

Board of Directors Meeting
Minutes of the Meeting held in Public
Monday, 4 July 2016
at 9.30am in the Boardroom, Leighton Hospital, Crewe

Present

Mr D Dunn	Chairman
Dame P Bacon	Non-Executive Director
Mr J Barnes	Non-Executive Director
Mrs T Bullock	Chief Executive
Mr J Church	Non-Executive Director
Mr M Davis	Non-Executive Director
Dr PA Dodds	Medical Director and Deputy Chief Executive
Mrs D Frodsham	Chief Operating Officer
Mr D Hopewell	Non-Executive Director
Ms A Lynch	Director of Nursing and Quality
Mrs R McNeil	Non-Executive Director
Mr M Oldham	Director of Finance & Strategic Planning

In attendance

John Lyons	Lead Governor
Katharine Dowson	Trust Board Secretary

Observing

Names removed under S40 of the Freedom of Information Act

Apologies

Ms E Carmichael	Director of Workforce and Organisational Development
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BoD16/07/1 Welcome, Introduction and Apologies

- 16/07/1.1 The Chairman welcomed everyone to the meeting.
- 16/07/1.2 Apologies for absence were received and noted.

BoD16/07/2 Patient Story

- 16/07/2.1 Ms Lynch presented the patient story which this month focused on the experience of a long stay patient. The story covered many aspects of her care and compared positively her current stay to the one she experienced two years ago. The patient remarked on the improved level of nursing cover which enabled greater support for care. She also commented on the improved food quality and how appreciative she was of the wider options for food choice provided to long stay patients. Ms Lynch added that the story reflected an improvement in approach to issues of patient dignity and experience.
- 16/07/2.2 The Chairman commented that it was interesting to hear from a patient who is still in the hospital and that he hadn't known that there was a menu for long-stay patients. Mr Graveson replied that the catering team offered 9-10 different menus for different diets and patient needs. Mr Church added that responding to individual needs and diets and giving patients different options can make a big difference to their recovery. Mr Oldham commented that this was a really good example of personalisation of care and the positive impact of investment in staffing numbers. The Chairman asked for Mr Graveson to thank his colleagues for the good work they are doing and his appreciation for all the

positive comments that are received regarding hospital food.

BoD16/07/3 Board Members' Interests

16/07/3.1 Dame Patricia advised the Board that she has been appointed Cheshire Vice President of the British Red Cross from 1 July 2016.

Action: Board of Directors register of interests to be updated to reflect Dame Patricia's new declared interest (Mrs Dowson).

16/07/3.2 There were no interests declared in relation to open items on the agenda.

BoD16/07/4.1 Minutes of the Previous Meeting

16/07/4.1.1 The following amendments to the minutes of the meeting held in public on 6 June 2016 were agreed:

- 16/06/10.2.1 Ms Lynch advised that Pressure Ulcers should be described as Stage, not Grade
- 16/06/10.2.2 Ms Lynch advised that the format of the SHMI rates table is not altering and reference to this should be removed to read 'Ms Lynch drew the Board's attention to the SHMI rates table'.
- 16/06/12.2.1 Mr Davis advised that the minutes should read 'there were no escalations that require an action from the Board'
- 16/06/13.4.4 Mrs McNeil noted that the penultimate sentence of the paragraph should say 'avoidable, but inevitable' rather than 'inevitable but unavoidable'
- 16/06/13.4.9 Mr Davis noted an additional 'approve' in the first sentence which can be removed.

Resolved: Subject to the alterations listed above the minutes were agreed as a true record of the meeting held on 6 June 2016.

BoD16/07/5 Matters Arising and Action Log

16/07/5.1 There were no Matters Arising in addition to those included on the agenda.

16/07/5.2 The Chair asked the Board to advise progress on actions noted in the action log. He noted that actions 16/06/2.2, 16/06/7.4.1 and 16/06/8.4 are complete and can be closed. Mrs Frodsham reported that the Transformation and People Committee will be requesting further work on theatre efficiency, (16/06/12.1.3) and reporting back to the Board in due course. In Ms Carmichael's absence, Mrs Bullock advised the Board that the press release on pathology investment (16/06/7.4.1) had been prepared which includes photos of the new equipment and this will be released next week.

Action: To update the action log and close off completed actions (Mrs Dowson)

BoD16/07/6 ANNUAL WORK PROGRAMME

16/07/6.1 The workplan for 2016/17 was reviewed by the Board and no amendments were proposed. The Chairman commented that there was a significant gap until next Board Away Day in October, and another session may need to be booked.

Resolved: To note and approve the 2016/17 Work Programme.

BoD16/07/7 Chairman's Announcements**BoD16/07/7.1 NHS Confederation Conference**

16/07/7.1.1 The Chairman informed the Board that he had attended the NHS Confederation

Conference in Manchester where Stephen Dorrell, Simon Stephens, Jim Mackey and Jeremy Hunt all spoke and which had been well reported in the national press. Last year Jeremy Hunt had talked about the Virginia Mason approach and Mrs Bullock commented that work is progressing in the UK, with Virginia Mason in nine Trusts to support improvement.

BoD16/07/7.2
16/07/7.2.1

MCHFT/UHNM Chair to Chair Meeting

The Chairman reported that he had met with the UHNM Chair Mr John MacDonald last week and that he and Mrs Bullock will be meeting with the interim CEO Robert Courtney-Harris and the Chairman this week. The Chairman also reminded the Board that there is a joint Board to Board meeting scheduled for 25 July in Stoke. The Chairman reported that all parties continue to be committed to improving the quality of services for patients across the local area.

BoD16/07/7.3
16/07/7.3.1

Active Cheshire

The Chairman reported that he and Mrs Bullock met with the CEO, Mrs Anne Boyd and Mr Charlie Mains, one of the strategic leads and agreed several action points for further consideration. Mr Dunn noted that the portfolio of Active Cheshire is widening which will create greater potential synergies across work in particular with the Trusts move into community services.

BoD16/07/8
BoD16/07/8.1
16/07/8.1.1

Governors Items

Council of Governors – July Agenda

The Chairman reported that an agenda setting meeting had taken place for the next Council of Governors meeting on 21 July. The Governors had agreed a discussion item, in response to proposed presentations on the national staff and inpatient surveys. The discussion will focus on the correlation between staff and patient views and if there are any emerging trends. A Governor has also requested an update from the Trust on the implications of Brexit under Any Other Business

BoD16/07/8.2
16/07/8.2.1

Elections

Mrs Dowson advised the Board that nominations have now opened for Governor Elections and all members in the relevant constituencies have been emailed. All nominations must be in by the end of July and voting will take place in August. There are three information events to be held at Leighton, Victoria Royal Infirmary and in Holmes Chapel with Governors in attendance.

BoD16/07/9
BoD16/06/9.1

Chief Executive's Report

Cheshire & Merseyside Provider Chief Executive Meeting

16/07/9.1.1

Mrs Bullock advised that the Cheshire & Merseyside Provider Chief Executive Meeting update would be combined with the next item; the Cheshire & Merseyside Membership Meeting as the reports would cover much of the same material. Mrs Bullock noted that the Provider Chief Executive meeting was a single agenda item which was an update from Mrs Louise Shepherd on the Sustainability and Transformation Plan (STP). The Membership group subsequently reviewed the three Local Development Sustainability Plans, (LDSP) for the Alliance, North Mersey and Wirral and Cheshire. The discussion focused on the financial challenges, proposed solutions / interventions and identification of any remaining financial gap. The STP predicts a break-even financial position for the Cheshire and Merseyside health economy by 2020, but this excludes the local authority position which is predicted to be in deficit. Mrs Bullock reported that the STP discussion document was submitted on 30 June and will support a discussion between Cheshire and Merseyside representatives with NHS Improvement (NHSI) and NHS England among others on 20 July. Mrs Bullock advised that the LDSP for Cheshire and Wirral will be circulated to the Board along with the STP as soon as it is available.

Action: STP and Cheshire and Wirral LDSP to be circulated to the Board (Mrs

Bullock)

BoD16/07/9.2 Mid Cheshire Local Delivery Sustainability Plan

16/07/9.2.1 Mrs Bullock advised that the final version of the Mid Cheshire LDP will be circulated on receipt; however she advised that the Board and Governors had seen various iterations as it had been produced. Mrs Bullock also advised that a number of work streams have now been set up to deliver the interventions in the Mid Cheshire LDSP. One is integration of services which will be led by the CCG. There are also work streams for mental health, primary care, social care, urgent care (which will be led by Mrs Frodsham), acute care reconfiguration (led by Mrs Bullock) and women and children's (led by Mrs Bullock). There are also plans to establish public engagement and workforce empowerment streams. The group will continue to meet weekly to progress the plan.

BoD16/07/9.3 Junior Doctors Update

16/07/9.3.1 Mrs Bullock reported that she did not have any further update as the results of the BMA ballot of junior doctors on the proposed contract will be published on 5 July.

BoD16/07/9.4 NHS Improvement Investigation

16/07/9.4.1 Mrs Bullock was delighted to report on this additional item informing the Board that following receipt and review of the Trust's Annual Plan for 2016/17, NHSI have agreed to close the investigation into the Trust without taking any action. There are no ongoing recommendations to be actioned, but there is an expectation that the STP will be delivered.

BoD16/07/9.5 EU Referendum

16/07/9.5.1 Mrs Bullock reported on the EU Referendum result as an additional item, summarising the Chief Executive Briefing that was circulated to all staff last week. Mrs Bullock expressed concern for the impact on EU staff and in response to the CEO briefing, staff have taken up the offer of attending drop in sessions with Mrs Bullock. Mrs Bullock also noted that Ms Carmichael is writing to all the EU staff, (156) and staff from outside the EU, (103) to let them know how valued they are. These staff make up 6.9% of the workforce and their loss would have a significant impact on the Trust. Dame Patricia asked if there have been any issues following the results and Mrs Bullock advised there had not been any issues relating to EU staff but there had been some debates among UK staff in respect of voting preference. The Chairman commented that it is not just about the rights of EU workers to stay in the UK but indeed whether they would wish to stay if the UK is no longer in the EU.

**BoD16/07/10 CARING
BoD16/07/10.1 Quality, Safety and Experience Report**

16/07/10.1.1 Ms Lynch presented the monthly report for the Board to note. She advised that the graphs illustrate the Trusts position in respect of harm incidents overall. Ms Lynch noted that 'no harm' incidents had increased in May, mainly due to work on the medicines audit which resulted in an increase in reporting of missed medication incidents that had resulted in no harm.

16/07/10.1.2 Ms Lynch advised that there were four previously reported serious incidents in May, as detailed in the report and that RCAs are being conducted. She noted that there had been an increase in patient falls in May but the target had been achieved in June. The increase had been particularly noted in one ward and work was being progressed to address this.

- 16/07/10.1.3 Ms Lynch reported the number of Stage two and Stage three pressure ulcers in May and reminded Board that the Trust had launched the 'React to Red' campaign six weeks ago to reduce hospital acquired pressure ulcers. One of the work streams is looking at consistency in the reporting of ulcers and as part of this some duplication of reporting has been picked up which will be rectified in the June report. Ms Lynch added that Ward 6, which had previously been an area for concern in regard to ulcers, has not had any reported for five months which is a significant achievement. Ms Lynch informed the Board of a new campaign called 'Waterlow Wednesday' and outlined the purpose of this in the prevention of pressure ulcers. Ms Lynch also advised the Board that she is chairing a regional working group looking at pressure ulcer prevention across local Trusts and would also use any learning from that.
- 16/07/10.1.4 Ms Lynch asked the Board to note the mortality indicator charts which will be updated when new information is released. Mr Davis noted that the Crude Mortality chart narrative stated that the Trust rate was below the North of England average and the England average, although the figure quoted reflected that it was below the North of England average only. Ms Lynch confirmed that the figures were correct but the narrative should state that the Trust rate is above the England average and that the report will be updated.
- 16/07/10.1.5 Mr Davis asked what the difference between SHMI and HSMR measures are and if there are any underlying concerns with the figures. Dr Dodds explained to the Board the differences in the data used to compile reports against these measures and noted that the Trust continued to improve against the SHMI rate which is the rate that has the most focus from national bodies. The Trust has also identified an opportunity to improve the HSMR by investing in two extra sessions in the palliative care consultant team. This will improve patient care and enable better reporting and recording which will also lead to an improvement in the HSMR target. Dr Dodds explained the impact of recording palliative care on the HSMR, more patients with a palliative care coding would positively impact on the HSMR result, adding that the Trust reports lower than the national average in relation to palliative care. In response to Mr Davis, Dr Dodds advised that some would say that high levels of activity did impact on Trusts mortality rates, however; noted that all Trusts were struggling with high activity levels which therefore means this is benchmarked across the board and affects all Trusts. Dr Dodds advised that the publication of the next SHMI will show a further reduction which Board were very pleased to note.
- 16/07/10.1.6 Ms Lynch asked the Board to note that there had been one confirmed MRSA Bacteraemia case in May and that this was a contaminant and therefore the patient was well. Ms Lynch outlined the reason for the contaminated sample and the actions being taken. In response to a question from Mrs Bullock, Ms Lynch confirmed that training had been identified for the staff member.
- 16/07/10.1.7 Ms Lynch reported that there had been no Clostridium Difficile cases in May and that there had been a slight improvement in direct referrals to the stroke unit and that the benefits for the new stroke pathway which is live from today should be seen from July onwards in this indicator.
- 16/07/10.1.8 Ms Lynch asked the Board to note that the CQUIN measures have not yet been reported against due to the lag in data being received but that Q1 figures will be available for the next board meeting in August and the financial value will also be in place.
- 16/07/10.1.9 Ms Lynch reported that the registered nursing staffing levels had improved in May with rates for HCAs remaining the same. This has resulted in some reduction in agency spend on nursing cover. Ms Lynch reported that a successful recruitment day had been held last week with 12 registered nurses recruited to surgery, 9 to medicine, 2 to

paediatrics as well as 1 plaster technician, however, that it would take some time before they were all in post. The Board commented on the positive impact this will have for the Trust, improving patient care and reducing vacancy rates.

- 16/07/10.1.10 Ms Lynch asked the Board to note the new column on the staffing table which illustrates the new measure of care hours per patient day. This measures the combined number of hours of care provided to a patient in each ward over a 24 hours period. The Board discussed the meaning and usefulness of these new figures and Ms Lynch advised that they appeared to be in line with other local Trusts. These figures will eventually be related to the cost per patient per day figures and will be reported on the national nursing dashboard.
- 16/07/10.1.11 Ms Lynch asked the Board to note the snapshot Safety Thermometer results as provided in the report. Dame Patricia noted one ward as showing a higher rate of patient falls and lower staffing levels; she asked if these were linked. Ms Lynch responded that this link had been identified and that work was being done to recruit to this ward which was a challenging area to work in due to the dependency of patients.
- 16/07/10.1.12 Ms Lynch moved on to the Experience section noting that 30 complaints were received in May which is an increase from April figures. Ms Lynch reminded the Board that all complaints are examined in detail by the Complaints Review Panel. Ms Lynch added that there had been one complaint closed by the Ombudsman which was partially upheld and details of this complaint are available to any Board member on request.
- 16/07/10.1.13 Ms Lynch confirmed that no clinical negligence claims were closed this month and three new claims were received that related to top 5 specialities. No inquests were concluded this month.

Resolved: The Board accepted the assurance provided, noted the work ongoing to address areas of concerns and accepted the report.

BoD16/07/10.2 CQC Registration Bi-Annual Report

- 16/07/10.2.1 Ms Lynch asked the Board to note the six monthly report which was examined in detail at the Executive Quality Governance Group. Ms Lynch noted that the CQC had taken no action over the last six months but that the Trust had submitted changes to its registration to remove mental health services as these are not provided by the Trust.
- 16/07/10.2.2 Ms Lynch advised the Board that the CQC are inspecting children's safeguarding services at Cheshire East Council this week. This will include visits to Maternity, Paediatrics and the Emergency Care Department at Leighton. The findings will not produce any grading for the Trust but there may be actions to implement if recommendations are made.

BoD16/07/10.3 CQC Comprehensive Inspection Action Plan

- 16/07/10.3.1 Ms Lynch updated the Board on progress against the action plan which followed the last CQC comprehensive inspection of the Trust. Ms Lynch noted that since the papers were distributed the commissioners had produced the outcome framework for Urgent Care Rapid Response under item 3; however this item will remain amber while proposed process mapping of this is completed. This work is being led by the Connecting Care Board.
- 16/07/10.3.1 Ms Lynch commented on items flagged as 'amber'. She noted that that work is still underway to recruit Consultant Gastroenterologists and appoint a Clinical Lead and that this work will continue in order to meet the April 2017 deadline under Item 11. She also

noted that the Stroke pathway is now in place and that the action plan arising from the National Diabetes Audit, item12a will be refreshed following the successful recruitment of a diabetic specialist nurse.

BoD16/07/11 **SAFE**
BoD16/07/11.1 **Draft Quality Governance Committee notes – 13 June 2016**

16/07/11.1.1 Dame Patricia reported to the Board that there were no items for escalation to the Board for action from QGC. There were some items to note, the Annual Safeguarding Report has been reviewed and the Stroke Standard Operating Procedure (SOP) was approved following a useful discussion. Dame Patricia advised the Board that the KPMG Risk Management and Corporate Governance Review had been discussed and the overall report provided significant assurance with minor improvement opportunities. Dame Patricia noted that the attendance record and action log were not attached in the papers but there had been good attendance so far this year and actions were being reviewed at each meeting and that this information will be included in future board papers.

16/07/11.1.2 Dr Dodds commented that following recommendations from the KPMG audit it was planned to produce a summary annual report of lessons learnt from RCAs that will be presented to the Board to demonstrate that the Trust is learning from these incidents.

Resolved: To note the update from QCG and the items of information escalated to the Board

BoD16/07/11.2 **Serious Untoward Incidents and RIDDOR Events**

16/07/11.2.1 Dr Dodds advised the Board that there have been 2 SUIs during May and provided detail of these, noting that Root Cause Analysis would be undertaken.

16/07/11.2.2 There have been no RIDDOR events reported since the last Board meeting.

Resolved: To note the Serious Untoward Incidents and RIDDOR Events update.

BoD16/07/12 **RESPONSIVE**
BoD16/07/12.1 **Performance Report**

16/07/12.1.1 Mrs Frodsham presented the Performance Report for activity to the end of May. The Trust passed all headline measures with the exception of the 62 day first treatment from screening target, the four hour A&E transit measure and the 18 week wait from referral to treatment for non-admitted patients. The Trust has improved on the six week diagnostic target, as a result of a combination of out of hours working and external reporting but advised this had come at premium cost to the Trust. Mrs Frodsham advised the board that further business cases are being developed to help with these pressures.

16/07/12.1.2 Mrs Frodsham noted that A&E attendances were 15% higher in May than the previous year, with ambulance attendances up by 20%. These pressures are having a big impact on the department along with the high bed occupancy rate which is over 97% meaning patients cannot be moved out from A&E. Mrs Frodsham reported that she had spoken to NHSI on Friday as the target trajectory of 92% for June had not been met.

16/07/12.1.3 Mrs Frodsham informed the Board that the Trust have received a contract query letter from the CCGs in relation to the failure to achieve the 4 hourly performance standard. Mrs Frodsham added that this was not only a performance issue as the over-performance of activity will impact on CCG finances which are already under pressure. Mrs Frodsham advised that the last System Resilience Group meeting had a single agenda item of 'System Failure – Performance and Finance'. Mrs Bullock added that as

the contract holder the letter had to come to the Trust but that it is recognised that the ability to achieve the standard required a partnership approach and therefore advised that it was agreed at this meeting that partners would support the Trust in responding by agreeing partnership actions.

- 16/07/12.1.4 Mrs Frodsham also noted that Delayed Transfers of Care are high and are having a significant impact. Mrs Frodsham added that the Trust has delivered a 30/60/90 day action plan to NHSI to address the 4 hourly performance; however; noting that July is already looking challenged. In relation to any penalty in respect of the transformation fund, Mrs Frodsham confirmed this would likely be £100k for each month the trajectory is not achieved. Mrs Frodsham said that A&E remains very busy and the staff are getting tired, but this is not just a local issue and provided the regional and national picture. The Chairman commented that April activity showed that GP referrals are 7% above contract but in line with the Trust's own forecast. Mrs Frodsham confirmed that in respect of the current over-performance that the Trust was largely in line with its own forecast and planning assumptions but advised that due to affordability, the CCG had commissioned growth at a much lower level. Therefore, although Trust activity is largely on plan it is significantly over-performing for the CCG.
- 16/07/12.1.5 Mrs Frodsham informed the Board that the NHSI continuity of service rating remains a two. Mrs Frodsham summarised the financial position, noting that Income and Expenditure is ahead of forecast in month and better than plan for the year to date. Mrs Frodsham added that the Cost Improvement Plan is behind plan which is predominantly due to Agency nursing costs being higher than planned. Mrs Frodsham advised the Board that Ms Lynch is working on this and improvements are being made which are starting to show on the weekly pay. Mrs Frodsham asked the Board to note that the QIPP is behind plan and outlined the reasons for this.
- 16/07/12.1.6 Mrs Frodsham reported that spend in the capital programme is less than anticipated, due to a delay on the programme to convert residencies to offices and a number of IT schemes, rather than efficiencies. Mrs Frodsham advised the Board that the cash position to end of May was better than plan due to a greater draw down of working capital than forecast. Mr Oldham added that this additional draw down was as a result of the outstanding bills to the CCG from 2015/16 that have not been paid.
- 16/07/12.1.7 In Ms Carmichael's absence Mrs Frodsham reported on the Workforce summary which illustrated a marginal decrease in sickness levels and staff turnover. Mrs Bullock added that Miss Carmichael would also be writing to the 1000 plus staff who have achieved at least 12 months without taking any sick days and to the staff who have had no sickness in the last five years. Mrs Frodsham noted finally that mandatory training levels and appraisal levels have decreased slightly in month.
- BoD16/07/12.2 Resolved: To note the Performance Report for May 2016**
- Draft Performance & Finance Committee Notes – 23 June 2016**
- 16/07/12.2.1 Mr Davis noted the quick turnaround of these notes in time for the Board which was appreciated. Mr Davis advised the Board that there were no items for escalation for Board action but four items for the Board to note. Firstly Mr Davis noted that the failure of the headline measure for 62 wait from NHS cancer screening services to treatment was due to four patients.
- 16/07/12.2.2 Secondly Mr Davis commented on the continuing high level of emergency activity, as noted in the Performance report. Mr Davis noted the impact on patients and the rest of the hospital which causes a degree of vulnerability to missing other targets. The delayed transfers of care remain an issue delaying admissions from A&E. The Chairman asked if

the Trust is doing everything possible to support our colleagues and mitigate the pressure they are under. Mrs Bullock replied that she is doing regular walk arounds, listening to staff and the Trust is constantly striving to improve and try new ways of working, such as the Ambulatory Care Unit, but it is frustrating that to date, due to such high activity levels, this is not impacting positively on performance. Work is also underway focusing on surgical patients as their numbers continue to grow. Mrs Bullock added that as part of the contract mediation with the CCG it was agreed that the Utilisation Unit would conduct a review of why the Trust figures in respect of zero day length of stay and admissions from A&E are an outlier and that this work will start this next month.

16/07/12.2.3 Mr Davis advised the Board that the third item of note was the level of activity in excess of CCG assumptions which will lead to financial distress for the CCGs in 2016/17. The fourth item to note is the overheads benchmarking programme which this month focused on procurement. This concluded that the Trust benchmarks well compared to peers and that the in-house arrangement has benefits for engaging with clinicians and therefore adds value.

16/07/12.2.4 Finally Mr Davis updated the Board that PAF had clarified the issues raised at the last Board in regard to the Budget Pack for 2016/17 and the capital figures within. The difference between the balance sheet and capital budget has now been resolved to the Performance and Finance Committees satisfaction.

16/07/12.2.5 Mr Church asked whether the escalation from divisional board in regard to the proposed Virtual Fracture Clinic, (VFC) business case is, as implied, creating a potential cost pressure. Mr Oldham replied that the Business Case for the VFC will come to the Board as a result of the lost income. Mr Oldham advised the only cost is a capital software cost but there is an associated loss of income which needs to be discussed with the CCGs as consultant input will still be required to review cases electronically and a sustainable service needs to be created as costs are removed from the system. Dr Dodds confirmed that the business case has been approved through the IT strategy group as a capital investment but there was further discussion planned at the contract meeting with CCGs to mitigate the impact. The Chairman commented that the PAF agenda for July looked challenging. Mr Davis agreed and said that there had been some discussion in regard to delegating some additional work to the Executive Infrastructure Development Group.

BoD16/07/12.3 Legal Advice

16/07/12.3.1 Mrs Bullock reported that there was no new legal advice to report to the Board but that there was ongoing support in regard to the Community Services Contract (CSC). Mrs Bullock advised the Board that the details of the costs incurred so far will be provided to the Board at the August meeting.

Action: Legal costs associated with the CSC to be tabled at next Board meeting (Mrs Bullock)

BoD16/07/12.4 Report on Use of Trust Seal

16/07/12.4.1 Mrs Bullock asked the Board to note the uses of the Trust seal from September 2015 to June 2016.

Resolved: The Board noted the use of the Trust seal.

BoD16/07/12.5 Annual Plan Review with NHS Improvement (NHSI)

16/07/12.5.1 Mr Oldham reported on his positive phone call with NHSI to review the Trust Annual Plan

for 2016/17, with no major concerns tabled. NHSI discussed the remaining risks to deliver the control total now that the contract has been signed. Mr Oldham advised NHSI that the risks outlined in the plan remained relevant. NHSI confirmed that the first payment of the STP fund will be made in August but Mr Oldham commented that there is still some clarity required in regard to the milestones for receipt of this money and as a result capital programmes such as ward refurbishment could be at risk. Mr Oldham reported that he and NHSI also discussed winter pressures, ward refurbishment, work on reducing A&E admissions and progress to reduce the Agency spend. Mr Oldham also updated NHSI on the Community Services Contract, Stronger Together Programme, Cost Improvement Programmes, the cash flow position and the work to support the development of the STP.

16/07/12.5.2 As a result of the Annual Plan submission Mr Oldham reported that NHSI have received sufficient assurance to remove the Under Review rating and close the investigation as previously outlined by Mrs Bullock. The Chairman noted that this was a significant achievement particularly with no action being taken.

BoD16/07/13 WELL-LED

BoD16/07/13.1 Draft Transformation and People Committee (TAP) Notes – 9 June 2016

16/07/13.1.1 Mrs McNeil reported that there were no issues to be escalated to Board from TAP for action. She asked the Board to note that the committee is planning to visit Shrewsbury and Telford Community Development NHS Trust to learn from their experience. Mrs McNeil also updated the board in regard to the challenges of achieving surgical transformation and the Access and Flow project due to the pressures on beds and high levels of activity. Mrs McNeil noted that the integrated community team is flagged as red due to the hold on funding but this will be updated at the next meeting as this issue has now been resolved.

Resolved: The Board noted the report of the TAP Committee

BoD16/07/13.2 Draft Audit Committee notes – 13 June 2016

16/07/13.2.1 Mr Hopewell reported that there were no issues to be escalated to Board from Audit Committee for action. Mr Hopewell noted that the KPMG Risk Management and Corporate Governance Review was presented to the Audit Committee which gave significant assurance with minor improvement opportunities.

Resolved: The Board noted the report of the Audit Committee

BoD16/07/13.3 Visits of Accreditation, Inspection or Investigation

16/07/13.3.1 Mrs Bullock advised the Board that there was no visits to report this month

BoD16/07/13.4 Gap Analysis re Carter Recommendations

16/07/13.4.1 Mrs Bullock presented the gap analysis template to the Board for comment. This report focuses on the two actions specifically agreed for direct Board review; the other 13 recommendations have been delegated to the appropriate committees or groups. Mrs Bullock invited comments and suggestions from Board on the actions being taken against the recommendations, no comments were received.

Resolved: The Board noted the template and had no further comments.

BoD16/07/14 EFFECTIVE

BoD16/07/14.1 Consultant Appointments

16/07/14.1.2 Dr Dodds advised the Board that there were no new consultant appointments to report to the Board. There had been no suitable candidates for the recent Dermatology and Microbiology interview days, however a locum Microbiologist was subsequently appointed.

BoD16/07/14.2 Telephone System Replacement Business Case

16/07/14.2.1 Dr Dodds presented the business case and noted that Board approval was required. He outlined the case for replacement of the telephone system as the current analogue system will not be supported from April 2017 as the system was now obsolete. Following a detailed tender process and supplier response to assess four options; a like for like replacement, hybrid solution, Voice over Internet Protocol (VOiP) or a hosted option, the recommended option was a hybrid system. Dr Dodds therefore confirmed that market testing was underway to implement a hybrid solution. This has the benefits of updating the system to a modern solution but will not require a full replacement of handsets. These can be upgraded at a later date.

16/07/14.2.2 Dr Dodds advised the Board that this solution would be in place for April 2017 and require a lower capital investment than planned and a smaller increase in revenue budget of £29k. Dr Dodds informed the Board that PAF have reviewed the business case and approved it for escalation to the Board.

16/07/14.2.3 Mrs McNeil asked what the lifespan of this system would be. Dr Dodds replied that this was not specified but one of the benefits of the hybrid system was that it could be upgraded to a complete VOiP system in the future. Mr Hopewell confirmed that the hybrid system was more flexible as some of the equipment would not need to be replaced immediately for example in lifts which avoids the costs of rewiring. Mr Oldham added that some equipment for example handsets can be leased and then renewed therefore giving a life span of seven years. Mr Barnes asked what the risks were of bringing in a new system alongside the existing system and how have other Trusts managed this. Dr Dodds responded that other Trusts have implemented similar systems without issue and that it was a low risk installation. The preferred supplier has confirmed that there is sufficient time to meet the April deadline.

16/07/14.2.4 Mr Barnes asked if this system will improve security and the Chairman responded that the VOiP is a well-tested technology that has been in use for about 15 years and it is more secure than the existing system. Mr Barnes asked how the move away from pagers will impact users; will there need to be an investment in mobile phones for staff instead. Dr Dodds confirmed that although pagers will be replaced with an app it is anticipated that staff will use their own phones to avoid carrying two devices which has proven to be successful elsewhere. The Chairman commented that in the future the app technology may allow the Trust to interact more intelligently with patients.

Resolved: The Board approved Option 2 as recommended in the business case.

BoD16/07/15 ANY OTHER BUSINESS.

16/07/15.1 Ms Lynch reported that a new Deputy Director of Nursing has been appointed from outside the Trust to replace Ms Jayne Hartley who is retiring in September.

BoD16/06/16 Time, Date and Place of the next meeting

16/06/16.1 Board of Directors Meeting to be held in Public on Monday 1 August 2016 at 9.30 am in

the Boardroom, Leighton Hospital, Crewe.

The meeting closed at 11:37am.

Signed

Chairman

Date

Board of Directors Meeting
Minutes of Board Meeting held in 'Private'
Monday 4 July 2016
In the Board Room, Leighton Hospital, Crewe

Present

Mr D Dunn	Chairman
Dame P Bacon	Non-Executive Director
Mr J Barnes	Non-Executive Director
Mrs T Bullock	Chief Executive
Mr J Church	Non-Executive Director
Mr M Davis	Non-Executive Director
Dr PA Dodds	Deputy Chief Executive and Medical Director
Mrs D Frodsham	Chief Operating Officer
Mr D Hopewell	Non-Executive Director
Ms A Lynch	Director of Nursing and Quality
Mrs R McNeil	Non-Executive Director
Mr M Oldham	Director of Finance & Strategic Planning

In attendance

John Lyons	Lead Governor
Katharine Dowson	Trust Board Secretary

Apologies

Ms E Carmichael	Director of Workforce and Organisational Development
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BoD16/07/1 Welcome and Apologies for Absence

16/07/1.1 The Chairman welcomed everyone to the meeting and noted the apologies given.

BoD16/07/2 Board Member Interests

16/07/2.1 There were no new interests declared for this meeting and no interests declared in relation to open items on the agenda.

BoD16/07/3 Minutes of the Previous Meeting

16/07/3.1 There were no amendments made to the minutes of the last meeting.

Resolved: The minutes were agreed as a true and accurate record of the meeting held in private on 6 June 2016.

BoD16/07/4 Matters Arising and Actions from Previous Meeting

16/07/4.1 There were no matters arising in addition to those included on the agenda.

16/07/4.2 It was noted that there are no actions on the log.

**BoD16/07/5 Effective
16/07/5.1 Medical Staffing Update**

16/07/5.1.1 Paragraph removed under S40 of the Freedom of Information Act.

Resolved: The medical staffing update was noted.

BoD16/07/6
16/07/6.1

Well Led
Community Services

- 16/07/6.1.1 Mrs Frodsham provided further detail to the Board advising that the consortium of partners is the preferred provider to deliver the Community Services Contract (CSC). Mrs Frodsham advised the board that staff have been informed and engagement sessions with them will begin this week which the Trust have been invited to attend. The key message is a 'lift and shift' of staff and services with year one being the undertaking of reviews of each service line. The Trust has stated it is here to listen and support all staff during transition and that initially all services will continue in the same way.
- 16/07/6.1.2 Mrs Bullock reminded the Board that the contract start date is 1 October 2016 which remains challenging and that not all due diligence will be completed by then. **Section removed under Section 43 of the Freedom of Information Act.**
- 16/07/6.1.3 Mr Davis asked whether staff require a 90 day consultation due to the numbers being transferred. Mrs Frodsham replied that the Trust have received legal advice that this is not required as there is no change to location, role, pay or terms and conditions. Mrs Bullock added that Ms Carmichael was investigating the legality of ECT stating that they accepted no liability and would provide no indemnity for the information on the TUPE list. The final TUPE list must be received 28 days before the contract start date. Mrs Frodsham reported that she and Mr Oldham have met with ECT, and that there is a series of mobilisation meetings planned. This operational mobilisation group is also setting up six task and finish groups to focus on key themes, for example finance. Mrs Frodsham advised that as agreed at a previous Board, Mr Church will also be invited to attend appropriate meetings.
- 16/07/6.1.4 Mrs Frodsham reported that the CCG have agreed to carry on the funding of the Integrated Community Care (ICC) teams although the budget has not yet been officially confirmed for 2016/17, although recurrently it will be c£2.34m. The Trust is basing its plans on the previous budget but recognises that this may be reduced for 2016/17 due to slippage in recruitment. The ICC steering group has now been reinstated by TAP. Mr Oldham asked for clarification that the Trust will not be liable to fund the community teams if the CSC is not signed. Mrs Frodsham confirmed that there is a separate agreement for the ICC teams.
- 16/07/6.1.5 Mrs Bullock advised the Board that the legal advice sought by the Trust is focusing on two key areas. Firstly, the governance arrangements for the partnership agreement with CWP and the GP Alliances. Secondly, the CSC contract with the CCG. Mr Oldham advised that the CCG have proposed that 10% of the income is tied in to the successful achievement of mutually agreed outcomes. This is a variation from the main contract which is a block arrangement with annual inflation or deflation based on the national tariff. Mr Church asked how any increase in demand linked to demographic changes will be taken into account. Mrs Frodsham replied that the CCG believe that money will be saved at the Trust as demand reduces for acute services and that as a result costs can be taken out and reinvested in community services. However this would require the current contracts to be linked.

- 16/07/6.1.6 Mrs Bullock confirmed that NHS Improvement, (NHSI) have judged that the CSC transaction is material, not significant and therefore will not need to be formally approved by NHSI, the Competition and Mergers Authority or the Council of Governors. However NHSI will require a board self-certification to be completed which states that the Trust has undertaken appropriate due diligence with appropriate legal advice. NHSI also wish to see the business case and will require embedded evidence in order to review the Trust's processes. They will then take a view of the proposed governance structures, the identified risks and the assurance provided. This evidence can be provided ahead of formal board approval to speed up the process. Mrs Bullock commented that NHSI need to be fully cited on the whole process as there are significant risks for the Trust as a result of not being able to undertake full due diligence prior to the 1 October.
- 16/07/6.1.7 Mrs Bullock advised the Board that the CCG had discussed emergency measures if the contract is not progressed for the 1 October deadline. In this situation the CCG say that they would have to consider alternative providers. **Section removed under Section 43 of the Freedom of Information Act.**
- 16/07/6.1.8 The Chairman asked for clarification on the legal status of the partnership, Mr Oldham confirmed that the Trust will be the lead provider for the contract and as appropriate and required will sub-contract services.
- 16/07/6.1.9 Mr Church asked what the role of CWP and the GP Alliances is within the partnership and which aspects of delivery they will be managing. Mr Oldham replied that the partnership agreement will focus in on the strategic direction of the CSC, not operational issues which will sit with the Trust. The Trust will conduct the service line reviews which will assess the risks and decide where the best place to run each service is. For example CWP, who have experience of running community services in West Cheshire, may run some aspects of the community nursing which links to mental health services. Mr Oldham added that the GP Alliances were not in a position to be held legally accountable but they need to be involved to help shape the CSC and influence delivery. Mr Hopewell commented that it was difficult to separate strategic and operational responsibilities completely and Mr Church agreed that the risks need to be shared and Mrs Bullock confirmed that the partnership agreement will set out the level of accountability from each partner. Mr Oldham added that the partnership agreement will be tabled at the Board before signing.
- 16/07/6.1.10 Mr Oldham commented that if an Accountable Care Organisation, (ACO) is established for the Mid Cheshire region then the direction of travel will be towards one body including the CSC partners. This will provide an opportunity to make savings in the system by providing economies of scale.
- 16/07/6.1.11 Mr Oldham reported to the Board that the CSC will be for five years with 12 months notice for either side with no punitive penalties. Mr Hopewell asked where the incentive is to invest in a service with only a five year contract and with 12 months notice period. Mr Oldham said that this is another reason why the Trust needs indemnities for the unknown aspects of the contract and advised the Board that he has written to the CCG setting out all the areas, based on NHSI guidance, in which further information or indemnity by the CCG is required. If the CCG can provide assurance around the risks then the Board will have the opportunity to assess each

risk and make a decision. Mr Davis commented that the Trust will end up as the lead partner for the contract and therefore need to be resolved that either information or indemnity must be provided. Mrs Bullock added that she had already been in discussion with the CCG Chief Officer regarding indemnities and will meeting with him again this week to discuss further.

16/07/6.1.12 Dame Patricia commented that while the issues regarding the contract are of fundamental importance, the improvement to services are the main reason why the Trust wished to take on the CSC and does the Trust understand the extent of the work that may be required. Mrs Frodsham responded that service specifications have been provided by ECT but some require updating as they date back to 2010/11. Mrs Frodsham added that there are very few managers on the TUPE list so there will be gaps at management and operational level which will be a challenge for the staff. Mrs Frodsham advised that this would be the most significant area of risk if the indemnities are agreed.

16/07/6.1.13 Mr Oldham confirmed that the required operational due diligence cannot currently be carried out due to the lack of information provided and therefore the Trust cannot currently be confident that services can carry on after 1 October. The data being received from ECT is patchy, for example the Asset list received included equipment from pathology that already belongs to the Trust. Mrs Bullock said that the services needed to be stripped back to basics and built back up to the required level of service. Mr Hopewell added that the partnership agreement is crucial as if the Trust wish to reconfigure services the partners must be clear about how this will be agreed and what the process will be. If the Trust knows that community services are underfunded already they should not take on any more risk.

16/07/6.1.14 Mr Church asked whether there is likely to be a requirement for investment in the estate. Mr Oldham replied that there is very little estate being transferred as all services are conducted in GP surgeries and leases are in place.

Section removed under Section 43 of the Freedom of Information Act.

16/07/6.1.15 The Chairman asked when the Board would see any milestones connected with the contract. Mr Oldham replied that the Trust has requested these and the CCG is planning to supply these soon. The Chairman suggested that the Board would like to see these at the next meeting in August.

Action: Milestones for the Community Services Contract to be supplied for the next Board Meeting (Mr Oldham)

16/07/6.1.16 Mr Hopewell summarised that the Executive have the full support of the team in these discussions.

Resolved: To support the Executive to continue discussions and conduct due diligence or ensure indemnities are in place so that Community Services can be delivered successfully from 1 October 2016.

BoD16/07/6.2 STP – Acute Provider Reconfiguration

16/07/6.2.1 Mrs Bullock reported to the Board on the weekly discussions taking place in regard to the future provision of acute services in Cheshire and Wirral. Mrs Bullock reported that the STP for Cheshire and Merseyside was submitted

on 30 June and together with the other CEOs of acute providers had provided comments and feedback to acute provider representatives of the working group who were the only people who had been able to formally respond directly. Mrs Bullock highlighted her disappointment at this. Mrs Bullock also advised that she had discussions with both PwC, who wrote the STP, and Mrs Louise Shepherd CEO of the STP Leadership Group but was again disappointed that these had not been reflected in the plan. Therefore the Executive Summary of the Local Delivery Sustainability Plan (LDSP) for Cheshire and Wirral had been rewritten by the Cheshire and Wirral CEOs to give clarity about the proposed actions in the local plan. Mrs Bullock expressed her concern that Cheshire is being viewed as behind the curve in its approach as the STP does not take into account cross region working such as the Stronger Together programme with UHNM, where this was far more progressed than either the Countess of Chester and Wirral alignment or Aintree and Royal Liverpool merger.

- 16/07/6.2.2 Mrs Bullock advised that the STP will be presented to Jim Mackey, CE of NHSI, Simon Stevens, CE of NHS England plus representatives from other NHS and Arms Length Bodies on 20 July and Mrs Bullock is hoping to be invited, following discussion with Mrs Shepherd, to present the plan along with representatives from the working group. **Section removed under Section 43 of the Freedom of Information Act.**
- 16/07/6.2.3 Mrs Bullock informed the Board that the Cheshire and Wirral STP proposes that the four DGHs will become Accountable Care Organisations. In the long-term there is a possibility that these four bodies will become two or possibly one, however; the direction of travel was for the four organisations to behave as one in terms of decision making, back office and clinical support functions and providing services for the residents of Cheshire. Mrs Bullock added that as part of the integrated approach it is important that the Trust is running community services. Mrs Bullock added that the Lord Carter review has already prioritised a review of back office and clinical support functions and it is expected that a letter will be received from Jim Mackey shortly which will set out the requirements for this. **Section removed under Section 43 of the Freedom of Information Act.**
- 16/07/6.2.4 Mrs McNeil asked if there was any evidence that the Trust is picking up any additional activity from East Cheshire through patient choice. Mr Oldham said that there was no such evidence but there was increased activity through ENT and Ophthalmology due to service changes.
- 16/07/6.2.5 Mr Davis asked if any response was necessary to the letter from NHSI on 28 June regarding reconfigurations of non-sustainable services. Mrs Bullock replied that there are some services at the Trust that are struggling, for example Dermatology due to the failure to recruit substantive consultants but this is a national problem and there is no alternative provider. Mrs Bullock confirmed that the Trust have one of the better services in the region. Mr Davis asked if change to services will be driven by the LDSP or the STP. Mrs Bullock responded that she is meeting weekly with the provider CEOs for Cheshire and Wirral and that Medical Directors will be invited to the next meeting to start the discussion on service level reviews. A decision will be made for each service and an assessment made on which footprint the review should be conducted against.

Resolved: The Board noted the update on the STP and LDSP.

BoD16/07/7 Any Other Business

16/07/7.1 **EU Referendum** Mrs Bullock advised the Board that as stated in the public board there have been a number of issues where discussions in response to the referendum had become heated. These did not involve attacks against EU staff but Mrs Bullock had met with several staff who were unsettled by the impact the results of the referendum were having on relationships between some staff groups as a result of the way staff voted. There had also been an incident with a patient refusing treatment from a staff member on account of his nationality. Mrs Bullock confirmed that to date there had been no staff on staff racially motivated incidents and advised that discrimination on the basis of nationality was not acceptable and communications have been sent out to all staff reminding them of acceptable conduct. Mrs Bullock said she is also adding in extra walk arounds particular in areas where issues have been reported.

16/07/7.2 **Stronger Together**

In response to a question Mrs Bullock confirmed that the partnership with UHNM was continuing in the four key areas that were agreed following the departure of the Chief Executive at UHNM. Mrs Bullock advised that UHNM were expecting to interview for a new CE shortly. The Chairman also confirmed that this will be reinforced at the Board to Board with UHNM which is set for the end of July.

BoD16/07/8 Review of Board Meeting

16/07/8.1 A review of the Board meeting was presented by Mr Barnes. He commented that Part I was well structured, with very accurate timings throughout. He felt there was a good amount of time to discuss issues on performance, but there had been less strategic content in this part of the meeting. However Part II had picked up discussions on two key strategic areas with a good amount of time allowed for discussion.

Meeting ended 1.10pm

Signed by:
Chairman

Date: