

**CANNOCK CHASE PRIMARY CARE TRUST BOARD**

Notes of a meeting held on 20<sup>th</sup> September 2006 at 10:00am in Boardroom, Cannock Chase PCT, Block D Beecroft Court, Cannock.

Present:	Mr D Littlemore	Chairman
	Mrs J Beardmore	Non-Executive Director
	Miss E Evers	Director of Primary Care and Service Development
	Ms A Gribbin	Non-Executive Director
	Mr N Haywood	Non-Executive Director
	Mr K Jackson	Non-Executive Director
	Mrs P Johnson	Non-Executive Director
	Mrs E Onions	Director of Nursing and Operational Services
	Mr J-P Parsons	Chief Executive
	Mr M Sandel	Non-Executive Director
	Dr A Selvam	Chairman, Professional Executive Committee
	Mr T Travers	Director of Finance
	Mrs J Wright	Director of Public Health
In Attendance:	Mr C Bennett	Observer, Patient and Public Involvement Forum
	Mrs M Salisbury	Personal Assistant to the Chief Executive

The Chairman welcomed everyone to the Meeting. The format of the meeting would be in two parts; the first being the Annual General Meeting followed by the second part which would comprise the September PCT Board Meeting.

Prior to the meeting the Chairman gave a brief update on the 'new' South Staffordshire PCT and informed members that no Chair and no formal Chief Executive had been appointed, however, Mr S Poynor had been asked to lead the re-configuration project. An interim Board, consisting of the Chairs of the four South Staffordshire PCTs, together with the Chairs of the Audit Committees, was in place.

There would be a review of the Professional Executive Committee in April 2007, however, the interim arrangements consisted of the four South Staffordshire PEC Chairs who were acting as GP members on the Committee. No decision had been made regarding a Nurse and Social Services representative.

**Minutes:**
**Part 1: Annual General Meeting**
**1. Apologies for Absence**

Apologies for absence were received from Miss A Thompson, Member, Professional Executive Committee.

## **2. Annual Report 2005/2006**

The Chairman presented the PCT's Annual Report for 2005/2006. The report detailed the PCT's achievements during the year, including service development and expansion, partnership working with stakeholders and information regarding community initiatives, which had helped to improve the quality of healthcare provided to local residents. The report also included details in respect of the management structure and accountability together with a summary of the finance arrangements during 2005/06.

The Chairman and Chief Executive commended the report and thanked all those involved in it's production.

It was noted that the gross operating costs of £174 million was due to the work undertaken on behalf of the other PCTs.

The PCT Board was informed that, as the PCT would be dissolved on 30<sup>th</sup> September 2006, no public meetings to present the Annual Report had been arranged.

The Chairman referred to the Minutes of the AGM held on 14<sup>th</sup> September 2005 which were duly received and agreed.

The PCT Board formally adopted the Annual Report for 2005/06.

The Observer from the Patient and Public Involvement Forum informed the PCT Board that the Forum had been looking at how care in the community could be developed to enable more patients to be treated at home. It was the intention of the Forum to meet with representatives of the 'new' South Staffordshire PCT to discuss how funding could be directed to enable better treatment within the community.

## **Part 2: Trust Board Meeting**

### **1. Apologies for Absence**

Apologies for absence were received from Miss A Thompson, Member, Professional Executive Committee.

### **2. Minutes of the Meeting held on 19<sup>th</sup> July 2006**

The Minutes of the Meeting held on 19<sup>th</sup> July 2006 were agreed as an accurate record.

### **3. Matters Arising (not covered elsewhere on the Agenda)**

There were no matters arising.

#### 4. For Approval/Decision

##### 4.1 NHS WEST MIDLANDS STATEMENT OF REQUIREMENTS FOR 2006/07 (SoR)

The Director of Finance gave an overview of the NHS West Midlands Statement of Requirements which included a covering letter from Peter Spilsbury, the Governance Framework for NHS Trusts and Primary Care Trusts in 2006/07, the Risk Assessment Framework for NHS Trust and Primary Care Trusts in 2006/07 and a summary of activity and targets in relation to the Local Delivery Plan.

It was noted that the clause in Section 1 of the original statement in relation to the £4.3m contribution to the NHS Bank was not considered compatible with the Board's concerns and objections. The section had, therefore, been amended to read "The PCT notes the required contribution to the NHS Bank of £4.3m".

The PCT Board endorsed the sign-off of the Statement of Requirements.

##### 4.2 PCT STRATEGIC SERVICES DEVELOPMENT PLAN – UPDATE

The Director of Primary Care and Service Development outlined the report and gave an update on each development.

###### Norton Canes

A licence to occupy the site had been granted by the PCT to United Healthcare Developments Limited. Work had commenced on re-directing pipe lines across the site in readiness to start the building works as soon as the District Council had issued a Section 106 agreement, prior to issuing full planning consent. The PCT Board noted the progress and was informed that a 'turf cutting' ceremony would take place on 28<sup>th</sup> September 2006.

###### Rugeley 2

The PCT Board recalled the discussions held at the meeting on 19<sup>th</sup> July 2006, and was informed that work had been undertaken to re-assess the viability of the proposed development on the Western Springs Schools site, given the Aelfgar Surgery's withdrawal of interest from the venture.

The Director of Primary Care and Service Development informed the PCT Board that, as part of the work undertaken, a patient survey had been carried out to assess patient flows and usage of the proposed new facilities.

Letters were sent to 10,000 households in Rugeley to patients registered with the Horsefair Practice and the Aelfgar Surgery. There had been a tremendous response with replies returned on behalf of over 13,150 patients (over 65% of the patients involved). The replies indicated that 2,300 patients registered with the Horsefair Practice and 248 patients from the Aelfgar Surgery would wish to receive their healthcare at the proposed new Western Springs development.

The PCT Board was, therefore, informed that from the evidence collated it continued to be viable to proceed with the proposed Western Springs development.

The PCT Board noted that Mr J Hughes, member of the Aelfgar Patient Focus Group had written to all the Non Executive Directors highlighting the concerns of the Aelfgar patients. It was agreed to send Mr Hughes copies of correspondence in respect of the Western Springs development.

The PCT Board supported the proposal to proceed with the proposed Western Springs development.

#### Cannock

The PCT Board was informed that issues remained with the proposed Cannock development including the position, size and access to car parking. There were still issues with the Cannock Park Trust and a meeting with the Highways Division at Cannock Chase Council in respect of access was planned. The PCT Board noted that the issues were being progressed but was taking time as each issue had to be individually addressed. Concerns were expressed as to whether the development would go ahead on the proposed site.

The PPI Forum Observer informed the PCT Board that the PPI Inspection of Hednesford Valley Health Centre had highlighted an issue with the wooden storage area containing medical records. The Director of Primary Care and Service Development agreed to speak to the Service Development Manager regarding fireproofing.

#### 4.3 CANNOCK CHASE PCT PANDEMIC FLU PLAN – SEPTEMBER 2006

The Director of Public Health outlined the report and Pandemic Flu Plan which had been developed by the Pandemic Flu Committee in conjunction with the Staffordshire Pandemic Flu Group and national Department of Health guidance. It was noted that the plans were being updated as new guidance was released and the PCT Board was informed that Cannock Chase PCT was ahead of the national plans.

The report detailed local plans for dealing with a flu pandemic and was not intended to be a complete stand alone document, but should be read alongside other relevant pandemic flu plans, including; Cannock Chase District Council Pandemic Flu Plan, Staffordshire Ambulance Service NHS Trust Pandemic Flu Plan and Staffordshire Integrated Emergency Planning Media Plan.

The PCT's Pandemic Flu Plan covered issues that required a local NHS response in the community and within the PCT organisation.

The plan had been discussed at length at the Professional Executive Committee meeting held on 4<sup>th</sup> September 2006.

The PCT Board approved the Pandemic Flu Plan.

#### 5.4 PANDEMIC FLU – INFECTION CONTROL CONSUMABLES

This item was taken out of Agenda order as it related to item 4.3 above.

The Director of Public Health outlined the report. The PCT Board was informed that the Chief Medical Officer had identified a number of infection control consumable products that would be subject to increased demand in the event of a flu pandemic. It was noted that there were no plans to create a central stockpile of the products and in June 2006 all acute and Primary Care Trusts were asked by NHS Logistics to submit an order for their total requirement of these consumables during a pandemic. Any orders would be delivered and need to be paid for in full.

The problems this posed for the PCT were highlighted, including the additional cost. Across Staffordshire to date, PCTs had submitted indicative requirements only, rather than firm orders. NHS Logistics, however, would make no provision to accommodate indicative requirements until an order was received. The PCT Board noted that there was a risk with this approach in that if a pandemic struck, the PCT might not be able to purchase sufficient infection control consumables.

It was noted that the issues were being raised with the Strategic Health Authority and the Department of Health.

The PCT Board discussed the implications and considered holding an increased shelf stock next year. The Director of Public Health informed the PCT Board that the total cost of the estimated requirement of consumables during the first wave of a flu pandemic was £31,037. The PCT Board approved the spend and agreed that reserve stock be ordered. It was noted that the consumables would be stored and used locally.

A discussion was held in respect of the ordinary flu vaccine and it was noted that stocks were been delivered in stages and some practices would not receive a stock until December 2006. It was, however, hoped that most Cannock Chase PCT practices would receive a first delivery by the end of October 2006.

#### 4.4 CANNOCK CHASE COMMISSIONING CONSORTIUM – AMENDMENT TO SERVICE LEVEL AGREEMENT

The PCT Board recalled that the Service Level Agreement between the PCT and the Cannock Chase Commissioning Consortium for 2006/07 had been signed. The Chief Executive informed the PCT Board that it had since been proposed that the Agreement be extended to cover the three-year period from 2006 to 2009. It was noted that, whilst it was possible for the PCT to sign an outline Agreement for a longer period, the detail for 2007/08 and 2008/09 would have to be confirmed between the Commissioning Consortium and the 'new' South Staffordshire PCT. Such an Agreement, however, would give greater assurance that the 'loan' to the NHS West Midland Bank would be repaid to the Commissioning Consortium which would be better placed to ensure that it was used for the benefit of patients from Cannock Chase.

The PCT Board was informed that a review meeting with representatives of the PCT and the Commissioning Consortium had been arranged for 27<sup>th</sup> September 2006 and early indications showed that the Consortium approach was working.

The PCT Board received the report and agreed that the Service Level Agreement with the Cannock Chase Commissioning Consortium be extended to cover the period 1<sup>st</sup> April 2006 to 31<sup>st</sup> March 2009.

The PEC Chair thanked the PCT Board for agreeing the extension and the PCT Board expressed a wish to publicise the work of the Cannock Chase Commissioning Consortium.

## **5. Items for Discussion**

### **5.1 FINANCE AND PERFORMANCE REPORT FOR THE FOUR MONTHS ENDED JULY 2006**

The Director of Finance outlined the details of the report.

The report showed new targets for in-patient and out-patient access of 20 weeks and 11 weeks respectively. The activity report indicated low levels of first out-patients for the year to date and GP referrals below target. It was noted that overall activity was in line with targets.

The Board was informed that the PCT's planned return to recurrent financial balance in 2006/07 and the repayment of previous year's deficits and brokerage of circa £1.0m was achievable. Non-recurrent pressures of circa £5.0m had, however, been added for 2006/07. The inclusion of the £4.3m 'loan' to the West Midlands Bank, as an allocation reduction without showing the corresponding double-entry bookkeeping asset, turned a £1.9m operating surplus into a £2.4m deficit.

The financial report showed planned break-even and forecast outturn break-even. The figures showed unallocated risks of £2.46m and £2.7m for plan and forecast respectively. Whilst the PCT had developed a savings scheme to deliver the additional requirements, their achievement was very high risk. It was noted that risks remained within management costs double-running and redundancies on re-configuration, Specialised Services, activity levels in Secondary Care/Payment by Results and GP Prescribing together with the unrealistically high levels of savings required. Although the GP prescribing budget was tight, savings continued to be made.

The Director of Finance informed the PCT Board that the issue in respect of the £4.3m 'loan' continued to be pursued with the Strategic Health Authority.

A discussion was held in relation to the risk around cost of redundancies as a result of PCT re-configuration and it was noted that this was difficult to forecast and had, therefore, been omitted as a forecast 'risk' to the PCT.

The PCT Board noted the report submitted.

## 5.2 ANNUAL AUDIT LETTER

The Director of Finance outlined the Annual Audit Letter received from KPMG, the PCT's external Auditors and highlighted the key issues arising from the use of resources work and audit of the accounts. It was noted that the letter had been discussed at length at the Audit Committee and a response from KPMG was awaited in respect of the £4.3m 'loan' to the NHS West Midlands Bank.

The PCT Board was informed that very few criticisms were contained within the letter and the score given for each financial and 'Value for Money' issue was highlighted. It was noted that the Director of Finance had challenged KPMG with regard to the score given for Internal Control.

The PCT had narrowly failed to reach the 95% target of paying bills within 30 days.

As a result of feedback from a questionnaire sent by KPMG to the Chairman, Chief Executive, Non Executive Directors and Directors regarding the management of the merger, the arrangements had not scored highly. The Chairman of the Audit Committee informed the PCT Board that, as the PCT did not want the merger to take place, it was not prepared and, therefore, the poor score should be seen as a 'plus' for the PCT not a 'minus'. Overall, the letter should be seen as praising the PCT and its staff and should be taken as a great testimony to the Director of Finance and the Finance Team.

The PCT Board accepted the Annual Audit Letter for the accounts year ended 31<sup>st</sup> March 2006.

## 5.3 SOUTH STAFFORDSHIRE GP OUT OF HOURS SERVICE – CONTRACT TENDERING PROCESS

The Director of Nursing and Operational Services informed the PCT Board, that, following the PCT Board support for formal contract tendering, a project team had met with officer of the NHS Procurement Hub to map out appropriate documentation and timescales.

The proposed process for contract tendering was highlighted and it was noted that a draft timetable had been produced with support from the NHS Procurement Hub. The timetable included time for pre-tendering stakeholder consultation and it was aimed to implement the new contract for April 2007.

The Service Specification had been redrafted and forwarded to existing providers, local stakeholders and staff side groups seeking comments. An event to brief potentially service providers was planned for 10<sup>th</sup> October 2006.

Once comments from the consultation had been received it was proposed that the final version of the service specification and project timetable be submitted to an early meeting of the new South Staffordshire PCT Board for approval.

It was noted that 'notice' had not been served on existing providers but the PCT would be writing to them giving them 'notice of intent'. The PCT Board noted that staff employment was a sensitive issue and should be considered as such.

A discussion was held in respect of the criteria for the submission of 'tenders' and it was agreed that the criteria should only be focussed on money but should focus on the provision of a quality service.

The Chairman congratulated the Chief Executive and the Director of Nursing and Operational Services for the work undertaken.

The PCT Board considered the revised service specification and project timetable and supported the work continuing during PCT re-configuration.

#### 5.5 ASSURANCE FRAMEWORK/STRATEGIC RISKS

The Director of Nursing and Operational Services outlined the contents of the routine report, highlighted the changes and informed the PCT Board that the strategic objectives outlined in the Local Delivery Plan had been extracted and were the basis of the Assurance Framework.

The PCT Board was informed that, for harmonisation, the Assurance Framework would be submitted to the reconfigured South Staffordshire PCT.

The PCT Board considered the risks and assurances raised.

#### 5.6 CANNOCK CHASE PRIMARY CARE TRUST – RISK REGISTER

The Director of Nursing and Operational Services updated the PCT Board on the PCT's Risk Register. It was noted that, in order to facilitate a smooth transition of relevant risk into the South Staffordshire PCT, the Risk Register had been condensed and, where applicable, mapped to Standards for Better Health or Information Governance.

The Clinical Governance and Risk Management Committee had prioritised the risks to take forward into the new organisation and, therefore, the PCT Board considered the entire revised Risk Register.

The Director of Nursing and Operation Services highlighted the risks and the PCT Board noted the financial risk in respect of Herceptin. A discussion followed as to whether the risk could be reduced and the Director of Nursing and Operational Services agreed to discuss with the Director of Finance following the meeting.

It was further noted that, following the Cornwall Report, South Staffordshire Healthcare NHS Foundation Trust had been looking at ways to address the gaps identified in the report. The South Staffordshire Healthcare NHS Foundation Trust, as the provider of the service, and the PCT, as the commissioner, was concerned with the findings and the outcome of the report.

The PCT Board noted the content of the report.

#### 5.7 HR IN THE NHS PLAN – LOCAL DELIVERY

The Director of Nursing and Operational Services outlined the regular update report.

It was noted that the latest sickness figures demonstrated a variable report with 4.24% absence reported in June and 5.03% in July. There was a reduction in July to 12.82% in reported absence due to 'anxiety, depression and stress. The PCT Board noted that more staff absences might be reported as re-configuration progressed.

The reported annual percentage turnover rate in June was 9.52% and July 9.57%. and the reasons for leaving were highlighted.

It was reported that the IWL sub Group would continue to progress the action plan and it was expected that outstanding actions would be transferred into a South Staffordshire plan in October 2006.

The PCT Board was informed that recent Department of Health guidance had been received stating that re-configuring PCTs did not need to complete the Staff Opinion Survey due in the Autumn 2006.

The position with regard to Agenda for Change was noted and the PCT Board was informed that 33% of staff had requested a review of the awarded pay band. It was anticipated that all outstanding reviews would be completed by the end of September 2006. The Director of Nursing and Operational Services highlighted the target dates for the Knowledge and Skills Framework (KSF) and informed the PCT Board that this had proved time consuming due to the complexities of the e KSF system. The PCT Board noted the pressure on workload.

A performance monitoring framework, designed by the Strategic Health Authority, had commenced reporting monthly. Monitoring information included the number of staff with an agreed full KSF outline and how many staff had received an appraisal using the KSF methodology. The Director of Nursing and Operational Services informed the PCT Board that some old style appraisals continued to be undertaken and the PCT was not formally using the E KSF system.

The PCT Board was informed that a West Midlands HR Framework in respect of 'Commissioning a Patient-led NHS' was awaited.

In the absence of a formal structure, the local HR Lead Officers had drafted a process for organisational change and appointments to a new structure, which was out for consultation with staff side colleagues.

The PCT Board was informed that a series of staff support workshops commenced on 11<sup>th</sup> September 2006.

The Director of Public Health, as a member of staff going through the re-configuration process, congratulated the HR Team for keeping staff up to date with progress and it was noted that the Team had been as supportive as possible through a difficult time.

The PCT Board noted the contents of the report.

## **6. Items for Information**

### **6.1 LOCAL DELIVERY PLAN COST IMPROVEMENT PROGRAMME (CIP)**

The Director of Primary Care and Service Development presented the report for information only and updated the PCT Board on the cost improvement projects and highlighted the actions being taken.

The PCT Board received the report and noted that the PCT continued to question the £4.3m contribution towards the NHS Bank. All endeavours to achieve financial balance by the year-end and mitigate overspend were noted. The Director of Primary Care and Service Development would continue to progress the Cost Improvement Programme.

The Chief Executive acknowledge the work undertaken and congratulated all those involved.

### **6.2 SUBSTANCE MISUSE SERVICES – ACTION PLAN UPDATE**

The PCT Board received the report for information and noted the progress on the Action Plan to date. The Director of Primary Care and Service Development informed the PCT Board that the enhanced Alcohol Service SLA had been finalised and would be presented to interested practices by the CPN Team Leader and the Primary Care Development Manager. The new service would commence in early October 2006.

The PCT had served notice on Park House Surgery, a building owned by South Staffordshire Healthcare NHS Foundation Trust, thus enabling a saving on payment of rent.

### **6.3 CANNOCK CHASE SMOKING CESSATION AND TOBACCO CONTROL ANNUAL REPORT 2005/2006**

The PCT Board received the report for information. The Director of Public Health informed the PCT Board that the service had been successful and had met its targets. The challenge for the PCT had been meeting and sustaining the 52 week quitter target.

It was noted that the service would continue as a local service under the 'new' South Staffordshire PCT.

Following a discussion regarding smoking within Cannock Chase Council Civic Offices, it was noted that this was currently permitted. The Director of Public Health, however, informed the PCT Board that as from March 2007 it would become a no smoking building. In the meantime the Director of Public Health would continue to progress the issue in a way that was acceptable to members of the Council.

6.4 MINUTES OF THE AUDIT COMMITTEE HELD 5<sup>TH</sup> JULY 2006

The Minutes of the Audit Committee held on 5<sup>th</sup> July 2006 were received for information only.

6.5 UNCONFIRMED MINUTES OF THE PATIENT AND PUBLIC INVOLVEMENT SUB GROUP HELD ON 22<sup>ND</sup> JUNE 2006

The Unconfirmed Minutes of the Patient and Public Involvement sub Group held on 22<sup>nd</sup> June 2006 were received for information only.

6.6 MINUTES OF THE HR & OD SUB GROUP HELD ON 5<sup>TH</sup> JULY 2006

The Minutes of the HR & OD sub Group held on 5<sup>th</sup> July 2006 were received for information only. The Chair of the HR & OD sub Group acknowledge the support given by the Director of Nursing and Operational Services.

**7. Items Raised by the PEC**

7.1 MINUTES OF THE MEETING HELD ON 24<sup>TH</sup> JULY 2006

The Minutes of the Meeting held on 24<sup>th</sup> July 2006 were received for information only.

7.2 MINUTES OF THE MEETING HELD ON 5<sup>TH</sup> JUNE 2006

The Minutes of the Meeting held on 5<sup>th</sup> June 2006 were received for information only.

**8. Any Other Business**

8.1 PATIENT AND PUBLIC INVOLVEMENT FORUM

The PCT Board thanked the PPI Observer for the support of the Forum and its members and the exceptional work undertaken by the PPI Forum was noted.

The Chairman stated that it had been a pleasure working with the PPI Observer and expressed his apologies for omitting the work of the PPI Forum from the PCT's Annual Report for 2005/06.

The PCT Board was informed that the PPI had been approached by a number of people with regards to a lip reading service and it was noted that the PPI would work towards developing such a service.

8.2 The Chairman expressed a huge thank you to PCT Board members for their contribution over the years.

**9. Any Questions from Members of the Public**

Mr J Hughes, member of the Aelfgar Patient Focus Group thanked the Chief Executive and the PCT Board for its consideration in respect of the proposed Western Springs Development and requested that the PCT ensured the residents of Rugeley were made aware of the outcome. Following a discussion in respect of communication with the public, the Chief Executive agreed to draft a press release.

**10. Date and Time of Next Meeting**

Cannock Chase PCT would be dissolved on 30<sup>th</sup> September 2006, therefore, no further meeting would be held.

**12. Exclusion of the Public**

It was resolved to exclude the press and public from the meeting on the grounds that publicity would be prejudicial to the public interest by reason of the confidential nature of the business transacted.