

## Board of Directors (in Public)

### Item 9

## minutes

### Minutes of the Board of Directors' meeting held on 25<sup>th</sup> April 2016

|   |                 |  |
|---|-----------------|--|
| 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   |
|   | Debbie Herring  | Director of Strategy and Organisational Development                  |
|   | David Jago      | Chief Finance Officer/Deputy CEO                                     |
|   | Mark Jones      | Non-Executive Director   |
|   | Sue Pemberton   | Director of Nursing and Quality                                      |
|   | Raphael Perry   | Medical Director   |
|   | Marion Savill   | Non-Executive Director   |
| In Attendance:  | Mark Jackson    | Director of Research and Informatics                                 |
|   | Lucy Lavan      | Associate Director of Corporate Affairs                              |
|   | Tony Wilding    | Chief Operating Officer  |
|   | Nigel Scawn     | Associate Medical Director, Clinical Services (Item 1 only)          |
| Apologies for absence :                                       |                 |  |
| Observers:<br>Governors /<br>Staff/ Members<br>of the Public: |                 |  |

1

Safety Focus – Management of Sepsis

Action

 1  
Chair's  
Initials

Dr Nigel Scawn, Associate Medical Director – Clinical Services, attended to present to the Board on the processes in place to identify signs of sepsis and ensure effective and timely intervention. A sepsis bundle was in place in response to the national 'Surviving Sepsis' campaign. Dr Scawn provided an overview of a new consensus definition of sepsis which had recently been published, advising that the Trust's clinical policies would need to be reviewed in light of this; and highlighted the challenge posed by the new CQUIN target to reduce antimicrobial prescribing. He emphasised the importance of senior review of patients at 48 / 72 hours after commencement of antibiotics following review of blood culture results. The Trust's performance data on sepsis management was discussed.

The Chairman thanked Dr Scawn for his informative presentation.

Dr Scawn left the meeting.

## **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 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.

### **2.3 Patient Story**

The Director of Nursing and Quality read a patient story.

### **2.4 Chairman's Briefing**

The Chairman commented on the importance of the coming week in relation to the CQC inspection and expressed thanks to the Trust's staff who had worked hard to demonstrate exceptional patient care. Special thanks were paid to Sue Pemberton, Director of Nursing and Quality for her leadership of the preparatory work.

The Chairman noted that the financial outturn for 2015/16 was in accordance with the revised financial plan and that a Financial Sustainability Risk Rating of 3 had been achieved at the end of Quarter 4. 2016/17 would be the most challenging year to date in respect of the economic environment and the Trust would continue to work actively to contribute to solutions for the challenges facing the wider system in relation to the Healthy Liverpool Programme (HLP) and the Cheshire and Merseyside Sustainability and Transformation Plan (STP).

The Chairman confirmed that he had now been appointed Chair of the STP Membership Group and would oversee the governance of the arrangements in place to deliver the STP submission on 30<sup>th</sup> June 2016. He advised the Board that he had recorded this new commitment in the Trust's Register of Interests, advising that the time involved would not compromise his role as

Chairman and that his involvement would complement the strategic options work being undertaken by the Trust.

### **3 Patient Safety and Quality**

#### **3.1 LHCH Monthly Staffing – March 2016**

The Board received the report on staffing levels by ward for March 2016.

The report highlighted 'red flags' for 17 days on Mulberry Ward, as a result of only one registered nurse being rostered compared to NICE guidance recommending a minimum of two registered nurse per shift. On each 'red flag' occasion the nurse to patient ratio had been less than 1:8 and patient acuity levels low, meaning that patient safety was at no point compromised. The Board noted that new national guidance would be issued shortly which would move away from the current indicators towards the measurement of care hours provided.

It was noted that there were plans in place for Mulberry Ward to be expanded to full capacity (12 beds). At this point the staffing levels would be fully compliant with the NICE guidance of two registered nurses per shift. This change would be cost-neutral with staffing re-deployed from within the current nursing establishment.

The Board noted the report.

#### **3.2 Referral to Parliamentary Health Service Ombudsman**

The Board noted the referral of a complaint made in 2014 to the Parliamentary Health Service Ombudsman (PHSO).

The complaint was thoroughly investigated by the Trust at the time and the outcome shared with the family.

The Board noted the report and would receive the PHSO's findings and any recommendations in due course.

#### **3.3 Safeguarding Annual Report**

The Board received a report detailing the Trust's progress in delivery of safeguarding standards for adults and children during 2015/16, including the rollout of an extensive training programme for staff, with 43 clinical staff now trained to Level 3 and designated as 'Safeguarding Ambassadors'.

Data on the numbers of safeguarding contacts; referrals under the Mental Capacity Act (MCA) and Deprivation of Liberties (DoLs); and staff referrals were noted.

Priority areas for 2016/17 were set out, including renewed focus on patients with learning disabilities and mental health needs.

The Board noted the report.

#### **3.4 Healthwatch Report\***

The Board noted the report and heard that work was progressing to improve signage and provide additional seating along corridor areas.

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## Strategy and Development

4.1

### Chief Executive's Briefing

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

- Completion of signed contracts for 2016/17 and confirmation that the Trust would not be entering the arbitration process. The Chief Finance Officer and his team were thanked for their efforts in achieving this position.
- The comprehensive plan in place to manage the industrial action by junior doctors, including the withdrawal of emergency cover between 8.00am and 5.00pm on 26<sup>th</sup> and 27<sup>th</sup> April 2016. Elective work had been cancelled and bleeps carried by junior doctors re-allocated to the senior consultant team who would deal with all emergencies. The risk register had been updated to reflect the impact of industrial action and mitigation plans in place over this period.
- A recent visit by Samantha Jones, Director of New Care Models at NHS England, who had commended the collaborative work being undertaken to develop a new model of care for cardiology.
- Confirmation of the planned visit by Sir Bruce Keogh on 13<sup>th</sup> May 2016 which would include the official opening of Cherry and Mulberry Wards.

A discussion followed in relation to Board engagement in and sign off of the STP which involved 40 providers and a submission deadline of 30<sup>th</sup> June 2016. It was noted that the local LDP work was aligned to the Healthy Liverpool Programme, in which the Trust is fully engaged. The governance arrangements had now been set out and it would be for the Membership Group to reach a consensus on the plan by the end of June. LDPs would cover their respective geographical patches but were not necessarily co-terminus with provider catchment populations, adding a further element of complexity.

It was agreed that the Chairman would circulate the draft STP document for comment, ahead of further updates and the final plan in June. It was noted that the Board would need to engage in a wider debate in relation to alignment with the KPMG work on strategic options for LHCH.

The Board noted the report.

5

## Targets and Financial Performance

5.1

### Board Dashboard – Strategic Indicators and Operational Performance, period ended 31<sup>st</sup> March 2016

The Board reviewed the strategic and operational dashboards, and discussed adverse variances in performance in relation to:

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**Strategic Objectives:**

**Quality** – ‘green’ with targeted improvement work in progress to reduce the number of falls and return to target by the end of Quarter 1. This work would include a review of the physical environment, including bathroom areas.

**Service and Innovation** – ‘green-amber’ with an improvement in recruitment of patients into CRN research trials continuing and expected to be back on trajectory by April 2016.

**Value** – ‘red’ in relation to financial margin and cost reduction strategy – for discussion under Item 5.2;

**Workforce** – ‘amber-red’ in relation to bank and agency spend - increased financial controls and plans in place for recovery in Q1 2016/17.

**Stakeholders** – ‘green-amber’ in relation to the under-performance of private patient activity in 2015/16. The target within the 2016/17 plan had been reduced to reflect outturn and a strategy for private patients would be developed in 2016/17.

**Operational Performance:**

Adverse performance and exception reports were noted with more detailed discussion in relation to:

- Mixed sex accommodation breaches arising from blockages in patient flow, prohibiting timely discharge from critical care- investment in additional capacity should see improvement in Quarter 1 2016/17. It was noted that mixed sex accommodation breaches in critical care had not featured as an issue in patient complaints.
- Compliance with sepsis care bundle – it was noted that the national standard involving administration of antibiotics within 3 hours had been delivered, with further improvement work towards the 1 hour ‘stretch’ target;
- Medication errors – higher numbers reported but no adverse impact on harms; scrutiny at Divisional Governance meetings to be maintained.
- 26 week RTT target for Wales – continuation of long waits resulting from patients opting to wait for mini-mitral procedure instead of open heart surgery, for which the Trust currently has limited capacity; work is ongoing with Welsh Commissioners to identify ways to improve the referral process;
- Cancelled operations – there had been 157 cancelled operations and 4 breaches of the 28 day rescheduling guarantee in 2015/16. Work is ongoing to improve scheduling and capacity planning, and commissioners had acknowledged that the target set required review for 2016/17.
- Delayed Transfers of Care – above target due to capacity pressures across the health system. Care Support team targeting complex referrals and work ongoing with partner

organisations to improve flow.

The Board noted that despite an extremely tight margin, the RTT target had been met at Quarter 4.

It was noted that the Board dashboard now included 62 day cancer pathway performance pre application of the breach reallocation process, as this was the data being reviewed nationally. Unadjusted performance was 77.42%. Whilst the Trust's performance (post breach re-allocation) remained strong, work with partners continues in order to improve pathway management. A new lung cancer pathway was due to be introduced in 2016/17.

The Board noted that the HSMR indicator was rated 'amber' but this was not statistically significant and based on crude data. All risk adjusted mortality metrics showed strong performance.

The Board discussed the workforce metrics and noted an increase in the use of nursing agency staff and continued reliance on regular agency shifts to cover skill shortages in cath labs and theatres, in particular. The Director of Strategy and OD provided an update on the recruitment plans, noting the time lag for some initiatives to impact, including international recruitment, but anticipated an improved position by May 2016.

It was noted that sickness levels and turnover were now much lower than earlier in the year.

The Board heard that patient experience in the Outpatients department had declined over the last 3 months as a result of the ongoing capital works to modernise the department. Feedback from patients had focused on the absence of a tea bar, insufficient seating capacity, queues and inconvenience / poor environment as a result of the building work. Actions taken had been to introduce the provision of beverages and to display larger posters showing the artist impression of the finished work and timescale for completion. It was noted that patient letters had referred to the building work and work was ongoing to improve flow and minimise queues at the reception desk.

The Chairman concluded that 2015/16 had been a challenging year but that performance had generally been strong and the Trust was well-placed to deliver its plans and targets in the new financial year.

## 5.2

### **Finance Report for period ended 31.03.16**

The Board received the finance report for Month 12.

Key highlights included:

- an overall financial sustainability risk rating (FSSR) of 3 against a plan of 3;
- capital expenditure at £4.94m, below the cumulative plan

- of £5.3m;
- cash balances at £7.9 million, above the planned position of £7.0m;
- a normalised deficit of £1.2m against a planned deficit position of £0.3m;
- total income above plan by £1.6m;
- CIP achieved at £3.3m (planned CIP £4.56m)
- expenditure on agency staff and additional sessions - £4.59m for the year, compared to £2.66m last year.

The Board noted that the financial outturn position was in line with the revised plan. The revised financial plan (£4.3m deficit) for 2016/17 was confirmed and the Board noted that investment in additional capacity was expected to see a reduction in premium rates in the early part of 2016/17.

The Board discussed the CIP variance and it was confirmed by the Chief Finance Officer that the non-recurrent element would not impact upon the plans set for 2016/17.

The Board noted the report.

### 5.3 **Going Concern Report**

The Board noted the report and heard from the Chair of Audit Committee that there had been good debate at Audit Committee on the financial assumptions underpinning 2015/16 financial accounts and the 2016/17 financial plan, confirming that there were no material uncertainties that could cast significant doubt on the Trust's ability to continue as a going concern.

The Board accepted the report and supported the recommendation that the Trust's accounts be prepared on a going concern basis.

### 5.4 **Quarter 4 Monitoring Return**

The Board gave careful consideration to the Q4 monitoring returns, noting that the IPC had reviewed the financial and operational risks in detail and that the deficit plan set by the Board for 2016/17 meant that the Board was unable to confirm that it would maintain a FSRR of 3 over the next 12 months. Operational risks included the continuation of industrial action by junior doctors which would pose a risk to delivery of the RTT target going forward. This would be highlighted in the narrative report.

The Board confirmed the responses to the Board declarations at Q4 as follows:

- For finance, the Board anticipates that the Trust will continue to maintain a financial sustainability risk rating of at least 3 over the next 12 months- **Not confirmed**; and
- The Board anticipates that the Trust's capital expenditure for the remainder of the year will not materially differ from the amended forecast in the financial return - **Confirmed**;
- For governance, that the Board is satisfied that plans in place are sufficient to ensure: ongoing compliance with all

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existing targets (after the application of thresholds) as set out in Appendix A of the Risk Assessment Framework; and a commitment to comply with all known targets going forward – **Confirmed** (with narrative on risks);

- Otherwise that the Board confirms there are no matters arising in the quarter requiring an exception report to Monitor (per the Risk Assessment Framework, Diagram 6) which have not already been reported - **Confirmed**.

The Board approved the Q4 return and Board declarations for submission to Monitor by 29<sup>th</sup> April 2016.

## **6 Governance and Assurance**

### **6.1 Ratification of Consultant Appointments**

There had been no new consultants appointed since the last Board meeting but it was noted that Dr Ivancarmine Gamberdella, Consultant Aortic / Cardiac surgeon would commence in post on 4<sup>th</sup> July 2016.

## **7 Board Assurance**

### **7.1 Board Assurance Framework – Q4 Review, Closure of 2015/16 BAF and approval of 2016/17 BAF**

The Board took time to review the 2015/16 closing BAF, confirming that all risks and actions had been appropriately managed and / or carried forward for reflection in the 2016/17 BAF.

In considering the 2016/17 BAF, the Board noted that the strategic objectives had been updated to reflect the Year 3 milestones and targets set out in the Trust's 5 year plan. Principal risks had been defined and scored following a detailed risk profiling exercise undertaken by the executive team. Executive leads had reviewed and refined the risk definitions and associated controls and assurances.

Following discussion it was agreed that the following refinements would be made to the 2016/17 BAF:

- Risk 3.1 – removal of gap around absence of signed contracts as 2016/17 contracts had now been agreed and signed;
- Risk 3.1 – reflection of risks associated with high use of bank and agency staff (this was applicable to the 'Value' objective in addition to 'Workforce');
- Risk 3.2 – recognition of forthcoming CQC inspection and likelihood of learning to be taken forward;
- Risk 4.1 – recognition of requirement to pursue efficiencies from effective rostering;
- Risk 4.1 – inclusion of gap around delivery of agency spend trajectory

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Subject to the above amendments, 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 2016/17 would be populated to reflect the assurances set out in the BAF.

The Board approved the 2016/17 BAF and confirmed its support to maintain a quarterly review process going forward.

## 7.2

### **Assurance Committee Annual Reports 2015/16**

The Chair of the Audit Committee presented the report, advising that the Audit Committee had completed an evaluation of each Assurance Committee based on a review of the annual reports, which had included a review of each Committee's Terms of Reference, and that the Audit Committee had concluded that the Committees were operating effectively. This assurance was further supported by the Audit Committee's own evaluation of its performance which took the form of a developmental workshop facilitated by the Director of Internal Audit in February 2016.

The Board was reminded that the People Committee had initially been established as a time-limited committee but the workforce agenda and associated risks were such that it was recommended that the Committee continue with a formal review at the end of 2016/17. This was supported.

Each of the Committee Chairs took the Board through their respective Committee's annual report.

In relation to the Quality Report, the Board discussed the Mortality Review process noting that the new policy was now in place with controls to improve the timeliness of the review process. It was confirmed that the new policy and processes were aligned to the recently published national guidance on reporting of avoidable deaths. The Quality Committee would continue to closely monitor compliance.

The Board noted that the People Committee was monitoring assurances in relation to a number of key challenges including plans to reduce agency and bank usage and improve the appraisal process to give greater emphasis to training and development. These issues had not been explicitly noted in the annual report but a more comprehensive review would be completed by the end of 2016/17.

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There were no recommended changes to the Terms of Reference for Audit Committee, Quality Committee or IPC.

The following changes to the Terms of Reference of the People Committee were approved:

- Extension of formal review period to March 2017
- Inclusion of a priority for 2016/17 around receipt of assurance on delivery of the trajectory for reduction in expenditure on agency and bank staff.

The Board accepted the reports and confirmed its satisfaction that

each of the Board Assurance Committees had operated effectively in 2015/16.

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

#### **7.3.1 Audit Committee**

The Board received and noted the report of the Audit Committee meeting held on 5<sup>th</sup> April 2016. The Chair of the Audit Committee highlighted that the review of the registers of interests and gifts and hospitality had a lower than expected number of entries. Action had been taken to align an annual review of consultant declarations with their annual appraisals; and to strengthen governance around regular review of disclosures through the Divisions. The impact of this work would be evaluated at the next review.

The Board received the approved minutes of the meeting of the Audit Committee held on 9<sup>th</sup> February 2016.

#### **7.3.2 Integrated Performance Committee BAF Key Issues Report (Oral)**

The Chair of the IPC confirmed that issues relating to the financial position and Monitor returns had been discussed under previous agenda items.

She added that IPC had requested assurance that the investment in surgical capacity in 2015/16 had been delivered and that a bridge analysis would be prepared to illustrate the impact of financial investment and issues that had occurred that had adversely affected delivery of the plan. The Chairman requested that this be brought to the May Board meeting, as IPC was not due to meet next until July 2016.

The Board noted that IPC had asked the Divisional Heads of Operations to attend the next meeting to enable a focussed discussion on how the central CIPs would be implemented in the absence of a PMO Lead; to review the headline issues from the Carter Review and how these had influenced CIP planning; and to consider efficiency in the context of NCBC benchmarking data.

A discussion followed around the assurance role of the IPC in relation to CIP delivery and the respective roles of the CIP Steering Group and the Operational Board. It was agreed that the Chief Executive and Chair of IPC would arrange to meet to discuss this further.

The Board received the approved minutes of the meeting of the Integrated Performance Committee held on 25<sup>th</sup> January 2016.

#### **7.4 Operational Board**

The Board received the Summary Report of the Operational Board meeting held on 1<sup>st</sup> April 2016 and noted that there had been discussion around the ACHD business case and evidence

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of traction in relation to the new Organisational Learning Policy.

The Board received the approved minutes of the meeting of the Operational Board held on 22<sup>nd</sup> January 2016.

**8 Minutes of the Board of Directors Meeting held on 29<sup>th</sup> March 2016 (in public)**

The minutes of the meeting of the Board of Directors held on 29<sup>th</sup> March 2016 (in public) were reviewed for accuracy and approved by the Board.

**9 Action Log from Previous Meeting**

The action log was reviewed and updated as follows:

- Actions 1-5, 8 and 9 – completed and closed,
- Action 7 – in progress and for review May 2016

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

**10 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.

**11 Date and Time of Next Meeting:**

Tuesday 26<sup>th</sup> May 2016 at 9.30am

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