Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

The next meeting of the Royal National Hospital of Rheumatic Diseases NHS Foundation Trust Main Board to be held in Public will be on Monday 4th July 2011 at 1300 hrs in the Elwin Room

Bath Royal Literary & Scientific Institution

16-18 Queen Square, Bath BA1 2HN

A G E N D A

		Action	Person	Paper
	OPENING BUSINESS			
1.	Board Training - Veterans Update	-	Jeremy Gauntlett-Gilbert	-
2.	Apologies for Absence	-	Chair	-
3.	Declaration of Interests	-	Chair	-
4.	Minutes of meeting held in public on 6th June 2011	For approval	Chair	4.1
5.	i) Chair's Report	For information	Chair	5.1
	ii) CEO's Report	For information	Chief Executive Officer	5.2
	iii) Medical Director's Report	For information	Medical Director	5.3
	QUALITY GOVERNANCE			
6.	i) Patient Safety Walkabout	For information	Non-Executive Director	6.1
	ii) Quality Report	For information	Director of Governance	6.2
	iii) Single Equality Scheme, Equality & Diversity Act Annual Monitoring Report 2010/11	For information	Director of Operations & Clinical Practice	6.3
	PERFORMANCE			
7.	Operational Performance & Clinical Practice Report	For information	Director of Operations & Clinical Practice	7.1
8.	Financial Performance i) Finance & Activity Committee Chair Report - 22nd June 2011	For information	Deputy Chair of Finance & Activity Committee	8.1
	ii) Finance Report Month 2 2011/12	For information	Director of Finance	8.2
	MEETINGS			
9.	Audit Committee Minutes - 25th May 2011	For information	Chair of Audit Committee	9.1
	CLOSING BUSINESS			
10.	Any Other Business	-	-	-

CLOSED SECTION

The Foundation Trust Board of Directors will be asked to consider the following resolution:
'That representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity of which would be prejudicial to the public interest' (Section 1(2) Public Bodies (Admission to Meetings) Act 1960). Items in the private part of the meeting are either commercial in confidence or relate to individual staff and patients.

DRAFT

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

HELD IN PUBLIC
MINUTES OF THE
TRUST BOARD OF DIRECTORS
Monday 6th June 2011
RNHRD, Lecture Hall

Present:

Peter Franklyn	:	Chair (PF)
Kirsty Matthews	:	Chief Executive Officer (KM)
Dr Tim Jenkinson	:	Medical Director (TRJ)
Rayna McDonald	:	Director of Operations and Clinical Practice (RM)
Steven Haynes	:	Director of Finance (SH)
Peter Spencer	:	Non-Executive Director (PS)
Stephen Cole	:	Non-Executive Director (SC)
Chris Johns	:	Non-Executive Director (CJ)
Niall Bowen	:	Non-Executive Director (NTB)
In attendance:		
Hayley Sewell	:	Director of Governance (HS)
Caroline Coles	:	Board Secretary (CC)

ITEM	TOPIC	ACTION
	The Chair welcomed all governors to the RNHRD Trust Board meeting held in public, particularly Judy Coles, the new Lead Governor.	
PM 06/11/1	**Board Training**	
	Dr Raj Sengupta, Consultant Rheumatologist and Lead Consultant in Biologic Therapy presented an overview on the role of biologics therapies within the RNHRD. The presentation highlighted the services provided at the RNHRD, the number of patients involved together with projected forecasts. The Board were also advised that NICE approved the treatment of biologic drugs for the treatment of inflammatory disease in rheumatology and a national register which tracks the progress of patients on anti-TNF therapy is in place to monitor the long-term safety profile of these drugs. The Board thanked Dr Sengupta for a very informative presentation.	
PM 06/11/2	**Apologies for Absence**	
	There were no apologies received.	
PM 06/11/3	**Declaration of Interests**	
	No declarations of interests were received.	
PM 06/11/4	**Minutes of Meeting held in public on 4th April 2011**	
	The minutes of 4th April 2011 held in public were **approved**.	
PM 06/11/5	**i) Chair's Report**	
	Peter Franklyn, Chair presented the report with additional comments as follows:- ▪ On Friday 3rd June 2011 the Chair attended the AGM of the Friends of the RNHRD where a presentation on Pain Management by Professor Candy McCabe was well received. ▪ On Saturday 4th June 2011 the Chair attended the new Mayor of Bath, Councillor Bryan Chalker's inauguration ceremony. The Board **noted** the report.	
	ii) Chief Executive Officer's Report	
	Kirsty Matthews, Chief Executive Officer presented the report with additional information as follows:-	

	▪ Confirmation that Jeff James is the newly appointed Chief Executive of the Cluster for B&NES & Wiltshire and will lead the commissioning role for the Trust going forward. ▪ The NHS Future Forum concluded at the end of May 2011. A report will be produced for the July 2011 Board meeting summarising any findings or changes **Action : Chief Executive** ▪ The positive media coverage for April 2011. Niall Bowen, Non-Executive Director advised that a schedule for the remainder of the year will be produced to ensure that a target of 2 articles published per month in the local press is achieved. ▪ The launch of the new RNHRD website. Emma Mooney, Marketing & Communications Manager joined the meeting to demonstrate the new website to the Board. The Board **noted** the report and congratulated Emma Mooney and her team for a well designed website.	**KM**
	iii) Medical Director's Report	
	Dr Tim Jenkinson, Medical Director presented the report with additional comments as follows:- ▪ Discussions on potential academic collaborations were ongoing. ▪ The external review report of the Neuro Rehabilitation Unit had been received. The Board **noted** the report.	
PM 06/11/6	**Quality Accounts**	
	i) Patient Safety Walkrounds	
	Rayna McDonald, Director of Operations & Clinical Practice presented the report on the patient safety walkround in the Rheumatology ward. Positive comments were received from the patient interviewed, particularly on the pre-screening process which they found very reassuring. The Board asked that the issues identified with the front door be resolved. **Action : Director of Operations & Clinical Practice** The Board **noted** the report.	**RM**
	ii) Quality Report	
	Hayley Sewell, Director of Governance presented the report and highlighted that:- ▪ The Trust had met all applicable national targets for April 2011 ▪ The Trust was fully compliant with the CQC registration and essential standards of quality and safety for April 2011. The Board **noted** the report.	
PM 06/11/7	**Operational Performance & Clinical Practice Report**	
	Rayna McDonald, Director of Operations and Clinical Practice presented the report. The key highlights were:- ▪ The key patient indicator chart attached was sent in error. A revised chart was distributed at the meeting ▪ There was 1 adverse event during April 2011 where a Grade 2 pressure sore had developed underneath a plaster cast. This has completely healed with no residual problems. ▪ The number of falls increased in April 2011, however there were no injuries reported. ▪ A very positive report had been received from the SHA on the Trust's robust standards in Emergency Preparedness. ▪ Sickness levels for April 2011 had been within tolerances. ▪ The Personal Development Plan figures had not improved, this will be addressed by the new Learning & Education Manager due to start in post shortly.	

	The Board highlighted the good news in the reduction in waiting times for therapies and congratulated all concerned. The Director of Operations & Clinical Practice reassured the Board that enhanced monthly reporting to the Finance & Activity Committee is being developed to ensure this situation does not recur. The Board requested a benchmarking exercise take place with other organisations in relation to falls. **Action : Medical Director** Although the Board reiterated its concerns with regard to the Personal Development Plan figure it noted that the Director of Operations & Clinical Practice had presented a robust action plan to the Audit Committee which forecast improvements in the future. The Board requested a full review in 6 months time. **Action : Director of Operations & Clinical Practice** The Board **noted** the report and was very pleased with the positive news with regard the emergency preparedness.	**TRJ** **KM**
PM 06/11/8	**i) Finance & Activity Committee Chair Report – 25th May 2011**	
	Stephen Cole, Chair of the Finance & Activity Committee presented the report. It was noted that:- ▪ The main items discussed were those taken to the Audit Committee on 25th May 2011 which in general were approved. ▪ Detailed plans were presented to reduce overdue outpatient follow up appointments and the Committee concluded that robust plans were in place to enable a reduction ▪ Considerable time was spent on reviewing the Annual Report 2010/11 ▪ The month's activity reports were considered. The Board **noted** the report.	
	ii) Finance Report Month 1 2011/12	
	Steven Haynes, Director of Finance presented the report and highlighted the following:- ▪ The Trust's cash position is reasonably strong for April 2011 with a further increase in May 2011 due to upfront payments from certain PCTs. ▪ Debtors and creditors are below plan ▪ Due to shortfall in activity, PCT income is below plan. The Chief Executive commented that the shortfall reflects change in funding processes together with the number of bank holidays in April 2011 and the impact of the large number of employees who had taken holiday. The Board **noted** the report and raised concerns over the impact of the activity levels for the beginning of the year.	
PM 06/11/9	**Service Development Forum**	
	Niall Bowen, Chair of the Service Development Forum presented the meeting's terms of reference for approval by the Board. This group has been set up to establish a clear and effective link between expenditure and fundraising. It was confirmed that a charitable funds sub committee will also be formed. The Board **ratified** the terms of reference.	
PM 06/11/10	**Any Other Business**	
	There were no items reported	

The next Trust Board meeting to be held in public will be on 4th July 2011.

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Title:	**Chair's Board Briefing**
Author:	Peter Franklyn, Chair
Meeting	Trust Board, 4th July 2011
Sponsor:	n/a
Appendices:	Appendix 1 : Board Meeting Arrangements 2012
	Appendix A : Proposed Board meeting dates 2012
Review:	n/a
Action Required:	For Information

Meetings & Visits

18 June – Friends of RNHRD
Annual Strawberry Tea and dedication of garden bench in memory of the late Frank Bodger, former Vice Chairman of the Friends of RNHRD.

29 June – Clinical Excellence Awards Panel RUH
Lay member of Employer Based Awards Committee at RUH.

Veterans

14 June – Poppy Factory
Reception and Presentation at Naval and Military Club, London on role and purpose of the Poppy Factory in getting disabled, injured and sick ex-servicemen and servicewomen back into the workplace. Building on Veterans agenda. Chief Executive of the Poppy Factory has already attended Veterans Day in January and been part of a subsequent Focus Group

22 June – NHS South West Armed Forces Health Forum, Taunton
Verbal update by Chief Executive at Board Meeting as required.

New Governor Induction

15 June - Professor Steven Neill – UWE

20 June – Ruth Miller – NASS

Quality/Patient Experience Agenda

2 June - Visit to Clinical Measurement and DEXA Scanner - Jackie Shipley

2 June - Tour of Out-patient areas with General Manager Rheumatology – Amanda Pacey

7 June – Visit to Bath Heights – Residential accommodation used by Pain and AS Course patients – Lisa Self.

Board Meeting Arrangements 2012

See attached appendix 1, together with appendix A showing suggested Board meeting dates for 2012.

Peter Franklyn
Chairman RNHRD

21 June 2011

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Title	**Board Meeting Arrangements 2012**
Author	**Peter Franklyn, Chair**
Meeting	**Trust Board Meeting – 4th July 2011**
Appendices	**Appendix A : Proposed meeting dates**
Review	**n/a**
Action Required	**For approval**

1. Introduction

The purpose of this paper is to set out the considerations regarding future Trust Board and Board sub committee meeting arrangements for 2012. It takes into account the appointment of a new Medical Director's availability and the financial reporting timelines.

2. Background

At the 6th December 2010 Trust Board meeting it was agreed to hold 6 Trust Board meetings in public per annum from 1st February 2011, with a review in 12 months.

3. Current Structure

The current arrangements are for 6 Trust Board meetings to be held in public.

4. Recommendation for 2012

The Board is asked to agree the proposal that the pattern for 2012 be as follows:-

- 8 Trust Board meetings held in public per annum
- 4 Board Seminars per annum ie internal seminars to enable discussions on strategic and operational issues.
- To move the day of Board meetings to a Thursday afternoon
- Please note that the terms of reference for the Audit Committee state a minimum of 3 meetings per annum, 5 meetings are shown based on historical arrangements.

Suggested dates are shown in appendix A.

Peter Franklyn
Chair

24/06/11

2012 Year Planner - DRAFT

	2012	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T
	January							1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
																F									A								S							
Q3	**February**			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29							
													F													B													
	March				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31				
																		A					F										B						
	April							1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30		
																F																S							
Q4	**May**		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31						
																							F		A								B						
	June					1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30				
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	July							1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
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	August			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31					
																		A					F										B						
Q1	September						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30			
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	October	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31							
																F		A								B													
Q2	**November**				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30					
																F										B													
	December						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
																F										S													

24/06/11

B = Trust Board A = Audit Committee F = Finance & Activity Committee S = Board Seminars

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Title	**Chief Executive Officer's Report**
Author	**Kirsty Matthews, Chief Executive Officer**
Meeting	**Trust Board Meeting – 4th July 2011**
Sponsor	**n/a**
Appendices	**Appendix 1 : EMG Agenda**
Review	**n/a**
Action Required	**For information**

1. Meetings

9th June : Monitor "Board Safety Workshop : Ensuring patient safety in times of austerity", London

10th June : Meeting with VP Northern Europe & ANZ, and Marketing Director of Advanced Medial Nutrition, Nutricia
Meeting arranged to explore potential joint opportunities and sources of funding

17th June : Teleconference call with Sir Ian Carruthers.
Conference telephone call to highlight the proposed changes to the White Paper as a result of the NHS Listening Forum

22nd June : SW SHA Armed Forces Forum, Taunton

28th June : Meeting with Logistics Director, John Lewis Partnership.
Meeting to discuss potential fundraising opportunities.

2. Consultation Documents

None to report

3. Local Update

RUH
Ongoing engagement in development of RNHRD element of Integrated Business Plan.

4. National Update

NHS Future Forum
Following the governments listening exercise as the Health & Social Care Bill the NHS Future Forum has now published it's report. The full report can be found at:-

http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_127443

Key highlights are:-

- Monitors regulation of foundation trusts extended until 2016
- The proposed changes make it clear that Monitor's role will be to put patients first and to protect and promote their interests.
- It will not be an option to continue indefinitely as an NHS Trust but there will not be a blanket deadline (April 2014) in the Bill for abolishing NHS Trusts as legal entities
- Health & Wellbeing Boards role strengthened as Boards will have a "formal role in authorising clinical commissioning groups (CCG)" and will have input into annual assessments of the CCG's which will be carried out by the National Commissioning Board

- The introduction of any qualified provider will be delayed until 2012 and restricted to services covered by local or national NHS "tariff price"
- GP consortia to be named Clinical Commissioning Groups and to be created on 1st April 2013 when PCTs will be abolished. If the groups are not ready their powers and budgets will be passed back to the NHS Commissioning Boards. The Clinical Commissioning Group will now include a nurse, hospital doctor and two lay members
- Clinical Senates, a new sub-regional network of clinicians, to be established, hosted by the NHS Commissioning Board, to provide advice which Clinical Commissioning Groups will be expected to follow
- Strategic Health Authorities will also be clustered later this year
- The Commons Health Bill Committee will reconvene when the full amendments have been published. Commons report stage likely to occur in early September.

5. Monitor

- The revised Monitor and Care Quality Commission memorandum of understanding is available on:
  www.monitor-nhsft.gov.uk
  which describes how the CQC and Monitor will freely share information that is pertinent to their regulatory responsibilities

- **Q4 2010/11 monitoring of NHS foundation trusts**
  Monitor's analysis of RNHRD Q4 is now complete. Based on this work, the Trust's current ratings are:
  Financial risk rating - 2
  Governance risk rating - AMBER-GREEN.

6. Annual Report Update

Confirmation that 5 hard copies of our full Annual Report and full Statutory Accounts were sent to the Parliamentary clerks office for laying before parliament.

7. RNHRD Executive Management Group

The EMG agenda is attached as appendix 1.

8. Media

- Somerset Guardian: ***Brave Jane hopes to inform suffers of her rare illness***. Positive coverage of CRPS service.
- BBC Radio Somerset: interview with Jenny Lewis, Clinical Research OT CRPS Service, and past patient re CRPS service and patient information day at our Trust.
- Arthritis research UK: ***Anti-TNF drug Adalimumab now available for four-year-olds with juvenile idiopathic arthritis***. Positive coverage about Dr Ramanan and his paediatric service and research
- BMJ: ***Dangers of research into chronic fatigue syndrome***. Balanced article about the problems that researchers face when conducting research in this area. Dr Esther Crawley is quoted, along with other leading researchers in this field.
- Bath Chronicle: ***Broadcast marathon.*** Volunteers at Bath hospital radio all night broadcast – mention of the RNHRD.
- Inclusion of the RNHRD oil painting collection as part of the ***Your Paintings*** pages of the BBC website. This is a joint initiative with the BBC and the Public Catalogue Foundation. A key objective of this project is to champion a national painting collection and the organisations that own these works, to encourage the public to visit the paintings (where this is possible), and to go to participating collections' own websites. We have submitted information about the Trust and contact information is also included on the site.
  http://www.bbc.co.uk/arts/yourpaintings/galleries/collections/royal-national-hospital-for-rheumatic-diseases-royal-minera1132

9. Marketing Update

Branding

Following the successful launch of our new web site the second part of the branding project will be reinstated. This aim of this project is to ensure that the organisation has a single brand and identity running through all literature and presentations and other corporate materials.

Services for Ex-military personnel:

- Literature and information about service provision for this group of people is now live on our website.
- Project steering group has been established.
- RNHRD Senior Clinical Psychologist presented to the SW Armed Forces Health Forum 22.06.11
- The Poppy Factory support ex-military personnel to find work through their supported employment scheme. Through links established with the Poppy Factory, as a result of the January 2011 event, we are looking to support a 'Veterans Liaison Role' work placement via this scheme. The Poppy Factory have made an initial 'informal approach' to ex service personnel to ascertain level of interest in this role.

Marketing planning

The Marketing & Communications Manager is working with the Rheumatology, and Neuro Rehabilitation General Managers to develop Marketing plans to increase activity in these areas.

Kirsty Matthews
Chief Executive
24/06/11

Agenda

EMG

Thursday 16th June 2011
1400 – 1715hrs
In the
BOARD ROOM

				Paper
1400 - 1430	1.	Apologies	KM	-
	2.	Minutes of 21st April 2011	KM	✓
	3.	Action List	KM	✓
		Board Reports		
1430 - 1515	4.	Chief Executive Report	KM	✓
	5.	Director of Operations & Clinical Practice Report	RM	✓
	6.	Director of Finance Report	SH	✓
	7.	Q1 2011/12 Shortfall in Activity – Agreement of Action Plan	SH/KM	-
	8.	Annual Report 2010/11 – Q&A on reporting impairment	SH	-
	9.	Director of Governance Report - Single Equality Scheme - Clinical Risk Indicators	HS	✓
		Strategy		
1515 - 1615	9.	Vision & Values Communications Plan	KM	-
	10.	Veterans Update	KM	-
	11.	HR Strategy	MSp	✓
	12.	Print Strategy	JV	
	13.	Managing Email Guidelines	JV	
		Speciality Reports		
1615 - 1715	14.	Rheumatology	AP	
	15.	Communications & Marketing	EM	✓
	16.	Estates Management	MS	✓
		Any Other Business	-	
	17.	Annual Members Day / AGM - 29th September 2011	KM	-

Date of next meeting : 21st July 2011

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Title	**Medical Director's Report**
Author	**Tim Jenkinson, Medical Director**
Meeting	**Trust Board Meeting – 04th July 2011**
Sponsor	**n/a**
Appendices	**None**
Review	**n/a**
Action Required	**For information**

1. Specialist Peer Review

Endoscopy
Preliminary report received. Key recommendations/concerns:-

- the current reporting software should be reviewed to enable importing of images and direct transfer of information.
- noted that the decontamination process in place was impressive
- RNHRD Consultant formally invited to attend the Royal United Hospital's relevant multidisciplinary team meeting.

2. Audit

Follow up appointment pending list – inflammatory vs. non inflammatory
Database now populated with diagnostic coding of 450 rheumatology patients to ascertain diagnostic coding of inflammatory vs. non inflammatory disease. This audit was undertaken at the request of BANES PCT to ascertain which patients with non inflammatory disease could, potentially, be discharged to their general practitioners' care.

3. Medical Director 2007 to 2011 - retirement from post

Dr Jenkinson would like to take this opportunity to formally thank the Board of the RNHRD for their help, support and advice during his term as Medical Director. He is looking forward to taking up the role as lead for Education in August of this year and to strengthening collaborations with relevant organisations.

Dr Tim Jenkinson
Medical Director

27/06/2011

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

A Patient Safety Walkround is a visit to a ward or department by a member of the Trust Board. The walkround gives staff the opportunity to discuss safety issues and areas of concern. Patients and relatives are also interviewed when appropriate. Following the walkround, a report and action plan are developed allowing improvements to occur.

PATIENT SAFETY WALKROUND REPORT	
Area: Out-patients Department	**Lead area representative: General Manager Clinical Support Services** **Walkround carried out by: Non-Executive Director, RNHRD**
Date: 6/6 2011	**Format of walkround: Tour of the Out-Patients Department, discussion with patients and staff**
Report completed by:	**Distribution: The Chief Executive RNHRD, General Manager of Clinical Support Services and Trust Board**

PATIENT /RELATIVE/CARER STORY

Two patients were interviewed.

A patient who lives in the local community expressed concern over follow-up appointments and the length of time between first and follow-up appointment. There is a capacity issue.

A second patient who came from further afield to the hospital said her first appointment was with a consultant who explained she would see them next time. The patient has not seen the consultant again and over several consultations has seen many different doctors. The patient did not express any worries about treatment rather with continuity of doctor. Issues arising: what is the patient to expect on the day; the expectations created by consultants and other doctors as a team.

Colour code: **Action required** **No action required**

#	ISSUE IDENTIFIED / DISCUSSED	ACTION REQUIRED	ACTION OWNER	PLANNED COMPLETION DATE	ACTION COMPLETE?
1.	The reception area is cluttered with personal pictures and postcards on full view to the patients. This creates the wrong corporate image.	Review of reception environment with staff on the desks.	General Manager Clinical Support	September 2011	
2.	Wallpaper falling off walls in waiting room.	Review of décor within department is planned with Facilities Manager.	General Manager Clinical Support	Part of capital programme, date to be confirmed	
3.	No designated area for clinical observations to be performed with privacy; staff very challenged by the space.	Space within the department requires review and prioritising work to be carried out. Patients need an area away from the waiting room for clinical observations. Review by General Manager and Facilities Manager.	General Manager Clinical Support	Part of capital programme, date to be confirmed	
4	Ongoing lack of proper sluice facilities. Space makes things difficult for staff. Sluice area is a sink by the toilet. The sluice is locked by key pad and is difficult to gain access with specimens.	Include in space review in tandem with observation area review by General Manager and Facilities Manager.	General Manager Clinical Support	Part of capital programme, date to be confirmed	
5	Clinical area used for taking blood very cluttered and area contained a laminator. Room was cluttered and untidy.	Laminator removed Clinic room needs to be de-cluttered and tidied. Remove poster of television show.	Out-patient staff	6/6/2011 9/6/2011	Complete

Colour code: **Action required** **No action required**

#	ISSUE IDENTIFIED / DISCUSSED	ACTION REQUIRED	ACTION OWNER	PLANNED COMPLETION DATE	ACTION COMPLETE?
6	Signage around department is poor: signs put up without being laminated are now messy.	Review all signs on walls to see if appropriate. Laminate before being replaced.	Out-patient staff	September 2011	
7	Appointments staff discussed the problems they have with patients ringing the hospital. At present there is no call-waiting system and the team gets a high level of complaints about patients not getting through.	A review of the telephone system planned with Facilities Manager and telecoms engineer.	General Manager Clinical Support	November 2011	
8	Appointments staff discussed the duplication of information they need to put on the system for patient appointments.	Plan to move from single-episode appointments to multi-episode appointments will resolve this.	General Manager Clinical Support	October 2011	
9	Consultant room 1 looks cluttered. Large amounts of leaflets in room. Carpet very faded and dirty.	Needs to be reviewed with Facilities Manager. Possible introduction of Productive Ward to improve processes and the environment within outpatients.	General Manager Clinical Support	October 2011	

Colour code: **Action required** **No action required**

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Paper Number	**6.2**
Title	**Quality Report for the month of May 2010**
Author of Document	**Hayley Sewell, Director of Governance**
Meeting	**Board of Directors July 2011**
Action Required	**For information**
Assurance	**CQC Essential Standards of Quality and Safety, Outcome 16 - Assessing and monitoring the quality of service provision.**

National Targets - For noting by the board

- In May 2011 the Trust did not meet one of the applicable national requirements and minimum standards for acute trusts detailed in Monitor's Compliance Framework 2011/12[1] as there was 1 case of Clostridium Difficile. (See table 1 for details).

Monitor Governance Risk Rating as at 23.06.10 = Amber/Green. I advised Monitor of the 1 C Diff case in Quarter 1 as this results in a performance score of 1.0. I have been advised by Monitor; "*The current Amber Green rating is not service performance related and is therefore not counted in addition to any service performance scores the Trust may incur during a quarter. So if the Trust has a service performance score of '1.0' at Q1 it will be rated Amber Green, provided there are no new overrides applied by Monitor in relation to any additional concerns that have come to light.*"

- In May 2011 there were no serious incidents, serious complaints or trends in complaints or other patient safety issues and the trust remained compliant with Care Quality Commission registration and essential standards of quality and safety.

Table 1. Targets and indicators, thresholds and monitoring periods for 2011/12

Targets and indicators, thresholds, and monitoring periods for 2010-11	Threshold	Weighting	Monitoring Period for Monitor	May 2011	Year to date	R/A/G for Q1
Safety						
Clostridium difficile year on year reduction (to fit the trajectory for the year as agreed with PCT; 3 cases in 3 separate patients – profiled as one case in Q2, Q3 and Q4)	0	1.0	Quarterly	1	1	
MRSA – meeting the MRSA objective	0	1.0	Quarterly	0	0	
Patient Experience						
Referral to treatment waiting times – non-admitted i.e. out patients (95th percentile)	18.3 weeks	1.0	Quarterly	15.76 weeks		
Referral to treatment waiting times – admitted i.e. inpatients (95th percentile)	23 weeks	1.0	Quarterly	10.56 weeks		
Certification against compliance with requirements regarding access to healthcare for people with a learning disability	N/A	0.5	Quarterly	Comp-liant	Compl iant	

The scoring system for Governance Risk Rating is detailed in the Compliance Framework[1]

Extract from page 29 - Diagram 13: Deriving the Governance risk rating

	Description	Monitoring	Regulatory Activity
Green	No material concerns -governance score less than 1.0 -certifications complete and satisfactory	Quarterly/6 monthly submissions Exception reporting	N/A
Amber-green	Limited concerns surrounding Authorisation Examples include: -moderate CQC concerns -other third party concerns with potential governance implications -certification concerns Governance score ≥1.0, <2.0 i.e. limited service performance concerns	Depending on nature of risk, some additional work/supplementary information may be required to scope the issue in question, e.g.; -quality governance review -CQC input Once scoped, approach to address the issue of concern to be agreed with trust, with specific reporting on progress in resolving issue.	Next steps depend on progress of this work and governance implications identified: -if no material concerns, or if concerns addressed →back to green -if trust continues to fail e.g. breaching the same 1.0 weighted indicator, Monitor may decide to publicise the issue
Amber-red	Material concerns surrounding Authorisation Examples include -multiple service performance concerns -failure to maintain CNST level of 1.0 -major CQC concerns, or compliance actions Governance score ≥2.0 <4.0 i.e. multiple service performance breaches Trusts triggering escalation consideration but deemed not currently in significant breach	Where trust have met escalation criteria but are not found in significant breach, trusts may be required to set out a plan to return to compliance	Where trusts have met escalation criteria but are not found in significant breach, continuing breaches of the Authorisation may lead to further escalation.
Red	Either: Potentially in significant breach, including: -significant governance issues emerging from CQC review, e.g. enforcement actions -governance score ≥4.0 -3rd successive quarter failure against a 1.0 weighted governance indicator or -trust in significant breach of Authorisation	FTs may be required to: -submit information -initiate third party review -attend a formal regulatory meeting to determine whether breach is significant Subsequent requirements to depend on outcome of any meeting and other evidence e.g.: -detailed action plan -delivery updates	If found to be in significant breach, Monitor Board will consider the use of statutory intervention powers under section 52 of the Act, including for example: -changes to board -require adherence to action plan -require use of external advisors (financial, governance, clinical) Monitor will publicise any intervention at the time it occurs. If not found in significant breach →de-escalate to Amber-red until situation addressed.

1. Compliance Framework 2011/12 Monitor, March 2011

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Title	**Single Equality Scheme, Equality & Diversity Act Annual Monitoring Report 2010/11**
Author	**Marianne Spaans, Head of HR**
Meeting	**Trust Board Meeting – 4th July 2011**
Sponsor	**Rayna McDonald, Director of Operations & Clinical Practice**
Appendices	**n/a**
Action Required	**For information**

Introduction

At the end of each financial year, HR is required under the Single Equality Scheme, Equality and Diversity Act, to publish the Trust's recruitment and work force figures as an annual monitoring report using specified headings as shown below.

Recruitment Activity 2010/11

The table below illustrates recruitment activity for 2010-2011 compared to 2009-2010.

	2009-2010	2010-11	Variance
Employee numbers	466	459	-7
Applicants	1327	1388	+61
Shortlisted for Interview	472	445	-27
Appointed	89	88	-1

Recruitment activity by gender

The majority of applicants during the year have been female, however, this year we have seen an increase in the number of male applicants. About half of these gender groups are shortlisted, but there has been a higher number of female staff employed.

Recruitment Activity by Disability Summary & Analysis

In line with the Employment Disability report, we have had a small number of disabled applicants apply to our Trust. The majority have been shortlisted and interviewed under the Disability 2 Ticks process but none have been employed. For information, the Disability Two Ticks process entitles the candidate to an interview providing they fulfil all essential criteria on the person specification.

Recruitment Activity by Ethnicity Summary & Analysis

We have had applications from across all ethnicity groups and have employed a higher number of other ethnic groups due to an increase in Bank recruitment over the year. Bank contracts tend to be a particular area of choice.

Recruitment Activity by Age Summary & Analysis

Appointments by age is fairly level and a good representation across all age groups is evident. This year there is evidence of an increase in applications received from candidates between the age groups of 20 – 29. This may be due to the higher number of Bank applicants and newly qualified staff that have been recruited over the past year.

Recruitment Activity by Religion Summary & Analysis

This year the Trust has again received applicants from all religious beliefs. It is evident in this particular category that a higher number of people have chosen 'other' and 'undisclosed'. This may be due to a higher sensitivity in religious beliefs disclosure within the country itself rather than anything the Trust has personally influenced.

Recruitment Activity by Sexual Orientation Summary & Analysis
We have had representation from the majority but not all the sexual orientation sectors. The majority are heterosexual and undisclosed. The undisclosed figure has remained about the same as previous years.

Ethnicity workforce

	2008-2009	2009-2010	2010-2011	Target 2010-2011
White Background	86%	85.44%	80	80%
Other Background	10%	13.29	19.31	20%
Not Stated	4%	0.84	0.69	0%

Comparison with the 2001 census for BANES and the South West region last year summarised that the Trust employed a significantly higher percentage of people from other backgrounds.

This year's figures have continued to follow on this trend. For the second year running the majority of other backgrounds are still employed by the Trust at band 5 positions. This tends to be the nursing roles. This was a role listed on the national shortage occupancy list for many years and a position we have had difficulty recruiting into before – but this is now no longer an issue.

We have no representation of other minority groups at senior managers/clinicians (Band 8A-D) as well as no Directors or Non-Exec Directors. This is a trend continuing from last year.

Our targets for next year are set to follow a slow increase in 'other background' being employed within the Trust along with a 0% 'not stated' due to the continued effort of enhanced data cleansing.

- Look at recruitment for Senior Managers, Directors & NED posts
- Compare against patient ethnicity reports
- Continue Data Cleansing drive focusing on the Doctors staff group

In June 2011 HR and Learning and Development will be looking at the ethnicity statistics for training take up of employees with other backgrounds to ensure that we remain fair and consistent in our offering of development opportunities to all employees.

Board Action
The Board is asked to note the content of this report prior to its publication on the website to demonstrate our compliance with the Act.

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Title:	**Operational Performance & Clinical Practice Report**
Author:	Rayna McDonald, Director of Operations & Clinical Practice
Meeting	Trust Board Meeting – 4 July 2011
Appendices	Appendix 1 - Patient Safety Key Indicators
Action Required:	For information

Patient Safety
In May there was one adverse event: a patient developed C Difficile it has not been possible to isolate a definite cause due to the complexity of the patients medical condition. The patient was isolated in a side room and no further cases of C Difficile have developed. A Root Cause Analysis has been completed and action plan implemented that includes change of practice regarding protocols following isolation, this case demonstrated excellent working between the medical staff and the Microbiologist based at the RUH

In May there were a total of 10 falls sustained with no injuries as reported on Datix. All patients had a falls assessment on admission; one patient from Bath Centre for Pain Services had five falls and another on Rheumatology had two falls both these patients have a history of falling and have been commenced on the falls pathway.

There were 3 medication errors with no adverse events against a target of 2 per month this is being investigated.

Work Force

Monthly Data	Target 2011-12	2010-11 Year End Figure	Apr-11	May-11		YTD Total (Rolling) May 10 - Apr 11	Financial Year Total Apr 11 - To date
Induction Attendance (%)	100%	100.0	100.0	100.0	G	100%	100
CRB % completed before start date	100%	100.0	100.0	100.0	G	100%	100
Sickness (%)	3.5%	3.5	4.3	3.6	G	3.6%	3.9%
Short Term Absence %		97.0	5.0	90.0	N/A	95.0%	91.6%
Long Term Absence %		3.0	3.0	7.0	N/A	5.0%	8.4%
No.of People > 4weeks		32	9	2	N/A	36	10
Other Paid Leave (%FTE)		9.6	8.5	2.4	N/A	9.5%	5.3%
Turnover (Monthly %FTE)	12%	12.3	0.0	0.5	G	11.0%	0.5%
Personal Development Plans (YTD%)	85	55.0	55.8	56	R	56%	N/A
Whistle Blowing Cases	0	0	0	0	G	0	0

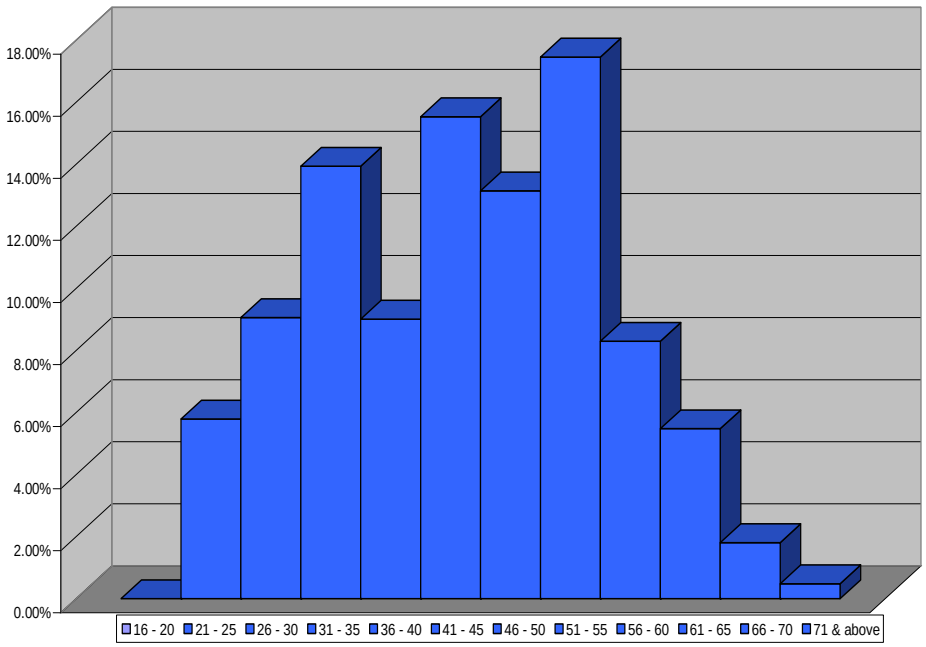
The majority of targets continue to be achieved, however, there has been a slight increase in sickness figures from 3.4% to 3.6%, and a minimal change in the Personal Development Plans figure.

Personal Development Plans
HR has devised an appraisal action plan to support the Trust in its achievement of the completion of Personal Development Plans.

Actions included are:

- Monthly reports to managers with appraisal data including last appraisal date and date appraisal due
- HR dashboard includes appraisal figure for Board and EMG
- Managers and heads of departments to devise a clear structure of who is appraising whom
- Induction training includes appraisal and KSF outline actions to empower new employees
- Round 2 of training courses for managers and supervisors
- Master classes for managers and supervisors on appraisal and its uses
- Removal of those individuals currently on long-term sick and maternity leave as part of the reporting
- Explore the use of OLM (on line system connected to the Electronic Staff record) for appraisals
- Review of appraisals paperwork and process – review the Skills for Health competencies and devise a tick box appraisal
- EMG to discuss the releasing of both employees and managers from daily duties to carry out appraisals.

Workforce Age analysis
This year's analysis shows that we have a large majority of employees who could retire shortly, with this becoming more and more of an issue as years go by. These groups of staff have been with us for a long time and there is a possibility that in 10 years nearly 15% of our workforce could retire.



HR will be working with individual general managers to identify those individuals close to retirement and with a post-retirement age to manage the turnover.

Neuro Rehabilitation
There has been a significant decrease in activity against plan for the initial two months of the year. There is an action plan to deal with the decrease in referral rate/links with commissioners and the decrease in occupied bed-days for April and May 2011. The Clinical Patient Pathway Manager has had regular meetings with the South West Specialist Commissioning Group.

There has been a change in the nursing structure on Neuro-rehabilitation with the acting matron stepping down and the Rheumatology matron becoming the cross-trust matron and the development of an internal four-month opportunity for a unit sister within existing establishment. This new development includes the establishment of team leader roles in each area

These changes and the absence of some staff from the rotas have led to significant pressure and overspend in the nursing bank in the first two months of the year. This has been unavoidable, in order to maintain clinical quality and patients safety. To clarify bank staff have not been employed on a like-for-like basis an assessment and the following questions are always asked first by the senior nurse and then reviewed by the General Manager on a daily basis prior to booking of bank staff:

1. Is it necessary to fill the shift?
2. Can staff be moved from elsewhere?
3. Can a lower grade be used?
4. Can shorter hours than the shift be booked

All of the issues that have required additional bank staff being required for back fill of posts have now been resolved.

We are mid-way through a 90-day consultation process with therapy teams to provide weekend working initiated to meet requirements for a best practice in terms of rehabilitation and to increase our competitiveness. The implementation of a 7-day working for therapists would be cost-neutral. The final decision on the model of delivery is due to be decided by end-June for implementation mid-August 2011.

The smartening and refurbishment of the unit is near completion. All infection control recommendations have been completed and signage has been improved. A future scheme for an en-suite room/patient spa is being prepared for fundraising in the coming year. An official opening of the new /revamped rooms is being planned.

A very complimentary email expressing thanks from the relative of a recently discharged patient has been received and will put onto the website.

Rheumatology
There has been a slight improvement in the number of patients waiting and overdue on the follow-up waiting list for Rheumatology. As at the end of May 2011 there were 7247 patients on the rheumatology follow-up waiting list ***(figure 1***) with 82% (5896) patients without an appointment of which 28% (1704) are overdue for their planned follow-up appointment.

Figure 1: follow-up waiting by status (all)

RHEU	Booked		Unbooked		All		% Unbooked	
	April	May	April	May	April	May	April	May
Overdue	854	1075	1969	1704	2823	2779	70%	62%
Future	264	276	4350	4192	4614	4468	94%	94%
Total	1118	1351	6319	5896	7437	7247	85%	82%

Dr Mcfarlane has extended her leaving date to the end of October as a result we need to reprofile the proposed activity plan to account for this additional activity. We are currently advertising for a locum Consultant to replace Dr McFarlane and anticipate interviewing for this post in mid July.

A business case is being prepared for the recruitment of a permanent consultant.

From the beginning of July it is planned to move back to the 'old' system of booking follow-ups with patients following their outpatient consultation apart from patients who require follow-up appointment in over a year. As a result of this type of system there is always a risk of cancellation this will be explained to patients at the time of booking. To minimise the amount of rescheduling of appointments when a clinic needs to be cancelled 'fire-break' clinics will be set up. Firebreak' clinics are when a clinic is frozen every 6-7 weeks; this can be used to reschedule patients into should a clinic be cancelled or reopened two weeks beforehand if not utilised (will allow additional capacity for urgent appointments). This has been discussed with the consultants who are in agreement of changing the booking/clinic system.

Rayna McDonald
Director of Operations & Clinical Practice
27/06/11

Area of work	Information Source	Measure	TARGET	Total for Year2010/11	Apr-11	May-11
Adverse Harm Events	Adverse events tool	Number of events	**0**	4	1	1
ADVERSE HARM EVENTS						
MRSA bloodstream infections	Audit	Number of days between	**>365 days**	1488	1518	1549
C Diff infection	Audit	Number of days between	**>365 days**	1 episode	127	0
Pressure Ulcers Grade 2-4 RNHRD acquired	Audit	Number of days between	**>365 days**	729	0	31
Patient Falls with adverse event	DATIX reports	Number of days between	**>365 days**	1 episode	99	130
Medication errors with adverse events	DATIX reports	Number of days between	**>365 days**	721	751	782
Blood transfusion adverse event	DATIX reports	Number of days between	**>365 days**	721	751	782
Transfer to acute care within 72 hours admission	Web Trak	Number of days between	**need to confirm target**	179	209	240
DVT or PE following admission	DATIX reports	Number of days between	**>365 days**	1278	1308	1339
PATIENT SAFETY INDICATORS						
Management of deteriorating patient	Notes audit	%completion of EWS forms	**100%**	100%	100%	100%
VTE: Assessment on Admission	Notes audit	Completion of assessment	**95%**	99%	100%	100%
VTE:Prophylaxis	Notes audit	Appropriate prophylaxis treatment prescribed	**100%**	100%	100%	100%
Number of Wafarin Patients INR>6	Lab results report	INR>6	**0**	0	0	0
Patient Falls with no adverse event	DATIX reports	no. of incidents	**45**	52	10	10
Medication errors with no adverse events	DATIX reports	no. of incidents	**2 per month**	4	0	3
Patients with no admission medicine reconciliation	Drug Chart audit	Continuity of medication maintained following admission	**0%**	2%	0%	0%
MRSA Pre-Scree	Path lab results	Screens vs admissions	**100%**	99%	100%	100%
Hand hygiene Results	Observational Audit	95%	**96%**	95%	96%	97%
VACS Score	Notes audit	Aggregated %	**85%**	92%	95%	92%
Patient Safety Walkrounds	Director led walkround	1 per month	**12**	9	1	1

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Title:	**Finance & Activity Committee Meeting – Chair Report**
Author:	**Stephen Cole, Non-Executive Director**
Meeting	**Trust Board, 4th July 2011**
Appendices:	**Appendix 1 : Agenda 22nd June 2011**
Review:	**n/a**
Action Required:	**For Information**

Finance and Activity Committee

Meeting 22nd June 2011

Members of the Finance and Activity Committee met on 22nd June 2011 to discuss the matters set out on the attached agenda.

Virtually the entire meeting time was devoted to considering the reasons for the poor result for the 2 months to 31st May 2011 and what steps have been taken and are being taken to seek to redress the position.

The reasons for the shortfall mainly relate to activity levels not meeting plan in rheumatology, endoscopy and neurorehabilitation, and payroll costs exceeding plan in rheumatology and neurorehabilitation. Some aspects of activity (Neurorehab and Endoscopy) are not within the control of the Trust. However, due to the backlog of follow ups and referrals holding up, it is considered the level of activity within Rheumatology is much more within control of Trust staff and should be prioritised, as well as additional control over managing staff and associated payroll costs.

It was noted that the issues identified had already been taken to EMG first in the context of ensuring staff appreciation of amendment to 11/12 plans so soon after presentation to and agreement by the Board, but then in the development of action plans and allocating responsibilities. Whilst not completely finalised when discussed, the plans do seem realistic and go to the heart of the issues with the capacity when implemented to arrest the position and then improve it. The challenges having regard to the external environment are significant but the Committee members believe actions in Rheumatology are ones which can be readily delivered and have positive impact in the short term. The CEO and Director of Finance will provide the Board with further information at the July Board Meeting.

The Committee discussed reporting of the current state of affairs to Monitor as regulator and recommended the Director of Finance continue to brief his regular contact but that the CEO also speak to the more senior relationship officer to assure transparency and agree that action plans would be shared once discussed at Board level on 6th July 2011.

The Committee deferred to its next meeting consideration of Background IPR being brought by the Trust to the next stage of development of the Head and Neck Collar.

I gave some feedback from the Capstick's seminar on The Bribery Act which comes into force with effect from 1st July 2011 and what actions the Trust should be taking, the Committee concluding these fall under the ambit of the Audit Committee.

Stephen Cole
Chair, Finance & Activity Committee
22/06/11

Royal National Hospital for Rheumatic Diseases

NHS Foundation Trust

A G E N D A

Finance and Activity Committee Meeting

Date of Meeting 22nd June 2011

Venue Board Room 14:00 – 17:00

	Paper
• Apologies for Absence	
• Minutes of meeting 25th May 2011	✓
• Matters arising and actions	✓
• Month 2 Finance Report	✓
• "The Bribery Act" Capsticks Seminar feedback and actions	
• EMG – draft action plan (see finance report 1.2.4)	
• Head & Neck Collar [Jane is on annual leave]	
• AOB	

Date of next meeting 20th July 2011 14:00 – 17:00

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Title	**: 2011/12 Finance Report for 02 months ending 31st May 2011**
Author of Document	**: Steven Haynes, Director of Finance**
Date of Document	**: 24th June 2011**
Action Required	**: For information**
Summary of Document	**: To update the Finance & Activity Committee on the financial position of the Trust up to 31st May 2011**

SUMMARY REPORT

This paper details the financial position of the Trust for the 2 months ending 31st May 2011. The key points to note are:-

(i) The Income and Expenditure account for the year to date shows a **deficit of £154k** compared with a **planned deficit of £57k**. Within this figure EBITDA is £98K behind plan. The key points to note are:

- The level of PCT income for the two months of April and May totals £1,943k and is £155k below plan.
- The main areas of concern are Rheumatology (£47k) and Neuro rehabilitation (£110k).
- The activity in Rheumatology is below plan across all areas of the service, (see appendix 4). The year end forecast is based on the department's activity projection and shows a shortfall of £70k.This is due to a predicted under performance in Endoscopies of 200 cases (£93k).
- The activity in Neuro rehabilitation shows an average occupancy over the 2 months of 15.9 beds compared to the target of 17.5 beds. This has resulted in an under recovery of income of £110k. If the bed days remain at around 16 beds for the remaining 10 months of the year, then the service will be £499k below its income plan.
- Other areas of income and expenditure are broadly in line with budget and contribute a positive variance of £140k at the year end.
- **Overall the year end forecast shows a deficit of £298k i.e. £423k below the planned surplus of £124k. An action plan has been developed and is included in the main report.**

(ii) The Balance Sheet for 31st May 2011 shows net current liabilities of £668k compared with the figure of £491k at 31st March 2011 with a cash balance of £1,122k (including £729k early payment from local PCT's) compared with £684k at 31st March 2011.

(iii) The debtor's position now stands at £801k with creditors at £1,660k.

(iv) KPI – the Monitor Financial Risk Rating (FRR) stands at 1.

The following appendices are included as indicated:

(For ease of use, hyperlinks have been included between narrative and appendices for those using a soft copy version of the report).

Appendix		M02 inclusion
1	**Income & Expenditure Account**	Y
2	**Analysis of Pay Expenditure**	Y
3	**Analysis of Non-Pay Expenditure**	N
4	**Analysis of Referrals (Rheumatology)**	N
5	**Balance Sheet**	N
6	**Financial Risks Register**	N
7	**Cash Flow Report**	N
8	**Aged Debtors Report**	N
9	**Aged Creditors Report**	N
10	**Cash Flow Statement**	N

1. Income & Expenditure Account

The Trust's income and expenditure account is summarised in Appendix1.

The Income and Expenditure position to the 31st May 2011 shows a **deficit of £154k against a planned deficit of £57k.**

1.1 PCT Income

PCT income is **£155k below** plan.

1.1.1 Rheumatology

Overall there has been a financial under performance in the period of £47k.

Referrals for May 2011 were 364 (see Appendix4). This compares with 329 for April 2011 and is higher than the 2010/12 referral rate for the same month.

1.1.2 Pain Management

Overall the NHS PCT income is £6k above plan but forecast to be £39k below plan at the year end. This is due to a planned course which may no longer take place. The department are actively looking at adding a different course. The level of private patient income for the year is £54k and is expected to be in excess of the £200k by the 31st March 2012.

1.1.3 Neuro Rehabilitation

There was a shortfall in both April and May against plan which has resulted in a major under performance of £110k.

If the remaining 10 months of the year deliver an average bed occupancy of 16 beds, then he service will be £499k below budget a 31st March 2012.

The number of assessments for admissions requested for the 2 months is 7 of which 5 resulted in an admission.

1.1.4 Chronic Fatigue

There is a shortfall against plan in adult services. Overall the income is £10k above plan to date, due to a significant increase in the volume of paediatric outpatient attendances. This is expected to continue, although there is uncertainty around the continuing rate.

1.1.5 Private Patient Income

Income from private patients for the period is £55k (Pain Management is £54k) against a plan of £40k. The year end forecast is £229k.

1.1.6 Education, Training and Research Income

Education, Training and Research income is above plan by £28k with £126k remaining on the balance sheet as deferred Income.

1.1.7 Other Income

Other Income is in line with plan.

1.2 Expenditure

1.2.1 Pay Expenditure

Pay expenditure is shown in detail in Appendix2. Overall there is an overspend of £26k.

The year end forecast predicts an underspend of £27k. There are five areas which give cause for concern. These are listed below with comments and remedial actions:

Department	Issue	Remedial Action Plan
Rheumatology	The department is £14k overspent in 2 months. This is due to : • 2 OT staff have been on maternity leave for 12 months and are now taking accrued annual leave of 6 weeks at full pay. This will cease in June. These positions were covered during this period by staff on fixed term contracts which are coming to an end. • 1 nurse band 5 on long term sick who is being covered by bank nurses. This will cease next month.	Maternity leave ceases in June and August. All bank usage now approved by General Manager. Review of staffing in the light of lower bed occupancy than planned. A decision has been taken to permanently reduce staffing levels by 1 nurse on each early shift on the ward.
Neuro rehabilitation	The department is £21k overspent in 2 months. This is due to • 1 member of staff has been suspended and replaced temporarily. • Increase over the funded establishment for April and May as a result of a temporary removal of a senior nursing member of	Annual leave booking reviewed. Issue of suspended staff reduced by 4th July 2011. All bank usage now approved by General Manager.

	staff during the course of an investigation. • 1 member of staff on maternity leave and 2 members of staff on long term sick. Staff being covered by bank.	
Patient Secretarial Services	Additional unfunded hours following implementation of digital dictation.	Digital dictation now in place. Further review of service to take place with General Manager June.
Medical Records	Contracted and worked wte greater than budget by 1.35 wte.	Additional hours and skill mix being investigated and reviewed by General Manager.
Domestic	Staff employed wte unfunded posts in April and May.	Investigation being undertaken and report to be produced in June.

1.2.2 Non-Pay Expenditure

Non-pay expenditure is shown in detail in Appendix3. Overall the expenditure is £40k under spent against plan and is predicted to be £61k underspent at the year end.

1.2.3 Contingency Reserves

Contingency reserves now stand at £205k providing some cover for future in year commitments and unavoidable cost pressures over the remainder of the year. **The year end forecast under the likely case scenario assumes this will be fully utilised by 31st march 2012.**

1.2.4 Action Plan

A detailed action plan has been developed following discussions of the financial position at EMG, Directors meeting and the Finance & Activity committee on 22nd June 2011.

2. Balance Sheet and Cash Position.

2.1 Cash

The cash position at the end of May was £1,122k. This includes cash in advance from PCT's of £739k which will reverse by the year end. The net position is therefore £383k with a year end target of £722k. If the predicted under recovery on income is correct, then there will be severe pressure on this position and this is reflected in a revised draft cashflow forecast shown in appendix 7. Further work is being undertaken on this although the draft forecast shows the level of cash at 31st March 2012 is shown at £392k.

The level of net liabilities will therefore also be affected and will increase by about £485k.

2.2 Debtors

The level of debtors is £801k (Appendix 8). This will change in June when the write off of £95,000 is processed. The provision in June against doubtful debt will then stand at £173k against a much reduced debtors value.

2.3 Creditors

The level of creditors is £1,660k (Appendix 9) and £712k excluding pay and accrued expenditure.

3. Capital

The capital expenditure report is not included this month, but will be included next month.

4. Monitor Financial Risk Rating

The Monitor financial risk rating (FRR) has now fallen to a rating of 1.

5. Year End Forecast

The forecast shows a deficit of £298k compared with the planned surplus of £124k.

This position is before the impact of the mitigating actions included in the finance recovery plan.

Appendix 1

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Narrative_1

INCOME & EXPENDITURE ACCOUNT
FOR THE PERIOD ENDING 31 May 2011

Favourable Variance + \ Adverse Variance (-)

	YTD Actual	YTD Budget	YTD Variance	Month 12 Forecast	Annual Budget	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
INCOME						
PCTs	1,943	2,097	(155)	13,149	13,716	(567)
Private patient	55	40	15	229	200	29
Education, training & research	318	290	28	1,474	1,446	28
Other income	88	89	(0)	534	534	(0)
sub total	**2,403**	**2,515**	**(112)**	**15,386**	**15,896**	**(510)**
PBR excluded drugs	786	753	34	4,620	4,520	100
Total income	**3,189**	**3,268**	**(79)**	**20,006**	**20,416**	**(410)**
EXPENDITURE						
Pay expenditure	1,934	1,908	(26)	11,344	11,372	27
Non-pay expenditure	530	570	40	3,511	3,571	60
Reserves	0	(0)	(0)	205	205	(0)
sub total	**2,464**	**2,477**	**13**	**15,060**	**15,147**	**86**
PBR excluded drugs	786	753	(33)	4,620	4,520	(100)
Total expenditure	**3,250**	**3,231**	**(20)**	**19,680**	**19,667**	**(14)**
EBITDA	**(61)**	**37**	**(98)**	**326**	**749**	**(423)**
Depreciation	(63)	(63)	1	(439)	(440)	1
Interest receivable	1	0	0	2	2	0
Dividend payments on PDC	(31)	(31)	(0)	(187)	(187)	(0)
Total surplus/(deficit)	**(154)**	**(57)**	**(97)**	**(298)**	**124**	**(423)**

Appendix 2

ANALYSIS OF PAY EXPENDITURE
FOR THE PERIOD ENDING 31 May 2011

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Month 12 Forecast £'000	Annual budget £'000	Forecast Variance £'000
Rheumatology	519	505	(14)	2,986	2,982	(4)
Neuro Rehab	469	448	(21)	2,677	2,660	(16)
CFS	58	66	8	374	394	20
Pain Management	150	148	(2)	889	889	0
Domestic	65	57	(8)	368	343	(25)
HR	32	40	8	226	241	15
Governance	22	22	(0)	131	131	(0)
Patient Secretarial Service	47	44	(3)	265	262	(3)
Medical Records	68	61	(7)	389	368	(21)
Facilities	18	19	1	112	112	0
Finance	56	64	8	365	385	20
CRPS	16	23	7	116	136	20
IT	30	36	6	207	218	10
Research funded pay	84	87	3	509	520	11
Other	300	288	(12)	1,731	1,731	0
Total expenditure	**1,934**	**1,908**	**(26)**	**11,345**	**11,372**	**27**

Appendix 3

ANALYSIS OF NON-PAY EXPENDITURE
FOR THE PERIOD ENDING

	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Month 12 Forecast £'000	Annual budget £'000	Forecast Variance £'000
Rheumatology	14	25	11	140	151	11
Neuro Rehab	34	30	(4)	181	181	0
Pain Management	0	6	6	30	36	6
M&D Department	68	69	1	567	567	0
Medical Contracts	98	97	(1)	584	584	0
Facilities	96	100	4	599	599	0
Finance	38	43	5	254	259	5
Orthotics	11	13	2	69	75	7
Diagnostics	11	15	4	85	89	4
HR/Membership	5	8	3	44	47	3
Patient Transport	9	13	4	80	80	0
Executive	10	7	(3)	39	39	0
Other	136	144	8	840	864	24
Non Pay	**530**	**570**	**40**	**3,511**	**3,571**	**61**

Appendix 4

ANALYSIS OF REFERRALS - Rheumatology

	ALL ACTIVITY SOURCES ie. PCT's, TRUSTS etc.								
	GP Referrals	Other Referrals	TOTAL REFERRALS	1st Outpatient	Conversion Rate Referral to OP	Inpatient	Conversion Rate OP to IP	Daycases	Conversion Rate OP to Daycase
2008/09	3,045	998	**4,043**	3,746	**93%**	715	**19%**	1,248	**33%**
2009/10	3,368	936	**4,304**	4,822	**112%**	733	**15%**	1,236	**26%**
2010/11	3,217	704	**3,921**	4,898	**125%**	627	**13%**	1,227	**25%**
Apr-11	276	53	**329**	254	**77%**	54	**21%**	109	**43%**
May-11	307	57	**364**	282	**77%**	42	**15%**	116	**41%**
Jun-11			-						
Jul-11			-						
Aug-11			-						
Sep-11			-						
Oct-11			-						
Nov-11			-						
Dec-11			-						
Jan-12			-						
Feb-12			-						
Mar-12									
2011/12	583	110	**693**	536	**77%**	96	**18%**	225	**42%**
May-10	**276**	**84**	**360**	**474**	**132%**	**57**	**12%**	**109**	**23%**

	WILTSHIRE PCT ONLY								
	GP Referrals	Other Referrals	TOTAL REFERRALS	1st Outpatient	Conversion Rate Referral to OP	Inpatient	Conversion Rate OP to IP	Daycases	Conversion Rate OP to Daycase
2009/10	1,172	314	**1,486**	1,400	**94%**	142	**10%**	200	**14%**
2010/11	1,020	211	**1,231**	1,306	**106%**	94	**7%**	182	**14%**
Apr-11	85	17	**102**	77	**75%**	14	**18%**	19	**25%**
May-11	102	27	**129**	103	**80%**	5	**5%**	35	**34%**
Jun-11			-						
Jul-11			-						
Aug-11			-						
Sep-11			-						
Oct-11			-						
Nov-11			-						
Dec-11			-						
Jan-12			-						
Feb-12			-						
Mar-12									
2011/12	187	44	**231**	180	**78%**	19	**11%**	54	**30%**
May-10	**86**	**26**	**112**	**127**	**113%**	**11**	**9%**	**12**	**9%**

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Appendix 5

BALANCE SHEET AS AT **31 May 2011**

	31st Mar 2011	31 May 2011	Movement	31 Mar 2011
Fixed Assets	**£'000**	**£'000**	**£'000**	**£'000**
Intangible	104	99	(5)	104
Tangible	7,090	7,106	16	7,090
Total Fixed Assets	**7,194**	**7,205**	**11**	**7,194**
Current Assets				
Stock	57	57	0	57
NHS Trade Debtors	1,237	434	(803)	1,237
Provision for Irrecoverable Debt	(268)	(268)	0	(268)
Other Prepayments and Accrued Income	119	540	421	119
Other Debtors	469	367	(102)	469
Cash at Bank *	684	1,122	438	684
Total Current Assets	**2,298**	**2,252**	**(46)**	**2,298**
Total Assets	**9,492**	**9,457**	**(35)**	**9,492**
Current Liabilities				
NHS Trade Creditors	(722)	(161)	561	(722)
Non-NHS Trade Creditors - Revenue	(1,048)	(1,028)	20	(1,048)
Non-NHS Trade Creditors - Capital	(29)	(74)	(45)	(29)
PDC Dividend Creditor	(1)	(32)	(31)	(1)
Other Creditors	(422)	(471)	(49)	(422)
Payments Received on Account	0	(729)	(729)	0
Accruals and Deferred Income	(565)	(425)	140	(565)
Total Current Liabilities	**(2,787)**	**(2,920)**	**(133)**	**(2,787)**
Non Current Liabilities				
Obligations under Finance Leases	(1)	3	4	(1)
Provisions	(14)	(10)	4	(14)
Deferred Income	(38)	(38)	0	(38)
Total Non Current Liabilities	**(53)**	**(45)**	**8**	**(53)**
TOTAL ASSETS EMPLOYED	**6,652**	**6,492**	**(160)**	**6,652**
TAXPAYERS' EQUITY				
PDC	6,015	6,015	0	6,015
Retained I & E Surplus	(475)	(475)	0	(475)
YTD I & E Surplus	0	(154)	(154)	0
Revaluation Reserve	728	728	0	728
Donated Asset Reserve	384	378	(6)	384
TOTAL TAXPAYERS' EQUITY	**6,652**	**6,492**	**(160)**	**6,652**

Royal National Hospital for Rheumatic Diseases
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Appendix 6

Financial Risk Register and Year End Forecast 2011/12
Variance shown against target surplus of £124k

	YTD variance £'000	YEAR END Best Case variance £'000	YEAR END Likely variance £'000	YEAR END Worst Case variance £'000
PCT Income				
Rheumatology	(47)	0	(70)	(150)
Pain Management	6	20	(39)	(50)
Neuro Rehab	(110)	(265)	(499)	(660)
CFS	9	90	42	20
Clinical Measurement	(13)	5	0	(13)
Block Contract Other	(0)	0	0	0
	(154)	**(150)**	**(567)**	**(853)**
Private patient	15	35	29	10
Education, training & research	28	48	28	10
PBR excluded drugs	34	200	100	50
Other income	(0)	25	(0)	(25)
TOTAL INCOME	**(78)**	**158**	**(410)**	**(808)**
Pay expenditure	(26)	46	27	0
Non-pay expenditure	40	80	60	40
PBR excluded drugs	(34)	(200)	(100)	(50)
TOTAL EXPENDITURE	**(20)**	**(74)**	**(13)**	**(10)**
EBITDA	**(98)**	**84**	**(423)**	**(818)**
Depreciation	1	10	0	(10)
Interest receivable	0	0	0	0
Dividend payments on PDC	(0)	20	(0)	(20)
TOTAL SURPLUS/(DEFICIT) BEFORE RESERVES AGAINST BUDGET	**(97)**	**114**	**(423)**	**(848)**
Contingency Reserve to support the position	(0)	0	0	0
Unallocated Contingency Reserves	0	0	0	0
TOTAL SURPLUS/(DEFICIT) AGAINST BUDGET	**(98)**	**114**	**(423)**	**(848)**
BUDGETED SURPLUS/(DEFICIT)	**(57)**	**124**	**124**	**124**
TOTAL SURPLUS/(DEFICIT)	**(155)**	**238**	**(299)**	**(724)**

Appendix 7

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

2011/12 Cashflow Plan

	Apr £'000	May £'000	June £'000	July £'000	Aug £'000	Sept £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	March £'000	Annual £'000
Balance b/fwd	**684**	**1,072**	**1,122**	**1,166**	**1,125**	**880**	**736**	**870**	**920**	**946**	**884**	**941**	
Cash Inflow													
NHS -Contract	1,051	1,050	1,050	1,000	900	1,050	1,000	1,050	1,050	1,100	1,050	1,050	12,403
NHS Contract - Prepayment	729	0	0	0	0	0	0	0	0	0	0	(729)	0
NHS -Non Contract	206	775	566	312	395	484	691	508	529	495	329	573	5,863
Private Patient	7	12	20	11	24	17	24	18	18	17	11	21	200
Non-NHS	54	35	31	42	56	33	22	21	31	45	89	42	501
SIFT / MPET	65	65	65	65	65	64	65	65	65	65	65	65	779
Research Grants	56	45	56	56	56	56	56	56	56	56	56	56	661
Total Cash Inflow	**2,168**	**1,982**	**1,788**	**1,486**	**1,496**	**1,704**	**1,858**	**1,718**	**1,749**	**1,778**	**1,600**	**1,078**	**20,407**
Cash Outflow													
Payroll	959	923	960	997	954	940	969	942	967	965	960	961	11,497
NHS Expenditure	310	359	208	121	167	168	132	124	23	156	122	82	1,972
Non NHS Expenditure	119	296	160	35	140	223	162	126	312	152	142	75	1,942
Capital	20	0	20	30	70	30	50	40	40	30	30	30	390
Drugs	324	344	369	312	392	383	374	407	361	524	278	370	4,438
PDC	0	0	0	0	0	94	0	0	0	0	0	93	187
Other	44	10	28	32	18	10	38	29	20	13	12	16	270
Total Cash Outflow	**1,776**	**1,932**	**1,745**	**1,527**	**1,741**	**1,848**	**1,725**	**1,668**	**1,723**	**1,840**	**1,544**	**1,627**	**20,696**
Net Movement in Month	392	50	43	(41)	(245)	(144)	133	50	26	(62)	56	(549)	(289)
Balance c/fwd -note 1	**1,072**	**1,122**	*1,166*	*1,125*	*880*	*736*	*870*	*920*	*946*	*884*	*941*	*392*	
Target	**816**	**647**	**649**	**710**	**955**	**912**	**1,000**	**1,020**	**1,046**	**935**	**982**	**722**	

Appendix 8

Top Ten Debtors as at 31-05-11

	Customer	0 - 30	31 - 60	61 - 90	91 - 180	181 - 360	361+	Total Debtors
1	WELSH HEALTH SPECIALISED SERVICES COMMITTEE	34.1	7.2	46.9	41.7	75.4	74.1	279.5
2	WILTSHIRE PCT	93.5	0.0	0.0	0.0	44.4	0.7	138.6
3	BATH AND NORTH EAST SOMERSET PCT	102.6	0.0	0.0	0.0	0.0	0.0	102.6
4	BERKSHIRE WEST PCT	23.1	14.2	0.0	0.0	0.0	0.0	37.3
5	NHS SUFFOLK	1.7	27.7	0.0	0.0	0.0	0.0	29.4
6	SOUTHWARK PCT	0.0	20.9	0.0	0.0	0.0	0.0	20.9
7	NHS TELFORD AND WREKIN	0.2	10.4	0.0	0.0	10.1	0.0	20.7
8	DORSET PCT	17.1	1.7	0.0	0.0	0.0	0.7	19.4
9	BIRMINGHAM EAST AND NORTH PCT	16.6	0.0	0.8	0.0	0.0	0.0	17.3
10	WEST KENT PCT	6.9	7.1	0.0	0.0	0.4	0.0	14.4
		295.7	89.2	47.7	41.8	130.3	75.5	680.1
	Others							
	NHS	125.6	-71.2	19.9	13.0	1.6	-5.8	83.0
	NON NHS	17.7	8.8	1.2	0.9	3.1	6.2	37.8
	TOTAL at 31-05-11	**439.0**	**26.8**	**68.7**	**55.7**	**134.9**	**75.8**	**801.0**
	% at 31-05-11	55%	3%	9%	7%	17%	9%	100%
	TOTAL at 30-04-11	**800.6**	**56.7**	**2.8**	**95.6**	**126.4**	**160.7**	**1242.8**
	% at 30-04-11	64%	5%	0%	8%	10%	13%	100%
	TOTAL at 31-03-11	**994.0**	**20.9**	**39.7**	**118.7**	**130.3**	**295.7**	**1599.2**
	% at 31-03-11	62%	1%	2%	7%	8%	18%	100%

Appendix 9

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

Top 10 Creditors as at 30-04-2011

	Supplier	0 - 30	31 - 60	61 - 90	91 - 180	181 - 360	361+	Total Creditors
1	HEALTHCARE AT HOME LTD	0.0	255.9	0.0	2.1	0.0	0.0	258.1
2	ROYAL UNITEDHOSPITAL BATH NHS TRUST	17.5	9.7	8.6	30.9	10.9	7.8	85.3
3	HEALTH COMMISSIONFOR WALES	0.0	0.0	0.0	0.0	0.0	41.7	41.7
4	FACTORSPREAD LTD	0.0	27.5	8.2	0.0	0.0	0.0	35.6
5	UNIVERSITY HOSPITALS BR	0.0	0.0	21.1	0.0	12.3	0.0	33.4
6	PRICEWATERHOUSE COOPERS	24.1	0.0	0.0	0.0	0.0	0.0	24.1
7	MJ MAPP LLP	23.6	0.0	0.0	0.0	0.0	0.0	23.6
8	BATH INSTITUTE FOR RHEUMATIC DISEASESTRADING	13.4	1.7	0.9	2.8	0.0	0.0	18.8
9	WILTSHIRE PRIMARYCARE TRUST	17.4	0.0	0.0	0.0	0.0	0.0	17.4
10	BRISTOL WESSEX BILLING SERVICES LTD	0.0	0.0	0.2	16.6	0.0	0.0	16.8
		96.0	294.8	38.9	52.4	23.3	49.5	554.7

OTHERS	86.1	32.3	8.0	14.1	11.8	4.4	156.8
PAY EXPENDITURE	390.1	0.0	0.0	0.0	0.0	0.0	390.1
ACCRUED EXPENDITURE	558.3	0.0	0.0	0.0	0.0	0.0	558.3

TOTAL at 31/05/2011	**1130.5**	**327.1**	**47.0**	**66.5**	**35.0**	**53.8**	**1659.9**
% at 31-05-11	68%	20%	3%	4%	2%	3%	100%

TOTAL at 28/04/2011	**1829.3**	**51.4**	**46.2**	**76.7**	**25.4**	**53.7**	**2082.6**
% at 28-04-11	88%	2%	2%	4%	1%	3%	100%

TOTAL at 31/03/2011	**1269.0**	**471.8**	**96.5**	**219.8**	**33.2**	**82.0**	**2172.3**
% at 31-03-11	58%	22%	4%	10%	2%	4%	100%

Royal National Hospital for Rheumatic Diseases
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Appendix 10
May 2011

	YTD May £000	£000
B/Fwd Fixed Assets	7194	
Additions	72	
Depreciation	-63	
Net		7204
diff		
B/S Value		7205
EBITDA		-61
less Capital Expenditure		-72
PDC Dividend Paid		0
Increase/(Decrease) in Reserves		-6
Movement in Current Assets (excl Cash)	484	
Movement in Current Liabilities (excl PDC Dividend)	-627	
Working Capital Movement		-143
Movement in L/T Liabilities		-8
Cashflow generated in month/ytd		-290
Fixed Asset Difference		0
I&E Difference		0
Rounding		-1
		684
		393
Plus PCT Cash in advance		729
Total		**1122**

Agenda Item :

Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust

MINUTES OF THE
AUDIT COMMITTEE
held on
25th May 2011

PRESENT

P Spencer	:	Non Executive Director (Chairman) (PS)
S Cole	:	Non Executive Director (SC)
Niall Bowen		Non Executive Director (NB)

IN ATTENDANCE

K Matthews	:	Chief Executive (KM)
S Haynes	:	Director of Finance (SH)
H Sewell	:	Director of Governance (HS)
H Pullen	:	PricewaterhouseCoopers (HP)
S Cookson	:	PricewaterhouseCoopers (SCpwc)
J Hargreaves	:	PricewaterhouseCoopers (JH)
D Taylor	:	RSM Tenon (DT)
Ryan Richards	:	RSM Tenon (RR)
Nick Hall	:	Council of Governor Representative (NH)
P Haines	:	Council of Governor Representative (PH)
M Deacon	:	Secretary (MD)

ITEM	TOPIC	ACTION
AC 05/11/1	**APOLOGIES**	
	L Jones, Finance Manager (LJ)	
AC 05/11/2	**MINUTES**	
	2.1 Minutes of Meeting 21st March 2011	
	The minutes were **approved subject to the following 4 amendments:** **Item 4.4 insert the wording ' South West area'** **Item 9 delete the word The assessment 'for' showed that we meet.** **Item 10 delete the word The Chief Executive was invited to bring the documents to the attention of 'the' all staff.** **Item 12 insert the word The Finance Director's assurance that 'there' would be no recurrence.** **Item 6.2** RSM Tenon has revised the internal plan. The Director of Finance has not yet agreed the plan.	**MD** **MD** **MD** **MD** **SH**
AC 05/11/3	**Matters Arising**	
	3.1 Action List	
	AC/03/11/7: Risk Register – Delay in Rheumatology follow ups. S Cole confirmed that a detailed plan to address the delay in rheumatology follow ups had been presented earlier in the day to the Finance & Activity Committee by the Director of Operations. AC/03/11/8: Estimated cost of the Audit Committee. Director of Finance to provide a breakdown of costs given at £19,500. **Action : Director of Finance** Hospitality Register Staff to be sent a reminder on a quarterly basis to complete the hospitality register. **Action : Director of Finance**	**SH** **SH**
AC 05/11/4	**Internal Audit**	
	4.1 CQC Registration	
	R Richards, RSM Tenon introduced the report. The recommendations were accepted by the Director of Operations who had provided comments on the recommendations within the report.	

	The Audit Committee **noted** the report and that there were no concerns identified regarding patient care. SC challenged the rating of this report as no significant risks have been identified by the CQC in the Quality Risk Profiles. NB noted that Health & Safety training had yet to meet target levels. The committee **noted** that recommendations are highlighted in other documentation and reported to the Trust Board on a regular basis.	
	4.2 Business Planning	
	R Richards, RSM Tenon introduced the report. The Audit Committee **noted** the report with no recommendations. This report reflects the excellent work of the Chief Executive and the team.	
	4.3 Annual Internal Audit Report	
	D Taylor, RSM Tenon presented the report in draft form for consideration. The Audit Committee **noted** the report commenting on the improvement of controls as evidenced by the reduction in red recommendations issued to the Trust and accepted the draft report.	
AC 05/11/5	**Internal & External Audit Reports**	
	5.1 Position as at 17th May 2011	
	The Director of Finance presented the report. The Chair noted clarification on actions: The Chair being the Chairman of the Board and not of the Audit Committee. The Director of Governance clarified that this would be amended in the action plan. **Action : Finance Manager** NB noted for Item LJ/a49a/27111 that it had been agreed a third NED would not be appointed for the Charitable Funds Committee, but the Chairman of the Board would join the Committee. The Audit Committee **noted** the report.	**LJ**
AC 05/11/6	**Statement of Internal Control**	
	Document page 72 The Chief Executive confirmed there were no issues to be raised. DT, RSM Tenon, confirmed issues are properly incorporated. **Document page 74** Business continuity risk. As no date has been given for the RUH FT status our consultation has not commenced and so it was agreed by the Committee that this risk will move into 2012/13. The HSE safety risk alert for legionnaires. The action plan will be presented to the Board on the 6th June 2011 and then forwarded to the HSE in accordance with their letter of 9th May 2010. **Document page 77** Bullet point 'there are no major concerns with coding accuracy performance'. The Chair questioned the wording of this line as page 45 of the document states coding errors at 12.5%. Director of Governance to review. **Action : Director of Governance** The Audit Committee **accepted** the draft report of the Statement of Internal Control with one amendment.	**HS**

AC 05/11/7	**2010/11 Financial Statements**	
	The Director of Finance presented the report. **Document page 83** The Committee were assured that by adding back the impairment value for the Trust land and buildings the position of £81k surplus would be shown as reported. **Document page 84** The income and expenditure reserve are in negative reserve, this is again due to the two areas of impairment. S Cole gave assurance that the document had been fully debated at the earlier Finance & Activity Committee. S Cole asked whether the disclosures in note 15 needed to be gross and SC, PwC, confirmed this is the case. **Document page 97** The segmental analysis narrative to be amended. **Action : Director of Finance** SC, PwC, commented on the revaluations received from the District Valuer [DV]. The Trust has taken the opinion of the valuations on the land and buildings as correct. Discussions were held on the capital expenditure costs in the last 2 years that have not, in the opinion of the DV, added value to the property. S Cole noted that the revaluations added volatility to the accounts which did not aid their understanding and further enquired as to whether the DV had attended site to complete the valuation; it was confirmed a desktop valuation was carried and therefore no site visit was received. S Cole suggested no one at the Trust has the qualifications to challenge the DV's revised valuations and would be wholly reliant on the DV. SC, PwC, assured the accounting regarding the revaluation complies with good practice and is in line with Monitor requirements to identify the revaluations. The Chair challenged significant variations to the year on year figures; it was suggested a better comparison could be made if a line was inserted to disclose the "Surplus before Impairments" SC undertook to check the position (Subsequently it was confirmed by PwC that such additional disclosure could be made). The Audit Committee, **noted** the Financial Statements as drafted, subject to the few points raised	**SH**
AC 05/11/8	**External Audit Findings Report**	
	S Cookson, PwC, presented the report. Page 6 of the report is submitted to Monitor along with the accounts noting the operation position of £81k profit. The Chair noted that the report should make clear the intervention order was in place for the first half year only. Further testing areas are yet to be completed by PwC. Impairment adjustments to follow. Page 13 brackets around 'which is unqualified' to be removed. The Chief Executive discussed the ongoing concerns for the Trust. A cash flow forecast to 2013 has been produced with an opening balance from May 2011. Neuro Rehabilitation plan to deliver 17.5 beds filled in 2011/12 for which we have good processes for forecasting. If there is a shortfall from plan, mitigation action would include taking out costs such as not replacing staff vacancies, redeployment of existing staff to other departments within the hospital. PIP – there is a savings plan in place for this year and are working on a 2012/13 plan. An example of where a saving can be made is printing. Procurement savings	

	have been brought forward from 2011/13 to 2011/12. The Chair challenged if further cost saving targets can be made due to the levels that have been managed over the last three years. The Director of Finance indicated that opportunities were still available, for example, the RUH pharmacy contract. Page 23, Contractual arrangements/agreements. The Chair noted the obligations against the large NHS debt highlighted on page 10. SH commented that this statement does not cover bad debt. S Cole commented credit balances are still to be managed and he is content the Trust will continue to manage areas around net liabilities, working capital, and bad debt. Page 18, Alignment Project. This will give the less time to produce the financial statement. The Trust will need to give some thought for the year ending March 2012. The Chief Executive and Director of Finance were content with page 21, letter of representation. The Audit Committee is **content** to offer the draft document to the Chairman Peter Franklyn for signature.	
AC 05/11/9	**Annual Report**	
	The report was discussed earlier today at the Finance & Activity Committee. NB and SC were able to confirm that the report had been reviewed page by page and changes noted for amendment. The Director of Governance was able to confirm that permissions were sought from those who wrote external letters of support within the document. The Audit Committee **noted** the report subject to the amendments highlighted earlier today.	
AC 05/11/10	**Quality Report**	
	The Director of Governance presented the report. The Quality and Risk Profiles produced by the Care Quality Commission are reported to IGQAC and the Trust Board throughout the year. The draft Quality Report was reviewed by IGQAC in April 2011, Chris Johns, NED, was present at the meeting. Monitor has requested changes to the report presented today. These amendments will be made for the final report. **Action : Director of Governance** The Audit Committee **noted** the report read well and with good supporting documentation.	**HS**
AC 05/11/11	**External Audit report on Quality Report**	
	H Pullen, PwC introduced the report The Finance & Activity Committee discussed at length the delay in rheumatology follow ups and the action plan to reduce the outstanding follow ups. N Bowen confirmed a robust plan was presented by the Director of Operations. The Chief Executive has been in discussion with Laura Davis regarding the receipt of complaints. The Audit Committee **noted** the report with no further comments.	

AC 05/11/12	**Proposal for bad debt write off**	
	Director of Finance presented the report. The report was discussed at length earlier in the day at the Finance & Activity Committee and option 3 was proposed by the F&A Committee as the preferable option. SC confirmed that this was a clear statement from the finance team. The Chair challenged the value of NHS debt to be written off and the number of occasions a debt was chased. SH confirmed that, in the past, the correct processes were not always followed at the time of admission and although treatment was delivered prior approval was not sought and therefore payment would not be made. SH confirmed that robust systems were now in place. Prior approval is sought where required, private patient treatment is paid in advance and The Trust no longer issues staff advances. An independent check of the above processes to be carried in October 2011 by the internal audit team. **Action : RSM Tenon** The Audit Committee **approved** option 3 to write off £95kof bad debt.	**DT**
AC 05/11/13	**Audit Code for Foundation Trusts March 2011**	
	H Pullin, PwC introduced the report. Monitor have published a revised version of the code, the key point of change to note is the auditors involvement in the Quality Report.	
AC 05/11/14	**Minutes**	
	14.1 Finance & Activity Committee	
	The Audit Committee **noted** the minutes that are clear and concise.	
AC 05/11/15	**Risk Register**	
	15.1 Risks Rated Moderate and Above	
	The Director of Governance introduced the report on all risks rated moderate and above. **Risk 274 2011/12 Failure to deliver a surplus of a minimum of £250k, EBITDA of at least £950k and working capital of £1.3M:** S Cole challenged as to whether this risk was appropriate. The Chair recommended that the item be deleted from the register as this is not a corporate objective. KM noted this was an error. **Risk 257 Delay in rheumatology follow ups:** The Chair challenged the mitigation of the risk. KM responded that she has strong assurance from the Director of Operations following the appointment of the 4th General Manger and her technical competence and the staff teams that she will manage. The Finance & Activity Committee will follow the process carefully. **Risk 269 Failure to deliver private patient income 2011/12:** The Director of Finance answered the question from the Committee on the likelihood of failure. 1. The General Managers have agreed their speciality targets. 2. Good systems are in place for reporting and monitoring. Meetings are in place with consultants. 3. April 2011 value was delivered at £22k which is a good start to the financial year. KM confirmed that resources are in place for further marketing of private patient income and can be discussed with case managers. **Risk 141 Legionnaires disease from trust water systems:** This is a new item to the register. A request was made from the Chair to indicate additions to the register. **Action : Director of Governance**	**HS**

	The Chair challenged the risk rating. Director of Governance to provide the guidance notes for rating the risk. **Action : Director of Governance** The Committee **recommended** that the risk rating, until mitigated, be elevated to a high rating. **Action : Director of Governance** An action plan will be submitted to the Board on the 6th June 2011 and reviewed at the next Audit Committee. KM gave assurances to the Committee on the level of commitment that this action has been given by the Estates Manager. PH requested an update on the computer virus risk that had featured on the top ten earlier in the year. Actions are in place with Connecting for Health. The Audit Committee **noted** the top ten risks that had been presented in the register.	**HS** **HS**
	15.2 Review of One of the above risks in detail – Loss of key personnel	
	K Matthews gave a thorough and explicit presentation on risk 278, Loss of key personnel. The risk register to reflect the detail from the presentation. **Action : Director of Governance** RSM Tenon was asked for their view as a mitigation strategy. DT responded that the presentation showed a good approach to the issue and gave a strong assurance of the management of the risk. The presentation at the August Committee will be delivered by Steven Haynes on Risk 141 Legionella.	**HS**
AC 05/11/16	**Any Other Business**	
	The Director of Finance advised the committee the Department of Health have issued a revised Audit Committee Handbook. K Matthews gave her apologies for the next Audit meeting 22nd August 2011.	

The next meeting will take place on Monday 22nd August 2011
10:15-12:30 in the Board Room