

Board of Directors (in Public)

Item 9

minutes

Minutes of the Board of Directors' meeting held on 25th April 2017

Present :	Neil Large	Chairman
	Jane Tomkinson	Chief Executive
	David Bricknell	Non-Executive Director/ Deputy Chair and Senior Independent Director
	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
	Carmel Richardson	Speech and language Therapist (Item 1.1 only)
Apologies for absence :		
Observers: Governors / Staff/ Members of the Public:	Harriet Franks	Management Trainee
	Neal Aspinall	NTT Data
	Brenda Smith	Member of the public

Action

- 1 **Welcome and Opening Matters**
- 1.1 **Innovations Showcase**
The Chairman welcomed Carmel Richardson, Specialist Speech

1
Chair's
Initials

and Language Therapist (SLT) to the meeting to present on the role of the SLT at LHCH. The Board noted the positive impact of increased SLT presence which had improved the identification and management of patients with swallowing difficulties, many of whom also had communication difficulties as a result. The nature of the caseload, workload and KPIs were discussed along with the ambition to develop a SLT strategy which would include consideration of investment in nasendoscopy equipment, contribution to research and further promotion of the impact that communication and swallowing difficulties can have on patient experience, including mental well-being and speed of rehabilitation.

A discussion followed and the Medical Director noted that the impact of the SLT team on the recovery of stroke patients in particular was significant. It was agreed that the Clinical Services Division would be asked to support the development of a strategic plan for SLT which would also consider any learning from other providers that excelled in this specialism.

TW

The Chairman thanked Carmel Richardson for her presentation and she then left the meeting.

1.2 Apologies for absence

There were no apologies for absence.

1.3 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.

1.4 Patient Story

The Director of Nursing and Quality read a patient story.

1.5 Chairman's Briefing

The Chairman reported on the success of a recent election workshop that had been held for prospective governors, advising that there were eight seats for election in the forthcoming governor elections. The event had been followed by an excellent talk from Dr Jay Wright as part of the Trust's 'Medicine for Members' programme.

It was noted that the Chairman and Chief Executive would attend a meeting at the University on 26th April to consider the Liverpool Health Partners' Strategy following the review into the failure of the recent BRC bid.

The NED recruitment plan was progressing with the shortlist to be confirmed. Informal networking with candidates would take place on 4th May with interviews held on 5th May 2017.

The Members' Health Day would take place on Saturday 6th May 2017 10am – 1pm and the next Medicine for Members Event was scheduled for Wednesday 24th May at 7pm in Wrexham with a

talk on the topic of diabetes.

2 Patient Safety and Quality

2.1 *LHCH Monthly Staffing – March 2017**

The Board received and noted the report on staffing levels by ward for March 2017 and noted data on care hours provided per patient day for each Ward.

2.2 Director of Infection Prevention and Control – Annual Report 2016/17

The Medical Director presented the report, noting that the additional input from the medical microbiologist over the last 12 months had made a significant impact. All relevant legislation had been complied with and surveillance software in place. There would be a new national focus on E-Coli in 2017/18 and continued focus on the management of surgical site infections. The national anti-microbial resistance drive had been reflected in the CQuiN target. The Trust had met all requirements in relation to the chimera alert and processes were in place to respond to ongoing enquiries and concerns from GPs and patients regarding the potential long term risk of infection arising from the use of heater cooler units in some cardiac procedures.

Overall the Trust's track record in infection prevention and control continued to be strong with effective governance arrangements in place to monitor targets and manage risk.

The Board noted the report.

2.3 *Deprivation of Liberty (DoLs) Report**

The Board noted the report.

2.4 Guardian of Safe Working – Exception report

The Board noted that of the 23 doctors in training at LHCH only one medical trainee was at present on the new national contract that had come into effect in February 2017 and that work had been undertaken to adapt rotas to ensure compliance with the requirements of the new terms and conditions. There had been no exception reports submitted by the one trainee concerned, but monitoring processes had been put in place to ensure that all doctors in training were working in accordance with the new terms and conditions. Dr John Holemans was the Trust's designated Guardian of Safe Working and a Junior Doctors' Action Team was in place to involve doctors in training in the approval of rotas and other matters relating to the training experience. The impact of vacancies on the first on call and surgical rotas was noted and recruitment continued to be a challenge.

The Board noted the report.

3 Strategy and Development

3.1 Five Year Forward View – The Next Steps: Overview and Implications for LHCH

The Board reviewed the report which provided a synopsis of each of the nine key areas set out in the national publication and the following points were highlighted by the Director of Strategic Partnerships and Chief Operating Officer:

- Continued focus on the 62 day cancer pathway and introduction of a new 28 day standard to give patients a definitive diagnosis within 28 days by 2020. For LHCH, this would mean ensuring sufficient diagnostic capacity to meet additional demand. A £130m national fund had been established to support investment in radiotherapy equipment.
- Increased emphasis on mental health. LHCH will continue to explore opportunities to collaborate with Mersey Care and maintain close engagement with mental health colleagues in the CVD pathway work to ensure a holistic approach to physical and mental wellbeing.
- The 10 point efficiency plan and requirement to ensure delivery of financial control totals.
- Patient safety including the new emphasis on E-Coli, learning from deaths and medication errors.
- The importance of IT and the interoperability of systems.

The Chief Executive summarised that the national report represented a consolidation of national policy and priorities for the remaining four years of the Five Year Forward View. She confirmed that there was no relaxation of RTT targets and that continued focus on partnership working would be essential to meeting the plans for cancer. The report did not present anything new that would require adjustment to the Trust's strategic objectives or operational plans.

The Board discussed the challenge of positioning the Trust within the wider health system in view of the Trust's wide geographical catchment area, 80% of which represented referrals from outside of Liverpool. The evolution of Accountable Care Systems would not change the Trust's direction of travel and the key priorities of wider STP work and meeting the financial and efficiency challenge would remain.

The Board noted the report.

Cheshire and Merseyside STP Update:

The Chairman updated the Board on plans to formally appoint an Accountable Officer for the STP and discussed the emergence of Accountable Care Systems (ACS) which were likely to take predominance over LDS structures. This development would support improved governance and facilitate decision making and delivery with new ACSs' beginning to take ownership of local plans.

3.2

Staff Engagement Cycle

The Director of HR presented the 2017/18 staff engagement cycle which would support the delivery of the People Strategy. It was

noted that the top themes from the staff survey would provide a focus for the 'Big Conversations' in Quarter 1 and that Divisions were developing action plans linked to the staff survey results with the support of facilitators.

The importance of managing the message around CIP delivery and Control Total requirements in the context of the plan to deliver a £6m surplus was discussed and it was confirmed that staff would be briefed on the national picture and the Trust's contribution to this, which was balanced by inclusion of significant investment in services going forward.

The Chair of the People Committee noted national data that indicated that at least 37% of NHS staff were worried about job security and highlighted the importance of involving staff, given feedback in the staff survey that some staff felt an inability to influence change. A discussion followed on plans to continue with the concept of 'Listening into Action' and the Trust's wider stakeholder engagement strategy which included membership, governors and partner organisations. It was also agreed that the Director of HR would be invited to join the next staff governors meeting to hear first-hand any views from the staff governors.

JTw

The Board noted the report.

4
4.1

Targets and Financial Performance

Board Dashboard – Strategic Indicators and Operational Performance, period ended 31st March 2017

The Board received the report, noting the strong year end performance on operational targets.

The Board heard that discussions were ongoing with Welsh Commissioners to enable the consolidation of access targets to a single measure of 'incomplete pathway' for consistency with the English target. A typographical error was noted on the strategic dashboard (service and innovation) – the comment '*Failed Monitor target for Q1*' should read '*M1*'. The RTT target had been missed in Month 1 only as a result of capacity constraints arising from the industrial action by junior doctors.

The Board noted the exception reports provided and discussed in some detail the reduction seen in use of agency staff but consequential increased costs in overtime and bank shifts. It was noted that the Trust now held fewer vacancies and that use of bank and overtime to provide flexibility was more cost-effective and also a safer option as the extra hours were provided by LHCH staff who had greater experience and knowledge of the hospital. Going forward there would be increased focus on the efficiency of consultant job plans but it was noted that unforeseen events such as the recent loss of one surgeon for 10 weeks due to an injury meant that there continued to be some reliance on the need for additional sessions. It was noted that there was now a national focus on the productivity of medical staff with caps set for containing the cost of locum medical staff, which would be

extremely challenging for those providers with recruitment challenges.

The Board went on to discuss the timeliness of mortality reviews and noted that the new screening process was in place and working well with consideration being given to establish a core group of consultants who were able and willing to give this work the necessary focus. It was noted that the Board would be fully briefed on the new national requirements at the May meeting, but that future focus for mortality reviews would include the review of follow up processes including the handling of bereavement and involvement of families. Much of this work was already in place but documentation would need to be strengthened to evidence this and a greater emphasis placed on organisational learning.

On research it was noted that the difficulty in recruiting patients to the programme for rare diseases was a challenge nationally; however the Trust was performing exceptionally well in the recruitment of cancer patients.

The Chief Executive drew the Board's attention to the executive summary which summarised a number of significant achievements for 2016/17 despite the challenging operating environment. Targets had consistently been delivered without compromising quality and clinical outcome. Overall the year's performance was exceptional and credit was paid to the Trust's staff.

The Chairman concurred that 2016/17 had been one of the most challenging years that the NHS had faced to date and yet the Trust had delivered the operational plan, achieved an 'outstanding' rating from the CQC and achieved exceptional results in patient and staff surveys. He paid credit to the Board, governors, staff and volunteers for this excellent achievement and commended the executive team for their leadership and responsiveness in keeping plans on track.

4.2 Finance Report for period ended 31st March 2017

The Board received the finance report for the year end noting that all financial duties, including the control total had been met.

The Chief Finance Officer advised that the RAG ratings set out on Page 2 of the report were in accordance with planned outturn and the focus was now upon 2017/18 and the impact of the 2016/17 exit run rate which the Board would discuss later in the meeting.

It was noted that a technical adjustment of £1.5m would be made to the accounts in relation to the revaluation of assets but that this would have no impact on the control total. The Trust had been notified that it would receive £2.2m STF funding in full, as planned, plus an additional £530k cash allocated from the central STF reserve which was shared amongst those providers who achieved or bettered their control total at 31st March 2017. The accounts would be adjusted to reflect this prior to submission to

RAP

NHS Improvement.

The Chair of the Integrated Performance Committee commended the work undertaken by the Chief Finance Officer and her team and noted that the improved quality of financial information, particularly at Divisional level had been greatly beneficial. The Chairman endorsed this and advised that forthcoming NED walkabouts might include a visit to the finance department to express the Board's appreciation.

MS/DB

The Board noted the report.

4.3 Strategic and Operational Dashboard 2017/18 – Performance Assignment Thresholds

The Board received a detailed paper setting out the proposed definitions and thresholds to be applied to each of the metrics which would be included in the Board's 2017/18 strategic and operational dashboards. The profiling of selected indicators was presented on Page 10 along with an exception report template for completion by executive leads on Page 11.

It was noted that a sub-set of the metrics had been compiled for each of the Board Assurance Committees. Those targets for which the Trust had adopted a system leadership role but had less ability to influence would be supported by a narrative explaining any caveats.

The Board noted ongoing discussion in relation to the Welsh metrics and discussed the national targets relating to bed occupancy.

The Board approved the content of the paper and the new Board dashboards would now be implemented for reporting from May 2017 onwards.

The Chairman thanked the Director of Research and Informatics for what was a very comprehensive paper.

5 Governance and Assurance **5.1 Health and Safety Assurance Report**

The Board noted the report and confirmed its satisfaction with the evidence provided along with the effectiveness of systems and processes in place to ensure ongoing compliance with statutory obligations relating to health and safety.

6 Board Assurance **6.1 Board Assurance Framework: Q4 Review, Closure of 2016/17 BAF and Approval of 2017/18 BAF**

The Board took time to review the 2016/17 closing BAF, confirming that all risks and actions had been appropriately managed and / or carried forward for reflection in the 2017/18 BAF. It was noted that MIAA's annual review of the BAF had concluded that all requirements had been met, with all review

criteria rated 'green'.

In considering the 2017/18 BAF, the Board noted that the strategic objectives had been updated to reflect in summary the 2017/18 milestones set out in the Trust's operational plan, with detailed metrics included in the Board dashboard.

The Director of Corporate Affairs summarised the key changes to the BAF which reflected new areas of risk as follows:

- Section 1 – Areas of focus for 2017/18 to include organisational learning and delivery of reliable care. In relation to Principal Risk 1.3, the delivery of compassionate care was rated 'green' but continued to feature on the BAF given that this would remain an area for regulatory focus under the Single Oversight Framework and new CQC inspection regime.
- Section 2 – Principal risks 2.1 and 2.2 on the 2016/17 BAF had been combined into a single risk area to eliminate duplication and it was noted that this section was of significant importance to the Board in 2017/18 given the range of strategic work in progress. This included the development of service line strategies, an IM&T strategy and consideration of developments in the areas of robotics, private patients and genomics.
- Section 3 – the financial section had been assigned the highest risk rating (red) with key risks including the loss of financial flexibility and minimal contingency given the challenge associated with meeting the control total; the risk associated with adoption of HRG4+ by the Welsh Commissioners; and the need for pace on collaborative work including exploration of consolidation of a range of support service functions. Gaps in assurance included assurance on the measures to manage the required improvement in the financial plan in order to meet the control total and it was noted that this matter was to be considered later in the meeting; delivery of a new finance team structure and the development of the business partner model; service line reporting; resolution of the HRG4+ discussions for Wales; and the need to develop an accountability framework with the Divisions, as recommended in the Well Led Report.
- Principal Risk 3.2 related to meeting regulatory requirements and was rated green, with work in progress which included responding to the recommendations of the Well Led Review, provision of evidence to support Board self-declarations for the 2017 Corporate Governance Statement, review of policies to meet new national guidance on managing conflicts of interest, and satisfactory completion of the governor election process.
- Section 4 – Principal Risks 4.1 and 4.3 on the 2016/17 BAF had been combined into a single risk area to align workforce risk with risk associated with delivery of the education and training plans. The Board was asked to note the key action relating to exploration of a longer term

collaboration with Mersey Care for the provision of a shared HR function. The importance of staff engagement in the context of planned organisational change was also highlighted.

- Section 5 – subject to the Board's decision around robotics, it was noted that the Board would need to closely monitor the progress of the fundraising campaign to enable the capital purchase.

The Board discussed the points highlighted above in some detail and agreed to return to consider the risk score assigned to Principal Risk 4.1 following its discussion on the risks associated with the 2017/18 financial plan.

It was noted that the monitoring of a fundraising campaign to support robotics would be required only if the business case was approved by the Board.

The Board determined that the BAF was comprehensive with the exception of one gap in assurance relating to completion of the CQC action plan by the end of Quarter 2 (Principal Risk 3.2). It was agreed that this would be noted on the BAF.

LL

Subject to the above amendment and pending further review of the Risk Score assigned to Principal Risk 4.1, the Board confirmed the completeness of the BAF and supported the RAG ratings assigned to each principal risk, along with the actions identified to close down gaps in controls and assurances. It was noted that the Board's business cycle for 2017/18 would be populated to reflect the assurances set out in the BAF.

LL

The Board approved the 2017/18 BAF and confirmed its support to maintain a quarterly review process going forward.

6.2

Assurance Committee Annual Reports 2016/17

The Board received and reviewed the Assurance Committee annual reports and an overview was provided by each Committee Chair. It was noted that the Audit Committee had previously reviewed the reports and concluded that each Assurance committee had operated effectively in 2016/17 and in accordance with the terms of reference set by the Board. The Board accepted this recommendation and approved the adoption of the proposed revisions to the Terms of Reference for :

- Audit Committee
- Quality Committee – subject to correction of paragraph 8 which should state that to be quorate the presence of either the chair or vice chair plus one other member is required.
- Integrated Performance Committee
- People Committee
- Charitable Funds Committee

It was noted that the Quality Committee had worked to streamline

the reporting of assurances received from Divisional Governance meetings and the Clinical Quality and Patient and Family Experience Committee, in line with recommendations of the Well Led Review.

The Board supported the recommendation that the People Committee be retained as a standing assurance committee of the Board and noted the reprioritisation of objectives to ensure continued focus on the areas of engagement, quality of appraisals, use of agency staff and equality and inclusion.

The Audit Committee would set aside time at its July meeting to consider further the detailed narrative in the Well Led report relating to Audit Committee and other standing committees and satisfy itself that no further actions were required.

JF/LL

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

6.3.1 Integrated Performance Committee (IPC)

The Chair of IPC advised that the Committee continued to receive updates on debt recovery which remained an issue. She noted that a level of debt would be written off during the final accounts process and recommended that the Committee should receive clear assurance that the arrangements in place for private patient income collection and debt recovery were robust prior to the Board's consideration and approval of a new private patient strategy.

CW/TW

She went on to confirm that IPC had reviewed the financial outturn report in detail and key areas of focus for the coming year would include the review mechanisms in place to enable improved forecasting of operational performance and the effectiveness of CIP delivery. It was noted that MIAA had reviewed CIP process and provided a 'significant assurance' report.

6.4 Operational Board

The Board received the Summary Report of the Operational Board meeting held on 31st March 2017.

The Board received the approved minutes of the meeting of the Operational Board held on 3rd March 2017.

7 Minutes of the Board of Directors Meeting held on 28th March 2017 (in public)

The minutes of the meeting of the Board of Directors held on 28th March 2017 (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, 2, 4, and 9 – completed and closed;

All actions not listed above would carry forward per designated

review dates.

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|-----------|---|
| 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. |
| 10 | Date and Time of Next Meeting:
Tuesday 30 th May 2017 at 9.30am |
| 11 | The Board resolved to exclude the public at this point by reason of the private nature of business to follow. |