

**BOARD OF DIRECTORS**

**MINUTES OF MEETING**

**28 March 2012**

**BOARDROOM  
EDUCATION CENTRE  
ARROWE PARK HOSPITAL**

**Present:**

Michael Carr	Chairman
Gary Doherty	Acting Chief Executive
Cathy Bond	Non-Executive Director
Richard Dutton	Non-Executive Director
Russell Favager	Director of Finance & Performance
Sue Green	Director of HR & Strategic Planning
Jeff Kozer	Non Executive Director
Tina Long	Director of Nursing & Midwifery
Lyn Meadows	Non-Executive Director
Anne Parker	Senior Independent Director & Deputy Chair
Jean Quinn	Non-Executive Director
Luke Readman	Director of Information
David Rowlands	Medical Director
Nick Williams	Non-Executive Director

**In attendance:**

Angela Wetton	Corporate Secretary (Interim)
David Hounslea	Director of Estates & Facilities (for Items B11-12/183 & B11-12/186 only)

1 Governor attended

Reference	Minute
<b>Preliminary Business</b>	
<b>B11-12/ 174</b>	<b>Apologies for Absence</b> Apologies were received from Sandra Shannon, Acting Director of Operations
<b>B11-12/ 175</b>	<b>Declarations of Interest</b> There were no declarations of interest.
<b>B11-12/ 176</b>	<b>Minutes of the Previous Meeting (25 January 2012)</b> The minutes of the previous meeting were approved as an accurate record subject to minor amendments.
<b>B11-12/ 177</b>	<b>Matters Arising</b> There were no matters arising that were not covered elsewhere by this meeting's Agenda.

Reference	Minute
B11-12/ 178	<p><b>Chair's Business</b></p> <p>The Chairman advised the Board of the following items:</p> <p><b>Monitor</b> The Chairman referred the Board to the previously circulated letter received from Monitor which confirmed that the Trust was in significant breach of its Terms of Authorisation. .</p> <p>The Board was required to deliver a range of actions including submitting an 18 week RTT plan to Monitor by the end of March, complying with all relevant targets and standards going forward and commissioning a governance review.</p> <p>It was anticipated that a specification for the governance review and details of the proposed partner would be presented as soon as possible.</p> <p><b>Consultant Appointments:</b>  Dr James Pauling                      Consultant Paediatrician  Dr Anshu Awasthi                      Consultant Histopathologist  Dr Martin Shaw                         Consultant Histopathologist</p> <p><b>Ratification of Revolving Credit Facility with Barclays Bank</b></p> <p>The Chairman advised the Board that he had approved the renewal of the Trust's revolving £18 million credit facility offered by Barclays. There was a reduction of £11,500 from last year's cost. This was a competitive rate and the Finance Department confirmed this by speaking to a number of other Commercial high street banks.</p> <p>The Board ratified:</p> <ol style="list-style-type: none"> <li>1. That the amendments set out in the Letter of Variation and payment of the associated fee are in the interests of and for the benefit of the Foundation Trust and are most likely to promote the success of the Foundation Trust and that such terms and conditions of the Letter of Variation be and are approved and accepted</li> <li>2. That by entering into the Letter of Variation, the Foundation Trust will not be in breach of its obligations pursuant to section 44 of the National Health Services Act 2006, and that the Foundation Trust will not use the Facility in such a way that will cause itself to breach its obligations, pursuant to section 44 of the National Health Services Act 2006, or any condition of its Authorisation.</li> <li>3. That Gary Doherty and Russell Favager are authorised to sign the Letter of Variation on behalf of the Foundation Trust in their capacity as Board members to indicate acceptance of the terms and conditions.</li> <li>4. That the Bank is authorised to act in all matters concerning the Facility as amended by the Letter of Variation upon instruction from the Foundation Trust signed in accordance with the Bank's mandate for any of the accounts of the Foundation Trust held with the Bank current from time to time.</li> </ol> <p><b>Update on NED Appointment Process:</b> The vacancy for a Non-Executive Director would be re-advertised with a view to interviews being held in early May.</p>

Reference	Minute
B11-12/ 179	<p><b>Chief Executive's Report</b></p> <p>The Board received the Chief Executive's report for March 2012. The following items were highlighted:</p> <p><b>Commissioning</b></p> <p>The existing three Clinical Commissioning Groups on Wirral would be adopting a federated model that allowed them to continue to commission in their current configurations, build on the work that had been undertaken to date, whilst sharing some strategic and governance functionality to achieve economies of scale.</p> <p><b>GP Survey – Pathology Services</b></p> <p>A survey was undertaken by the Pathology Directorate during December, where GPs were given the opportunity to rate the service they received. The overall results were very good. The Board now needed to consider how the Trust could take this approach forward as part of the overall strategy for better GP engagement.</p> <p><b>Cheshire and Merseyside Vascular Review</b></p> <p>The second consultation period regarding the Vascular Service Review had been extended to mid-June.</p> <p><b>Trauma Review – Accreditation Visit</b></p> <p>A Trauma Accreditation visit took place on 9th February. The review team will be recommending to the Cheshire and Merseyside Major Trauma Network Board that the Trust be accredited as a Trauma Unit. Over 40 standards were examined and the review identified 12 areas where standards were partially achieved – the Trust would be working to address these as soon as possible</p> <p><b>KPMG Reviews</b></p> <p>The Trust had commissioned KPMG to undertake two reviews covering the processes for CQC Self-Assessment and the "Safeguard" risk management system data loss incident. Both reports had been received in draft and were being checked for accuracy.</p> <p><b>NHSLA Assessment</b></p> <p>The Trust's NHSLA assessment for Level 2 compliance would take place in July. On Monday 19<sup>th</sup> March a day long Peer Review session was held with the Quality &amp; Safety and the Executive teams. It was a successful day although there is work to be done.</p> <p><b>Staff</b></p> <p>The Final Report on the core National Staff Survey 2011 had just been received and was being analysed as per the timetable discussed previously with the Board. On first reading, the results were disappointing given the amount of work undertaken. However, in many areas the lack of statistical improvement was perhaps not surprising given the events that occurred within the Trust over the pre-survey and survey period (September – December). The final analysis from the additional survey undertaken was awaited and would be reported in due course.</p> <p>Since January 45 Nurses and 54 Clinical Support Workers had been appointed in addition to the Consultant appointments reported to the Board.</p> <p><b>Leadership</b></p> <p>Joyce Magennis would be standing down as Clinical Head of Division for Diagnostics &amp; Clinical Support Services to allow her to concentrate on the role of Lead Clinician</p>

Reference	Minute
	<p>for Breast Services. The effective date is yet to be agreed but recruitment arrangements were commencing.</p> <p>The Trust would be starting the process for the appointment of a new Clinical Head of Division for Acute Care over the forthcoming weeks. In the interim, Evan Moore, Deputy Medical Director was providing essential leadership within the Division.</p> <p>The Board noted the report.</p>
<b>Quality &amp; Safety/ Patient Experience</b>	
<b>B11-12/ 180</b>	<p><b>Quality &amp; Safety Committee Chair's Report</b></p> <p>The Board received the report which summarised the key discussions held at the Q&amp;S Committee Meeting on 14 March 2012.</p> <p>The Chair of the Q&amp;S Committee highlighted the following points:</p> <p><b>Safeguard System</b>                      Whilst underlying processes and recording of Risks, Incidents, and Complaints etc. remained in place the incident had a potentially harmful effect on our NHSLA preparations. It had also created considerable work in retrieving the data.</p> <p>The Committee was assured that the backup failure had been identified and dealt with. Further actions would be agreed and implemented following the finalisation of the report into the incident by KPMG.</p> <p>The elements of the RCA and external review which related to the overall systems and strategic issues will be referred to the Audit Committee and Board.</p> <p><b>Draft Annual Report</b>                      The observations of the Committees will be incorporated into the next version of the Report which will be presented to the Board at the first meeting in the new cycle</p> <p><b>Medicines Management</b>                      The Committee noted good progress in the February Audit and noted the mitigations which were in place to address those areas where compliance could not be fully achieved because significant building work was required.</p> <p><b>Acute Care Division</b>                      The Committee derived assurance about the direction and performance of the division, but noted that the appointment of the Clinical Head of Division was key to sustaining this drive. In this context the Committee understood why the whole triumvirate was not present, but was anxious to see triumvirate working demonstrated in these sessions.</p> <p><b>Performance</b>                      The Committee was particularly pleased to note good performance in patient experience areas in particular the achievement of high levels in eating and drinking and the improved levels in giving information about medication side effects. Delays remained a concern.</p> <p>The achievement of the 18 week target and green status for all compliance framework targets was noted. Good progress in Advancing Quality was being maintained although the pneumonia target remained challenging.</p>

Reference	Minute
	<p><b>Safety</b> The NCEPOD report into Paediatric surgery and anaesthetics had been reviewed and the Trust service already demonstrated good practice in a large number of areas. Where improvement was needed action plans were in place.</p> <p>The Trust had its first Never event this year. This related to an unaccounted for swab. The patient suffered no harm, but a detailed RCA was being conducted to see what action may be required</p> <p><b>CLIPPE Report</b> Good progress was being made on achieving Being Open objectives</p> <p><b>Clinical Audit Priorities</b> The Committee remained of the view that there needed to be better alignment between clinical audit activity and Trust Goals and will continue to explore this issue</p> <p>The Board noted the report.</p>
<b>Audit Committee</b>	
B11-12/ 181	<p><b>Audit Committee Chair's Report</b> The Board received the report which summarised the key discussions held at the Audit Committee Meeting on 14<sup>th</sup> March 2012.</p> <p>The Chair of the Audit Committee highlighted the following points:</p> <p><b>Wirral Millennium Update</b> Main risks impacting the Millennium programme going forward were presented and discussed. The Committee was informed that a refresh of the original business case was underway and that this would be brought through the normal Trust structures and that this was planned to be in Q1 2012/13.</p> <p><b>Internal Audit Progress Report</b> Mersey Internal Audit Agency (MIAA) had issued reports under the agreed Internal Audit Plan 2011-12 on combined financial systems (significant assurance), divisional review - acute (significant assurance) and review of patient experience framework (significant assurance).</p> <p>The plan for 2012/13 was discussed and agreed.</p> <p>The fees for 2012/13 were proposed at £68,569, which represented a 1.8% reduction from 2011/12 (£69,825).</p> <p><b>External Audit Technical Update</b> Safeguarding Data Loss – a piece of non-audit work. The resulting report was presented to Quality &amp; Safety Committee in draft form as an exceptional item. This report when finalised would be taken through the normal Trust system through to the Trust Board.</p> <p>Quality Report –guidance awaited from Monitor on the requirements.</p> <p><b>Governance</b> The Committee received a copy of the draft Corporate Governance Manual, it was highlighted that the SFIs SOs and Scheme of Delegation had been updated and</p>

Reference	Minute
	<p>reviewed by Finance and MIAA. The draft still needed further amendments to it but in light of the impending governance review to be carried out, any further work on the manual would be postponed until the outcome of the review was known. This would ensure that the manual is up to date. The Committee were reminded that the current version in existence for the Trust had been approved by Monitor in 2008 and was based upon a standard model.</p> <p><b>Money Transaction Advantage arrangement (MTA)</b>                      The Committee approved the recommendation by Director of Finance to enter into a MTA with Barclays, an instant access account from which the Trust would receive 1.5% for the first £10m deposited. The deposit account that the Trust currently had with Barclays at 0.80% would stand separately from this arrangement and funds over £10m would be transferred into this account to ensure that the Trust benefitted from the maximum return possible.</p> <p>The Board noted the report.</p>
<b>Strategies &amp; Plans</b>	
<b>B11-12/182</b>	<p><b>18 Weeks RTT Plan</b></p> <p>The Board received the draft plan from the Acting Chief Executive.</p> <p>After a detailed and lengthy discussion, the Board recommended a range of areas for further enhancing the plan and requested that the Acting Chief Executive re-circulate a revised version for further comment prior to submission to Monitor on 30 March 2012.</p>
<b>B11-12/183</b>	<p><b>Site Strategy – Full Business Case</b></p> <p>The Board received the business case from the Director of Estates &amp; Facilities who joined the meeting at this point.</p> <p>The Acting Chief Executive reminded the Board of the decision taken in May 2011 to support the site strategy proposed at that time.</p> <p>The Director of Finance reminded the Board of the project's finances:</p> <ul style="list-style-type: none"> <li>• proposed capital spend £11.4m</li> <li>• revenue saving of £1.1m</li> </ul> <p>The reduction in revenue from £1.4m to £1.1m since June 2011 was attributable to demolishing fewer buildings with the resulting reduction in facilities' charges savings e.g. rates and maintenance and refined costs of energy. Although the Board understood the reason for the reduction in revenue, should there be any changes to priorities going forward; the £1.1m must be delivered as a minimum.</p> <p>The Board was assured that although the estimated costs could be subject to change, they would be continuously reviewed.</p> <p>The Board requested that where possible, geographical locality should be one of the choice criteria when appointing contractors.</p> <p>The Acting Chief Executive would draft a report to propose the measurement of the benefits and the timelines and circulate to the Board. The Board would then receive</p>

Reference	Minute
	<p>updates on progress against the benefits.</p> <p>The Board was also advised that an Equality Impact Assessment would need to be carried out before the Site Strategy was released into the public domain.</p> <p>The Director of Finance recommended that for planning purposes the Capital cost of the Site Strategy be considered over 4 years commencing 1<sup>st</sup> April 2012. This would be a flexible approach which could avoid, at this stage, the need for external borrowing although this would be kept under constant review. Additionally the Board were asked to note that some individual schemes within the business case were subject to further reviews / gateways and clarification on benefits realisation metrics and therefore the Board was being asked to ring fence the total capital resource of £11.4m under the umbrella of site strategy but to note that further work and assurances were required in some areas before authorisation to proceed was given to individual areas. Further how these schemes fitted in with organisational priorities over the next few years would need to be taken into account. .</p> <p>The Board was asked to approve the following:</p> <ul style="list-style-type: none"> <li>• Relocation of the Child Development Centre to St Catherine’s Health Centre;</li> <li>• Relocation of the Finance Department to Arrowe Park, in principle;</li> <li>• Demolition of C Block at Arrowe Park;</li> <li>• Retention of the buildings identified at Clatterbridge (subject to review as indicated);</li> <li>• The updated capital and revenue cost estimates for the project; and the Final Business Case for the Site Strategy project</li> <li>• The Capital cost of the Site Strategy to be funded internally, spread over 4 years with effect from 1<sup>st</sup> April 2012, but that this approach would be flexible and reviewed based upon the financial position of the Trust.</li> <li>• The total Capital resource of £11.4m be ring fenced for Site Strategy but that individual schemes would be subject to further reviews / gateways before commencing and would be assessed against organisational priorities on an ongoing basis</li> <li>• The building for demolition (e.g. Crèche/print unit /old dialysis/pathology unit etc.) and recognize that should the issues around Willow House and C Block be resolved that they should be demolished in the next 4-5 years</li> </ul> <p>The Board approved the Site Strategy on the above basis.</p>
<p><b>B11-12/184</b></p>	<p><b>Millennium Implementation Phase 2</b></p> <p>The Board received the report and revised business case from the Director of Information.</p> <p>The full business case will be presented to Board at the end of quarter 1 2012/13.</p> <p>The Board was advised that £2m is built into the current contract to cover refresh costs.</p> <p>The Board was asked to consider and approve the following recommendations:</p> <ul style="list-style-type: none"> <li>• To split Phase 2 into two stages (2a-Maternity &amp; Pathology, 2b-Inpatients and Medicines Management)</li> <li>• To establish the Gateway process (used in Phase 1) with a series of tests to be achieved before we can proceed. This is to include independent external</li> </ul>

Reference	Minute
	<p>review of readiness</p> <ul style="list-style-type: none"> <li>• To enhance our training provision to include a separate training instance of the database and deliver curriculum based training using e-learning and assessment in addition to conventional means.</li> <li>• To conduct a post conversion review of future phases to formally report through the Trusts' structures and the Audit Committee at one month and three monthly post conversions.</li> <li>• To have a specific focus on data recording and reporting in this process.</li> <li>• To formally review the business case</li> </ul> <p>The Board agreed to proceed with phase 2 on the basis outlined above.</p>
<b>B11-12/185</b>	<p><b>Annual Plan Update</b></p> <p>The Board received the presentation from the Director of HR &amp; OD.</p> <p>The Board was advised that the first draft of the plan would be presented at the April Board Meeting and that approval for the final version would be sought at the May Board Meeting ready for submission to Monitor at the end of May.</p> <p>The Board queried the 5 key strands identified as they referred to strategies e.g. clinical services strategies. The Director of HR &amp; OD advised that this identified the commitment to develop strategies around these strands.</p> <p>The Board queried whether the Trust had identified adequate finance to fund engagement of Trust members both internally and externally e.g. PR/marketing etc. It was confirmed that if individual departments do not have sufficient funds, then a business case would be submitted.</p> <p>Once the Annual Plan has been submitted to Monitor it would be translated into a working document for the organisation.</p>
<b>B11-12/186</b>	<p><b>Carbon Energy Fund</b></p> <p>The Board received the report which sought an agreement in principle from the Board to proceed to the next stage of the procurement process.</p> <p>The Board noted the following key points:</p> <ul style="list-style-type: none"> <li>• The NHS Carbon and Energy Fund framework (NHS CEF) was established in May 2011. The Fund had procured a framework of ten contractors, and was open only to the NHS. It had £100 million of capital funding to invest. Trusts who were members of the Fund were able to use this framework, the framework contract, the funding, and the advice and support of the Fund to implement carbon and energy infrastructure upgrades.</li> <li>• The Fund was managed by the NHS and had a Board of Trustees.</li> <li>• The CEF's purpose was to allow NHS trusts to renew energy plant and address backlog maintenance issues. All schemes were designed to provide NHS trusts with guaranteed savings underwritten by the contractor for the duration of the concession. This was achieved by using CEF's framework and contractual agreements.</li> <li>• In May 2011, WUTH expressed an interest in joining the CEF.</li> <li>• WUTH was approached in October 2011 by NHS CEF to participate in their pre-qualifying process. The outcome was that a conditional offer was made to WUTH to join Tranche 2 of the Fund commencing in February 2012.</li> <li>• WUTH has the opportunity, via the Fund, to access up to £3 million of</li> </ul>

Reference	Minute
	<p>investment under a 15 to 25 year energy management scheme. This was not a cash injection to the Trust, as the framework would pay this directly to an agreed contractor/s.</p> <ul style="list-style-type: none"> <li>• By joining the Fund framework the Trust is not committed to any financial outlay, and any contracts entered into will be strictly in accordance with WUTH SFIs.</li> <li>• An essential component of being accepted onto the Fund is that Trust's Board of Directors must be signed up, in principle, to the scheme.</li> <li>• If WUTH agreed to proceed as part of the February 2012 Tranche, the project would be announced to the Framework and a mini-competition process would commence, with the aim of finalising the process and seeking the approval of the Trust Board during September 2012.</li> </ul> <p>The Board noted that the Carbon Energy Fund framework agreement had been vetted by Estates, Finance and Procurement who agreed that the proposal of contractor managed guaranteed energy savings would be of significant financial benefit to the Trust.</p> <p>The Board agreed in principle, with no firm commitment given in any way at this point, to allow the Trust to proceed to the next stage of the procurement process.</p>
<b>Use of Resources /Governance</b>	
<b>B11-12/187</b>	<p><b>Intelligent Board Performance Report</b></p> <p>The Board received the report which provided a summary of the Trust's position against the revised Monitor Governance Framework for 2011-12.</p> <p>Any performance issues or risks arising from this assessment are required to be highlighted, to provide a forward risk of a governance breach of the Trust's Authorisation.</p> <p>The Director of Information advised the Board of the latest position against Monitor's compliance targets.</p> <p>The Trust had delivered all the current 18 week standards in February, as detailed in the performance report. The 2012/13 standard relating to patients still waiting on an 18 week pathway had also been met. The Board noted this significant achievement, but set this within the context of the lengthy delay in reaching this level. The RTT action plan discussed under item 182 was critical to ensure that performance was sustained going forward. It was noted that the forecast for March was to again deliver all the RTT standards.</p> <p>The Board expressed their concern relating to the risk identified regarding the cancer 62 day target. The Acting Chief Executive advised that the Trust had delivered this standard for every quarter so far this year to date and he was confident we would so for the 4<sup>th</sup> quarter 2011/12. He confirmed the specialities that were facing the greatest pressure and highlighted the steps that were being taken, including revising patient pathways within urology.</p> <p>The report also highlighted the following key points:</p> <p>Finance</p> <ul style="list-style-type: none"> <li>• There has been an increase this month in Non-Core Spend of £25,464 compared to last month.</li> <li>• The Non-Core spend position remains a concern as the figures show that</li> </ul>

Reference	Minute
	<p>there has been an increase in the month only Non-Core Spend figure (comparing February 2011 to February 2012) by £205,509. A significant increase in the month only position (compared to same period last year) is due to increases in Agency payments. The figures show that there has been a continued reduction in Banks Spend.</p> <p>The Director of Finance advised the Board that Surgery was improving in their efforts to control spending but further work still had to be done and that Surgery's CIP was still under review. The Board queried the previously raised issues regarding Managers in the Surgery division and the Acting Chief Executive confirmed that the performance management process was in place and potential changes to staffing were under discussion.</p> <p>The Director of Finance confirmed both he and the Director of Information were still meeting weekly with the CCG to report on Trust performance.</p> <p>The Board noted the report.</p>
<b>B11-12/ 188</b>	<p><b>Financial Position at 29 February 2012</b></p> <p>The Board received the report which detailed the financial position for 2011/12 as at 29 February 2012.</p> <p>The Director of Finance highlighted the following key points:</p> <ul style="list-style-type: none"> <li>• At month 11 the Trust reported a surplus of £2.1m against a planned position of £2.0m which gave a small favourable variance of £0.1m and a Monitor Risk Rating of 3.</li> <li>• February saw contract income perform well although this was undertaken at significant additional cost.</li> <li>• There still remained a significant gap in achieving the recurring 2011/12 CIP and progress needed to be made to avoid adding additional financial pressures in 2012/13. Divisions have confirmed that all amber schemes will be delivered before the end of March however there was still £800k in red (expected to reduce to £500k) which if unresolved by year end will be carried forward into 2012/13 as unmet CIP in 2011/12</li> <li>• Key issue for the Trust next year is matching demand and capacity in core time rather than pay premium rates for activity that the Trust only receives average national tariff income from</li> </ul> <p>Given the latest monthly activity, the Director of Finance considered the financial position to be encouraging and he is confident the financial plan will be delivered in 2011/12. However, there was no room for complacency going forward and the Trust needed to continue to deliver the levels of contract income seen in the last quarter, minimising the cost of this work and safely reducing the overall costs of the Trust.</p> <p>The Board noted the report.</p>
<b>B11-12/189</b>	<p><b>Budget 2012/13</b></p> <p>The Board received the report from the Director of Finance.</p> <p>The Director of Finance confirmed that the budget is a reflection of the NHS Contracts signed by the Acting Chief Executive under his delegated authority.</p> <p>The Director of Finance referenced the Informal Board session the previous evening</p>

Reference	Minute
	<p>where he had given a detailed presentation on the 2012/13 Contracts and the proposed Budget for 2012/13, the following points were highlighted:</p> <p><b>Contract 2012/13</b></p> <ul style="list-style-type: none"> <li>• The Contract with the Commissioners had been signed on 15 March</li> <li>• The Contract had no caps and no minimum waiting times</li> <li>• Penalties imposed on the Trust would now be instant, with 3 new KPI's carrying financial consequence: A&amp;E 4 hour wait / 6 week Diagnostics and 18 week Audiology</li> <li>• The biggest financial Risk on penalties was Clostridium Difficile (CDIF), where if the Trust was 10% (7 cases) over target the penalty could be up to £4.5m. The target at which financial penalties commenced in the contract had been set at 68 as opposed to the nationally set Health Protection Agency target of 50. A schedule was handed out to the Board which showed the cost of each individual breach above the target. A discussion took place around the potential financial risk, the Director of Finance stated the penalty could be seen as disproportionate but this was mandated in the National contract. The target for when penalties applied was based upon 2011/12 outturn, and during 2011/12 other measures had been put in to improve infection control, but it was still a significant financial risk for the Trust and therefore it was essential the Trust delivered this target.</li> <li>• Readmissions – continued to be unfunded (although local exclusions have been agreed as well as a maximum financial cap of £2.7m) - clinical audit will take place in quarter 1 to review what proportion of readmissions were preventable</li> <li>• CQUIN schemes were discussed, the Director of Finance emphasised it was essential the Trust delivered the required milestones as it was the right thing to do for patients but also the £6m income was needed to help with the financial challenge for the Trust</li> </ul> <p><b>Budget 2012/13</b></p> <p>The budget paper was discussed and the following points highlighted:</p> <ul style="list-style-type: none"> <li>• The Financial Strategy for the Budget was that it was expected that any financial pressures arising from 2011/12 are dealt either with in the budget or remain as management issues for the Divisions involved to resolve</li> <li>• Planned surplus was £2.8m which would give a Monitor Risk rating of 3</li> <li>• 2012/13 CIP target was maintained at £14m</li> <li>• Contract activity was broadly flat from 2011/12 with some exceptions re 18 weeks, activity being based upon capacity and demand modelling undertaken by the Divisions</li> <li>• £8m of additional budget would go to the divisions to cover historic cost pressures and delivery of activity. Details behind the Capacity and Demand assumptions and the new investments had been discussed the previous evening</li> <li>• There is an assumption that the Trust will earn at least 50% (£3m) of the £6m CQUIN monies available, The other 50% would be in-year mitigation</li> <li>• £2.1m of contract income is a non recurring payment from PCT monies held by the Cheshire Cluster</li> <li>• There was a clear expectation from the budget that given the budget injections Divisions would contain expenditure within the resource allocated, deliver contract activity which Divisions had agreed and deliver the expected CIP targets.</li> </ul> <p>The key financial risks in 2012/13 were highlighted in paragraph 41 of the report with the main ones being achieving contracted activity and delivery of the CIP.</p>

Reference	Minute
	<p>The Board approved the operational budget for 2012/12 and the £3m mitigation resource.</p> <p>The Board confirmed the planned surplus of £2.8m.</p> <p>The Board recognised the particular risks outlined in the report, notably concerning CDiff performance and also the general risk that the Trust needed to respond appropriately to the current changes in the commissioning environment and the financial challenges facing the whole of the public sector whilst recognising that changes to the contract gave the Trust real opportunities to earn extra income.</p> <p>The Board confirmed the planned Monitor risk score of 3.</p> <p>The Board ratified the decision to sign the Commissioner contracts.</p>
<b>Items for Noting</b>	
<b>Committee Minutes:</b>	
<b>BM11-12/019</b>	<p><b>Hospital Management Board (13 January; 27 January; 10 February &amp; 24 February 2012)</b></p> <p>The Board noted the minutes of the meetings held on the above dates.</p>
<b>BM11-12/020</b>	<p><b>Quality &amp; Safety Committee (February 2012)</b></p> <p>The Board noted the minutes of the meeting held on the above date.</p>
<b>For Information</b>	
<b>B11-12/190</b>	<p><b>Any Other Business</b></p> <p>The Board wished to thank to the Executive team and the hospital staff for their continued hard work and dedication during an extremely challenging time in the Trust.</p> <p>The Board also wanted to thank Gary Doherty for his commitment to the role of Acting Chief Executive from August 2011 until the end of March 2012 during an unsettled period within the Trust.</p>
<b>B11-12/191</b>	<p><b>Items for Risk Register</b></p> <p>No items were identified.</p>
<b>B11-12/ 192</b>	<p><b>Private Business</b></p> <p>Private business was discussed.</p>
<b>B11-12/ 173</b>	<p><b>Date of Next Meeting (formal)</b></p> <p>Wednesday 25 April 2012</p>

The meeting closed at 6.30pm

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**Chair**

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**Date**