

Minutes of the meeting of the **Somerset Primary Care Trust** held on **Wednesday, 3 June 2009** at **Wynford House, Lufton Way, Yeovil.**

Present: Mrs Jane Barrie OBE, Chairman
Mr Lou Evans, Non-Executive Member
Dr Caroline Gamlin, Joint Director of Public Health
Mr Paul Goodwin, Director of Finance and Performance/Interim
Director of Commissioning
Mr Andrew Govier, Non-Executive Member
Mrs Jan Hull, Deputy Chief Executive/Director of Strategic
Development
Dr Donal Hynes, Chairman, Professional Executive Committee
Ms Liz Simmons, Non-Executive Member
Mr Peter Telford OBE, Non-Executive Member
Mr Ian Tipney, Chief Executive
Mr David Wood, Non-Executive Member, Vice Chairman

In Attendance: Mr Mark Appleby, Director of Workforce
Mr Phil Brice, Director of Corporate Services and Communications
Mrs Judith Brown, Chief Operating Officer, Somerset Community
Health
Mr Geraint Jones, Corporate Services Manager
Mrs Karen Mascarenas, Deputy Director of Secondary Care
Development
Miss Kathy Palfrey, Secretariat
Mr Neville Roberts, Director of Information Technology
Mr David Slack, Director of Primary Care Development
Mrs Lucy Watson, Deputy Director of Nursing and Patient Safety

Apologies: Mr John Bloomfield, Non-Executive Member
Mr Paul Jackson, Non-Executive Member
Mrs Mary Monnington, Director of Nursing and Patient Safety
Ms Judith Newman, Director of Secondary Care Development

SPCT 090/2009 INTRODUCTION

The Chairman welcomed everyone to the meeting and announced the appointment of two new Non-Executive Members to the Primary Care Trust, Peter Telford OBE and John Bloomfield, both of whom had been appointed by the Appointments Commission for a four year term commencing from 1 May 2009. Peter Telford is currently the Chief Executive for the Research Council Shared Service Centre, an organisation with close links to the local community. John Bloomfield is a Director with Innovia Films (Bridgwater) Ltd. He had also been a council member for the Somerset Learning and Skills Council, Chair of the Bridgwater Education Action Zone and a Non-Executive Director of Somerset Connexions.

John Bloomfield was unfortunately unable to attend the meeting but the Chairman was delighted to welcome both John and Peter to the Board of NHS Somerset.

The Chairman also informed Members that Paul Goodwin, with effect from 1 June 2009, had taken on the role of interim Director of Commissioning in addition to his role as Director of Finance and Performance. Paul would be responsible for the work previously undertaken by Judith Newman, Director of Secondary Care Development, who would be retiring on 31 October 2009 and in the meantime, would be undertaking specific project work.

SPCT 091/2009 PUBLIC QUESTIONS

Mary Robertson, Chairman of the League of Friends of South Petherton Hospital, advised that the League of Friends annual fete would be taking place at the Parish Church, South Petherton, on Saturday, 27 June 2009 and extended an invitation to all members of the Board. The Chairman expressed her thanks and confirmed that NHS Somerset would be represented at the event.

SPCT 092/2009 APOLOGIES FOR ABSENCE

Apologies were received from John Bloomfield, Non-Executive Member; Mary Monnington, Director of Nursing and Patient Safety, who was represented by Lucy Watson, and Judith Newman, Director of Secondary Care Development, who was represented by Karen Mascarenas.

It was also **noted** that Jan Hull, Deputy Chief Executive/Director of Strategic Development, would join the meeting slightly late, as she was giving the introduction to the GSF Care Homes launch at Haynes Motor Museum.

SPCT 093/3009 REGISTER OF MEMBERS' INTERESTS

The meeting **received** a schedule, paper SPCT 2009/055, detailing the interests registered by members.

Amendments were to be made to the register as follows:

- Lou Evans advised that he is now a member of the Sedgemoor and Somerset sub-committee for the selection of a Justice of the Peace, an application for which had been made by an NHS Somerset employee
- Liz Simmons advised that her interest in Consultancy Support to the Wincanton Community Venture should be removed from the register

- the interests of Peter Telford and John Bloomfield, the new Non-Executive Members, would be added to the register

The meeting **noted** the Register of Members' Interests.

SPCT 094/2009 DECLARATIONS OF INTEREST RELATING TO ITEMS ON THE AGENDA

No declarations of interest relating to items on the agenda were made.

SPCT 095/2009 MINUTES OF THE MEETING HELD ON 22 APRIL 2009

The Minutes of the Meeting held on 22 April 2009 were **approved** for signature by the Chairman as a true and correct record.

SPCT 096/2009 MATTERS ARISING

SPCT 073/2009: Annual Health Check Declaration

It had been agreed at the meeting on 22 April 2009 that the proposed submission of the Annual Health Check declaration for Somerset Community Health would be further reviewed in respect of Standards C4a and C21.

It was **noted** that the details of the steps taken to review the decision were set out in the Chief Executive's Report, paper SPCT 2009/067, and the final decision had been made under Chairman's special action for submission to the Care Quality Commission on 30 April 2009.

SPCT 097/2009 CHAIRMAN'S REMARKS

The Chairman advised members that, during late April and May, she had attended a number of conferences, meetings and seminars, which had provided important opportunities to develop the Trust's understanding of current and future developments in the NHS. In particular:

- on 24 April, the Chairman and Lou Evans, Non-Executive Member, had attended the CAA Conference – 'Delivering Better Outcomes' – at Dillington House, which had explored further the impact and implications of the Comprehensive Area Assessment programme for 2009/10 and beyond. The conference was originally arranged for Somerset and had been extended to the whole of the south west
- on 29 April, the Chairman and Neville Roberts, Director of Information Technology, had attended a masterclass on Leadership Development

- on 6 May, the Chairman had been invited to speak at the opening of two new NHS Facilities in Somerset:
 - * the official opening of the new Beacon Centre at Musgrove Park Hospital. The new Cancer Centre will make Musgrove Park Hospital a centre of excellence in Somerset for cancer services, and end the need for patients to travel to Bristol for their care planning and radiotherapy treatment
 - * the opening of Stoneleigh House Dental Practice at Williton. The practice had been open to patients since October 2008 and was one of four new practices commissioned as part of NHS Somerset's Dental Commissioning Strategy

The Chairman commented that both were examples of the development of healthcare facilities and improvement of health services within Somerset, providing care closer to where patients live, in modern, fit-for-purpose buildings. Another example of the implementation of this strategy in Somerset was the development of South Petherton Community Hospital, and this would be discussed at item SPCT 104/2009 on the agenda

- on 7 May, the Chairman and Chief Executive attended the 2009 South West health and Social Care Awards ceremony, supporting particularly Nina Vinall from the STARS team, who was shortlisted for the 'Leadership for Improvement' award. Although Nina did not win the award, the Chairman expressed the Board's congratulations for her nomination and to the whole of the STARS team
- during May, the Chairman and Non-Executive Members had undertaken visits and telephone contacts with GP surgeries across Somerset as part of the annual assessment of performance against the Quality and Outcomes Framework. These were valuable and informative contacts with the practices and a report on the results of the reviews would be considered by the Professional Executive Committee upon their completion in June
- on 13 May, NHS Somerset had held a full day seminar, during which the following key issues were discussed:
 - * swine flu planning
 - * Transforming Community Services
 - * future Governance arrangements
 - * the findings and recommendations relating to:

- the Healthcare Commission's Review of Mid Staffordshire NHS Foundation Trust
- "Six Lives" – the provision of public services to people with learning disabilities

The afternoon included presentations and workshops on the NHS Somerset Patient Safety Strategy and the implementation of new patient safety initiatives, led by Mary Monnington, Director of Nursing and Patient Safety, Dr Peter Cavanagh, Consultant Advisor on Patient Safety, and Revd Mike Williams, former Chief Executive of Taunton and Somerset NHS Trust and now researching patient safety at Exeter University

- on 15 May, NHS Somerset received its formal response from the South West Strategic Health Authority (SHA) in respect of the World Class Commissioning assurance process for 2008/09. The letter from Sir Michael Pitt, Chairman of the SHA, was very complimentary about NHS Somerset's achievements and set out the agreed actions to address the areas for development highlighted in the Assurance Panel Report. The action plan would be presented at the NHS Somerset Board meeting in July 2009
- on 27 May, as a Board Member of the Primary Care Trust Network, the Chairman had attended a meeting with the Board of Monitor at their offices in London, to discuss the relationship between commissioners and foundation trusts
- on 29 May, the Chairman had attended the Primary Care Trust Network's Commissioning for Quality seminar, which focused on the response to Dr David Colin Thomé's review of lessons for commissioners in the light of the Healthcare Commission's Investigation into Mid Staffordshire NHS Foundation Trust.

The meeting **noted** the Chairman's remarks.

SPCT 098/2009

MINUTES OF THE MEETING OF THE PROFESSIONAL EXECUTIVE COMMITTEE HELD ON 26 MARCH 2009 AND THE VERBAL REPORT OF THE CHAIRMAN OF THE PROFESSIONAL EXECUTIVE COMMITTEE OF THE MEETINGS HELD ON 30 APRIL 2009 AND 28 MAY 2009

The meeting **noted** the Minutes of the Professional Executive Committee Meeting held on 26 March 2009, paper SPCT 2009/057.

The meeting **received** a verbal report from Dr Donal Hynes, Chairman of the Professional Executive Committee, on the

meeting held on 30 April 2009, which had been chaired by Dr Harvey Sampson in the absence of Dr Hynes. The meeting had included discussion on the following items:

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- report on the pathway of care for stroke: the report was received and it was acknowledged that additional work would be required to ensure its implementation throughout the whole of Somerset by 2011. A timetable was identified to bring forward the more operational aspects of the strategy to the July meeting of the Professional Executive Committee
- diabetes service specification: this was a very ambitious programme to develop the services in the community, based around the requirements of the patient. The specification would be discussed with current stakeholders and providers on 18 June 2009, to explore the most appropriate way of achieving that objective

The meeting **received** a verbal report from Dr Hynes on the meeting held on 28 May 2009, at which four key items had been discussed:

- reducing emergency admissions: this remains one of the high priorities, particularly for WyvernHealth.com. The meeting reviewed the individual schemes and considered opportunities for their development and/or implementation, together with the reporting mechanisms
- Somerset Bone Health and Falls Prevention strategy: It was agreed to explore further the various aspects of the strategy, particularly regarding the siting of the services in the local community
- Primary Care Prescribing: the meeting had received the Primary Care Prescribing Report and had looked at the budget setting process for the coming year
- the Healthcare Commission's Review of Mid Staffordshire NHS Foundation Trust: the meeting had received the report and Dr Hynes assured the Board that the Professional Executive Committee fully understood its role in looking at the quality of commissioned services

The meeting **noted** the Minutes of the Meeting of the Professional Executive Committee held on 26 March 2009, and the verbal report of the Chair of the Professional Executive Committee of the meetings held on 30 April and 28 May 2009.

MINUTES OF THE MEETING OF THE SOMERSET COMMUNITY HEALTH COMMITTEE HELD ON 12 MARCH 2009 AND THE VERBAL REPORT OF THE CHAIRMAN OF THE SOMERSET COMMUNITY HEALTH COMMITTEE ON THE MEETING HELD ON 5 MAY 2009

The meeting **noted** the Minutes of the Meeting of the Somerset Community Health (SCH) Committee held on 12 March 2009, paper SPCT 2009/058.

The meeting **received** a verbal report from David Wood, Chairman of the Somerset Community Health Committee, on the meeting held on 5 May 2009, as follows:

- the meeting had received a paper on the implementation of Transforming Community Services, including the initial Somerset Community Health action plan. Four main workstreams had been identified:
 - * SCH – fit for the future
 - * options for the future organisational form
 - * the commissioning plan for Transforming Community Services
 - * the Estates Strategy

The Programme Board comprised the majority of the SCH Executive Management Team and a Project Board had been established to take forward the work on 'fit for the future'. The action plan was being developed and would be continually updated to reflect new developments.

- work was progressing to develop a Memorandum of Accountability, and the action plan would be reviewed at each SCH Committee meeting
- the meeting had received the Finance and Performance report
- the meeting had received the SCH Operational Plan, and the supporting action plan would be amended to include a 'Progress' column, which would be considered by the Committee on a quarterly basis
- the meeting had received a presentation on the SCH Communications Strategy. It had been agreed that a detailed action plan would be developed to support the intention that SCH communications would reflect the local and national objectives and that staff would be supported in the shared commitment to achieving two-way communications with patients and service users

- the Patient and Public Involvement Strategy was discussed and had been officially launched at a full management team event on 8 May 2009
- a progress report had been received on the elimination of mixed sex accommodation, which remained a national priority, and it was noted that the target date for achievement, by the end of June 2009, although challenging, would be achieved
- the meeting had received reports from the following groups:
 - * the Patient Safety Assurance Group
 - * the Quality working Group
 - * the Health and Safety working group
 - * Infection Control
 - * Patient Environment Action Team
 - * Information and Records
 - * Safeguarding Children

A report was being prepared by the Patient Safety Assurance Group on untoward incidents that occurred in the community hospitals, and a final report would be presented upon completion of the investigations.

Judith Brown, Chief Operating Officer, reported that:

- the full management team event, attended by approximately 150 people, had been very important, and linked with the agenda for Transforming Community Services. The meeting had taken the opportunity to build on the staff engagement sessions and to explore some of the other organisational forums, their advantages and disadvantages. The main focus had been the consideration of the new community contract, together with work on the Risk Register and Assurance Framework.
- the staff engagement sessions had built on work done at a previous seminar, and had reviewed the SCH mission statement, aims and objectives. A final session would be held on 8 June 2009, to receive the finalised business plans for eight service areas.
- an area of concern for the achievement of single sex accommodation by the target date was in the completion of works at Minehead but it was anticipated that this would be fully achieved

Dr Hynes expressed concern about the introduction of multiple Information Technology (IT) systems and asked if these were being integrated with the current systems, particularly for the clinical aspects of care:

Judith Brown responded that SCH was currently exploring a number of options for peripatetic services. Much work had been done to develop a system for community nurses, which was a stand-alone system, and options were now being considered for the other community-based services.

Neville Roberts, Director of Information Technology, commented that it was important that the systems be simple for the clinicians to use, so that they would be motivated to use them and to realise the benefits arising. Development of an in-house solution was the preferred option, as this would build on the development of the community nurses' system.

The meeting **noted** the Minutes of the meeting of the Somerset Community Health Committee held on 12 March 2009 and the verbal report of the Chairman of the Somerset Community Health Committee on the meeting held on 5 May 2009.

SPCT 100/2009

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 11 MARCH 2009 AND THE VERBAL REPORT OF THE CHAIRMAN OF THE AUDIT COMMITTEE ON THE MEETING HELD ON 27 MAY 2009

The meeting **noted** the Minutes of the Meeting of the Audit Committee held on 11 March 2009, paper SPCT 2009/059.

The meeting **received** a verbal report from Lou Evans, Chairman of the Audit Committee, on the meeting held on 27 May 2009, from which it was **noted** that:

- the Chief Executive had briefed the Audit Committee on six key areas:
 - * local targets
 - * five-year strategy
 - * community hospital investment programmes and GP investment programmes
 - * progress on sustainability
 - * productivity, which will be a key theme over the next two years
 - * the final annual accounts

- both the external and internal auditors had given a positive report, and the Audit Committee recommended that the final accounts be brought to the Primary Care Trust Board for adoption at its meeting on 3 June 2009
- counter fraud investigations had been discussed and it was pleasing to report that very good progress was being made – this item would be discussed in Part B of today’s meeting
- discussions had been held with Kathryn Rees, Performance Specialist and Finance lead for the south west, about NHS Somerset’s financial management and the steps to be taken to achieve a rating of “excellent” for the annual Use of Resources assessment
- the meeting had considered mortality rates, a standing agenda item. Further analysis was being undertaken and a report would be made to the September Board meeting
- Paul Goodwin, Director of Finance and Performance, had updated the committee on progress made on the establishment of the audit procedures and the internal work programme

The meeting **noted** the Minutes of the Meeting of the Audit Committee held on 11 March 2009 and the verbal report of the Chair of the Audit Committee of the meeting held on 27 May 2009.

SPCT 101/2009

THE FINANCIAL ACCOUNTS OF THE SOMERSET PRIMARY CARE TRUST FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009 AND THE LETTER OF REPRESENTATION TO THE EXTERNAL AUDITORS

The meeting **received** the Financial Accounts for the period from 1 April 2008 to 31 March 2009, together with the report of the Director of Finance and the Letter of Representation to the External Auditors, paper SPCT 2009/060.

Paul Goodwin, Director of Finance and Performance, also provided a verbal report, from which it was noted that:

- the Primary Care Trust had a statutory obligation to prepare an annual set of accounts, in a format prescribed by the Department of Health and adhering to UK GAAP (Generally Accepted Accounting Principles). The accounts for 2008/09 were presented to UK GAAP standards
- from 1 April 2009, for the financial year 2009/10, the accounts would be prepared in accordance with the International Financial Reporting Standards (IFRS). The principal

differences between UK GAAP and IFRS related to the number of disclosures, together with changes to the structure of the balance sheet

- the accounts had been the subject of external audit scrutiny and had been considered by the Audit Committee at its meeting on 27 May. The External Auditor would provide his opinion of the accounts following their adoption by the Board on 3 June 2009
- in summary, the Primary Care Trust had achieved all of its key duties:
 - * not to exceed its revenue resource limit
 - * not to exceed its capital resource limit
 - * not to exceed its cash limit
 - * to ensure payment to suppliers in accordance with the Better Payment Practice Code
- table 1 of the report, the operating cost statement, was split to show the Commissioning net operating costs and the Provider (Somerset Community Health) net operating costs. The total net expenditure for 2008/09 was £727,461,000
- the statement of gains and losses showed expenditure and adjustments that had not been taken into account within the operating cost statement. Two items were highlighted:
 - * on 15 April 2009, the Primary Care Trust was notified of changes to the revaluation rates as applied to land and buildings owned by the Trust. The new rates had a significant impact and reduced the value of land and buildings by £8.4 million. It was important to note, however, that this was a technical adjustment and had no impact on the delivery of services, nor any adverse effect on the buildings themselves
 - * the Primary Care Trust received donated assets of £1,674,000 during the year, relating to Verrington Community Hospital (with a significant donation from the League of Friends) and to Frome Community Hospital
- the closing balance sheet for 2008/09 included:
 - * fixed assets of £88 million
 - * debtors of £7 million
 - * creditors of £63 million

- the cash flow statement for 2008/09 showed that cash at the bank reduced by £136,000, leaving a cash value of £3,400 at 31 March 2009
- table 2, the revenue resource limit, formally recorded the underspend of the Primary Care Trust, which for 2008/09 was £5.2 million, versus £5.1 million in 2007/08. This was in line with the financial strategy agreed with the Strategic Health Authority and would be returned to the Primary Care Trust in 2009/10
- the net operating cost expenditure of £727 million was adjusted by non-discretionary expenditure of £4.3 million, relating to ophthalmic services, funding for which was provided by the Department of Health on the basis of costs incurred
- table 3, the capital resource limit, reflected a breakeven position at the year end. Key elements of the capital programme for 2008/09 included:
 - * completion of the Frome Hospital development programme
 - * Minehead Hospital development
 - * acquisition of Bracken House and Parkgate
 - * a programme of repair and renewal at community hospitals
 - * investment in the information management and technology infrastructure
- as required by the Department of Health, the Primary Care Trust did not exceed drawings against its cash limit of £726 million during the year
- table 4, Provider Full Cost Recovery, demonstrated that there had been no cross-subsidisation between NHS Somerset and Somerset Community Health
- table 5, number of staff, identified an increase in 2008/09 attributable to:
 - * recruitment to vacancies in the organisation structure
 - * transfer of some functions in-house, for example, the Payroll department and Information teams
 - * non-recurring waiting list initiatives
 - * strengthening the clinical leadership in Somerset Community Health
 - * recruitment to programmes initiated through the Public Health agenda

- the increased number of staff had impacted on the management costs, as shown in table 6, moving from a management cost per head of weighted population in 2007/08 of £11.73, versus £15.39 in 2008/09. It was, however, important to note that:
 - * a benchmarking report provided by the Auditors to the Audit Committee indicated that Somerset Primary Care Trust had the lowest management costs of any NHS organisation in England
 - * the costs had taken into account inflationary increases and incremental drift
 - * a number of staff formerly classed as 'clinical staff' were now classed as 'management staff', where their responsibilities included budget management, for example, hospital matrons and locality managers
- table 7, Better Payment Practice Code, demonstrated that over 95% of NHS invoices, and over 97% of non-NHS invoices, were paid within 30 days
- the accounts included:
 - * a statement by the Chief Executive, as accountable officer, that his responsibilities had been appropriately discharged
 - * a statement by the Chief Executive and Director of Finance relating to their responsibilities in respect of the accounts
 - * a statement of internal control, to be signed by the Chief Executive on behalf of the Board
 - * a statement of opinion of the Head of Internal Audit relating to the effectiveness of the systems of internal control
- Letter of Representation:
 - * Paul Goodwin advised the meeting of the requirement to send a letter of representation to the Auditors, confirming that NHS Somerset had made full declarations in respect of its accounts for the 2008/09 financial year, and this would be signed by the Chief Executive and the Director of Finance and Performance.

The Chairman thanked Paul Goodwin for a very comprehensive report.

The Chief Executive commented that the accounts represented a very good financial outturn for the Primary Care Trust, and reflected that each set of accounts produced by the Trust since its inception in 2006 had shown delivery of a very strong surplus. This was very important as it provided the Trust with the surety to plan and deliver its five-year strategy, and demonstrated increased robustness in the Trust's financial arrangements. The Chief Executive expressed his thanks to the Director of Finance and Performance and his team for their work in this regard.

Turning to the management costs, the Chief Executive reminded the meeting that in 2006/07, when the four former Primary Care Trusts were rolled into one, Somerset Primary Care Trust had delivered management savings of £2.3 million. The Trust had developed its own in-house Payroll services but would need to exercise caution as it entered a more challenging financial environment.

Members queried the increased management costs, arising from the requirement to reclassify Hospital Matrons as 'management staff', and questioned if this reclassification had been imposed by the Primary Care Trust or by national NHS policy. Members also sought assurance on the Provider Full Cost Recovery duty, that, in its commissioning role, the Primary Care Trust was not cross-subsidising the provider arm:

The Director of Finance and Performance responded that the definition of 'management staff' was set out in the NHS Manual for Accounts and was very prescriptive; if clinical staff undertook specific responsibilities, such as budget management, as part of their normal role, then those staff were to be classed as 'management' and included in the management costs.

Referring to the Provider Full Cost Recovery Duty and non cross-subsidisation, it was confirmed that the figures were based on the operating resource limit of Somerset Community Health, and an exercise had been undertaken to apportion an element of overheads to provider services.

Referring again to the management costs, the Chief Executive advised that the very robust processes of the Primary Care Trust ensured that it adhered to the strict definition of management staff as prescribed by the NHS Manual for Accounts, and it would be very important that the reasons for the increased management costs were accurately communicated to the media and members of the public. This would include not only the reclassification of some of the clinical staff, but also the recruitment of health trainers to

deliver the increasing public health agenda.

The Chairman expressed her congratulations and thanks to Paul Goodwin and his team, and confirmed that the Board had received sound assurance of the Primary Care Trust's financial position. The NHS overall was moving into difficult times but NHS Somerset had demonstrated that its own position was one of strength.

The meeting **received and adopted** the Primary Care Trust's Financial Accounts for the period 1 April 2008 to 31 March 2009.

The meeting **received and noted** the Letter of Representation to the Primary Care Trust's auditors.

SPCT 102/2009

FINANCE REPORT FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

The meeting **received** the Financial Report for the period 1 April 2008 to 31 March 2009, paper SPCT 2009/61, together with a verbal report from the Director of Finance and Performance, highlighting the key elements as follows:

- the Primary Care Trust had delivered a year underspend of £5,235,000, in line with the target agreed with the South West Strategic Health Authority, and this would be returned to the Primary Care Trust during 2009/10
- Choosing Health: the programmes had been costed on the basis that all the schemes would commence on 1 April 2008. While some slippage had occurred during the early part of the year, all the schemes were now in place
- Somerset Community Health (SCH): the report demonstrated that the establishment of SCH as an arms-length organisation had been delivered within the budgeted allocation. There had been a period of very substantial management development, in terms of the supplementary investment programme, amounting to £1.75 million, and delivery of a year-end breakeven position was a tribute to Judith Brown and the SCH management team
- the year end position on prescribing showed an underspend of £4.5 million, creating an opportunity for a supplementary investment programme. It was important to note, however, that this was not delivered at the expense of quality
- Secondary Care Commissioning: the year-end position showed a small overspend of £371,000 against a budget of £450 million. Congratulations were expressed to Judith

Newman for her management of this budget, particularly in view of the severe winter pressures

- at the year-end, there were a number of contract variations, some of which were attributed to work-in-progress, where patients had commenced treatment and were in hospital as at 31 March 2009 but were not yet discharged. An assessment had therefore been made of the costs relating to patients with treatment in progress. There had also been a significant increase in emergency referrals during February and March
- where overspends had occurred, the majority were attributable to out-of-county providers. Moving forward, the Primary Care Trust must consider the financial positions of its neighbouring commissioners and how these relate to NHS Somerset's out-of-county contracts
- the supplementary investment programme budget for the year was £8.6 million, of which £7.1 million had been spent. There had been some slippage, predominantly against primary care premises, where delays had largely been caused by planning issues and the difficulties of steering these through complex processes by close of the financial year on 31 March 2009. It was confirmed that arrangements were in place to assist and support Practices in these matters where necessary
- the value of fixed assets on the balance sheet had been affected by the changes to the revaluation rates, although it was noted that in terms of future revenue budgets, this would be beneficial, as it would lead to a reduction in the servicing costs
- against the Better Payment Practice Code, and the associated 10 day performance, NHS Somerset had paid 51.5% of its suppliers within 10 days, and work was in progress to increase this percentage over the coming months. It was noted that the achievement compared favourably with other NHS organisations
- NHS Somerset had delivered a breakeven position against the capital programme

In summary, the Director of Finance and Performance reported that NHS Somerset was in a very strong position and had delivered all of its financial and service targets. For 2008/09 overall, the control total as agreed with the Strategic Health Authority had been delivered. However, as NHS Somerset moves forward into a more financially challenging future, greater focus must be given to managing the variations.

The meeting **noted** the Finance Report for the period 1 April 2008 to 31 March 2009.

SPCT 103/2009 PERFORMANCE REPORT FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

The meeting **received** the Performance Report for the period 1 April 2008 to 31 March 2009, SPCT 2009/62, together with a verbal report from the Director of Finance and Performance, focusing particularly on the positive progress made during the financial year as follows:

- smoking cessation: thanks were expressed to the smoking cessation team, which had achieved its target number of quitters for the second consecutive year. Of greater importance, however, was the extended target, that of increasing the number of quitters who remained non-smoking, against which there had been an achievement of 20%, and this would attract additional funding to the Primary Care Trust
- 70% of GP practices now offered extended opening hours
- there had been a significant underspend against prescribing
- dentistry: over 317,000 people had accessed primary care dental services in Somerset over the past two years. Although the target was not quite delivered, Somerset has the capacity to provide dental services to its population and much work was in progress to raise public awareness
- from 1 April 2009, community pharmacies would provide Chlamydia screening kits. An additional 3,600 people were tested in 2008/09 compared to 2007/08, and a range of initiatives were in place to increase screening uptake in the future
- Choose and Book: NHS Somerset had consistently performed as one of the top 10 organisations nationally, although the target 90% had not always been achieved. A plan has been established to roll-out the Choose and Book system where a referral has been made for patients with suspected cancer
- secondary care development:
 - * inpatient waiting: there were 677 more patients waiting as at 31 March 2009 compared to 31 March 2008, an 11% increase. However, it was important to note that even though the number of waiters had risen, patients were being seen in a shorter timescale

- category A ambulance response times had been achieved consistently over the past 12 months. As previously reported, category B ambulance response times narrowly missed the target. However, it was pleasing to report that the Category B target had been achieved in April 2009, although the Ambulance Trust would need to pay continuing attention to this throughout the year
- Genito-Urinary Medicine (GUM): in terms of the number of patients seen within 48 hours, Taunton and Somerset NHS Foundation Trust was to be congratulated on being the top performing Trust in the south west
- achieving single sex accommodation: an allocation of £684,000 had been received and it was anticipated that single sex accommodation would be achieved at all Acute and community hospital premises across Somerset by the target date of 30 June 2009
- patient safety strategy: there had been a continued reduction in the incidence of MRSA and Clostridium Difficile, and NHS Somerset had exceeded the target for reductions during 2008/09
- annual health check: an action plan had been established across a number of areas to improve performance. Although not all targets had been achieved, for example, in teenage conception rates, good progress had been made overall
- sustainable development: good progress was being made, including: the recruitment of a manager, commencing in April 2009; completion of the travel survey; voluntary adoption of the BREEAM standard for community hospitals, and development of the final action plan to meet the 2009/10 targets, which would be included in future publications of the Performance Report
- celebration of success and innovation, including: the establishment of the role of the modern Community Hospital Matron; significant focus on the Practice-based Commissioning schemes, and development of the voluntary and community sector strategy

Members sought assurance that, given the Trust would be making an investment of £684,000, the requirement for single-sex accommodation would be reached by the end June 2009 target date:

The Chief Executive responded that in 1997, the Government had committed to the elimination of mixed-sex accommodation, and there were some instances where this had not been achieved. The Health Secretary had recently mandated that single-sex accommodation must be achieved by 30 June 2009 and the Government had provided funding of £684,000 to NHS Somerset to ensure that this was achieved in both its own services and those from whom services were commissioned. Mary Monnington, Director of Nursing and Patient Safety had been leading on this project, and Somerset Community Health and the acute hospital trusts had confirmed that single-sex accommodation would be achieved by the target date.

Judith Brown, Chief Operating Officer of Somerset Community Health, advised that the standards to be achieved had changed since the original initiative and hospitals must now meet a different set of criteria. This had a significant impact, particularly on the acute trusts, as the standards were to apply across all areas of the hospital, not just on the wards.

Lucy Watson, Deputy Director of Nursing and Patient Safety, confirmed that all areas were on track to deliver this target and Somerset Partnership NHS Foundation Trust was particularly well placed.

Members queried the missed target for reduction in teenage pregnancy rates:

Dr Caroline Gamlin, Joint Director of Public Health, advised that a national target was set in 1998 to halve the incidence of teenage conception rates by 2010. Although other Primary Care Trusts had higher rates than experienced in Somerset, it had been the case that the reductions achieved in Somerset had reached a plateau and had then begun to rise again. There was a need to understand the actions that had been implemented by other Trusts and to learn from best practice.

The Chief Executive commented that this area would require further attention. The annual Public Health assessment would take place on Friday, 5 June 2009, and specific Public Health issues would be included on the September Board Seminar agenda, in particular, the provision of sexual health services.

Members requested that their thanks and congratulations be passed to the Ambulance Trust for its achievement of the Category B response times.

Commenting on the areas where NHS Somerset had not seen the required levels of improvement, members questioned if NHS Somerset was confident of meeting those targets in the future,

particularly given the increasing number of referrals and as we moved forward into more difficult financial times:

The Director of Finance and Performance responded that plans had been agreed with Yeovil District Hospital NHS Foundation Trust and Taunton and Somerset NHS Foundation Trust to achieve a ten week referral-to-treatment waiting time. Appropriate provision had been made for this but it nevertheless remained a difficult target and there would be a number of pressures to face. NHS Somerset would monitor progress and have very focused and robust commissioning discussions to ensure that the targets were delivered.

The Chief Executive commented that while patients were currently receiving 13 week referral-to-treatment waiting times and the plan was to reduce this to 10 weeks, it had not yet been possible to assess the consequences of this significantly faster access to services. It would be most important to keep the provider organisations sufficiently focused, as NHS Somerset could not afford to continue the levels of contract variation that had been experienced over the past two years, which would need to be dramatically reduced in line with the new, more stringent, financial situation.

Questioning the increased levels of emergency admissions, members commented that nationally, there was a 1% target increase, whereas Somerset Community Health had demonstrated an increase of 4.7%. This was an area that was targeted to be addressed by the Practice-based Commissioning schemes and members therefore sought assurance on the effectiveness of the investment that had been made in Practice-based Commissioning:

The Chief Executive responded that the ageing population of Somerset meant that it was likely that the number of emergency admissions would always increase. Although the increase of emergency admissions to the community hospitals during the year was significant, it demonstrated that patients were being treated in a more local environment and that pressure was taken away from the acute hospitals. It had been agreed that the Practice-based Commissioning schemes would be brought to the July Board meeting, to include a review of the engagement between primary care and secondary care, as it was felt that more progress could be made to secure better outcomes for patients.

Dr Hynes commented that the issue of emergency admissions was very important, particularly in terms of quality of care, and that focus should be placed on this rather than on the financial targets and the investments in the Practice-based Commissioning schemes. Dr Hynes acknowledged that the increase of 4.7% in emergency admissions should be reviewed but stressed that this

should not be about the achievement of a reduction, rather, about the improvements that could be made in the provision of higher quality services for patients generally, and reducing the rate of increases, which would release funds into the community for use in other ways.

Members also noted the reports on Complaints, PALS, Equality and Diversity, Patient Experience and Estates, included in the Performance Report.

Responding to a question relating to the graphical information at Annex A of the Estates Report, the Director of Corporate Services and Communications advised that the Primary Care Trust was required to submit an annual Estates return, and this information was reproduced back to the Trust benchmarking it against other organisations. The area depicted grey was the profile to which the Trust should be conforming, and the blue outline indicated the Trust's actual performance. It was noted that the Trust remained an outlier in respect of money spent on rent and rates, but this had halved since 2006/07 and would further reduce this year in line with the rationalisation of the NHS Somerset corporate estate.

The Chairman thanked the Director of Finance and Performance for a very comprehensive report and expressed her congratulations on a very satisfactory year-end outturn.

The meeting **noted** the Performance Report for the period 1 April 2008 to 31 March 2009.

SPCT 104/2009

FULL BUSINESS CASE FOR THE REDEVELOPMENT OF SOUTH PETHERTON COMMUNITY HOSPITAL

The meeting **received** the full business case for the redevelopment of South Petherton Community Hospital, SPCT 2009/063, the outline business case for which had been approved in February 2007. Jan Hull, Deputy Chief Executive/Director of Strategic Development, outlined the key elements of the business case as follows:

- the new hospital would include:
 - * 24 inpatient beds, comprising 16 beds for specialist stroke/neurological patients and 8 GP beds
 - * diagnostics – X-ray and ultrasound
 - * an integrated therapy department
 - * a specialist mobility centre
 - * a health and wellbeing centre, including outpatient clinics, interface services, day treatments, and an education suite and resource room, which would also be available to the community

- the population over 65 years of age in the area covered by South Somerset District Council was estimated to rise from 21% in 2009 to 29% by 2028
- the strategic context had been set by a number of national and local policies, including:
 - * “Our Health, Our Care, Our Say”, which set out the intention to move care from the acute hospitals to community-based care where it was safe to do so
 - * “High Quality Care for All”, the three key themes being high quality care for patients and the public, putting quality at the heart of the NHS, and working in partnership with staff
 - * the national Stroke Strategy
 - * the Transforming Community Services agenda
 - * the South West Regional Strategic Framework
 - * NHS Somerset’s Five-Year Strategy for Improving Health
- considerable consultation on the hospital redevelopment had taken place over the past five years. The original scheme was initiated by South Somerset Primary Care Trust and was reconfigured by NHS Somerset in the light of the policies detailed above. Formal consultation had taken place towards the end of 2007 and two further consultation meetings had taken place since that time, and were well attended. The support and enthusiasm from the local community, facilitated by the South Petherton Hospital League of Friends, had been excellent
- the new hospital would meet four key objectives:
 - * it would provide the third of NHS Somerset’s three planned specialist community stroke units
 - * it would be a significant step forward in moving care from the acute setting to the community
 - * it would significantly improve care for patients with long-term conditions
 - * it would increase patient choice
- the new hospital would move capacity from Yeovil District Hospital and Musgrove Park Hospital and the activity changes had been discussed with those Trusts
- the development would involve a significant increase in specialist patient activity. This would have staff implications for Somerset Community Health, as the provider, and the

business case included modelling of the future staff needs, a detailed plan for which was in progress

- total capital costs were £17.5 million, of which the build costs were £11.3 million
- current revenue funding was £2.5 million. Proposed activity and revenue for the new hospital would increase to £5.5 million, with the difference of £3 million being made up from £2 million of funds repatriated from other providers, and £1 million additional investment, which was included in the five-year financial framework
- the activity modelling had taken a cautious approach to patient length of stay to ensure that the project was affordable and manageable, particularly in the first two years, and outpatient activity had been increased
- the Strategic Health Authority had approved the outline business case in early 2008 and availability of public sector capital was confirmed at that time
- the Procure21 method was used to appoint the building contractor, as had been done for Frome and Minehead hospitals, and Laing O'Rourke was selected. Gleeds Management Services had been appointed as technical and cost advisor
- new land would be required for access and an agreement would be signed with the landowners very shortly
- as part of the primary care infrastructure development approved in 2008, it had been agreed that Martock Surgery South Petherton branch would relocate to the South Petherton site. It had since been agreed that the surgery would be adjacent to the site, and the land had been identified
- the design process had been inclusive and constructive, utilising the Achieving Excellence in Design Evaluation Toolkit (AEDET), with a rating of 51.3 out of a possible 60 points, and the BREEAM tool, which rated the design as "very good"
- subject to approval by the Board, the full business case would be presented to the NHS South West Capital Investment Group in July 2009 and final approval was anticipated in September 2009. It was also anticipated that some of the enabling works would commence in August

- the full business case had been endorsed by the Professional Executive Committee on 28 May

Members requested an explanation of the increase in the modelling of outpatient activity:

Jan Hull explained that when the outpatient modelling was reviewed and, taking into account the number of residents within a 10-mile radius of the hospital, together with the range of specialist services that would be offered, it was felt that the outpatient activity modelling in the outline business case had not been sufficiently ambitious.

The Chief Executive commented that outpatient activity in many of the community hospitals was predicated on the services they were able to provide. The new hospital would focus on the services that patients need and provided an opportunity to provide those services in a setting more local to the community.

Members asked about the proposed relocation of the South Petherton branch surgery and if it would still be feasible to locate the surgery with the hospital in the event that it was not possible to purchase the land identified:

Jan Hull responded that this had been included in the business case as a risk. In the event of the land not being purchased, the surgery could be integrated on the hospital site but this would involve further detailed work.

David Slack, Director of Primary Care Development, commented that the land purchase was being led by the Practice, and NHS Somerset was providing assistance with the process.

Referring to the requirement for significant numbers of additional staff, the Chairman asked about the confidence level in being able to recruit those numbers:

Judith Brown responded that a detailed plan for recruitment was in progress. The new hospital would be a centre of excellence and, although the level of risk was acknowledged, it was believed that this would attract the sufficient number and calibre of staff required. Judith Brown also assured the Board about the level of engagement with Somerset Community Health, and the Board could be very confident that nursing and therapy staff had been consulted and had contributed to the work, both in models of care and proposed new ways of working.

The Chairman expressed her thanks to Jan Hull and her team, and in particular, the South Petherton Hospital League of Friends, who had been very enthusiastic and supportive throughout the process.

The Primary Care Trust **approved** the Full Business Case for the Redevelopment of South Petherton Hospital.

SPCT 104/2009

NHS SOMERSET MARKETING AND COMMUNICATIONS STRATEGY

The meeting **received** the NHS Somerset Marketing and Communications Strategy, paper SPCT 2009/064. Jan Hull, Deputy Chief Executive/Director of Strategic Development outlined the background and key elements of the strategy as follows:

- work commenced on this strategy started in 2008 and Annabelle Walker, Associate Director for Strategic Programmes and Marketing had presented the framework underlying the strategy at the Board's April seminar
- the strategy responds to a number of drivers for the Primary Care Trust:
 - * world class commissioning: the expectation is that Primary Care Trusts will promote and advertise their role as the local leader of the NHS to the public, stakeholders and staff
 - * the provision of Section 242 of the National Health Service Act 2006 increased the responsibility for Primary Care Trusts to communicate and consult with the public
 - * with the increasing range of service providers, the Primary Care Trust must ensure that the NHS brand is effectively promoted and protected
 - * the increased focus and investment on the public health agenda provides opportunities for social marketing to promote health and wellbeing to the public
- the Strategy as presented related principally to NHS Somerset as a commissioner. The provider arm, Somerset Community Health, was in the process of developing its own marketing and communications strategy
- implementation of the strategy would have an important role to play in the development of NHS Somerset's world class commissioning competencies
- section 4 onwards set out the marketing and communications framework and described how the social marketing elements would be taken forward, together with the associated actions

Referring to external and internal communications, Phil Brice, Director of Corporate Services and Communications, reported that:

- the two principal areas for external communications related to reputation management and branding:
 - * reputation management referred to the public perception of NHS Somerset
 - * feedback reports suggested some misunderstanding of the role and functions of “NHS Somerset” and further work was therefore required
- it was important that information was communicated to the public, stakeholders and staff in the most appropriate format, and the communications process could also be positively used to influence individuals’ aspirations and behaviours to deliver better health outcomes and reduce health inequalities. The strategy included a number of potential polling questions that could be used to test the effectiveness of the communication
- key developments for external communications included:
 - * increased proactive media relations to raise public awareness
 - * improvements to the NHS Somerset website – work was in progress and was being shared with Patient and Public Involvement groups
 - * information campaigns – work with providers and other stakeholders to ensure information is widely available
- the Strategy also included polling questions for internal communications, relating to employee understanding of the organisation’s services and planned improvements, and also to ensure that they felt valued and motivated in their position
- key developments for internal communications included improvement of the intranet – work was in progress, including close discussion with the Workforce Directorate and focus groups

Jan Hull further advised that:

- the Strategy set out a number of key elements to achieve closer working relationships with partners and stakeholders, particularly Somerset County Council

- in terms of social marketing, it would be necessary to develop a wide range of skills across the organisation to ensure that the investment being made in health and wellbeing programmes was appropriately marketed and communicated to the target population
- section 8.6 included examples of social marketing already in progress:
 - * promotion of breastfeeding
 - * increasing the uptake of screening programmes
 - * the Smokefree Homes and Cars project, in conjunction with the University of the West of England
 - * the 'Look Out For Your Mates' campaign, relating to alcohol misuse, a web-based campaign launched by the Drug and Alcohol Action Team
 - * the national 'Change 4 Life' campaign
- a key action would be to finalise the recruitment plans for the Strategic Marketing post, the Internal Communications post, and the replacement of the Associate Director of Public Involvement

Members questioned the action to establish a training and development programme for commissioning staff to promote the Marketing and Communications Strategy, and suggested that this be extended to all staff:

Phil Brice advised that the Induction Training programme for new staff had been revised and now included a Marketing and Communications element. There were also plans for a senior and middle-management staff seminar in July, and Marketing and Communications would be included on the agenda.

Members commented on the urgency of recruiting to the vacant posts, particularly that of Internal Communications. The question of a financial budget was raised, together with performance measures for understanding the success of the strategy in achieving its objectives:

Phil Brice advised that the Internal Communications post was currently filled on an interim basis and the advertising and recruitment process was in hand.

The Chief Executive advised that a marketing budget was included in the overall financial budgets. Expenditure on communications

and marketing within NHS Somerset was currently significantly less compared to other NHS organisations and any expenditure not related to direct patient care needed careful consideration.

The Chairman expressed her thanks to Jan Hull and Phil Brice for a very comprehensive and innovative document.

The meeting **approved** the NHS Somerset Marketing and Communications Strategy.

SPCT 105/2009

NHS SOMERSET STRATEGY FOR PATIENT AND PUBLIC INVOLVEMENT

The meeting **received** the NHS Somerset Strategy for Patient and Public Involvement (PPI), paper SPCT 2009/065.

Phil Brice advised that the Strategy for Patient and Public Involvement complemented the Communications and Marketing Strategy, was aligned to the World Class Commissioning process, and reflected recent changes in legislation. Patient involvement and feedback was very important and this had most recently been demonstrated by the learning from the recent Healthcare Commission Review of Mid Staffordshire NHS Foundation Trust.

The Strategy focused on two key elements:

- long-term meaningful engagement of patients and the public in service development and delivery
- ensuring open and accessible means for patients to provide feedback on NHS services in Somerset

Local involvement networks had been established across the county, together with the PPI Steering Group. Considerable public consultation had taken place on various projects, including Diabetes and Chronic Obstructive Pulmonary Disorder (COPD), which had been nationally recognised as good practice, and most recently in relation to the redevelopment of South Petherton Hospital.

NHS Somerset was working closely with primary care and a number of Patient Participation Group events had taken place at the end of May as part of NHS Somerset's pilot work with the National Association for Patient Participation. NHS Somerset was also looking at national and international best practice to find more innovative approaches to PPI. Systems and processes were in place for patient feedback on services, including PALS (Patient Advice and Liaison Service) and surveys, and discussion about how the data collected could be most appropriately used would take place at the Integrated Governance Committee meeting on 4 June 2009.

NHS Somerset had also set Patient Satisfaction Standards, to ensure a consistent approach in understanding the patient experience. Information gathering methods also now included the use of Formic, a hand-held tablet which could record a patient's comments at the time, rather than the patient being given a form to complete and return at a later date. Development of the website would include community hospital noticeboards, information from the PPI group, a Have Your Say page, and a Listening To You section, where comments would be responded to in a "You told us this – this is what we have done" format.

Reports on Patient Experience would be developed to provide assurance to the Board about the ongoing development of patient involvement and assist in improving outcomes on the World Class Commissioning agenda.

The meeting **approved** the NHS Somerset Strategy for Patient and Public Involvement.

SPCT 106/2009 USE OF THE COMMON SEAL

The meeting **received** a schedule detailing the use of the Common Seal during the period 7 April to 15 May 2009, paper SPCT 2009/066, and this included the formal transfer of the Wellsprings Road site to Somerset Partnership NHS Foundation Trust.

The meeting **noted** the use of the Common Seal.

SPCT 107/2009 REPORT OF THE CHIEF EXECUTIVE

The meeting **received** the Report of the Chief Executive, paper SPCT 2009/067, which provided a summary of the key issues arising since the last meeting on 22 April 2009: It was **noted** that:

- Swine Flu: Much planning had been undertaken nationally and locally and NHS Somerset was very well prepared. There had been one case of swine flu in the county to-date. NHS Somerset was assisting at the regional flu centre based in Bristol
- Annual Health Check Declaration - Chairman's Action: The Annual Health Check Declaration had been discussed at the meeting on 22 April 2009, and in accordance with the action agreed, Chairman's action was implemented in respect of the declaration for Standards for Better Health in Somerset Community Health. The Chairman's action authorised the declaration of full-year compliance with all standards except C4a and C21, for which part-year non-compliance was declared, with compliance achieved by the year-end.

The meeting **endorsed** the Chairman's action, and **noted** the Report of the Chief Executive.

SPCT 108/2009 ANY OTHER BUSINESS

There was no further business to discuss.

SPCT 109/2009 DATE OF NEXT MEETING

The next meeting would be held on Wednesday, 15 July 2009, commencing at 10.00 am, at Crowcombe Hall, Crowcombe.

SPCT 110/2009 WITHDRAWAL OF PUBLIC AND PRESS

NHS Somerset **resolved** that representatives of the Press and other members of the public be excluded from the remainder of the meeting having regard to the confidential nature of the business transacted, publicity on which would be prejudicial to the public interest.

Items to be discussed would include:

- the Minutes of Part B of the meeting of the Primary Care Trust held on 22 April 2009
- the Minutes of Part B of the meeting of the Professional Executive Committee held on 26 March 2009
- the Minutes of Part B of the Audit Committee held on 11 March 2009
- a presentation on media coverage of Somerset Primary Care Trust for the period April-May 2009

CHAIRMAN

DATE