

Item 10.5

Board of Directors (in Public)

minutes

Minutes of the Board of Directors' meeting held on 28th March 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
	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
	Nigel Scawn	Associate Medical Director (Clinical Support)
	Joanne Twist	Director of HR
	Joyce McDonald	Staff member (Item 1.3 only)
Apologies for absence :	Raphael Perry	Medical Director / Deputy Chief Executive
Observers:		
Governors / Staff/ Members of the Public:	Dave Archibald	Intercity Technology
	Ruth Rogers	Member of Public

- 1 **Welcome and Opening Matters**
- 1.1 **Apologies for absence**
Apologies for absence were received from Dr Raph Perry.

Action

1
Chair's
Initials

Dr Nigel Scawn was welcomed to 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 Patient Story

Joyce McDonald, staff member, attended the meeting to share with the Board her patient story, recounting the care and treatment she had received when she was recently taken ill at work at LHCH.

1.4 Chairman's briefing

The Chairman reported on the recent discussion held with Governors on 6th March 2017, at which the principles by which the Council of Governors would operate were clarified and documented. It was agreed that the notes from this meeting would be shared with members of the Board of Directors.

The Medicine for Members event held at Chester Football Club on 23rd March 2017 had been successful and Megan Richardson and Carmel Richardson, members of the Stroke Team were congratulated for their excellent presentation.

It was noted that the Governor election campaign was progressing with the aim to identify new governors for the seven seats that will become vacant at the end of the 2017 Annual Members' Meeting.

The process for recruiting two new Non-Executive Directors was also underway with the application process due to close on 29th March 2017.

1.4.1 The Insight Programme for Non-Executive Directors - Proposal from Gatenby Sanderson

The Board considered the proposal put forward by Gatenby Sanderson and agreed that the Trust would support the Insight Programme for Aspiring Non-Executive Directors. The Chairman would notify Gatenby Sanderson of the Board's agreement to become a Sponsoring Trust and agree the next steps.

2 Patient Safety and Quality

2.1 LHCH Monthly Staffing – January 2017 and February 2017*

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

2.2 National staff Survey 2016

The Director of HR delivered a Power Point presentation, highlighting the following key points:

- Highest response rate in the country (69%);
- 73% of respondents recommending LHCH as a place to

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- work;
- 95% of respondents recommending LHCH as a place to receive treatment;

LHCH was ranked third nationally (top amongst hospital providers) for the overall combined score for staff recommending the Trust as a place to work or receive treatment.

A number of areas for focus in the next 6 months were identified with next steps including more detailed analysis of results by Division and team and engaging with staff to develop an action plan.

The Board reflected upon what were excellent results and discussed the need to continue focus on improving the quality of appraisals for all staff ensuring these were based upon clear objectives with discussion that reflected delivery, values and behaviours and personal development planning. The Chair of the People Committee commented that seeking assurance on this process would be a priority for the People Committee and that the business cycle and timing of meetings had been adjusted to ensure alignment with the appraisal cycle. The challenge around capacity and headroom to enable staff development plans to be delivered was noted, but it was acknowledged also that many aspects of personal development could also be achieved 'on the job' and it would be important for managers to recognise and capture this through the review process.

The Board noted that during 2016/17 staff had been heavily engaged through the Listening Into Action process and as part of the preparatory work for the CQC inspection. It was now necessary to maintain the momentum and ensure that staff continued to be engaged through 'Big Conversations' and other fora.

The Chief Executive advised that interpretation of staff survey's high level results involved a degree of generalisation and recognised that there were 'pockets' within the organisation that required more attention than others. It would be important to understand these and also to recognise that the NHS environment was changing and required new skills around collaboration and innovative working. It would be important for staff to engage in this and for the appraisal process to support the up-skilling of staff that was required for the future, ensuring alignment of appraisals with the annual planning process and demonstration that the 'golden thread' enabled the cascade of strategic objectives into operational plans and individual objectives. The Board acknowledged this and noted that the People Committee would seek assurance that staff were engaged and developing the skills required for the new operating environment.

The Board noted the 2016/17 staff survey results and supported the next steps outlined in the report.

2.3 *Progress with the implementation of the Human factors Strategy**

The Board noted the report.

2.4 *CQC Inspection – Action Plan Update*

The Board received a progress report on the action plan that had been put in place in response to the CQC inspection undertaken in April 2016 which had rated the Trust as ‘outstanding’.

The Board discussed five areas that required further attention as follows:

- Outpatient DNA rate – the Trust had been unable to validate the data used by the CQC at the time of the inspection and this would be discussed with the CQC inspector. A review of outpatient attendance and DNA rates was within the scope of the ongoing comprehensive review of patient administration;
- Late starts in Outpatients – further work was needed to understand the cause of delays but action had been taken to begin diagnostic testing earlier in the day in order that this work could be completed prior to the first patients attending consultant clinics at 9am and thus enabling a prompt start for clinicians;
- End of Life Training – training was in place but further work would be required to ensure this was captured and documented. It was noted that end of life care was the responsibility of the Clinical Services Division as most patients on the end of life pathway are on the critical care unit. It was noted that the Division was working with the palliative care team to identify patients sooner and ensure more timely engagement with families to manage expectations and involve them in end of life care.
- Delirium –there was recognition that delirium following heart surgery was a recognised condition and that this had contributed to growing numbers of staff experiencing violence and aggression. A new policy had been developed which would support improved management of patients with delirium.
- Mixed sex breaches – the Board noted that there had been 6 breaches in the month of February 2017 in which acuity and bed occupancy levels had been particularly high. All breaches had arisen following clinical decisions as to where each patient was best and most safely cared for. The data and reasons for the breaches had been shared with the CQC Inspector and it was noted that this was an area for ongoing review via the 6 weekly monitoring visits.

The Board would receive a closing report on the CQC action plan in 6 months’ time, with any exceptions being escalated before this time.

It was noted that a further mock CQC inspection would take place

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in May 2017 and that any concerns arising from this process would also be escalated to the Board.

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The Director of Nursing & Quality was then invited to update the Board following her participation in an NHS Improvement seminar on 'Learning from Deaths' which had taken place in London on 21st March 2017.

A national review of hospital deaths had revealed that there was no single framework in place governing the review of deaths and that the experience of families was all too often poor. In the past, Boards had been distracted by data and KPIs and had paid insufficient attention to the experiences of patients and their families at the end of life. There was a need for openness and transparency around the number of deaths, both within hospital and within 30 days of discharge, the number of deaths reviewed, identification of problems in care and actions being taken in response to these. In the future, the CQC would strengthen their assessment process through review of Board reports and would seek evidence of attention being paid to families and those with mental health disabilities.

It was noted that providers would need to have updated policies in place by September, with nominated responsible executive and Non-Executive champion.

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It was agreed that the notes of the seminar would be circulated to Board members along with the national reports presented at the meeting.

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It was noted that well established and thorough processes for the review of deaths were already in place at LHCH and these would be refined to address any new policy requirements.

Demonstration of learning from mortality reviews and the involvement of families would be key areas for further focus.

The Chair of the Quality Committee advised that he had attended the mortality review group and was able to confirm that the process was carried out extremely conscientiously and via a peer review process with a multi-disciplinary approach and that there were many examples where the experience of families had been considered as part of the review. He concurred that one area for development was the demonstration of learning, particularly where another provider had been part of the pathway and where the review had identified another provider's actions as contributory.

The Board noted that Hill Dickinsons would provide a development session for Directors on 28th June 2017 to explore further the new requirements around defining and publishing data on 'avoidable deaths' and what this might mean for possible litigation claims and for the learning process.

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It was also noted that the NHSLA was to re-brand itself and would

promote the opportunity to learn from claims at a much earlier stage in the claims process.

The Board requested a paper explaining the new requirements and recommending how the Board would receive the assurances it required at a future meeting of the Board of Directors (May 2017).

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3

Strategy and Development

3.1

Cheshire and Merseyside 5 Year Forward View Update

The Chairman advised that a meeting of the Membership Group would take place on 29th March 2017 to discuss governance and set out the expectations for clarity on the plan's deliverables and key milestones within the next 2-3 months. Over the next few months there would be a formal process to appoint an accountable officer to provide greater authority and moves to establish a delegated budget.

The Chief Executive commented that whilst the last 12 months had not seen any real tangible change, the building blocks were now in place and collaborative working had gathered pace significantly. She advised that following the Board's review of the proposed Memorandum of Understanding, she had written to Louise Shepherd to confirm acceptance of the principles set out but the need for further clarity on governance, particularly in relation to the provision of pathways across wider geographical footprints.

The Board was updated on the CVD workstream noting that the fourth meeting of the Programme Board had taken place, with follow up calls being made to representatives of the partner organisations that had been unable to attend the last meeting. It was not yet clear how the LDS structures would support the decisions needed to operationalise and implement the plans being developed for each of the 7 work programmes. The practicalities and business side of the implementation phase were now a key area of focus.

It was noted that Simon Stevens' progress report on the 5 Year Forward View was anticipated within the next few days and it was likely there would be national support provided to facilitate change and support the release of costs facilitated by pathway changes.

The Board would continue to be updated on developments over the coming weeks and months.

3.2

Sustainability Strategy – Annual Report and Forward Plan*

The Board noted the report.

4

Targets and Financial Performance

4.1

Board Dashboard – Strategic Indicators and Operational Performance, period ended 28th February 2017

The Board received the report, noting each of the indicators in

turn which were not rated 'green'.

The Board focussed its discussion on activity which had performed significantly below plan in February 2017 and was profiled to yield a higher than average monthly plan in March. Despite the dip in February it was reported that activity during the first 3 weeks of March was ahead of plan by 4 cases in surgery and 23 cases in medicine. Performance in February had been hindered by very high patient acuity and bed occupancy levels along with a prolonged period of half term leave arising from local authorities varying the timing of school holiday breaks. However, elective work appeared to be back on target and there was every expectation that the plan would be delivered.

The Board discussed delayed transfers of care and the likely impact of new funding to be invested in delayed transfers along with new processes for allocating patients to care home beds.

The Board discussed the implications of the new Royal being built with fewer beds than the number currently available, noting that it had been designed with sufficient beds for NHS requirements and therefore the challenge for the wider system was to deal with bed blocking and provision of step down facilities. It was noted also that any new concepts such as that of a single heart attack centre for the city would need to be supported by robust economic and operational planning as the choice of siting of such a facility would also have implications for beds.

An analysis of demand and capacity across the STP footprint had been commissioned and would inform decisions around the best use of resources.

The Board noted the report and that the Trust was on track to deliver all key operational targets for 2016/17. The finance metrics would be considered under Item 4.2.

4.2 Finance Report for period ended 28th February 2017

The Board received the finance report for Month 11.

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. Whilst income from patient activity was £700k lower than planned in February 2017, this had been mitigated through use of reserves and investment slippage with the overall level of risk going into 2017/18 very much dependent on the March position.

The Board heard that activity had increased in March and had been given significant focus at Divisional level, with early indication that performance was promising and expected to deliver to plan.

The Chair of the Integrated Performance Committee advised that the impact of this year's financial performance on next year's

financial plan continued to be an area of focus. A discussion followed in relation to the operational challenges experienced during February and whether there was any learning, particularly in relation of management of annual leave. It was noted that leave management processes would improve in the coming months through implementation of the new e-rostering system.

The Board discussed the presentational aspects of the financial reporting process, noting that the opening plan had been set with an assumption that additional beds would be opened and this had not happened. As a result, funding for the extra capacity had been held in reserve and released on a non-recurrent basis to deliver the financial plan. The Board's attention was drawn to Chart 1 in the financial report which illustrated the underlying financial position compared to the actual reported position and the original plan.

Key highlights of the Month 11 finance report included:

- Overall financial position – cumulative normalised deficit of £1,295K to Month 11 – £93k better than plan after release of £2,044k non-recurrent investment slippage and contingency, and £540k use of balance sheet items;
- Income - £713k below plan in February and £176k ahead of plan for the year to date ;
- Agency costs - £1.45m year to date spend compared to £3.304m for the same period last year;
- Cash balances of £6.5 million, above the planned position of £5.98m;
- Recurrent CIP achieved to M9 was £2.3m (against planned CIP £3.4m)
- Capital expenditure at £4.3m, below the cumulative plan of £5.1m but forecast to be on plan by the year end;
- A Use of Resources Rating of 3 against a plan of 3

The Board noted that significant progress had been made in management of agency costs in 2016/17 and that delivery of the capital programme had been strong.

The position on CIP delivery was noted along with the fact that the Audit Committee had received significant assurance from MIAA following their review of CIP processes.

The Board noted the report.

4.3

Going Concern Report

The Board received the report, confirming that it had reasonable expectation that the Trust had adequate resources to continue to operate for the foreseeable future; and also that there were no material uncertainties that cast doubt on the Trust's ability to continue as a going concern.

5

Governance and Assurance

5.1

Ratification of Consultant Appointments

The Board ratified the appointments of the following Consultants:

- Sajid Aslam, Consultant in Adult Congenital cardiology (fixed term – 12 months);
- Omar Nawaytou, Locum Consultant Cardiac Surgeon, special interest in aortic surgery;
- Ewa Perzylo, Locum Consultant Cardiothoracic Anaesthetist.

5.2 *Freedom to Speak Up Guardian report**

The Board noted the report with the Chair of the People Committee commenting that work on this agenda was outstanding with progress monitored by the People Committee.

5.3 *Review of Compliance with NHS Foundation Trust Code of Governance**

The Board noted the report and approved the proposed disclosure (at Appendix 2) for the 2016/17 annual report.

5.4 *Annual Board Review of Directors' Disclosures*

The Board noted that all Directors had been formally requested to review their declarations of interest.

The Board reviewed the updated Register of Directors' interests and confirmed that there were no material conflicts with the business of the Trust.

The Board received evidence that all Non-executive directors (NED) had recently reviewed their self-declarations of NED independence and determined the continued independence of all NEDs.

The Board received evidence that all Board Directors (voting and non-voting) had completed unqualified self-declarations in respect of the fit and proper persons criteria set out in Regulation 5 (Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 and as required by the Trust's Fit and Proper Persons Policy. It was noted also that a review of each Directors' personal file had been completed to ensure all supporting documentation was complete and compliant with the requirements of Regulation 5.

6 *Board Assurance*

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

6.1.1 *People Committee*

The Chair of the People Committee advised that the People Strategy needed to be updated to reflect the strategy for organisational change and impact of the Carter Review. The revised strategy would be brought to the Board for approval in July 2017.

The board noted the BAF key issues report.

The Board received the approved minutes of the meeting of the

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People Committee held on 6th December 2016.

6.1.2 Audit Committee

The Board received the BAF key issues report from the Audit Committee meeting held on 20th March 2017.

The Chair of the Audit Committee highlighted the strong progress made in follow up of outstanding internal audit recommendations and improved process in place going forward.

All MIAA reports completed in the period since the last committee had received significant assurance.

The external review of costing undertaken by Ernst & Young had noted a number of areas for development and improvement and an action plan to drive these forward, in tandem with the development of SLR was noted.

The Audit Committee had undertaken a review of the draft Annual Governance Statement confirming that this provided an accurate reflection of the systems of internal control, subject to some minor refinements and updates to reflect the year end position at 31st March 2017.

The Board received the approved minutes of the meeting of the Audit Committee held on 10th January 2017.

6.3 Operational Board

The Board received the Summary Reports of the Operational Board meetings held on 27th January 2017 and 3rd March 2017.

A discussion followed in relation to the pharmacy service and plans in place to explore models for collaborative provision with local partners. A business case that had been brought to Operational Board with a proposal to reduce posts had not been accepted as further work was required to understand the wider workforce implications in relation to roles for pharmacists, F2 doctors and advanced nurse practitioners and their respective roles in ward rounds and ward based care. Further benchmarking was also required in relation to exploration of collaborative working.

The Board received the approved minutes of the meetings of the Operational Board held on 23rd December 2016 and 27th January 2017.

7 Minutes of the Board of Directors Meeting held on 30th January 2017 (in public)

The minutes of the meeting of the Board of Directors held on 30th January 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, 4, 5, 6 and 9 – completed and closed;
- Action 3 – the Director of Nursing & Quality updated on hand hygiene, advising that the data reported at the end of Quarter 3 had been incomplete; performance continued to be excellent but further focus on peer review was required and would be followed up via the Clinical Quality and PFE Committee - action closed;
- Action 7 – BAF Risk 4.5 to remain unchanged – action closed;
- Action 8 – a response from Rt Hon Jeremy Hunt MP had not been forthcoming – action closed;

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.
- 10 Date and Time of Next Meeting:**
Tuesday 25th April 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.**