Board of Directors (in Public)

Minutes of the Board of Directors' meeting held on 26th September 2016

minutes

Present :	**Neil Large**	**Chairman**
	Jane Tomkinson	**Chief Executive**
	David Bricknell	**Non-Executive Director/ Deputy Chair and Senior Independent Director**
	Julian Farmer	**Non-Executive Director**
	Debbie Herring	**Director of Strategy and Organisational Development**
	Mark Jones	**Non-Executive Director**
	Raphael Perry	**Medical Director / Deputy Chief Executive**
	Marion Savill	**Non-Executive Director**
	Claire Wilson	**Chief Finance Officer**
In Attendance:	**Mark Jackson**	**Director of Research and Informatics**
	Lucy Lavan	**Associate Director of Corporate Affairs**
	Sue Pemberton	**Director of Nursing and Quality**
	Tony Wilding	**Chief Operating Officer**
	Steve Connor	**Deputy Director, Mersey Internal Audit Agency (MIAA)**
	Professor Sir Ian Gilmore	**Chair, Liverpool Health Partners** - Item 1.3 only
	Rosalind Way	**Director of Operations, Liverpool Health Partners** - Item 1.3 only
	Dr Victoria McKay	**Consultant in Cardiac Genetics** – Item 2.1 only
Apologies for absence :	**Lawrence Cotter**	**Non-Executive Director**
Observers: Governors / Staff/ Members of the Public:	**Krishna Gandham**	**(Dr Foster)**
	George Psomas	**(De Poel)**

Action

1 **Welcome and Opening Matters**

1.1 **Apologies for absence**

Apologies for absence were received from Lawrence Cotter.

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1.2 Declaration of interests relating to agenda items

The Chairman asked Board members if they had any interests to declare in respect of items listed on the Board's agenda. All directors declared that they had no interests.

1.3 Presentation on the work of Liverpool Health Partners

The Chairman welcomed Professor Sir Ian Gilmore and Rosalind Way to the meeting.

The Board received a presentation setting out the strategic aims and vision of Liverpool Health Partners and achievements to date, including the establishment of a Joint Research Office (JRO) to enable collaboration between organisations; and an Industry Gateway Office (IGO) which had increased the speed of research time and seen a significant increase in the numbers of patients recruited to trials.

Improvements in care arising from collaborative research were demonstrated in the fields of infection, cancer, musculoskeletal disease and therapeutics; along with the design and delivery of an education programme to support the evolution of genomics in medicine.

It was noted that LHCH had been active in recruiting to trials and had played a key role in driving informatics in research, working towards the establishment of a northwest consortium enabling the pooling of research data.

Disappointment around the failure of the LHP bid to establish a Biomedical Research Centre for the City was discussed and the need to improve the national perception of the way in which research is coordinated between NHS partners and academia, via LHP was highlighted. Sir Ian commented that in his 35 year career in Liverpool, he had never seen partners working as cohesively as they were at the present time.

In terms of the future, the importance of leveraging the power of the LHP to drive the Strategic Transformation Plan (STP) was acknowledged along with leadership of the cardiovascular disease (CVD) work stream by LHCH which had the potential to realise many long term benefits for health gain. It would be important to capitalise on the strengths of both John Moores and Liverpool universities in public health to ensure that new ways of working were supported by prevention and lifestyle changes, critical to tackling the prevalence of heart and lung disease in Liverpool.

Sir Ian confirmed support for inclusion of a LHP representative on the CVD Programme Board, being led by Jane Tomkinson, Chief Executive. It was noted that there were four post-doctoral appointments within the JRO whose expertise could be drawn upon to support the STP.

The Chairman thanked Sir Ian and Rosalind Way for their

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presentation and acknowledged the enormous opportunity for greater collaboration of partners, facilitated by LHP, to drive the STP and longer term system-wide vision for the City campus by 2026.

Professor Sir Ian Gilmore and Rosalind Way left the meeting.

1.4 Patient Story

The patient story was deferred due to a technological problem. Board Members were provided with access to the video link to view the story at a later time.

1.5 Chairman's Briefing

The Chairman, on behalf of the Board expressed sincere condolences to the family of Keith Williamson, following his death and the subsequent inquest that had taken place on 20th and 21st September 2016. He added that the Trust fully accepted the narrative conclusion issued by the Coroner.

It was noted that the CQC had advised that it remained unable to confirm its regulatory position until it had discussed the outcome of the inquest with legal colleagues.

The Chairman congratulated Dr Raph Perry on his appointment as Deputy Chief Executive.

The Board was then updated on the STP noting that the final plan was to be submitted by 21st October 2016. The Chairman advised that there were 3 Local Delivery Plans (LDPs) covering North Mersey, Cheshire and the Alliance and these would inform the over-arching plan for the Cheshire and Merseyside footprint. The magnitude of the financial gap was in the region of £1billion, 50 % of which would be met through efficiencies and 50% requiring radical system-wide solutions.

A Memorandum of Understanding (MoU) which all organisations would be required to sign up to, was being drafted with each LDP considering its own governance arrangements.

It was noted that Neil Large continued to chair the Cheshire and Merseyside STP, Jane Tomkinson was leading on the CVD cross-cutting theme and Claire Wilson was leading on the finance work. STPs would be required to manage and deliver a financial control total for their health system, cutting across statutory organisational boundaries.

Jane Tomkinson updated on the CVD work, advising that she was in the process of establishing a Programme Board which would oversee 7 work streams including 7 day ACS services, chest pain management, imaging and cardiac risk factors. The Programme Board would include representatives from mental health, academia and local government; and whilst the work would build on the Healthy Liverpool Programme, it would not focus solely on Liverpool and would develop standards that could be replicated

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across the wider geographical area wherever possible. The work would be clinically led and provide an opportunity to improve quality and access as well as efficiency gains.

A question was raised as to whether there was a work-stream for respiratory medicine. The Board heard that the STP had identified 8 key critical areas for initial focus for which it was expected significant gains could be delivered in the short term. Respiratory was not one of the initial 8 themes.

The Board discussed the resourcing implications of this work and the significant time commitment for LHCH executives and clinicians, noting the need for shared financial accountability across the system. The need for a full time project manager for the CVD work stream together with finance and informatics support was acknowledged and supported by the Board.

The Chairman concluded his briefing on the subject of the Trust's 'outstanding' rating by the CQC and paid tribute to all staff and volunteers for this significant achievement. He acknowledged the work of the executive team in leading and delivering exceptional standards and noted that there would be a day of celebration on 30th September 2016; patients would be served a special breakfast and a barbeque would be provided at lunchtime for staff, along with cakes served to community patients and to those staff working on late / night shifts.

The Chair read from a letter addressed to the Chief Executive from the Rt Hon Jeremy Hunt, MP and Secretary of State for Health, who expressed his congratulations on the Trust's 'outstanding' rating and a wish to extend his thanks to all staff in the Trust who work tirelessly to help. He indicated also that he wished to arrange a date to visit the Trust to see the services first-hand and to participate in a round-table discussion with a group of LHCH clinicians. It was confirmed that this would be arranged in the near future. **JT**

2 Patient Safety and Quality

2.1 Genomics Services in Liverpool

The Chairman invited Dr Victoria McKay to present to the Board.

The Board was provided with an overview of genomics medicine and the benefits this had already brought to patients and families through precision medicine which had enabled early diagnosis, prediction of 'at-risk' family members, prevention of disease progression, improved outcomes and demonstration of the potential for lower overall costs of providing healthcare.

It was noted that LHCH was the only centre in the region providing genetics testing and consultation within a mainstream (cardiology) environment.

The Board heard 3 patient stories in which genetics medicine had transformed patient care.

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The Trust's involvement in the 100,000 Genome Project was discussed in relation to research into cancer and rare diseases through whole genome sequencing and it was noted that transformational elements of this work were already being demanded by clinicians at LHCH. A huge increase in demand for genetics medicine was anticipated in respect of the expected planned growth in the adult congenital heart disease service. Future genomic developments at LHCH would be focused on cardio-oncology, heart failure, pharmacogenomics; and on the longer term horizon, opportunities for stem cell work, gene editing and gene therapy.

For LHCH the opportunities for pharmo-genetic trials were significant and could transform for example, the prescribing of warfarin via geno-type dosing.

The importance of an integrated approach amongst clinical geneticists, genomic scientists and speciality clinicians was recognised along with an exponential growth in genetics medicine in the years to come.

The Board discussed the financial implications and was provided with indicative costs of undertaking a genomic test on one patient; if a gene fault was detected as a result, this could lead to blood tests for an average of 7 family members, 50% of whom would then be discharged and 50% investigated further in accordance with risk. The cost was counter-balanced by the avoidance of unnecessary tests and earlier detection / prognosis supported by personalised medicine which in turn would avoid waste, eliminating the practice of prescribing by 'trial and error' until a suitable drug was sourced.

Dr McKay advised that there was huge appetite for genetics medicine amongst LHCH clinicians and went on to outline proposals for an education programme. This would be tiered such that all staff were provided with some knowledge of genomics and how it is utilised in patient care, via a 7 minute training video. A middle tier of training would be directed to those staff with some project involvement, through workshops and online courses. The top tier of training would involve provision of CPD modules up to Masters level, for which there was currently funding available via Health education England.

The Chairman thanked Dr McKay for her pioneering work, acknowledging the significant benefits being brought to patient and family centred care.

Dr Victoria McKay left the meeting.

2.2 ***LHCH Monthly Staffing – July 2016 and August 2016****

The Board received and noted the report on staffing levels by ward for July 2016 and August 2016.

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2.3 **CQC Final Report**

The Board formally acknowledged receipt of the CQC's inspection Report and noted that the rating of 'Outstanding' had been displayed on the Trust's website, as required by the CQC.

The Board noted that a comprehensive action plan addressing areas for improvement identified by the CQC was in place and supported the recommendation that it receive an update on the delivery of the action plan in 6 months' time. **SP**

2.4 **Human Factors Improvement Plan**

The Director of Nursing and Quality reported that following the never event in October 2015, considerable focus had been placed on understanding human factors and that a structured professional education process was now underway to build capacity and embed an awareness of human factors throughout the Trust, with the aim of reducing harm. These ambitions were set out in a strategy document entitled 'Human Factors at LHCH 2016-18' and an accompanying action plan.

Key actions included a review of the Patient safety Group which would be refreshed to have a new focus on human factors; standardisation of the use of safety huddles across the Trust and the rollout of a comprehensive awareness raising / education programme including use of simulation, provision of a 5 day Applied Human Factors programme, introduction of an Apprenticeship scheme in human factors and masters level learning via the University of Liverpool.

The Board supported the strategy and supporting action plan and agreed that it would receive a formal update on progress annually.

2.5 ***Deprivation of Liberties (DoLs) Report****

The Board noted the report.

2.6 ***PLACE Report****

The Board noted the report.

3 **Strategy and Development**

4 **Targets and Financial Performance**

4.1 **Board Dashboard – Strategic Indicators and Operational Performance, period ended 31st August 2016**

The Board reviewed the strategic and operational dashboards, and noted that there were no new exceptions in relation to the delivery of the strategic objectives.

Similarly, operational performance remained as reported previously with adverse variances noted for complaints, mixed sex accommodation breaches, cancelled operations and delayed transfers of care.

Overall it was noted that activity was generally performing well

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although delivery of the RTT incomplete pathway for September could be at risk due to an increase in urgent workload.

A discussion followed in relation to comment from the CQC that the Trust was not achieving all of the ambitious targets it had set. It was noted that some targets were 'stretch' targets but these were very much in keeping with the Trust's vision to be 'the best'.

The Board noted the report.

4.2 Finance Report for period ended 31st August 2016

The Board received the finance report for Month 5.

The Chief Finance Officer advised that the Trust remained on target to meet the deficit control total of -£927k but that this relied on the application of £1.2m non-recurrent investment slippage which would need to be re-evaluated in the context of planning for 2017/18. It was anticipated that the STF allocation of £2.2m for 2016/17 would be received in full, subject to the continued suspension of industrial action by junior doctors. The key risk was around the recurrent run rate and how this would impact upon financial stability going into 2017/18.

It was noted that a financial summit was planned to refresh and re-energise the CIP programme and delivery across the Trust in preparation for the 2017/18 planning round.

Key highlights of the Month 5 finance report included:

- Overall financial position – cumulative deficit of £1,551K to Month 5 – £91k better than plan after release of £500k non-recurrent investment slippage;
- Income - £834k above plan in August and £589k ahead of plan for the year to date ;
- Agency costs - £0.8m year to date spend compared to £1.6m for the same period last year;
- Cash balances of £6.7 million, above the planned position of £4.1m;
- CIP achieved to M5 was £0.9m (against planned CIP £1.5m)
- Capital expenditure at £1.9m, below the cumulative plan of £3.1m;
- A Financial Sustainability Risk Rating (FSSR) of 2 against a plan of 2.

It was noted that surgical activity performance remained strong at Month 5 but there were risks associated with the cardiology workload including an intent by the Welsh commissioners to repatriate; and the notice received for cessation of LAAO (Left Atrial Appendage Occlusion) and PFO (Patent Foramen Ovale) procedures from 30th November 2016.

The Chief Operating Officer was asked to update the Board on plans to repatriate the cardiac referrals to Stoke. He advised that

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RTT compliance remained challenging with capacity increasingly diverted to treat urgent cases. There was therefore a need to create headroom for RTT before repatriation could be considered. It was noted that 60 patients had been referred to Stoke in the year to date and coupled with over-performance of 44 cardiac procedures to date, it would be difficult to bring the Stoke work back in house in the immediate future.

The Board noted the report.

4.3 Review of Planned Investment in Critical Care Capacity

The Chief Operating Officer presented a report on critical care capacity in light of recent trends of lower bed occupancy, and hence less income received for critical care bed days, in the context of surgical activity being ahead of plan. Previous analysis had led to the decision to invest in additional critical care capacity to provide an additional bed from 1.5.16 and two further beds from 1.10.16; this investment having been provided for within the 2016/17 operational plan.

The Board heard that a drive on improvement work had led to improved patient flow, fewer cancellations and a reduction in delayed discharges from critical care. The consequence was a reduction in the average length of stay on critical care and a shortfall in planned income recovery of approximately £1.1m in 2016/17, partially offset by increased income for activity delivered in excess of plan.

The approved £1.345m investment plan for critical care in 2016/17 to support the opening of an additional 3 beds and to better reflect the acuity of patients had not yet been utilised and was offsetting the lower than planned income for critical care bed days. It was anticipated that £343k of the investment funding would be required in-year and recurrently, primarily to support anaesthetic medical cover, with the remainder released non-recurrently to support the financial position.

A full demand and capacity review would be undertaken as part of the new planning round in order to fully assess the impact of these trends and recurrent resource required going forward.

The Board discussed the key drivers for the lower bed occupancy and noted that the increase in urgent cases, for which the average length of stay is lower than for electives, and change to the provision of thoracic HDU on the critical care unit were factors which impacted in addition to the improvements to flow.

The Chairman asked about progress with nurse recruitment and heard that the unit was currently fully established and that no agency staff had been utilised for a period of 11 weeks; sickness and turnover were currently low and retention of staff much improved. She added however that there were challenges in recruiting to the nursing levels required on the wards, noting that a number of new recruits appointed over the summer period had

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dropped out immediately prior to their planned start dates.

The Chief Executive cautioned on continuation of the trend seen to date advising that the pressure on critical care had increased significantly in the last two weeks and fluctuation meant that plans needed to be kept 'live' with a focus on ensuring the ability to 'flex' and manage increases in acuity.

The Board noted the report.

5 Governance and Assurance

5.1 ***NHSI Letter : Financial Position and Operational Plan 2016/17****

The Board noted the letter.

5.2 ***NHSI Letter: Quarter1 2016/17 Monitoring of NHS FTs****

The Board noted the letter.

5.3 ***Emergency Preparedness Care Standard Assurance****

The Board noted the report.

5.4 Ratification of Consultant Appointments

The Board ratified the appointments of three new Consultant Radiologists - Marousa Ntouskou, Diana Penha Perreira and Monika Arzanauskaite.

It was noted that the 3 posts replaced 1.5 WTE vacancies and provided the additional consultant support needed to meet the increasing demand for imaging. The Medical Director advised that all were excellent appointments with complementing skill sets and the recruitment process had attracted high calibre candidates in an area that had historically been difficult to recruit to.

The Board noted that the CQC rating of outstanding was now being promoted in recruitment processes with the aim of attracting the best talent.

6 Board Assurance

6.1 BAF Key Issues Reports and Minutes from Assurance Committee Meetings:

6.1.1 Integrated Performance Committee (IPC)

The Board received the approved minutes of the meeting of the Integrated Performance Committee held on 22nd April 2016.

6.1.2 Audit Committee

The Board received the approved minutes of the meeting of the Audit Committee held on 26th May 2016.

6.1.3 People Committee

The Chair of the People Committee highlighted the introduction of a new apprenticeship levy which would create a cost pressure of £340k in 2017/18 and updated on culture work in theatres, bank and agency usage, a new action plan for education and review of

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the equality and inclusion dashboard.

The Chief Finance Officer confirmed that the impact of the new apprenticeship levy (net of mitigations) had been reflected in the long term financial model.

The Director of Strategy and OD alerted the Board to the likelihood of staff motivational issues arising from proposed organisational change emerging from the back office and middle office reviews. A discussion followed with the Board resolving that clear evidence based on quality and efficiency benchmarks would be required to support change. The LDS model would be used to test the evidence and the Trust would ensure staff remained properly engaged in any programmes of change.

The Board received the approved minutes of the meeting of the People Committee held on 14th June 2016.

6.2 Operational Board

The Board received the Summary Report of the Operational Board meeting held on 29th July 2016.

The Board received the approved minutes of the meeting of the Operational Board held on 1st July 2016.

7 Strategic Board Development Day – Draft agenda 20.10.16

The Chief Executive presented an outline agenda for the forthcoming Board Development Day and this was accepted by the Board.

8 Minutes of the Board of Directors Meeting held on 26th July 2016 (in public)

The minutes of the meeting of the Board of Directors held on 26th July 2016 (in public) were reviewed for accuracy and approved by the Board.

9 Action Log from Previous Meeting

The action log was reviewed and updated as follows:

- Action 1 – superseded by STP work and closed;
- Action 2 – engagement of NCBC in sharing comparative data on 'care hours provided' had not been fruitful at this point in time due to the infancy of this new approach – action closed;
- Actions 3, 5 and 9 – for Board discussion in private session – completed and closed;
- Action 6 – for Board follow up in November 2016, following completion of assurance committee reviews;
- Actions 4, 7, 8, 10 and 11 – completed and closed,
- Action 12 – for follow up by Audit Committee, November 16

All actions not listed above would carry forward per designated review dates.

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10 **Legality of Board Documentation and Decisions**
Board members confirmed that the conduct of the meeting and decisions made by the Board, to the best of their knowledge, complied with the law. Board members confirmed they were satisfied with the format of the meeting.

11 **Date and Time of Next Meeting:**
Tuesday 20th October 2016 at 8.30am

12 The Board resolved to exclude the public at this point by reason of the private nature of business to follow.

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