

Board of Directors (in Public)

Item 7

minutes

Minutes of the Board of Directors' meeting held on 31st January 2017

Present :	Neil Large	Chairman
	Jane Tomkinson	Chief Executive
	Lawrence Cotter	Non-Executive Director
	Julian Farmer	Non-Executive Director
	Mark Jones	Non-Executive Director
	Sue Pemberton	Director of Nursing and Quality
	Raphael Perry	Medical Director / Deputy Chief Executive
	Marion Savill	Non-Executive Director
	Tony Wilding	Director of Strategic Partnerships & Chief Operating Officer
	Claire Wilson	Chief Finance Officer
In Attendance:	Mark Jackson	Director of Research and Informatics
	Lucy Lavan	Director of Corporate Affairs
	Joanne Twist	Director of HR
	Dr Rob Cooper	Cardiology Registrar (Item 1.3 only)
Apologies for absence :	David Bricknell	Non-Executive Director/ Deputy Chair and Senior Independent Director
Observers:		
Governors / Staff/ Members of the Public:	Allan Pemberton	Governor (Public – Cheshire)

1 Welcome and Opening Matters

1.1 Apologies for absence

Apologies for absence were received from David Bricknell.

The Chairman welcomed Tony Wilding to his first meeting in his

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Chair's
Initials

new role as Director of Strategic Partnerships and Chief Operating Officer; and also Jo Twist to her first meeting since taking up post as Director of HR.

Allan Pemberton was welcomed to observe the meeting.

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 use of 3D printing to aid Personalised Structural Intervention

The Chairman welcomed Dr Rob Cooper to the meeting. Dr Cooper presented to the Board on the use of 3D printing in personalised medicine for the treatment of cardiomyopathy and congenital heart disease. Dr Cooper explained that he was aiming to secure an innovation grant to develop 3D models that would support ASD closure and ensure that the Trust's work in this field was at the forefront of technology, whilst also supporting the Trust's aspirations around the development of the adult congenital heart disease service. The trial proposal would include measures to quantify the difference made to patients in terms of increased understanding and reduced anxiety associated with their surgical procedure. Whilst the cost of 3D printing was currently a constraint, Dr Cooper explained that over time it would become cost-neutral and ultimately cost effective and that his trial would also evaluate this aspect. He provided a number of demonstration models for Board members to examine.

The Board supported the innovation and wished Dr Cooper well in securing the grant needed to progress this work.

Dr Cooper left the meeting.

1.4 Patient Story

The Board received a patient story.

1.5 Chairman's Briefing

The Chairman announced that Dr Mike Desmond had retired and would be succeeded on the Council of Governors by Dr Caroline McCann, Consultant Radiologist who had been elected without contest.

He offered the Board's best wishes to two Governor colleagues who were currently unwell.

The Board was briefed on the STP process and noted that the future planning model was now termed the 'Cheshire and Merseyside 5 Year Forward View'.

It was noted that International Women's Day would take place on 8th March 2017 and that the LHCH Charity would be running its 'Heel a Heart' campaign at this time to raise awareness of heart

disease in women.

The Chairman reported on recent Governor walkabouts to Cedar Ward and the Outpatient Department, noting that the new coffee bar in the Outpatient waiting area was an excellent feature and had been well received by patients and visitors.

The Chief Executive congratulated the Chairman on his MBE award and advised that he would be attending Buckingham Palace in May 2017 to formally receive the honour.

2 Patient Safety and Quality

2.1 LHCH Monthly Staffing – November 2016 and December 2016*

The Board received and noted the report on staffing levels by ward for November 2016 and December 2016.

Red flag shifts were reported on Mulberry, Maple and Cherry Wards for both months and related to periods of low occupancy when the standard of having two registered nurses present had not been met.

The Board noted the report and assurance received that staffing levels were appropriate and flexed on a daily basis in accordance with acuity and patient safety risk assessments.

The Board noted the inclusion of data on care hours provided per patient day for each Ward.

2.2 Biannual Safe Nurse Establishment Review*

The Board noted the report and methodology applied to ensure the systematic assessment of ward staffing levels in the context of occupancy and acuity levels to meet patient safety standards.

The recommendation that this report be reviewed annually by the Board going forward was supported.

2.3 Mental capacity Act and Deprivation of Liberty safeguards – 6 Month Update*

The Board noted the report.

2.4 Medical Revalidation annual Report*

The Board noted the report.

2.5 Annual Mortality Review

The Board received the report and noted that the overall trend in mortality was downward despite increasing acuity and that there was a robust performance management process in place to track the results of individual practitioners and ensure timely review intervention as required.

The Board discussed the awaited national guidance and requirement to publish data on avoidable deaths with effect from 1st April 2017. It was noted that there was difficulty in defining

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what was meant by 'avoidable' death and that the opinions of different consultants was variable. The Chair of the Quality Committee advised that he had been impressed with the thoroughness, objectivity and depth of critical review that he had observed amongst LHCH consultants and asked whether there would be benefit in involving an external appraiser also.

The Medical Director advised that unlike many other Trusts which focused on sample mortality reviews, the practice at LHCH was to review every death. He advised that due to volume it would not be practical to involve external assessment in all cases, but that there could be merit in respect of any case that was deemed to be potentially avoidable. This would be considered further once the new definitions and guidance had been published.

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A discussion followed in relation to the HSMR indicator which was based on raw unadjusted data. The Director of Research and Informatics explained that the indicator was not meaningful due to the nature of the specialist services provided and that the risk adjusted methodology in place for measuring mortality in cardiac surgery and PCI was of greater value. He explained the HSMR charts illustrated in the paper that demonstrated that the adjusted data oscillated around the 100 standard. There was one reporting period (July 2016) in which the HSMR for 56 diagnosis groups associated with mortality had indicated a high relative risk. This had been immediately investigated with no concerns identified and the trend had quickly returned to within the expected range.

The Board accepted the paper noting that it was assured that there were strong systems in place to monitor and review mortality and a robust approach to organisational learning.

2.6 **Director of Infection Prevention & Control – Quarter 3 Report***

The Board noted the report and received an update from the Medical Director on the current drive to improve sepsis management.

The Board discussed the reported fall in compliance with hand hygiene standards in December 2016 and heard that the senior nursing team had put in place focussed action to address this. The Board requested an update on progress in March 2017.

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The Board noted the report.

3 **Strategy and Development**

3.1 **Quality Strategy**

The Board reviewed the Quality Strategy 2017- 2020 which built on the previous 3 year strategy and aimed to embed an open and transparent culture, recognise the impact of human factors and provide a new focus for standardising the approach to patient safety based on the 'Safety Seven' model developed by the senior nursing team.

The Board approved the Quality Strategy, noting that delivery would be monitored by the Quality Committee with an annual progress report provided to the Board in January 2018.

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4.1

Targets and Financial Performance

Board Dashboard – Strategic Indicators and Operational Performance, period ended 31st December 2016

The Board received the report, noting each of the indicators in turn which were not rated 'green'.

The Board discussed the increase in the number complaints and amber ratings assigned to HSMR and emergency readmissions. Staff sickness levels had increased to 4.01% in December, which was mainly attributable to the Surgical Division. Staff turnover remained higher than the target and a lower proportion of staff had recommended the Trust as a place to work in the Quarter 2 Staff FFT survey. Further analysis of workforce data was being undertaken to better understand the areas for focussed action.

In relation to the operational dashboard, the Board discussed the data on delayed transfers of care, noting that LHCH had been working collaboratively with partner acute trusts to manage the severe operational pressures in the system. The percentage of delayed transfers was 10.15% in December 2016 but the absolute number of patients affected was relatively low and significantly lower than the numbers of delayed discharges experienced at the RLBH and Aintree hospitals. The Trust had made a clear decision not to repatriate patients to these hospitals due to their lack of capacity arising from the surge in demand over the Christmas and New Year period.

The Chief Executive advised that she was not unduly concerned about the delayed transfers of care to other hospitals but wished to focus further effort on improving patient flow to ensure timely discharge for patients who no longer needed to be in hospital. Bed occupancy at LHCH had been relatively low over the Christmas period and therefore it was entirely appropriate for any spare capacity to be utilised to alleviate pressures in the wider health system and the Trust had actively sought to do this.

The Board discussed the reported in-month breach (December 2016) of the 14 day cancer pathway target, noting that this was attributable to a single patient who had opted to defer an appointment over the Christmas period.

It was noted that discussions were ongoing with Welsh commissioners around aligning the referral to treatment targets with the single English indicator of 'incomplete pathways'.

The Board discussed the reported fall in referrals and noted that performance reports for 2017/18 would be adapted to reflect the CCG block contract.

The Chairman asked about the forecasts on operational delivery and sought assurance that key operational targets would be met for 2016/17.

The Director of Strategic Partnerships & Chief Operating Officer commented on the national picture that showed steady decline in the ability to achieve an 18 week RTT pathway and the increasing pressure in the secondary care sector which had had meant patients presenting at LHCH later in the pathway. There remained a strong focus on RTT delivery by the Divisions and the target was on trajectory to be met but there remained risks in relation to timely referral and also the need to postpone elective work to accommodate emergency aortic dissections whenever these presented. The Board noted that a central directive had been issued before Christmas, requesting trusts to cancel elective activity as emergency care pressures were so great. LHCH had not taken this action but had responded to support the wider system by offering up any spare capacity.

Overall activity was broadly on plan with fluctuation noted in relation to thoracics. Income had exceeded plan for thoracics despite fewer numbers, as the complexity of casemix had increased. It was confirmed that there had been no referrals outsourced to Stoke in the last 2-3 months and that the arrangement would officially end on 31st March 2017. The consultant cardiac surgeon from Stoke was continuing to follow up patients in clinic but was no longer receiving new patients.

The Board noted the report and that the finance metrics would be considered further under Item 4.2.

4.2

Finance Report for period ended 31st December 2016

The Board received the finance report for Month 9.

The Chief Finance Officer advised that the Trust remained on target to meet the deficit control total of -£927k and anticipated that the STF allocation of £2.2m for 2016/17 would be received in full. This position being dependent upon £1.2m slippage on planned investments and application of the contingency reserve.

Key highlights of the Month 9 finance report included:

- Overall financial position – cumulative normalised deficit of £1,422K to Month 9 – £23k worse than plan after release of £1,675k non-recurrent investment slippage and contingency;
- Income - £331k above plan in December and £734k ahead of plan for the year to date ;
- Agency costs - £1.2m year to date spend compared to £2.6m for the same period last year;
- Cash balances of £5.8 million, above the planned position of £2.3m;
- Recurrent CIP achieved to M9 was £1.7m (against planned CIP £2.7m)

- Capital expenditure at £2.9m, below the cumulative plan of £4.5m;
- A Financial Sustainability Risk Rating (FSSR) of 2 against a plan of 2.
- A Use of Resources Rating of 3 against a plan of 3

It was noted that the Integrated Performance committee had discussed risks to the financial plan in detail at its meeting of 30th January 2017 and that the financial trajectory was predicated on the anticipated increase in volume of activity planned for Quarter 4. The forecast CIP outturn had improved following the agreement to transfer a number of non-recurrent schemes to the recurrent CIP programme. The focus was now on CIP planning for 2017/18 and good progress was being made. The Divisions would present their 2017/18 CIP plans to the Board at the forthcoming Strategy Day on 28th February 2017.

The Chief Finance Officer briefed the Board on a letter from NHSI requesting review and sign off of the 2016/17 capital expenditure forecast. There was a national focus on seeking flexibility to support the in-year revenue position. LHCH capital plans for 2016/17 were phased such that 50% of expenditure would be incurred in the final quarter of the year. The forecasts for each scheme had been tested with individual scheme managers and was deemed to be robust. Significant schemes for commencement in Quarter 4 included the IT Network replacement scheme, bedside monitoring and the refurbishment of Maple ward. A written response had been sent to NHSI.

The Chair of the Integrated Performance Committee confirmed that she was satisfied with the review and risk assessments undertaken in relation to the forecast financial outturn, and noted that the Committee had also considered balance sheet flexibility in relation to the STF incentive offered by NHSI.

The Board noted the report.

5 Governance and Assurance

5.1 Ratification of Consultant Appointments

The Board ratified the appointments of the following Consultants:

- Ian Wilson, Locum Consultant in Cardiac Surgery;
- Oona Cole, Consultant Cardiothoracic Anaesthetist;
- Dimitrios Pousios Consultant Cardiac Surgeon.

6 Board Assurance

6.1 Board Assurance Framework – Quarter 3 Review

The Board took time to review progress made in Quarter 3 to address the gaps in controls and assurances identified at the previous review of the BAF.

A number of new controls and assurances had mitigated in-year risks and these included the implementation of a comprehensive audit system to check the reliability of secure health messaging, the agreement of contracts (excluding Wales) for 2017/18, Audit

Committee review of assurances relating to the threat of cyber-attack and receipt of the Health Education England Report following its review of post-graduate medical education. The Trust continued to be categorised as 'Segment 1' by the NHSI under the new Single Oversight Framework.

The Board noted new risks and gaps in controls and assurances including those relating to the patient administration system which is under comprehensive review to standardise operating procedures and eliminate duplication; and discussed progress on discussions with NHSI in respect of Control Totals for 2017/18 and 2018/19.

The Board supported proposals to downgrade the overall risk scores assigned to the following principal risks as follows:

- Risk 2.1 - Revised Risk score of 6 reflecting ongoing work around stakeholder engagement and in recognition of the fact that 2017/18 contracts were agreed (excluding Wales);
- Risk 5.1- Revised risk score of 6 reflecting the Trust's leadership work on the CVD pathway and system-wide work with partners on the 5 Year Forward View.

In relation to Risk 4.4, the proposal to revise the risk score to 6 in recognition of the significant work on the staff health and wellbeing strategy and staff recognition scheme was not supported. This was because the principal risk also encompassed staff experience and motivation linked to organisational change and the Board considered this to remain a possibility with a likelihood score of 3, given the agenda relating to new ways of working and consolidation of back office and clinical support services; the score assigned to Risk 4.4 would therefore remain at 9.

The Board went on to discuss the risk score assigned to Risk 3.1 but determined that it should remain unchanged at the present time.

The Board confirmed the completeness of the BAF and subject to the above decision, supported the RAG ratings assigned to each principal risk, along with the systems of controls, assurances and actions to address any gaps.

The updated BAF at Quarter 3 was approved and a final 'clean copy' would be circulated.

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

6.2.1 Integrated Performance Committee (IPC)

The Chair of the IPC reported that the Committee had met the previous day on 30th January 2017 and had received an excellent paper on work done in response to the Carter review and had considered the plans to develop SLR reporting in the context of the efficiency agenda. Inclusion of new productivity dashboards

within the Chief Finance Officer's report had been well received.

A discussion followed in relation to the limited assurance available in respect of forecast performance targets and the alignment of activity and capacity in a way that provided assurance around future compliance. The Committee had requested consideration of a dataset depicting some early warning indicators and the Director of Strategic Partnerships & Chief Operating Officer agreed to give consideration to this ahead of the next meeting.

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The Chief Executive advised that there was a richness of debate at Operational Board around the way in which capacity is flexed to respond to systems pressures and to accommodate urgent work and it was agreed that the Divisional Heads of Operations would provide further insight into their forward trajectory work when they present to the Board on 28th February 2017.

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The Board supported this and agreed to explore the development of a set of leading indicators that would provide greater visibility to IPC and the Board around operational forecasting.

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6.2.2 **Quality Committee**

The Board received the BAF key issues report from the Quality Committee meeting held on 10th January 2017.

The Chair of the Quality Committee advised that the Committee continued its focus on administration of VTE prophylaxis and sepsis management and commended the excellent work in relation to infection prevention and tissue viability.

He advised that the Committee had reviewed the RCA in relation to the reported never event and confirmed that the review had been thorough and comprehensive.

The Board received the approved minutes of the meeting of the Quality Committee held on 25th October 2016.

6.2.3 **People Committee**

The Board noted that David Bricknell had chaired the September 2016 meeting and had fed back to the Board in December 2016.

The Chair of the People Committee highlighted that the People Committee would continue to focus its attention on the culture work in theatres; training and development plans; use of bank and agency staff; and equality and inclusion, particularly referencing the staff survey results in relation to any incidents of bullying or disadvantage experienced by BME groups.

The importance of the People Committee being assured on the effective management of organisational change in relation to consolidation of back office services was noted.

MJo /
JTw

The Chair of IPC noted that there continued to be an overspend

on payments for additional sessions and recommended that the People Committee ensured visibility around productivity within consultant job plans. This was supported.

**MJo /
JTw**

The Board received the approved minutes of the meeting of the People Committee held on 6th September 2016.

6.2.4 Audit Committee

The Board received the BAF key issues report from the Audit Committee meeting held on 10th January 2017.

The Chair of the Audit Committee highlighted the strong assurance on risk management processes, including a helpful demonstration on the new Datix system; review of the clinical audit plan in relation to its alignment with organisational objectives and reported that the work plan was on track.

One concern related to the delay in follow up of internal audit recommendations and this had been escalated to the executive team to review and expedite the delivery of outstanding actions. A management report on progress would be considered by the Audit Committee in March 2017.

The Board received the approved minutes of the meeting of the Audit Committee held on 8th November 2016.

6.3 Operational Board

The Board received the Summary Report of the Operational Board meeting held on 23rd December 2016.

The Board received the approved minutes of the meeting of the Operational Board held on 25th November 2016.

7 Minutes of the Board of Directors Meeting held on 13th December 2016 (in public)

The minutes of the meeting of the Board of Directors held on 13th December 2016 (in public) were reviewed for accuracy and approved by the Board.

8 Action Log from Previous Meeting

The action log was reviewed and updated as follows:

- Actions 1, 4, 5 and 7 – completed and closed;
- Action 2 – agenda for strategy day prepared - Action closed;
- Action 3 – updates provided in CEO's Report – Action closed;
- Action 8 – a response from Rt Hon Jeremy Hunt MP was still awaited – this had been followed up by the Trust;

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

9 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.

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Date and Time of Next Meeting:

Tuesday 28th March 2017 at 9.30am

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