

Board of Directors (in Public)

Item 11

minutes

Minutes of the Board of Directors' meeting held on 30th May 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
	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
	Lisa Gurrell	Patient and Family Support Manager (Item 1.3 only)
	Joanne Hillis	Respiratory Counsellor (Item 1.3 only)
Apologies for absence :	Tony Wilding	Director of Strategic Partnerships & Chief Operating Officer
Observers: Governors / Staff/ Members of the Public:	Deborah McEllenborough	Staff member
	Geraldine Higgins	Staff member
	Fiona Ross	Staff member

| Action

1
Chair's
Initials

1 Welcome and Opening Matters

1.1 Apologies for absence

Apologies were received from Tony Wilding.

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 Patient Story

Lisa Gurrell, Patient and Family Support Manager and Joanne Hillis, Respiratory Counsellor attended to share feedback on their roles in the recent mock CQC inspection where they had spoken to a number of patients and visitors to receive feedback about the care and treatment provided

Lisa Gurrell and Joanne Hillis left the meeting.

1.4 Chairman's Briefing

The Chairman noted that this was Professor Lawrence Cotter's final Board meeting and paid tribute to his commitment to the Trust and leadership of the Quality Committee, highlighting his determination and ability to ask the difficult questions. The Board thanked Professor Cotter for the four years he had dedicated to the Trust, noting that he would be greatly missed and wished him well in his forthcoming retirement.

The Board was updated on the recent NED recruitment process, noting that two exceptional appointments would be recommended to the Council of Governors on 5th June 2017.

It was noted that Knowsley Council had nominated a new representative to the Council of Governors – Councillor Christina O'Hare would take over from Councillor Eddie Connor.

The Chairman advised that he had given notice to end his tenure as STP Chair in January and would attend his final meeting as Chair this month, advising that it had been difficult to demonstrate his independence due to his position as Chairman of LHCH. The recommendation to appoint an independent chair had been agreed and a process was underway. There would also be a formal process to appoint an accountable officer and in doing so provide legitimacy for this role. These appointments would be important in ensuring that STP plans can be operationalised at pace in the coming months.

2 Annual Report and Accounts 2016/17

2.1 Annual Report and Accounts 2016/17

The Board received and reviewed the annual report and accounts 2016/17 (including the Quality Report); noting that prior to the Board meeting the Audit Committee had met with internal and external auditors and had considered the Director of Internal Audit

Opinion along with Grant Thornton's Audit Findings Report. It was confirmed that the external audit had been completed and that Grant Thornton UK LLP had issued an unqualified opinion on the financial statements and had confirmed that all adjustments to bring the statements in line with disclosure requirements had been acted upon by the Trust. Grant Thornton had also confirmed that a limited assurance opinion had been concluded in respect of the quality indicators which are subject to mandatory audit.

The Chief Finance Officer drew the Board's attention to the overall financial position, explaining that the planned Control Total deficit of £927k had been adjusted to reflect the additional STF incentive funding of £509k reflecting a final expected deficit position of £418k. The Board noted that the financial statements reflected a reported surplus of £1.183k which included a technical benefit arising from the reversal of a prior year adjustment relating to impairment. After accounting for this adjustment, the Trust's final year end position was a deficit of £392k and it was this outturn position that would be utilised by NHS Improvement to assess the Trust's year-end financial position against the agreed Control Total.

The Chair of the Audit Committee confirmed that the Audit Committee was satisfied that the audited financial statements were consistent with the financial reports that had been brought to the Board throughout the year and also that the Annual Governance Statement accurately reflected the internal control environment, with no significant control issues highlighted. He advised that the auditors had raised no matters of significance in relation to the annual report or the annual accounts and that the Audit Committee had recommended approval by the Board.

The Board approved the annual report and accounts for the year 31st March 2017 for submission to NHS Improvement on 31st May 2017; and authorised the Chief Executive to sign the Management Representation Letter.

It was noted that the annual report and accounts would not be made available to the public until the documents have been laid before Parliament. The Governors would receive the documents at a combined general meeting of the Council of Governors and Annual Members' meeting scheduled to take place on 25th September 2017.

The Chairman acknowledged the work of the external auditors and finance team in delivering the annual report and accounts.

2.2

Charitable Funds Annual Report and Accounts 2016/17

The Board received the annual report and accounts 2016/17 for the LHCH Charity. The Charitable Funds Committee (CFC) had met with the external auditor prior to the Board meeting and the Chair of the CFC advised that there were no issues arising from the independent review and recommended that the Board approve the Charitable Funds Annual Report and Accounts

2016/17 for submission to the Charities Commission. It was noted that the review process had for the first time been aligned with the financial audit enabling the charity accounts to be completed and signed off alongside the Trust's annual report and accounts.

The recommendation of the Charitable Funds Committee was accepted and the Board approved the Annual Report and Accounts 2016/17 for submission to the Charities Commission.

3 Patient Safety and Quality

3.1 LHCH Monthly Staffing – April 2017*

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

3.2 Emergency Preparedness and Business Continuity Annual Assurance Report

The Board noted the report.

A discussion followed in relation to the recent major incident arising from the Manchester terrorist attack and the Board noted that NHS England would coordinate de-briefing for the wider NHS in due course and advise on any learnings.

It was noted also that the Trust's major incident plans had recently been tested in relation to the global cyber attack. The Operational Board had been de-briefed.

Further refresher training on responding to major incidents was planned to ensure continued testing of the Trust's preparedness.

3.3 Safeguarding Annual Report

The Board noted the report.

A discussion followed in relation to rollout of the national 'PREVENT' training initiative as part of the UK's Counter Terrorism Strategy. It was noted that the Trust's Occupational Health Service was named 'Team Prevent' and the Director of HR was asked to review this with the provider as there was risk of misinterpretation.

3.4 Learning from Deaths - Implementing the New National Guidelines

The Board received a report highlighting the key areas and actions required by the Trust in relation to new national guidance published in March 2017 on Learning from Deaths.

The Board acknowledged the strength of the Trust's existing mortality review process which had been in place since 2011 and noted that the new guidance placed a strong emphasis on organisational learning from all deaths and provided new definitions for 'preventable' deaths. It was noted that the CQC had indicated a more rigorous approach to assessing the process for mortality review and organisational learning with a new focus on

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engagement with families and carers at end of life and on deaths of patients with learning disabilities.

The Board accepted the action plan and the recommendation that it would receive mortality reports on a quarterly basis going forward. It was confirmed that Hill Dickinson's would provide a development session for Board Directors on 27th June 2017 to further develop the Board's understanding of the new guidance from a legal perspective.

RAP

3.5 ***Integrated Complaints, Claims and Incident Report Quarters 3 and 4 2016/17***

The Board noted the report.

The Board noted the Top 5 categories of incident and in relation to medication errors, discussed the fact that 'drugs given by the wrong route' was reported as the second most common issue. This required further investigation as this was not a theme that had been identified through the daily safety huddle.

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It was noted that there had been a deterioration in the timeliness in which incidents were being investigated and closed down and it was noted that this would be addressed with Divisions and regular review included at Divisional governance meetings.

SP

A question was raised as to whether incident reports were completed when the HALT process was invoked in order to investigate and explore opportunity for learning. The Director of Nursing and Quality agreed to check that HALT incidents were routinely captured.

SP

4 **Strategy and Development**

4.1 **Health Economy Update – Cheshire and Merseyside 5YFV and CVD Pathway**

The Medical Director had chaired the most recent meeting of the CVD Project Board which had taken place on 25th May 2017. He reported that the meeting had been productive and well attended with all work streams making good progress. The next phase was for members of the Project Board to visit each DGH to agree the input required by each organisation. The Board noted that progress in the next 6 months would be critical and largely driven by financial frameworks.

The Chief Executive updated the Board on a key meeting held on 18th May 2017 and led by the CCG to explore a single service model for cardiology across the City of Liverpool. It had been agreed that there was a need to more clearly define what was meant by a single service model for cardiology and that the Board would consider this and what it meant from an LHCH perspective at the Strategy Day on 27th June 2017.

It had also been agreed that an Operational Board would be established with a view to ensuring equity of access to the pathway. Concerns about financial and contractual relationships

would be considered by the Chief Finance Officer (CFO) working with the Liverpool CFOs.

A series of options for a single service model ranging from marginal change to the status quo through to establishment of an Accountable Care Organisation was to be produced and evaluated. Terms of reference for this work would be completed by the end of June 2017 with clarity for individual Board consideration by the end of September. It was noted that this work would dovetail with the work of the CVD Programme Board.

In relation to the wider STP, it was noted that the governance arrangements had been reviewed and work plan updated. The output of this work would be circulated to the Board of Directors and Council of Governors.

The Board went on to discuss work in progress in relation to consolidation of corporate and support functions, noting that some proposals may not be aligned to the work already undertaken by LHCH, for example in relation to pay rates for bank staff which had proven beneficial in reducing the requirement for agency staff and in addressing skill shortages. It was confirmed that the Trust would consider all options but that any final decision rested clearly with individual Boards to do what was right for each organisation. The Director of HR would remain actively engaged in this programme of work across the North Mersey health system.

4.2 Research and Innovations Strategy – Annual Report and Forward Plan

The Director of Research and Informatics presented the report highlighting in particular the financial challenges arising from the complexity of current research trials and changes to the funding mechanisms; the progress of key strategic areas including the 100,000 genomes project which had been extended to March 2018; digital healthcare; and cystic fibrosis research. The ICECAP, SACRED and RITMOCORD projects were highlighted as key examples of innovation.

The Board discussed the financial pressures highlighted in the report and heard that a recovery plan was in place and was to be reviewed by the Executive Team. A dedicated research accountant was now in post to support the financial planning and monitoring of research programmes and this was proving beneficial. The recovery plan anticipated a return to financial balance.

The Board discussed the ongoing collaborations with external partners and was updated on the strategy being developed by the University of Liverpool to address concerns about the quality and profile of its clinical research programme. Cardiovascular research had been highlighted as an area for focus and signalled the potential for a more formal academic collaboration between the University and local NHS in this specialist field.

NL/LL

It was noted that Liverpool Health Partners (LHP) had responded to the independent review of research across the city and was considering the future of LHP in relation to its aims and objectives and current form. The aim was to develop a research strategy for the city bringing in both universities and all NHS providers. A sub group had been appointed to take forward this work and the Chief Executive would participate actively to influence the direction of travel and work to mitigate the dilution of research activity led by individual organisations, including that of LHCH, whilst supporting a more focussed and collaborative approach to research. The issue was less about the fragmented approach arising from too many organisations but the need for a clear strategy underpinned by investment in clinical research appointments.

The Board considered that the report might include a list of publications and examine the trend in citation ratings. The Director of Research and informatics agreed to circulate this and to ensure inclusion in future reports.

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5.1

Targets and Financial Performance

Strategic and Operational dashboards- period ended 30th April 2017

The Director of Research and informatics updated the Board on the failure of a feeder system which had resulted in the need to re-engineer a new data warehouse structure. This incident had compromised the quality of some reported Month 1 data, primarily relating to income and activity. The Board was asked to be mindful of this in considering the Month 1 position and was provided with assurance that the risk had been mitigated such that business as usual would be resumed for Month 2.

The Board noted the exception reports provided and discussed the HSMR indicators and quarterly staff FFT data which was inconsistent with the national staff survey results due to a very low response rate for the local quarterly survey. The reduced Outpatient scores for FFT were attributed to waiting times at clinics and new processes for management of flow were expected to impact from September.

It was noted that the red ratings applied to the finance indicators were attributed to profiling and that performance was in fact on plan. The Chairman requested that the profiling of the plan be corrected from Month 2 to enable the Board to be clear on the extent of variance from plan.

CW /MJ

The Board noted the red ratings assigned to cancelled operations and heard that introduction of 'Consultant of the Week' would enable timely discharge and free up beds which would mitigate the need to cancel going forward. The indicator for cancelled operations seen in 28 days was breached as a result of a single patient for whom there were difficulties in rescheduling.

Similarly the failure of the consultant upgrade target (62 day

cancer pathway) was a single patient issue.

The Board requested further investigation of the reduction in GP referrals given the significant variance reported at Month 1 and exploration of whether there had been a change in referral patterns linked to the 'Acting as One' initiative.

TW / MJ

Concern was expressed around compliance with the appraisal target and the importance of ensuring timely and high quality appraisals for all staff. It was noted that appraisal training was being made available to managers and there was a push to ensure that appraisals were completed over the summer period.

The Chief Executive summarised that a number of exceptional performance issues had been highlighted at Month 1, compounded by the data warehouse failure. She advised the Board that the Divisions were fully sighted on the risks and on task to deliver the targets.

The Board noted the report.

5.2 **Finance Report for period ended 30th April 2017**

The Chief Finance Officer advised that the data warehouse issues had impacted on Month 1 reporting and as a result the income figures were estimates based on plan. The income position would be reviewed and corrected for Month 2. Some areas of expenditure were also reliant on activity data including for example, accounting for use of high cost devices; and it was noted that some elements of the non-pay CIP were volume related and therefore not all the reported financial data could be quality assured.

This aside, it was noted that a number of CIP schemes had been slow to start and there had been robust debate on this at the Business Transformation Steering Group (BTSG) with the Divisions clear on action required.

The Chairman stressed the importance of delivery and potential implications for the Trust's strategic plans including the development of robotics. It was confirmed that the Integrated Performance Committee would focus on a deep dive of CIPs at its next meeting in July, with the BTSG ensuring that momentum is gathered and maintained in the meantime.

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CW

As the Board would meet next in July, the Chairman requested that Directors be provided with a Month 2 finance report at the earliest opportunity (mid June).

CW

A discussion followed in relation to the reported cash position and it was noted that the Trust had not yet received its Quarter 4 STF allocation or the incentive bonus and awaited the release of this cash from NHS Improvement.

The Board noted the report and re-emphasised the importance of the Month 2 financial outturn.

6 Governance and Assurance

6.1 Board Self-Certification 2017

The Board received the paper and gave careful consideration to its declaration of compliance with Provider Licence Conditions G6(3), CoS7(3) and FT4(8). In so doing, the Board noted that any issues not identified but that may subsequently arise, could call into question the Board's self- certification process in the event of a breach or potential breach of licence, with consequential regulatory implications. It was noted that the declarations would not be submitted to NHS Improvement (NHSI) as in previous years, but could be subject to audit by NHSI from July 2017.

The Board considered the systems and assurances in place to support compliance, including MIAA's assurance report in relation to Condition FT4(8).

The Board approved compliant declarations for each Board statement, noting that regard had been taken to the views of Governors at the most recent Council of Governors meeting (6th March 2017). It also confirmed its satisfaction with the process and evidence to support compliance in the event that the Trust was selected for audit.

6.2 Annual Review of Complaints Process

The Board considered the paper and noted the policy and procedure in place for the handling of complaints.

It was noted that the NED review panels provided strong assurance of an open and honest approach to complaints handling and subsequent sharing and learning via the Divisions.

The Board noted the report.

6.3 NHS Constitution – Compliance Report*

The Board noted the report.

6.4 Ratification of Consultant Appointments

The Board ratified the appointment of the following consultants:

- Dr David Mahew – Consultant Cardiothoracic Anaesthetist
- Dr Benjamin Murray - Consultant Cardiothoracic Anaesthetist.

6.5 ICMS Annual Report*

The Board noted the report.

6.6 Receipt of ICMS Board Minutes 30th January 2017*

The Board noted the minutes of a meeting of the ICMS Board held on 30th January 2017.

7 Board Assurance

- 7.1 BAF Key Issues Reports and Minutes from Assurance Committee Meetings:**
- 7.1.1 Quality Committee**
The Board noted the BAF key issues report from the Quality Committee meeting held on 27th April 2017.
- The Board received the approved minutes of the meeting of the Quality Committee held on 10th January 2017.
- 7.1.2 Integrated Performance Committee (IPC)**
The Board received the approved minutes of the meeting of the IPC held on 30th January 2017.
- 7.1.3 People Committee**
The Board noted the BAF key issues report from the People Committee meeting held on 16th May 2017.
- The Board received the approved minutes of the meeting of the People Committee held on 6th March 2017.
- 7.2 Operational Board**
The Board received the Summary Report of the Operational Board meeting held on 28th April 2017.
- The Board received the approved minutes of the meeting of the Operational Board held on 31st March 2017.
- 8 Proposed Agenda for Board Strategy Day 27 June 2017**
The Chief Executive presented the proposed outline agenda noting that this would be refined to allow time for the Board to discuss the future positioning of LHCH in the context of the options for a single service model for cardiology. This was supported.
- In relation to the review of Divisional service line strategies it was noted that these were clinical strategies all of which were underpinned by key facilitating strategies including people, finance and estates.
- 9 Minutes of the Board of Directors Meeting held on 25th April 2017 (in public)**
The minutes of the meeting of the Board of Directors held on 25th April 2017 (in public) were reviewed for accuracy and approved by the Board.
- 10 Action Log from Previous Meeting**
The action log was reviewed and updated as follows:
- Actions 1-4, 8, 9 and 11– completed and closed;
 - Action 6 – it was noted that the private patient strategy would be brought to the Board for consideration in July 2017, allowing opportunity for IPC to receive assurance on the process for income recovery and debt collection in advance of this, at its July meeting.

CW/MS

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

- 11 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.
- 12 Date and Time of Next Meeting:**
Tuesday 25th July 2017 at 9.30am
- 13 The Board resolved to exclude the public at this point by reason of the private nature of business to follow.**