as part of the approval of the business plan. **Action: C Anderson**

Resolved: that the external audit plan for 2012/13 be approved.

110/12 Audit Recommendations Update

The Director of Finance introduced the report which summarised the current status of implementation of the 2011/12 internal and external audit recommendations.

The Committee noted that in respect of 2011/12 PwC internal audit recommendations, four of seven high recommendations had been completed and three were overdue. The three overdue recommendations related to infection control monitoring, IT general controls and charitable funds audits.

The Committee discussed the outstanding recommendation relating to infection control. It was noted that this related to staff immunisation plans, in particular improvement of the level of staff receiving immunisations and the ability to record this.

The Director of Finance advised that a solution to address the high level recommendation in relation to the charitable funds audit had now been reached and this would be implemented shortly.

The Director of Finance advised that the report was presented to the Executive on a monthly basis to ensure responses were followed up. The Committee agreed that Executive leads should be invited to attend meetings in those instances where progress

made had not been as prompt as anticipated. The Committee recommended that it should be reinforced to members of the Executive team that it was essential to ensure audit recommendations were addressed.

Action: C Anderson

Resolved: that the report be noted.

111/12 Corporate Risk Register

The Director of Corporate Affairs & Secretary introduced the report which had been submitted to the Board in October and advised that the board assurance framework and corporate risk register were currently being updated.

The Director of Corporate Affairs & Secretary advised that a number of risks were currently being reviewed including the national access standards, financial stability and clinical services strategy.

The Chief Executive advised that the risk relating to statutory engineering compliance had been discussed by the Executive and consideration was being given as to whether the risk should be escalated to the corporate risk register. In addition the stage 2 review for Monitor would be reviewed by the Executive and this may be included on the corporate risk register.

The Committee noted that winter escalations plans were not specifically included on the corporate risk register however related issues would be identified on individual Care Group risk registers. The Chief Executive confirmed that the top risks in each Care Group were reviewed by the Executive on a monthly basis.

Resolved: that the report be noted.

112/12 Effectiveness Review of External Audit

The Senior Manager, PwC, advised that the questionnaire relating to the effectiveness of external audit had been circulated however only three responses had been received. It was considered therefore that the number of responses would not provide an effective evaluation.

The Committee recommended that, whilst this would not provide an effective evaluation, outstanding responses to the questionnaire should be followed up and a collated response circulated to members of the Committee in the next two weeks.

Action: K Eales

It was agreed that due to the new membership of the Committee it would be appropriate to carry out such a review in 2013 and responses submitted to the September meeting of the Committee.

Action: C Everest/K Eales

113/12 Review of the Work of Other Risk Committees

Clinical Governance

The Committee received the minutes of the meeting held on 13 September 2012.

The Committee noted the briefing report submitted with the minutes. The Committee recommended that a one page summary outlining key issues only from the Clinical Governance Committee should be submitted with minutes to future meetings.

Resolved: that a one page summary outlining key issues only be submitted with minutes to future meetings.

Risk Management Committee

The Committee noted that there had been no meeting of the Committee since the last meeting.

114/12 PwC Quality of Earnings Report

The Director of Finance introduced the Quality of Earnings review which had been submitted to the Board who had recommended that the report be presented to the Committee for review.

The Director of Finance advised that a summary report in response to the review had been prepared. It was agreed that this would be circulated to members of the Committee.

Action: C Anderson

Resolved: that the summary report in response to the PwC review be circulated to members of the Committee.

115/12 Cost Improvement Programme Review

The Director of Finance introduced the report and advised that the Board would review progress against the agreed actions in the cost improvement plan.

Resolved: that the report be noted.

116/12 Bank Account Authorisations

The Committee noted there had been no bank authorisations since the last meeting of the Committee.

The Director of Finance reported that there had been one breach of the Trust's treasury policy in September which related to more than £35m held in one institution. There had however been no breach of the policy in October.

The Committee recommended that as such breaches occurred periodically a review of the Treasury Policy limit should be undertaken.

Action: C Anderson

Resolved: that the treasury policy limit be reviewed.

117/12 Non-NHS Debt

The Director of Finance introduced the report.

The Committee noted the total value of non-NHS debt was £153,644 as at 30 September 2012.

Resolved: that the report be noted.

118/12 Losses and Special Payments

The Director of Finance introduced the report.

The Director of Finance advised that since the last meeting, one special payment had been made for employer liability damages, to the value of £485.00.

The Committee noted that there had been one special payment for loss of property. A total of £20,045.24 had been written off as bad debt.

Resolved: that the report be noted.

119/12 Use of Single Tenders

The Committee noted that there had been no single tenders since the last meeting of the Committee.

The Director of Finance advised that a review was currently ongoing in relation to a single tender for the regional hosting of the EPR system which would be reported to the next meeting. The Director of Finance advised that it was anticipated that the contract would be reduce ongoing costs relating to maintenance of the EPR system. A further update would be provided at the next meeting.

Action: C Anderson

Resolved: that the report be noted.

120/12 Schedule of Significant Contracts

The Director of Finance advised that there had been two significant contracts since the last meeting of the meeting which had been approved by the Board. The contracts related to a three year contract for managed staff bank tender operating fees for the provision of temporary staff; and a five year contract for pharmacy outpatients dispensary service.

Resolved: that the report be noted.

121/12 Non-Audit Services

The Director of Finance advised that there was one non-audit service currently being provided by KPMG in respect of preparation of the 2011/12 HFMS corporation tax return.

Resolved: that the report be noted.

122/12 Technical Update

The Partner, KPMG, introduced the report.

The Committee discussed the update on private patient income cap for NHS Foundation Trusts. It was noted that the Health and Social Care Act 2012 foundation trusts to ensure the income they received from providing goods and services for the NHS (their principal purpose) would be greater than their income from other sources.

Resolved: that the technical update be noted.

123/12 Audit Committee Timetable 2012/13

The Committee noted the timetable for 2012/13.

Resolved: that the timetable be noted.

124/12 Meetings for 2013

The Committee noted the schedule of meetings for 2013.

Tuesday 15 January 9.00am
Wednesday 6 March 9.00am
Monday 20 May 9.00am
Wednesday 11 September 9.00am
Wednesday 6 November 9.00am

Resolved: that the schedule of meetings for 2013 be noted.

125/12 Private Meeting with External Audit

A meeting was not held with KPMG.

126/12 Private Meeting with the Internal Auditors

A meeting was not held with PwC.

127/12 Private Meeting of the Committee

A meeting of the Committee was not held.

SIGNED

DATE

Minutes of the Charity Committee

Charity Committee

Wednesday 7 November 2012

2.00 – 3.10pm

Boardroom, Level 4, Royal Berkshire Hospital

Present:

Mrs. Janet Rutherford	(Non Executive Director) (Chair)
Mr. Craig Anderson	(Director of Finance)
Mr. Stephen Billingham	(Chairman)
Mr. Brian Hendon	(Non Executive Director)
Mr. Ian Stoneham	(Commercial Director)

In attendance

Dr. Keith Eales	(Director of Corporate Affairs and Secretary)
Mrs. Angela Gardiner	(Group Financial Controller)
Mr. Mark Goff	(Charity Director)
Mrs. Caroline Lynch	(Governance Officer)

Apologies

Mr. Ed Donald	(Chief Executive)
Dr. Tim Parke	(Consultant Anaesthetist)

27/12 Minutes: 12 July 2012

The minutes of the meetings held on 12 July 2012 were approved as a correct record and signed by the Chair.

28/12 Matters Arising Schedule

Minute 15/12: Charity Committee Workshop

The Committee agreed that a new date for the workshop should be sought. In order to ensure the majority of members would be able to attend it was agreed that workshop should be held on the RBH site.

Action: C Lynch

Minute 18/12: Charity Director's Report

The Charity Director advised that the major donor, Chris Harrison, had been successfully re-engaged and a meeting with the Chief Executive was no longer required.

Minute 25/12: Charity Office

The Charity Director advised that additional space required for the Charity office due to the successful recruitment of volunteers had been resolved temporarily following agreement with the infection control team.

28/12 Charity Director's Report

The Charity Director gave an update.

The Charity Director advised that the Charity had received legacy income of £170,000. Income to date from events and donations had increased by 14% in comparison to the previous year.

The Charity Director advised the Committee that the Association of NHS Charities was holding a workshop to review the findings and results of a number of patient test mailings carried out by two hospitals. A report on the conclusion of this workshop would be made to the next meeting.

Action: M Goff

The Committee noted that the Charity regularly advertised in the member's publication, Pulse. In addition a members' mailing exercise had been undertaken a few years ago which had resulted in approximately a 3% response rate. The Charity would also be present at the upcoming Annual Members Meeting.

The Charity Director reported that the appeal to raise £100,000 in support of the Berkshire Cancer Centre Linac machine had raised £71,460 to date.

The Committee noted that an alternative venue for the Major Donor dinner was being sought due to the emergence of high overhead costs for the L'ortolan restaurant.

The Charity Director drew attention to the legacy leaflet which had been developed. The leaflet would be sent to named individuals within the catchment area. The Committee recommended that the legacy leaflet should also be placed in appropriate ward areas around the Trust.

Action: M Goff

The Charity Director advised that the staff Payroll had accumulated more than £5,000 to date. It was planned to contact participants to gain their views on how the funds could be used for staff.

Action: M Goff

The Committee noted 96 people took part in the recent 10k and 2.5k fun runs at Wellington Country Park. Locations for future events were being sought.

The Committee discussed the idea of approaching local businesses to seek sponsorship and/or donations for the charity. The Charity Director advised that contact had been made with the local Chamber of Commerce in order to gain the opportunity of attendance at one of their speaking engagements.

Action: M Goff

The Committee expressed their thanks to the charity team for their work and in particular to the volunteers working with the team.

Resolved: that the report be noted.

29/12 Charity Budget 2012/13

The Charity Director distributed an updated report and drew attention to the year to date income of £413,000 excluding legacies.

The Committee noted that the budget for 2011/12 was £1.2m. It was considered that, in the current economic climate, the budget for 2012/13 should remain at £1.2m.

The Committee recommended that the Charity Director of the Director of Finance should agree a target for fundraising exclusive of legacies to enable an income forecast to be prepared.

Action: M Goff/C Anderson

Resolved: that

- (a) the budget for 2012/13 be approved.**
- (b) a target for fundraising exclusive of legacies be set to enable an income forecast to be prepared.**

30/12 Charity Annual Report and Financial Statements 2011/12

The Director of Finance introduced the annual report and financial statements for 2011/12 and which had been reviewed and recommended by the Audit Committee.

The Director of Finance advised that two amber and two green audit recommendations had been issued by KPMG following their audit of the financial statements. These recommendations would be followed up and progress against actions submitted to the Committee.

Action: C Anderson

Resolved: that

- (a) the Director of Finance be authorised to sign the letter of representation, as submitted with the annual report and financial statements, on behalf of the Corporate Trustees and to issue it to the auditors.**
- (b) the annual report and financial statements for the period ending 31 March 2012 be approved and adopted.**
- (c) the Chairman and Chief Executive officer be authorised to sign and date the forward to the annual report, the statement of Trustees responsibilities, the report of the Corporate Trustee and the balance sheet as at 31 March 2012.**

31/12 Management Accounts

The Director of Finance introduced the report. The Committee noted that total funds as at 30 September 2012 were £3.7m.

Resolved: that the report be noted.

32/12 Charity Risk Register

The Charity Director advised that work was underway with Just Giving in order to reduce administration time spent allocating funds appropriately when income was received via Just

Giving. It was hoped that a coding system could be used at the point of donation in order to identify funds raised for specific fundraising appeals. **Action: M Goff**

Resolved: that the register be noted.

33/12 Review of Committee's Terms of Reference

The Committee received the terms of reference for their annual review.

The Committee agreed the following amendments to the terms of reference:-

- The membership of the Committee be amended to "one non-executive director"
- Either the Director of Finance or the Commercial Director will normally attend each meeting
- Either the Chairman of the Chief Executive will normally attend each meeting
- Two governors to be nominated by the Council of Governors but only one expected to attend
- The quorum be reduced to two.

It was also agreed that declaration of conflicts of interest should be added to each Charity agenda as a standard item. **Action: C Lynch**

Resolved: that the amended terms of reference be submitted to the Board for approval.

34/12 Charity Committee Timetable 2012/13

The Committee noted the timetable for 2012/13.

35/12 Meetings for 2013.

The Committee noted the schedule of meetings for 2013.

Tuesday 12 March 9.00 – 12.00pm

Wednesday 10 July 9.00 – 12.00pm

Tuesday 12 November 9.00 – 12.00pm

SIGNED

DATE

Appendix

Charity Committee

Terms of Reference

Constitution and Membership

The Royal Berkshire Hospital Trust Charitable Fund (Charity Registration Number 1052720) is governed by the Trust Deed which was approved by the Trustees. Under the terms of the deed the Charitable Fund is administered and managed by the Trustees, the members of the Royal Berkshire NHS Foundation Trust as a body corporate.

The membership of the Committee will comprise the Chairman of the Trustees, the Chief Executive, the Director of Finance, the Commercial Director, one Non-Executive Directors and two Governors nominated by the Council of Governors.

The quorum will be two members.

Members will be expected to attend three quarters of meetings.

Either the Chairman or the Chief Executive will attend each meeting.

Either the Director of Finance or the Commercial Director will attend each meeting.

Attendance

The Director of Corporate Affairs & Secretary and the Charity Director are expected to attend all meetings.

A representative of fundholders, to be appointed by the Committee, will attend meetings.

External advisers may attend as necessary at the request of members.

The Director of Corporate Affairs/Secretary of the Trust (or their nominee) will act as secretary to the Committee.

Frequency

The Trustees shall normally meet at least twice yearly and at such other times as the Trust shall require.

Authority

The Trustees derive their authority to act from the Trust deed of the NHS Trust Charitable Fund, approved by the Trustees.

Duties

The Trustees are responsible for the overall management of the Charitable Funds. They are required to:

- (a) satisfy themselves that best practice is followed in terms of guidance from the Charity Commission, Audit Commission, National Audit Office, Department of Health and other relevant organisations;
- (b) ensure that the appropriate policies and procedures are in place to support the Charitable Funds Strategy and to advise Fund Managers on income and expenditure and that this is reviewed at regular intervals;
- (c) develop and review the Foundation Trust's Charitable Funds Strategy and Trustees' terms of reference on an annual basis and agree changes where appropriate;
- (d) develop and review the Scheme of Delegation for charitable funds on a regular basis and consider changes where appropriate;
- (e) obtain assurance that a separate register of interests is compiled for both Trustees and Fund Managers, and that this is reviewed and updated on a regular basis;
- (f) approve fundraising policies that comply with statutory requirements in conjunction with the Chief Finance Officer.
- (g) on an annual basis, review and approve summary level income and expenditure plans, compiled from Fund Managers' detailed plans, ensuring that they complement the strategy.
- (h) seek assurance that an effective mechanism exists whereby equipment needs are identified and satisfied, within resource constraints, through an equitable bidding process underpinned by business plans.
- (i) oversee the management of investments. Where an investment manager is used, the Trustees will ensure the investment strategy has been appropriately communicated, the information required is specified and received in a timely manner, and that the service is market tested at regular intervals;
- (j) receive assurance that all research monies paid into charitable funds meet the criteria for charitable status as specified by the Charity Commission;

(k) review the number of funds on an annual basis and undertake a programme of rationalization, where appropriate;

(l) undertake an annual risk assessment.

(m) keep the equivalent of one year's running costs in reserves

Accountability

The Trustees are accountable to the Charity Commission for the proper use of the charitable funds and to the public as a beneficiary of those funds.

The Director of Corporate Affairs will therefore ensure that the Charitable Funds Strategy and Annual Report/Accounts are published on the Foundation Trust's website.

The Chief Finance Officer will ensure that all necessary reports and returns are made to the Charity Commission.

Reporting

The minutes of Committee meetings will be formally recorded and submitted to the Board.

The Committee will review these terms of reference on an annual basis and report to the Board accordingly.

Reviewed by the Committee: November 2012

Approved by the Board:

Minutes of Clinical Governance Committee

Minutes of Clinical Governance Committee

Thursday, 8 November 2012

10:30 am – 12:30 pm

Boardroom, Level 4, Royal Berkshire Hospital

Members

Ms Janet Rutherford	(Non-Executive Director) (Chair)
Ms. Caroline Ainslie	(Nursing Director)
Mr. Ed Donald	(Chief Executive)
Dr. Sue Edees	(Care Group Director, Urgent Care)
Mr. Alistair Flowerdew	(Medical Director) (for part)

In Attendance

Mr. Stephen Billingham	(Trust Chairman)
Dr. Antoni Chan	(Clinical Director, Ambulatory Care) (For Lindsey Barker)
Ms. Karen Hampton	(Quality Improvement Lead, Berkshire West PCT)
Ms. Sue Heanes	(ICU Secretary, Observer)
Mr. Sharon Herring	(Care Group Director of Nursing, Networked Care)
Mr. Tony Lloyd	(West Berkshire LiNK Representative)
Mr. Bill O'Donnell	(Chief Pharmacist)
Ms. Patricia Pease	(Care Group Director of Nursing, Urgent Care)
Mr. Mike Robinson	(Head of Governance)
Ms. Stephanie Seigne	(Deputy Director of Corporate Affairs)
Dr. Prem Sharma	(Patient Panel Representative)
Ms. Gill Valentine	(Director of Midwifery)
Ms. Kirsty Ward	(Care Group Director of Nursing, Planned Care)
Dr. Carl Waldman	(Patient Safety Representative)
Ms. Katharine Young	(Clinical Governance Manager)

Apologies

Dr. Lindsey Barker	(Care Group Director, Networked Care)
Mr. Peter Malone	(Care Group Director, Planned Care)

101/12 Minutes – 13 September 2012

The minutes of the meeting held on 13 September 2012 were approved as a correct record and signed by the Chair.

102/12 Matters Arising and Outstanding Actions Schedules

The Committee considered the schedules and noted those issues which had been completed, were elsewhere on the agenda or scheduled for future meetings. Other points to note were as follows:

(a) Minute 83/12 Neurological Nurse Provision

It was confirmed that colleagues from across the care pathway had met to discuss nurse provision across a range of conditions and the results had been positive.

(b) Minute 93/12 ED Incident

The Urgent Care Group Director was due to meet Dr Sharma to discuss the incident.

(c) Minute 94/12 Bulmershe School

Dr Sharma confirmed that a positive start had been made on youth health promotion following an event at the school.

Resolved: that the matters arising and outstanding actions schedule be noted.

103/12 Urgent Care Group Report

The Urgent Care Group Director introduced her report and highlighted the key issues.

The Director of Midwifery explained the staff shortages currently being seen and the steps taken to mitigate, including the use of agency staff. Recruitment to fill the vacancies was currently underway. The result had been a reduction in the levels of 1:1 care in labour but it was felt safety had been maintained. However, there had been an increase in neonatal readmissions due in part to community midwives being diverted to the centre.

Overseas nurse recruitment continued and a bed reconfiguration was underway; both to help prepare for the forthcoming winter pressures. However, it was felt that there was little flexibility in the system at present.

It was noted there had been some improvements in emergency access targets and performance. Work continued with Berkshire Healthcare Trust to improve mental health assessment process for A&E patients.

The introduction of the EPR system continued to have a major impact on the Care Group. A key issue was visibility of patients across the Trust. The Chief Executive confirmed that updates to the bedview system were the top priority on the EPR stabilisation programme.

Estates issues in ITU continued and the pressures on A&E capacity were noted. This was being discussed with the Director of Estates & Facilities and the Capital Investment Group.

The LiNK representative expressed concern at the number of complaints dealt with in a timely fashion and outlined concerns expressed to him about the Trust's complaints handling. The Nursing Director confirmed she was alive to these issues and outlined the current Trust wide review of complaints. A report and recommendations would be available in December. Stakeholders, including patient panels, were involved in the process.

Resolved: that the report be noted.

104/12 Network Care Group Report

The Clinical Director for Ambulatory Care highlighted some of the key issues facing the Care Group. These included preparing the Audiology service for the 'any qualified provider' competition it would soon face, difficulties recruiting dermatologists and continuing problems with EPR system booking multiple appointments. On the latter, manual cleansing of the lists had proved preferable to booking extra clinics although this was time consuming.

It was clarified that departments were undertaking mortality and morbidity reviews to identify 'unexpected' deaths. Other developments included the opening of a step down ward, an excellent CQC inspection report and improvements in HIV screening.

Following the end of League of Friends funding for an end of life care nurse, a business case was being prepared for consideration by commissioners to continue the post. This would also have a role in delivering the 'choose well' initiative and outreach work.

It was noted there was considerable focus on work to reduce the incidence of pressure ulcers and an action plan had good buy-in from ward sisters. This had a strong focus on education and learning. It was noted that benchmarking of pressure ulcer data was difficult, however, it was noted that some work was underway at SHA level on this issue. The Trust's target was for zero avoidable grade 3 / 4 ulcers by the end of the financial year.

Resolved: that the report be noted.

105/12 Planned Care Group Report

The Planned Care Group Director of Nursing introduced the report. A key issue was the number of medical patients in planned care wards which impacted on elective patients' experience and the efficiency of operations. It was recognised that unless there could be greater admission avoidance and an increase in community care beds this would continue.

It was confirmed there was a continuing concern over the use of vital signs monitoring under the EPR system; both in terms of how it worked and accessibility of devices to input data. There was a feeling that unless the issue could be resolved quickly there would need to be a return to paper based systems. The issue was high on the list of priorities for the EPR stabilisation plan. The system was in use in Oxford, however, it was noted that they had a higher availability of mobile devices.

The Care Group was working to improve the suitability of the pre-op assessment area and also work continued on the new surgical high dependency unit which was scheduled for completion at the end of March 2013.

The Committee noted the update on the availability and condition of medical records across the Trust. Current problems related to an EPR issue in that reports from the system were unavailable. There was a continuing problem with having notes available for clinics due to poor levels of case note tracking. The Medical Records Steering was looking to progress matters and it was emphasised there needed to be an improvement in behaviours and compliance across the Trust on utilising the tracking function in EPR. It was requested that the Planned Care Group Director of Operations deliver an update to the Committee on this issue at its March 2013 meeting.

Action: Steve Green

The Nursing Director commented that staffing issues should appear on the Care Group risk registers where appropriate and that action plans should feature key mitigating actions and owners. It was recognised the Care Groups were developing their risk management processes and were looking at better identifying and prioritising top risks.

In noting the key ward performance indicators, the Planned Care Group Director of Nursing confirmed there were no substantive concerns over the performance of Adelaide and Sonning wards.

Following a query from the LiNK representative, it was confirmed that there had been substantial reductions in the ophthalmology backlog and the programme to improve access times continued. Increased visibility of this information would be welcome.

Resolved: that the report be noted.

106/12 Quality Report

The Nursing Director introduced the report and explained that its format was still evolving to both reduce length and duplication with the Board Integrated Performance Report. It was noted that the key issues of the complaints review and pressure ulcers had already been discussed. Completion of VTE assessments was back to high levels at 91% and the new safety thermometer showed above average levels of harm free care. The screening for malnutrition target had been missed but performance was still good at 87% within 48 hours. This would probably be the subject of a CQUIN in 2013/14.

The Chief Executive queried the confirmation of compliance with NICE technical guidelines. The Corporate Governance Manager explained that records prior to 2006 had not been in place but that work was continuing to confirm compliance and this would be finalised soon. There were no substantive concerns and the system was in place going forward. The Quality Improvement Lead for NHS Berkshire West confirmed her understanding that funding would be available to ensure compliance with NICE guidelines. It was noted that several NICE guidelines contained different treatment options. The Chief Executive commented that the Trust's preferences needed to be clear and catalogued. The Corporate Governance Manager explained there was work ongoing to ensure NICE guidelines were integrated with local protocols.

It was noted that the report must contain only anonymised patient data.

Action: Kat Young

Resolved: that the report be noted next.

107/12 Annual Report of the Hospital Transfusion Committee

The Committee noted the report. Questions were welcome to the Nursing Director.

Resolved: that the report, financial implications and risks be noted.

108/12 Legal Services Report

The Deputy Director of Corporate Affairs introduced the report and highlighted that future changes to cost recovery procedures continued to mean an increase in the number of claims notified to the Trust.

Resolved: that the report be noted.

109/12 Board Assurance Framework and Corporate Risk Register

The Deputy Director of Corporate Affairs introduced the report which had been considered by the Board. The Chair sought clarification as to the nature of the Committee's review of the BAF and CRR.

Action: Stephanie Seigne

The Chief Executive highlighted that the Care Group registers needed to feed into the overarching corporate risk register to ensure that the Trust could easily identify its top risks

and ensure they were being mitigated. He felt this was not currently as robust as it could be. The Deputy Director of Corporate Affairs confirmed that the Risk Manager post was currently vacant but the new incumbent would continue the process of meeting regularly with Care Groups.

Resolved: that the report and revised processes for the BAF and CRR be noted.

110/12 NHS Berkshire West Report

The Quality Improvement Lead for NHS Berkshire West stated the PCT was keen to see the outcome of the Trust's review of complaints processes. Also, that the process for agreeing next year's CQUINs would shortly commence.

Resolved: that the update be noted.

111/12 Monitor Stage 2 Review – Supporting the Recommendations

The Chief Executive agreed with the Chair that the Committee might well have a useful role to play in following through on any recommendations from the Monitor Stage 2 Annual Plan review. The report and recommendations were awaited.

112/12 Key Messages for the Care Groups and the Board

The Chair requested views on the key messages that had emerged from the meeting which would be communicated to the Board.

- a) The EPR system remained a significant issue. The Chief Executive Explained that a detailed stabilisation plan was underway and it was agreed that a presentation on progress could be made to the Committee. **Action: Elizabeth White**

The Chief Executive explained that whilst the Trust was not aware of any patient safety incidents arising from the use of EPR, there were risks being faced. Staff were working tremendously hard to mitigate those risks. The Chair hoped that the next meeting could hear that the stabilisation plan had resulted in the root cause of risks being resolved.

- b) The second key issue facing the Trust was considered to be the problems from managing the whole healthcare 'system'. The pressure from increased admissions was high and, coupled with continued problems with the numbers of patients medically fit for transfer, there remained a very high level of capacity pressure.

Committee Members only were present for the remainder rest of the agenda items.

113/12 Infection Prevention and Committee Minutes – August and September 2012

The Nursing director noted that there was a problem with flagging infection control status on EPR. However, there were mitigations in place to provide assurance. It was noted that C. Difficile infection rates continued to improve.

Resolved: that the minutes be received.

114/12 Blood Transfusion MHRA Compliance

It was noted the Trust was compliant. The Chair asked that any issues arising from the possible pathology merger with Heatherwood and Wexham Park be brought to the Committee's attention.

Resolved: that the report and risk management issues be noted.

115/12 Medical Device Maintenance Audits

The Committee noted the assurance activity undertaken.

Resolved: that the report and assurance monitoring undertaken in respect of medical devices be noted.

116/12 Policies for Approval

The Committee considered and approved a number of policies. In respect of the NICE policy, the Clinical Governance Manager outlined the processes undertaken by the Clinical Quality Improvement Unit and Care Groups. The roles of the Medical Director and Care Group Director were set out in the policy.

In respect of the Clinical Audit policy, it was noted that there were some references to the defunct Clinical Audit Committee remaining which would be edited. **Action: Kat Young**

Resolved: that, subject to the required amendments being made to the Clinical Audit policy, the following policies be approved:

- a) **NICE policy**
- b) **VTE policy**
- c) **Transfer of Women between Care Settings**
- d) **Pathology Quality Policy**
- e) **Clinical Audit Policy**

117/12 Patient Representatives

The Committee discussed and welcomed the role of patient representatives at the meeting. Given the tight pressure on the agenda there was concern their input could be constrained. Consequently it was considered that a slot be given at the start of each meeting for them to raise any issues not covered elsewhere on the agenda. **Action: Mike Robinson**

SIGNED

DATE

Minutes of the Joint Constitution Working Group

Joint Constitution Working Group

Thursday, 8 November 2012

2.00 pm – 3.00 pm

Boardroom, Level 4, Royal Berkshire Hospital

Present

Mrs Vera Doe	(Public Governor, Wokingham) (Chair)
Mrs Caroline Bowder	(Public Governor, South Oxfordshire)
Mr Jeremy Butler	(Public Governor, East Berkshire & Borders)
Mr Colin Lee MBE	(Public Governor, (West Berkshire & Borders))
Mrs. Janet Rutherford	(Non-Executive Director)
Mr Tony Skuse	(Public Governor, Wokingham)
Ms Maria Walker	(Staff Governor, Admin and Management)

In attendance

Dr Keith Eales	(Director of Corporate Affairs & Secretary)
Mr Mike Robinson	(Head of Governance)

Apologies

Mr Ian Clay	(Public Governor, West Berkshire & Borders)
Mrs Sally Kemp	(Partner Governor, South Central SHA)
Mr Ian Stoneham	(Commercial Director)

08/12 Minutes – 21 September 2012

Resolved: that the minutes of the meeting held on 21 September 2012 be approved as a correct record and signed by the Chair.

09/12 Matters Arising

In respect of governor appointments (Min 06/12), it was noted that the Reading Commission for Racial Equality (RCRE) had merged with another charity to form the Alliance for Cohesion and Racial Equality (ACRE).

10/12 Review of the Constitution

The Director of Corporate Affairs & Secretary introduced the report and draft updated constitution which would be presented to the Council of Governors, Board and Annual Members Meeting on 29 November. The changes were shown within the document and the majority were required to fulfil the requirements of the new legislation. The Group reviewed the amendments page by page with the following being the key issues raised.

The Director of Corporate Affairs and Secretary explained that the term “auditors” as opposed to “external auditors” within the constitution merely reflected the terminology within the legislation. There were no plans to change the relationship between the Council and the external auditors and internal audit remained a management function.

It was noted that the Trust’s principal purpose was “the provision of goods and services for the purposes of the health service in England”. It was felt that the advice of the lawyers should be sought on whether or not this should be clarified within the definitions section to explain that the “health service in England” related to the NHS.

It was clarified that the Monitor panel referred to in Section 6.4 was a national panel which could take questions from any FT and did not refer to emergency powers.

In relation to Section 7.6.2, the Director of Corporate Affairs explained that it was not unusual for volunteers to form part of a staff constituency and he was awaiting revised wording and clarification from the lawyers to incorporate within the constitution.

The Group discussed the option for appointing a youth representative as set out in Section 10.6.5. The Director of Corporate Affairs & Secretary confirmed that an appointing organisation needed to be specified but that the approach of having a more broadly based category rather than a youth MP had been agreed. The Group concurred that the Council would need to discuss the exact nature and type of the individual required to represent young people and/or young families. Following discussion, it was concluded that one of the unitary authorities should be nominated to make the appointment following consultation with the others. Instructions could be given to the appointing authority as to the wishes of the Council.

The Group discussed Section 11.6 in respect of the terms of office Non-Executive Directors. The Group considered that the proposed additional wording might lack clarity and was contradictory. The Director of Corporate Affairs & Secretary explained the intention that non-executive directors should not serve more than six years without further appointments being made on the basis of annual reviews. It was noted that the Monitor Code of Governance also specified a maximum term of nine years. The wording would be discussed and clarified with the legal representatives.

On Section 11.14, the Director of Corporate Affairs & Secretary confirmed that although there was no legislative right for Governors or the public to speak at Board meetings, such arrangements could be agreed locally by Trusts.

In respect of providing copies of Board minutes to the Council, the Director of Corporate Affairs & Secretary felt that a reasonable interpretation of “as soon as practical” could be one week.

In respect of Section 18 on significant transactions, the Director of Corporate Affairs & Secretary explained that there was no requirement under the legislation to define what a significant transaction was. However, he strongly recommended that this as best practice and was the approach been undertaken by most trusts. The proposed wording was being routinely adopted and reflected a definition in relation to 25% of the Trust’s gross assets. It was confirmed that the development of the Bracknell Clinic would not have fallen within such a definition, however, it was felt that were such a development to be undertaken again the Council of Governors would undoubtedly be briefed and consulted. There was also a related additional requirement within the constitution in Section 17 to ensure that the

Council was appropriately briefed and their views taken into consideration in the preparation of forward plans.

In accepting the usefulness of a definition it was queried whether the proposed limit was too high level as it would only be really applicable to large multi hospital trusts in the context of disposing of a site or merger or acquisition activity. The Director of Corporate Affairs & Secretary undertook to investigate with the legal representatives if there were any other useful models being developed which could be considered.

The Group noted the requested changes to Section 22 on removing the requirement for future amendments to the constitution to be agreed by the annual members meeting.

Resolved: that the revised constitution (subject to comments and queries made) be recommended to the Board, Council of Governors and Annual Members Meeting for approval.

11/12 Date of Next Meeting

The Director of Corporate Affairs & Secretary explained that an updated version of the constitution would be circulated once comments had been received from the lawyers. If a further meeting of the Group was required it would need to take place before the Annual Members Meeting on 29 November 2012.

SIGNED

DATE



HFMS

Agenda Item 12

Healthcare Facilities Management Services Limited Board Meeting

Room 3, RBFT

**Monday 5 November
10.00 – 10.25am**

Present

Keith Eales
Graham Butler
Philip Holmes
Tim Caiger
Caroline Lynch

Chairman
Director
Director
Non-Executive Director
Company Secretary

09/12 Minutes: 23 April 2012 and 6 August 2012

The minutes of the meetings held on 23 April and 6 August 2012 were approved as a correct record and signed by the Chairman.

10/12 Matters Arising

Minute 02/12 (23/11): Matters Arising, Estates & Facilities Update

PH advised that a defects list had been agreed with BAM and therefore no defects notice would be issued.

Minute 03/12: Estates & Facilities Update

PH reported that the contract with EC Harris had been reviewed and HFMS would only need to recompense the company for lower than expected catering footfall within the Bracknell Clinic should the contract not be renewed.

Action: P Holmes

GB advised that the lease agreement for the Bracknell Clinic had not yet been completed due to workload priorities. It was agreed that a target date for completing the agreement would be circulated to the Board by the end of the week.

Action: G Butler

Minute 05/12 Impairment of Bracknell



HFMS

GB confirmed that RBFT had agreed to provide a letter of support and this would be obtained as part of the submission of the annual accounts. **Action: G Butler**

Minute: 07/12: Date of Next Meeting

GB confirmed that advice had been sought from tax advisors and two meetings annually was considered the appropriate number of meetings.

11/12 Annual Accounts 2011/12

The Board noted that the Audit Committee had recommended the approval of the annual accounts for 2011/12.

The Board noted the issues raised by the auditors in respect of the valuation of Bracknell, the going concern issue and the need to finalise the lease plus agreement with RBFT.

The Board approved the Annual Report and Financial Statements for the period ended 31 March 2012 and authorised that the Directors' report, the Statement of financial position of the financial statements and the letter of representation be signed and issued to the Auditors following receipt of the letter of support from RBFT.

Action: G Butler

12/12 Estates and Facilities Update

PH gave an update and advised that discussions were ongoing with third parties in respect of tenancy opportunities for the shared use of Bracknell Clinic.

Heads of Terms were also being developed in respect of leasing the ground of Princes House to Berkshire Healthcare FT. It was anticipated that this would take place in 2013.

The Board noted the appointment of Norland Engineering as hard facilities management provider.

13/12 Finance Update

The Board received the finance report on the financial performance of HFMS for the period ended 30 September 2012. It was noted that there was a surplus of £1,076K against a budgeted surplus of £1,090K for the year to date



HFMS

14/12 Business Plan

The Board received and approved the business plan for 2012. The business plan would be developed for the following financial year.

Action: G Butler/P Holmes

15/12 Audit Committee Minutes 23 April 2012

The Board received for information the minutes of the Audit Committee held on 23 April 2012.

Chairman

Date