

Board of Directors (in Public)

Item 8

minutes

Minutes of the Board of Directors' meeting held on 24th November 2015

Present :	<p>Neil Large Jane Tomkinson David Bricknell</p> <p>Lawrence Cotter Julian Farmer Debbie Herring</p> <p>David Jago Mark Jones Sue Pemberton Raphael Perry Marion Savill</p>	<p>Chairman Chief Executive Non-Executive Director/ Deputy Chair and Senior Independent Director Non-Executive Director Non-Executive Director Director of Strategy and Organisational Development Chief Finance Officer/Deputy CEO Non-Executive Director Director of Nursing and Quality Medical Director Non-Executive Director</p>
In Attendance:	<p>Mark Jackson Lucy Lavan Tony Wilding</p>	<p>Director of Research and Informatics Associate Director of Corporate Affairs Chief Operating Officer</p>
Apologies for absence :		
Observers: Governors / Staff/ Members of the Public:		

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| 1 | <p>Safety Huddle
Members of the Board observed the daily safety huddle and received the Issue 2 of the Safety bulletin, summarising the learning from the safety huddles over the last 6 months.</p> |
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Action

2 Welcome and Opening Matters

2.1 Apologies for absence

There were no apologies for absence.

2.2 Declaration of interests relating to agenda items

The Chair 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.

3 Patient Safety and Quality

3.1 LHCH Monthly Staffing – October 2015

The Board received the reports on staffing levels by ward for October 2015, noting that staffing continues to be flexed on a daily basis to manage sickness absence, vacancies and the acuity of patients.

It was noted that the Quality Committee had reviewed the safe staffing report alongside reported incidents and had received assurance that no safety issues had arisen as a result of staff being moved to other areas to manage fluctuation in patient numbers and levels of acuity. Focussed work continues to manage vacancies and turnover through the new recruitment processes.

A discussion followed around the setting of establishment levels and it was noted that these are reviewed on a 6 monthly basis to ensure that the compliment of budgeted staff meets each Ward's requirements. The key area being reviewed at the current time is critical care given the increasing proportion of high dependency patients. The Board discussed the issues of recruitment and retention in critical care and plans to review the training provision and introduce retention premiums. Recruitment events are taking place on a fortnightly basis and 30 sponsorship certificates have been approved to facilitate recruitment from the Philippines, following relaxation of immigration rules with nursing now recognised as a shortage profession. It was noted that the Band 4 ICA posts are being redeployed to other areas.

The Board discussed the continued reliance on agency staff and significant use of 'off framework' agencies which has been required to ensure safe staffing in critical care.

Variances in actual staffing compared to planned staffing on Cedar Ward were discussed and it was noted that there had at times been over-provision of unqualified staff to compensate for a shortage in registered nurses. The Director of Nursing and Quality advised that the professional judgement of the senior nursing team is applied on a daily basis to best match staffing resources to the numbers and dependency of patients across the Trust; and this process results in variation from plan but ensures that all wards are safe.

The Board concluded that it wished to see further evidence of changes in acuity linked to capacity and workforce planning and that this work will be shared by Divisions presenting to the Board at the Strategic Planning day on 15th December 2015.

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The Board noted the report.

3.2 Deanery Visit Update

The Medical Director noted that a previous visit from the Deanery 12 months ago had highlighted the need to improve the quality of surgical training and that actions had been put in place to address these concerns, resulting in much more positive feedback from current surgical trainees.

The follow up Deanery visit took place on 22nd October 2015 and involved a team of 8, including two GMC representatives. The verbal feedback provided had been disappointing and appeared not to be substantiated with evidence; along with advice that the GMC will retain the Trust on enhanced monitoring for a further period. The written response has not yet been received but this will be reviewed for factual accuracy and clarification of any issues that may not have been interpreted correctly on the day. One example being the provision of induction training for trainees by St Helens and Knowsley Hospital which employs the majority of junior doctors on rotation.

A request will be made for the GMC to return and review its stance on enhanced monitoring with a view to getting this lifted by the end of the financial year.

A full report will be provided to the People Committee and will include the Trust's response to formal feedback and an updated action plan.

RAP

3.3 SI / PHSO Report

The Board noted the outcome of a complaint from 2012 that had been referred to the Parliamentary Health Service Ombudsman (PHSO) and the outcome of the investigation which was that the PHSO did not uphold the complaint. There were no recommendations or actions required of the Trust.

A point of clarification was noted within the report with reference to the second paragraph of Section 2 – this should read use of the 'vein' in the right leg (not the artery).

3.4 Long Term Strategy for Managing Multi-Drug Resistant Organisms

The Board received the report from the Medical Director which set out the significant risks to patients and to business continuity in relation to the steep rise in incidence of infection and colonisation of Carbapenamase Producing Enterobacteriaceae (CPE), including Carbapenem Resistant Enterobacteriaceae (CRE) and other multi-drug resistant organisms in the UK over the last 5 years.

The control of these organisms requires persistent focus and the proliferation of multi-drug resistant organisms means that the Trust's current resources and facilities may be insufficient to meet the challenges of the next 3-5 years.

It was noted that the Trust has an excellent track record in controlling and managing multi-resistant organisms but that there is now a

requirement for a new strategy and a refresh of policies and procedures relating to:

- Surveillance and screening
- Hospital hygiene
- Isolation facilities
- Antimicrobial stewardship
- Workforce
- IT support; and
- Education and training

Actions already undertaken include the implementation of a new surveillance system, establishment of an Antimicrobial Stewardship Group and consideration of isolation strategies. The additional resource requirements in relation to staffing and access to rapid CPE testing were noted and will be prioritised through the 2016/17 planning round, in accordance with the Board's appetite for risk. It was noted that the resources identified comprised a combination of capital and revenue costs.

It was noted that hand hygiene remained a critical factor in controlling infection and whilst results on compliance are excellent, staff must not become complacent. A focussed drive to promote the importance of hand hygiene and 'bare below the elbow' will commence in early December 2015.

The Board supported the recommendations of the report and agreed that the Quality Committee will monitor progress on the delivery of the new strategy.

RAP /
LC

4 Strategy and Development

4.1 Research and Innovations Strategy : Mid-Year Review

The Board acknowledged good progress towards the key targets and objectives set out in the Research and Innovation Strategy.

It was noted that the programme for the Board Strategy Day on 15th December 2015 will incorporate the opportunity to hear from principal investigators who will showcase a number of priority areas for future innovation.

The reasons for under-recruitment of patients onto trials was explained and it was noted that this will be remedied through the mobilisation of research nurses.

The Board discussed progress on the ICECAP proposal which is being developed into a bid that will hopefully attract charitable funding.

The backfill arrangements in place to support the secondment of the Head of Research to work on the Listening into Action programme until 31st March 2015 were noted. Consideration is being given to the potential alignment of LiA work and innovation strategy going forward.

It was confirmed that backfill for Dr Stables' increased commitments around research had been secured and supported by the Medical

Division.

The Board noted the report and accepted the recommendations.

4.2 Chief Executive's Report

The Board received the report and the Chief Executive updated on the following:

- A very strong field for the recruitment of EP consultants with two excellent appointments made;
- Implementation of price caps for agency staff took effect from 23rd November 2015, but will not apply to bank staff, following Monitor's consultation exercise. Work is underway to ensure less reliance on agency staff going forward, through improved e- rostering; along with a procurement exercise to ensure best value from agencies, including a review of rates and cancellation fees. The Trust has also reviewed its bank rates and this has resulted in improved uptake of bank shifts from November 2015. A return on trajectories for use of agency staffing, including whether agencies used are on or off the approved framework, is to be submitted to Monitor by 25th November 2015.
- Announcement of dates for the CQC inspection – 26-29th April 2016.
- Industrial action by junior doctors scheduled for 1st December (emergency cover only) and 8th and 16th December (withdrawal of all cover, placing reliance on a consultant led service). It was noted that there are approximately 80 junior doctors working at the Trust and that Divisions are building contingency plans to cover gaps over the strike periods to ensure the safety of patients. It was noted that where possible, training and audit days will be rescheduled to take place on the strike days to minimise loss of activity and impact on waiting times. A number of elective cases and out-patient clinics have been cancelled on 1st December, with plans for the further two dates in progress, pending confirmation that the industrial action will go ahead.
- 64% uptake by staff of the flu vaccine;
- Re-assessment of risks relating to capacity, finance and reputation as a result of industrial action and the recent never event. The Board discussed the risk scores applied and noted also an update on the 2016/17 tariff risk, following the announcement of a 25% top up for cardiac surgery.

The Board noted the report.

5 Targets and Financial Performance

5.1 Board Dashboard – Strategic Indicators and Operational Performance, period ended 31st October 2015

The Board reviewed the strategic and operational dashboards, noting a new format for presentation providing improved clarity in relation to exceptions and discussed adverse variances in performance in relation to:

Strategic Objectives:

Quality – no exceptions were reported.

Service and Innovation -

- Recruitment of patients into CRN research trials – an action plan to achieve an anticipated recovery of the plan by December 2015 was received;

Value-

- Financial margin and cost reduction strategy – for discussion under Item 5.3;

Workforce-

- Staff appraisals – a significant improvement between September and October was noted with recovery of performance against this target anticipated by the end of November 2015;
- Bank and agency spend - increased financial controls in place and trajectory set out to yield recovery by the end of Quarter 1 2016/17;

Stakeholders -

- Private patient activity – under-performance due to capacity constraints in Quarters 1 and 2; target performance expected to recover by the end of the financial year.

Operational Performance:

Adverse performance and exception reports were discussed in relation to

- Mixed sex accommodation breaches relating to difficulties in timely transfer Level 1 patients from Critical Care into Ward areas;
- Sepsis;
- Medication errors;
- Serious Incidents / Never Events – one never event in October 2016 – under investigation with immediate learning identified;
- 26 week RTT target for Wales – long waits in part are due to patients opting to wait for mini mitral procedure for which the Trust currently has limited capacity;
- Cancelled operations;
- Referrals from other sources;
- Diagnostic Waits;
- Delayed Transfers of Care;
- Staff appraisals;
- Financial metrics.

The emerging risks relating to operational capacity, patient acuity, reputational impact of the never event and industrial action by junior doctors were noted.

The Board discussed the green rating applied to the Quality objective in light of the recent never event, noting that overall the rating of the strategic objective was green with the operational dashboard highlighting a red rated exception for this indicator. The never event had been catastrophic as a result of human factors and the Trust would clearly demonstrate learning through a rigorous root cause investigation. This will be considered further by the Board but there is

no indication of systemic failure. Performance across all quality and safety indicators remains strong. The Board noted that there is clear national criteria in place for defining a serious incident and a never event. It was agreed that the Quality Committee will look further at the measures for quality and how these are RAG rated and reported.

SP

The Board noted strong performance in relation to the reductions in pressure ulcers and falls.

The Board went on to discuss the reporting of cancelled operations and it was agreed that the Chief Operating Officer would review this indicator in light of feedback from a patient on a Board Walkabout in relation to multiple postponements.

TW

The Board requested that the performance dashboard be further enhanced going forward to reflect the new regulatory requirements around agency usage including use of the approved procurement framework.

MJ

The Board noted the report.

5.3 Finance Report for period ended 31.10.15

The Board received the finance report for Month 7.

Key highlights include:

- an overall financial sustainability risk rating of 2 against a plan of 3;
- capital expenditure at £2.3m , below the cumulative plan of £2.9m;
- cash balances at £6.2 million; £0.7m above the planned cash balance of £5.5m;
- a normalised net deficit of £1.2m against a planned breakeven position;
- total income below plan by £0.9m;
- CIP achieved at £1.9m (planned CIP £2.5m)
- expenditure on agency staff and additional sessions - £2.9m to Month 7, compared to £1.1m for the same period last year.

The Board reviewed the detail of the year end projections (Appendix 8) noting the importance of plans to return activity to plan and reduce agency spend in November 2015. It was confirmed that the outturn projection incorporated the trajectory for agency spend, as submitted to Monitor. The Chief Finance Officer confirmed that the projection will be revised on a monthly basis to reflect current performance and progress of the trajectory. He explained that Appendix 1 of the report enabled the Board to see actual performance to date alongside the forecast year end position, in order to understand the impact of historic performance on the projected outturn. It was noted the impact of junior doctors' industrial action will need to be assessed and reflected in future forecast projections.

The Board discussed the need to understand the analysis of pay expenditure and the split between substantive staff costs and agency

and bank costs, noting that the executive team will be undertaking a weekly review of agency and bank usage via the e-roster system.

The Board reviewed the analysis on Page 16 of the report demonstrating the actions in place to mitigate the £1.2m deficit.

Following further discussion, the Chairman summarised the importance for the Board in receiving assurance on the assumptions underpinning the forecast, recognising that this will change in what is a dynamic environment. He summarised that the three significant issues for financial planning are capacity / activity modelling, CIP underachievement and pay costs. It was important that the Board receive sufficient granularity on these at Board to understand the forecast and there must be a focus on improved planning for 2016/17.

It was agreed that going forward, a full finance report will be produced and circulated to Board members, irrespective of whether or not there is a scheduled Board meeting. The Board calendar will also be revised for 2016/17 to include a September Board meeting – these measures serving to ensure that all Board members receive regular assurance on finance.

DJ

It was clear that whilst the Trust at Month 7 is forecasting a £1.2m deficit against a planned deficit of £300k, a tactical solution had been identified to secure delivery of a financial sustainability risk rating of 3. In response to a national request for capital slippage, the Trust had offered £300k to secure an equal in-year benefit to I&E. It was agreed that the Chief Finance Officer will circulate a briefing note to Board members as soon as the outcome of this offer and the associated accounting treatment had been clarified.

DJ

Whilst there remained residual financial risks associated with the junior doctors' industrial action and with the never event, a number of opportunities had also been identified.

The Chairman emphasised the Board's requirement for clarity on capacity requirements for 2016/17 and the opportunity for review and challenge with the Divisional Heads of Operations on 15th December 2015.

The Board noted the financial position of the Trust at the end of Month 7 and the ongoing work in progress to deliver the remedial actions required.

6

Governance and Assurance

6.1

Integrated Incidents, Complaints and Claims Report

The Board received the report, noting that the reporting culture was improving and that continued improvement is expected as a result of new initiatives to encourage reporting and with the implementation of the Datix system in the coming weeks.

It was noted that the Top 5 categories of incident had been reviewed in detail by the Quality Committee.

The Board referred to the incidents relating to staffing in order to triangulate this information with the safe staffing report. It was confirmed that all incidents had been fully investigated and that no safety issues had been identified in relation to staffing levels or skill mix.

The monitoring of incidents, complaints and claims at Divisional level and introduction of the new cross-divisional organisational learning process was noted.

The Board noted the report.

6.2 Charitable Funds Committee – Revised Terms of Reference

The Board approved the revised Terms of Reference for the Charitable Funds Committee for immediate adoption.

6.3 Regulatory Updates :

Monitor Letter 27.10.15 and CEO's response *

The Board received and noted a letter from Monitor dated 27.10.15 requesting confirmation that all financial controls announced by Monitor in relation to the management consultancy cap and agency rules are being applied.

The Chief Executive's response to this letter was noted, including the impact of challenges for the Trust in relation to the agency rules. It was noted that Monitor is in receipt of the Trust's trajectory of improvement for nursing agency spend which forecasts a year end position of nursing agency spend at 6% of the nursing budget, compared to Monitor's cap of 3%.

6.4 Pandemic Flu Plan

The Board reviewed the Pandemic Flu Plan.

It was noted that a table-top testing exercise had been completed and reported to Integrated Performance Committee; and that health economy-wide testing exercise is planned for Quarter 1 2016/17.

The Chief Executive observed that the Flu Plan was a lengthy document and requested the production of an executive summary. It was also noted that some updates were required to reflect current governance arrangements per the approved Board Committee structure.

Subject to the above amendments and pending the production of an Executive Summary, the Board approved the Pandemic Flu Plan.

7 Board Assurance

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

7.1.1 Audit Committee

BAF Key Issues Report

The Chair of the Audit Committee presented the report of the meeting held on 10th November 2015, highlighting the following points:

MJ

- Internal audit programme on track;
- Receipt of management response following a review of consultant job planning;
- Discussion on risk management KPIs and agreement of the need to focus on exception reporting and actions to address gaps; it was noted that ownership of risks at ward / department level is variable and work is required to ensure consistent practice.
- MIAA have been asked to facilitate a workshop in Quarter 4 to evaluate the effectiveness of the Audit Committee, particularly in relation to triangulation of assurances from Board Committees and processes for review of assurances underpinning the Annual Governance Statement.
- Review and support for MIAA's proposal to facilitate the Trust's formal review of the Well-Led Framework– this has now been discussed with Monitor and feedback is awaited.

The Board noted the report.

The Board received the approved minutes of the meeting of the Audit Committee held on 7th July 2015.

7.1.2 Quality Committee **BAF Key Issues Report**

The Chair of the Quality Committee presented the report of the meeting held on 17th November 2015, highlighting the following:

- Strong performance in relation to infection prevention;
- Improvement in adherence to VTE prophylaxis protocol, with the target now achieved;
- Requirement to ensure timeliness of mortality reviews;
- Requirement to evidence use of safety checklist in Cath Labs;
- Re-audit of the sepsis bundle has indicated some improvement but requires continued focus to ensure compliance;
- Review of individual consultant performance.

The Board noted the report.

The Board received the approved minutes of the meeting of the Quality Committee held on 1st September 2015.

7.1.3 Integrated Performance Committee **BAF Key Issues Report (Oral)**

There had been no meeting of Integrated Performance Committee since the last Board meeting.

The Board received the approved minutes of the meeting of the Integrated Performance Committee held on 27th July 2015.

7.1.4 Charitable Funds Committee

The Board received the approved minutes of the meeting of the Charitable Funds Committee held on 7th July 2015.

7.2 Proposed Agenda for Strategic Board Session 15th December 2015

The Chief Executive presented a draft agenda for consideration, providing a focus on the following themes:

- Understanding of the Duty of Candour (new regulations effective from November 2014) and wider legal aspects associated with serious incidents and never events, to support the Board in its understanding of corporate and individual responsibilities – this session will be led by legal advisors from Hill Dickinson;
- First iteration of 2016/17 capacity plans and update on consultant job planning to be delivered by the Divisions;
- Innovations showcase to provide the Board with an understanding of ambitions for research and innovation with presentations from principal investigators and a regional lead updating on Genomics work.

The Board supported the content of the proposed agenda and noted the change to the planned venue, which will be LHCH and not the LACE conference centre.

7.3 Operational Board

Summary Report for meeting held on 20th November 2015*

The Board noted the report. The Chief Executive highlighted that there had been a detailed discussion on critical care medical staffing and the Operational Board had agreed to enhance cover across a 7 day roster.

The Board received the approved minutes of the meeting of the Operational Board held on 2nd October 2015.

8 Chairman's Briefing

The Chair outlined plans for the festive Shineathon 'light up' which will take place on Friday 4th December 2015.

Media coverage on a proposal for the merger of Aintree and RLBUHT was noted. The Healthy Liverpool Programme is moving forward at pace and LHCH will continue to work collaboratively with partner organisations in accordance with the Cardiology Strategy and the Trust's network leadership role.

'Devo-Merseyside' is now progressing – a CEO's Provider Forum is being established to ensure understanding and support for provider pressures and a collaborative approach to working with commissioners. There are a number of possible new configurations for hospital services and ensuring the delivery of safe, sustainable and affordable services will be paramount.

9 Minutes of the Board of Directors Meeting held on 20th October 2015 (in public)

The minutes of the meeting of the Board of Directors held on 20th October 2015 (in public) were reviewed for accuracy and approved by

the Board.

10 Board Calendar 2016/17

The Board approved the Board calendar for 2016/17, subject to a change to the date and time of the April Board, which will be brought forward to the previous day in order to accommodate the planned CQC visit. A revised calendar will be circulated to all Board members and diaries will be populated in accordance with the final meetings schedule.

The Board noted that an additional Board meeting had been scheduled for September 2016, to maintain Board oversight of key assurances between the July and October Boards. It was noted that the June and October meetings of the Board will be limited to business critical agenda items and commence at the earlier time of 8.30 am in order to accommodate the Board's strategic development work on these dates.

11 Action Log from Previous Meeting

The action log was reviewed and updated as follows:

- Action 1 – Board review date deferred to January 2016 as the next meeting of the People Committee is scheduled in December 2015
- Action 2 – completed and closed.
- Action 3 – on agenda for Part 2 (in private) due to the commercial sensitivity of the material presented;
- Actions 4, 5, 6 and 9 - completed and closed

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

12 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.

13 Date and Time of Next Meeting:

Tuesday 26th January 2016 at 9.30am

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