

Board of Directors Meeting
Minutes of the Meeting held in Public
Monday, 5 December 2016
at 9.30am in the Boardroom, Leighton Hospital, Crewe

Present

Mr D Dunn	Chairman
Mrs T Bullock	Chief Executive
Dame P Bacon	Non-Executive Director
Mr J Barnes	Non-Executive Director
Ms E Carmichael	Director of Workforce and Organisational Development
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
Mr M Oldham	Director of Finance & Strategic Planning

In attendance

Mr J Lyons	Lead Governor
Mrs K Dowson	Trust Board Secretary
Mrs S Mann	Lead Nurse (Surgery and Cancer) <i>(to item BoD 16/12/1.2 only)</i>
	Name removed under Section 40 of the Freedom of Information Act Staff Sister <i>(to item BoD 16/12/1.2 only)</i>
	Name removed under Section 40 of the Freedom of Information Act Ward Manager <i>(to item BoD 16/12/1.2 only)</i>

Observing

Barbara Beadle	Public Governor (Crewe & Nantwich)
Pat Psaila	Public Governor (Patient & Carer)
Janet Roach	Public Governor (Crewe & Nantwich)
Ray Stafford	Public Governor (Patient & Carer)
Suzanne Horrill	Lay Member Vale Royal CCG

Apologies

Mrs R McNeil	Non-Executive Director
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BoD16/12/1

16/12/1.1

Welcome, Introduction and Apologies

The Chairman welcomed everyone to the meeting in particular Mrs Sally Mann, **Names removed under Section 40 of the Freedom of Information Act** Ward Manager of Ward 9 who are attending to present the Patient Story.

Apologies for the meeting were noted.

16/12/1.2

BoD16/12/2

16/12/2.1

Patient Story

Ms Lynch presented the story which this month focused on work undertaken by the nursing team in Ward 9 in response to an increase in falls in October. The focus of this work was to understand which patients fall and why, identify the risk factors for these falls and put actions into place to prevent them. Measures introduced successfully included safety crosses, full compliance with risk assessments for transferred patients, raising awareness in staff meetings and pressure sensors for dementia patients. As a result care indicators have improved.

16/12/2.2

Mrs Frodsham commented that work is now being done as part of the programme for the Pre-Operative Assessment Centre (POAC) to review with each speciality how

patients at risk of falling can be identified at this stage. Mrs Bullock asked if the Ward now has the pressure sensors it needs and if not this should be followed through if Ward 9 is going to accept dementia patients on a regular basis. Sister **Name removed under Section 40 of the Freedom of Information Act** confirmed that the League of Friends have funded one.

16/12/2.2

Mr Davis asked how the profile of patients seen has changed over time. Sister Dobson, who has worked in nursing for 25 years observed that the trauma side has changed dramatically with many more confused and dementia patients. Mr Davis commented that this reflects a national trend in the complexity of patients. Sister Dobson added that the aim to get hip replacement patients home in 2-4 days following enhanced recovery, has increased the ambition of patients to get back on their feet, this increases the risk of falls. The Chairman asked if the safety cross is used elsewhere and Ms Lynch confirmed that it is also used for the 'React to Red' pressure ulcer prevention programme and the 'One Step Ahead' initiative. Ms Lynch added that the presentation today showed the work going on in areas that are not part of these initiatives. The Chairman thanked Sister, Sister **Name removed under Section 40 of the Freedom of Information Act** and Mrs Mann for the presentation of their work.

Name removed under Section 40 of the Freedom of Information Act and Mrs Mann left the meeting.

Resolved: The Board noted the story provided and work being undertaken by wards to address any concerns in their areas.

BoD16/12/3**Board Members' Interests**

16/12/3.1

There were no new interests declared.

16/12/3.2

There were no interests declared in relation to open items on the agenda.

BoD16/12/4**Minutes of the Previous Meeting**

16/12/4.1

Ms Lynch noted that the action under 16/11/7.1.4 should refer to the role of Nurse Associates not Nurse Practitioners.

16/12/4.2

Mr Davis asked whether in 16/11/10.1.3 the minutes should state that sepsis concerns are picked up through the Executive Quality Governance Group (EQGG) not Quality Governance Committee (QGC). Dr Dodds confirmed that he had explained that mortality rates and sepsis are reported through both EQGG and QGC and the minutes should be amended to reflect this.

Resolved: The minutes were agreed as a true and accurate record of the meeting held on 7 November 2016, subject to the amendments proposed.

BoD16/12/5**Matters Arising and Action Log**

16/12/5.1

There were no Matters Arising.

16/12/5.2

The Chair asked for progress on the only outstanding action 16/11/7.1.4 Ms Lynch advised that the consultation on the Nurse Associate role had reported back and that this would be a regulated role in the future.

BoD16/12/6**Annual Workplan**

16/12/6.1

The Chairman asked the Board to review the Board Workplan for 2016/17. There were

no amendments received.

Resolved: The Board approved this noting that there were no changes made to the Workplan for 2016/17.

BoD16/12/7

16/12/7.1

16/12/7.1.1

Chairman's Announcements

NHS Providers Conference – 29/30 November

The Chairman reported that he and Mr Davis attended this annual conference. The line-up of speakers included Mr Jim Mackey CEO of NHS Improvement, Mr Simon Stephens CEO of NHS England, Mr David Behan CEO of CQC, Mr Jeremy Hunt Secretary of State for Health and Lord Carter. Mr Chris Hopson CEO of NHS Providers opened the event by candidly setting out the position acute providers are in. The Chairman outlined the key messages of each of the speakers and the workshop on STP Governance during which NHS Providers launched a new guide for Trusts.

16/12/7.1.2

Mr Davis added that Lord Carter was the most impressive with two key messages, that back office efficiencies through consolidation need to progress rapidly and a longer-term focus on unwarranted variation in clinical pathways which will be part of the model hospital data that will be reported from April.

BoD16/12/7.2

16/12/7.2.1

Celebration of Achievement

The Chairman informed the Board that this annual event took place on 23 November and was very well attended. The Chairman thanked staff **Names removed under Section 40 of the Freedom of Information Act** for their work in organising this event.

BoD16/12/8

BoD16/12/8.1

16/12/8.1.1

Governors Items

Annual Planning Event – 23 November 2016

The Chairman reported that the annual planning event with the Governors had been held and some very important and sensitive discussions took place in regard to the Annual Plan, the STP, the Contract and the difficulties in negotiations. Mr Lyons agreed that this had been a very useful, open and frank meeting.

BoD16/12/9

BoD16/12/9.1

16/12/9.1.1

Chief Executives Report

Cheshire & Wirral LDSP Joint Chair and CEO meeting & Wirral

Mrs Bullock reported that the joint meeting with Chairs has been postponed until 9 December but the weekly CEO meeting continued to progress on the Sustainability and Transformation Plan (STP) and Local Delivery Sustainability Plans (LDSP).

16/12/9.1.2

Mrs Bullock reported that the Cheshire & Merseyside (C&M) working group has endorsed three public health initiatives which are the Alcohol Prevention Project, High Blood Pressure Project and Antimicrobial resistance. These projects fall within the Demand Management priority aimed at improving the health of the C&M population. The Group has also had substantial discussions in regard to the Accountable Care Systems (ACS) that are being set up across C&M. The group has asked a consultancy firm to develop a road map to ACS that will include key themes such as governance and decision making but also allow for local variation.

16/12/9.1.3

Mrs Bullock informed the Board that the back office and clinical support services priorities led by Mr Nikhil Khashu of St Helens and Knowsley Teaching Hospitals NHS Trust and Mrs Bullock respectively; are both progressing. They will present time frames and project initiation documents (PID) to the next working group on 11 January. The group is also commissioning capacity and demand modelling across each of the CCG footprints which will have some similarities to the study Deloitte did for Connecting

Care. Mrs Bullock reported that the first capacity and demand review will take place on the Cardiovascular disease cross cutting theme, followed by urgent care and then Women and Children's.

16/12/9.1.4 Mrs Bullock advised the Board that the LDSP Cheshire & Wirral (C&W) group had heard an update from the sponsors of each programme. The group had discussed the development of a risk / gain share arrangement and appropriate governance and noted the Chairs and CEO meeting will conclude this. The starting point will be in relation to procurement as this is the most worked up work stream. Mrs Bullock advised that a paper has been circulated and this will subsequently be brought to a Board meeting in January or February 2017.

BoD16/12/9.2**Contract Dispute 2016/17**

16/12/9.2.1

Mrs Bullock provided a further update to the Board in relation to the ongoing contract dispute for 2016/17 noting that there have been numerous conversations and meetings between the Trust and CCG and with NHS Improvement (NHSI) and NHS England (NHSE) representatives in an attempt to mediate and support an agreed contract position for 2016/17. The last of these meetings was on 14 November with Mr Paul Chandler of NHSI, Ms Claire Duggan of NHSE, and Mr Simon Whitehouse from the CCG. At this meeting NHSI and NHSE made a recommendation in respect of a contract resolution and to support delivery of that recommendation the Trust were asked to consider implementing a number of actions all of which had consequences for the Trust and the patients we serve. The Trust was asked to undertake an impact assessment on these actions.

16/12/9.2.2

A response to this request was already underway and was due to be sent from the Trust on the 24 November. A letter was subsequently received by the Trust from NHSI and NHSE on the 22 November outlining the discussion of the 14 November. This did not change the Trust's initial response and as such the Trust wrote to all parties explaining that it could not accept the implications on quality, safety, finance and patient experience by the acceptance of the recommendation and the actions required to achieve the recommendation. Mrs Bullock also noted that acceptance of the recommendation would also result in the Trust not achieving its Control Total and Mr Oldham confirmed his discussion with NHSI that there is no flexibility in achieving the Control Total, no matter what agreements are made or the outcome of mediation.

16/12/9.2.2

Mrs Bullock reported that the Trust and the CCG are continuing to work through contract discussions with little progress to date. The decision to take the matter to formal arbitration is disappointing considering that a Memorandum of Understanding was agreed and a contract based on payment by results is in place but is felt to be the only mechanism to achieve resolution left available as the contract and MoU are not currently being honoured by the CCGs. The Chairman commented that it is the system that pits organisations against each other as there is insufficient money in the system to meet the levels of demand the local health economy, including the Trust, require. The Chairman acknowledged that both parties understand each other's situation but they have still not been able to find a solution. Conversations are still happening and both sides hope an accommodation will be made and was clear that these discussions should not define the relationship between the organisations. Mr Hopewell observed that this is a difficult situation but he feels comfortable that the Board position is the correct one and is defensible.

BoD16/12/9.3**Executive Director Away Day**

16/11/9.3.1

Mrs Bullock reported that the Executive team had met on the 20th November and reviewed the Lord Carter recommendations and updated the action plan part of which is included on today's Board agenda. The Executives also discussed the new Single Oversight Framework (SOF) in some detail and the implications for Board reporting and

contracting. Mrs Bullock advised that there was also discussion in regard to Board development which will be discussed further at the Board Away Day on 19 December and the guidance on corporate governance supporting the back office function work.

BoD16/12/9.4**C&M Providers Chief Executive Meeting**

16/12/9.4.1

Mrs Bullock informed the group that the meeting significantly covered contracting and Control Total positions confirming that all local providers are having the similar discussions and have similar challenges.

16/12/9.4.2

Mrs Bullock advised that the group had also discussed the new A&E Delivery Boards and the significant requirements to service this that are emerging; getting the right information from partners across the systems is proving a challenge in some areas.

BoD16/12/10**CARING****BoD16/12/10.1****Quality, Safety and Experience Report**

16/12/10.1.1

Ms Lynch presented the report which contains data from October 2016, noting that it includes Central Cheshire Integrated Care Partnership (CCICP) data for the first time. The Chairman asked if the CCICP system is as robust as the Trust systems so that the Board can have confidence that the CCICP data is correct. Ms Lynch confirmed that CCICP are now using the Trust systems to report. Mrs Bullock added that the next step is to assess the reporting culture in CCICP to understand whether it matches the Trust's culture of high levels of reporting; this will be done through developing relationships with CCICP staff. Mrs Frodsham commented that she is meeting with the divisional team every two weeks and the Board every 4 weeks. Ms Lynch confirmed that CCICP have mirrored the Trust governance structure in setting up a Divisional Board with groups leading into it. Ms Lynch advised the Board that CCICP performance for pressure ulcers (PU) needs to be benchmarked against other community providers and national standards for reporting.

16/12/10.1.2

Ms Lynch advised that there had been no MRSA and one preventable Clostridium Difficile to report and the Trust has also experienced two outbreaks of norovirus in the last month which staff are working hard to eradicate. Ms Lynch apologised that the mortality charts, which had been updated for the last Board, were sent out with the previous version of the table.

16/12/10.1.3

Mr Barnes commented that the Crude Mortality Aim is not illustrated by the chart provided as this shows performance against other Trusts. Dr Dodds acknowledged that this was not the best illustration but that it is very hard to benchmark against other Trusts on this measure as there are no risk adjustments built in. However, the aim was for a continual reduction in this measure, which the Trust is achieving. Mr Barnes commented that the achievement of this aim is not clear from the chart. Dr Dodds suggested that these comments are taken forward and incorporated into the next review of the Quality Report which will be discussed at a Board Away Day before the start of the new financial year in April. The Chairman suggested that if the chart cannot be changed then the aim should be changed to reflect an aim attached to benchmarking against other Trusts. Mr Church asked that as the narrative describes the current position against other Trusts; could the trend in this be shown quarterly? Mr Davis added that SHMI and HSMR measures are specified in the new SOF and all performance measures are going to be reviewed in light of the SOF requirements.

16/12/10.1.4

Ms Lynch reported on the Patient Experience section and confirmed, in answer to Mrs Frodsham's question, that CCICP complaints are now included as part of the complaints section and none had been received in October. Ms Lynch agreed with Mrs Frodsham's suggestion that this should be shown in the report. Ms Lynch noted that the higher number of negative NHS Choices postings and advised the Board how

divisions address all postings, using Estates and Facilities as an example. In response to Mr Dunn, Mrs Bullock agreed that NHS Choices is not widely used and not hugely representative of the 45,000+ contacts made with the Trust each month, but it was a useful source of information especially when triangulated with other sources and therefore the Board should continue to pay attention to this. Ms Lynch asked the Board to note the report and the assurance it provides that actions are being taken in areas where improvement is needed.

Resolved: The Board noted the assurance provided in this report of the Quality Performance, staffing levels and patient experience at the Trust.

BoD16/12/11
BoD16/12/11.1

SAFE
Draft Quality Governance Committee (QGC) – 14 November 2016

16/12/11.1.1

Dame Patricia advised the Board that there were no issues to escalate to the Board but asked the Board to note that the committee had heard a presentation on the Trauma Audit (TARN) by Dr Paul Knowles, Emergency Care Consultant, which along with other indicators reviews 'actual against expected' deaths. Dame Patricia said the audit showed that this indicator was moving in the wrong direction but that a subsequent audit revealed no clear trends or concerns. The presentation highlighted the impact of increasingly complex patients going through the Trust with chronic co-morbidities. Mr Knowles also updated QGC on the subsequent Trauma Unit Peer review which was very positive and provided assurance about the Trusts understanding of any issues and the action plan in place. Dr Dodds noted Board had previously been updated in respect of the peer review and confirmed that findings had been very positive with only one issue raised regarding trauma training for nursing staff which is being addressed. Dr Dodds added that a concern was also raised in regard to the lack of Paediatric nurses in A&E which is a challenge nationally

16/12/11.1.2

Dame Patricia informed the Board that QGC also discussed the decommissioning of the Diabetes and Endocrinology Service at East Cheshire Trust and the move to a new provider. Dame Patricia advised the Board that because of these changes there was a risk that the service provided will change. A clear analysis has been completed of those patients potentially affected by the proposed changes to make sure that no one falls through the net.

Resolved: The Board noted the report of QGC and the items reported to the Board.

BoD16/12/11.2

Serious Untoward Incidents (SUI) and RIDDOR Events

16/12/11.2.1

Dr Dodds reported that there were 3 SUIs to report for November. One of these was a never event and Dr Dodds provided the detail noting that the incident was classed a moderate harm incident as the patient required an overnight stay. Dr Dodds confirmed a root cause analysis (RCA) will be conducted.

16/12/11.2.2

Dr Dodds noted that a mortality case note review picked up a potentially avoidable death which will be reported externally and will be subject to a level 2 RCA. Dr Dodds advised of the detail of the third incident.

16/12/11.2.2

Dr Dodds advised that there were no RIDDOR reportable events.

BoD16/12/12
BoD16/12/12.1

RESPONSIVE
Performance Report

- 16/12/12.2.1 Mr Oldham presented the Performance Report, noting that all headline measures had been achieved with the exception of the 4 hourly transit time performance. The Chairman asked if the Trust is performing well compared to peers. Mrs Bullock replied that the Trust is doing better but the last two weeks have been tough with high levels of attendance and outbreaks of Norovirus which have created bed pressures. Mrs Frodsham advised the Board that the November 4 hourly transit time was 93.33% with similar rates for December so far which is an improvement on October.
- 16/12/12.2.2 Mr Oldham commented that the introduction of the Surgical Admissions Unit and other innovations were having an impact on maintaining the transit time performance despite increased demand which was 10% higher than last October. This increase in demand is reflected in the metrics underlying the transit time measure such as bed occupancy, medical outliers and delayed discharge. The Trust has appealed to NHSI regarding the failure to meet the transit time standard citing the increased demand and closure of community beds.
- 16/12/12.2.3 Mr Oldham advised that winter investments have now been introduced which includes two consultants in A&E at weekends. Mr Hopewell added that Performance and Finance Committee (PAF) had reviewed figures for transit time performance and the Trust continues to perform in the top quartile. Mr Oldham reported on the improved Outpatients standards and advised that elective income is below plan which is a risk for the Trust.
- 16/12/12.2.4 Mr Oldham advised that the financial reporting now includes CCICP on an assumed break even position as the budget will not be clear until the Trust is fully cited on the costs coming through. The level of vacancies in CCICP should ensure that there is not an adverse position. Mr Oldham reported that the financial position is slightly better than plan with provision included for the contract dispute, but it does not yet take into account any outcome for the arbitration process. Mr Oldham updated the Board on the positive performance of the Cost Improvement Plans and the risks in the revenue generation schemes. Mr Oldham advised that following successful consultant appointments the ENT QIPP has been delayed because of issues with Registrar cover between the Trust and the University Hospital of North Midlands NHS Trust (UHNM) and it is therefore unlikely to meet the end of year forecast.
- 16/12/12.2.5 Mr Oldham advised that access to capital remains an issue and there is therefore some risk to the 3rd CT and 3rd MRI scanner programmes. Mr Oldham advised that if capital is not agreed for the Ward 16 refurbishment then there will be a significant risk to the cash flow as the Trust agreed to progress at risk, with NHSI fully cited. This is due to the Cheshire Fire Service enforcement notice requirements. The Chairman asked if the scanners were delayed or if this was a permanent position. Mr Oldham replied that he needed to clarify this as NHSI is holding money back due to the risk of provider underperformance in Q3 and Q4. Mr Oldham advised that there will be a steep decline in the cash position from January if costs for Ward 16 start to come through without any borrowing. Mr Oldham reported that the Trust were planning to repay some of the working capital fund but this will not be possible if capital funds are not agreed. Mr Oldham said that there is some capacity to delay payment to creditors but this is not ideal. Mr Oldham informed the Board that the other significant element impacting on the cash flow position is the over performance on the CCG contract which the CCG are currently disputing and not paying. Mr Hopewell commented that the contract is pointless if it is not adhered to.
- 16/12/12.2.6 Mr Oldham commented on the excellent work taking place in regard to the nursing bank and the subsequent reduction of Agency nursing costs. The Chairman acknowledged this achievement and asked why the medical locum budget was proving

more challenging. Mrs Bullock responded that all Trusts are struggling to reduce this as in particular specialities there is a national shortage of consultants. If the Trust decided to stop running these services in response there would be no alternative for patients as other providers are struggling with the same services. Mrs Bullock added that there are fewer vacancies than comparable Trusts and the Trust is still working hard to fill posts substantively. The Chairman noted that Mr Jeremy Hunt was asked about this at the NHS Providers Conference and he stated that these doctors would still work if the market paid them less. Mr Barnes commented that the agency cap was attempting to break the market inflation. Ms Lynch observed that while it is good to see the progress made in the figures it is challenging on the wards for those nurses managing without additional agency nurses and it is important to triangulate this with acuity levels and the care hours per patient day achieved.

Resolved: The Board noted the Performance Report and the risks identified in the report.

BoD16/12/12.2 Draft Performance & Finance (PAF) Committee Notes – 24 November 2016

16/12/12.2.1 Mr Davis advised the Board that there are no items to escalate to the Board but several areas of concern regarding the environment the Trust is operating in which were raised at PAF. These are:

- 4-hour transit time not delivered, but the Trust remains in the highest quartile for performance in the North West
- High Level of delayed transfer of care patients
- The new financial ratings under the SOF Use of Resources rating
- Failed agency trajectory
- CQUINs updated report with significant financial risk if not achieved for flu vaccination rate, sepsis and sepsis care bundles
- Status of the CCG contract and dispute

Resolved: The Board noted the report of PAF and the items escalated to the Board for information.

BoD16/12/12.3 Legal Advice

16/12/12.3.1 Mrs Bullock advised the Board that some legal advice had been taken in regard to the CQC registration of mental health services. The Trust recently deregistered for mental health services on CQC advice but have now been advised that this registration is required. Ms Lynch has communicated this to other Trusts as many are in similar positions.

16/12/12.3.2 The Chairman advised that there had been an exceptional use of the Trust Seal which required authorisation by the Trust Board Secretary and the Chairman. Miss Carmichael explained that this was to seal a second revision of a deed of indemnity that had already been approved by the Board. Miss Carmichael advised the Board that the deed had been reissued following the additional TUPE of 11 staff who should have transferred to the Trust on 1 October.

Resolved: The Board noted the new legal advice taken and approved the appropriate use of the exceptional request to use the Trust Seal.

BoD16/12/13.1 Annual Plan Submission

16/12/13.1.1 Mr Oldham informed the Board that the intention had been to present to the Board further detail of the capital programme as part of the Annual Plan. However due to the lack of clarity regarding capital funding Mr Oldham proposed that this presentation is

delayed until the forthcoming Board Away Day.

16/12/13.1.2 Mr Oldham reported that the Annual Plan submission, which is in line with the guidelines issued by NHSI, was submitted on 24 November and there will be an opportunity to resubmit it on 23 December post-contract sign off. Mrs Bullock advised that if there were substantial changes to make then arrangements will be made with the Board to comment and agreed a revised document. Mr Davis asked whether the approach to quality section should include the HSMR aims as well as SHMI. Dr Dodds replied that this section was specifically for the Sign Up to Safety Pledges indicators.

16/12/13.1.3 Dame Patricia commented that the paragraph on seven day services was very short and does not acknowledge the level of investment required. Mrs Bullock responded that the whole plan is intentionally concise as regulators specified the length of each section and there is a requirement to put something on each area and NHSI will request further information if required. Dr Dodds added that the summary had to cover the four clinical priority areas for seven day services.

16/12/13.1.4 Mr Davis noted that the activity planning approach acknowledges that the current financial situation has arisen because demand is higher than the CCG assumptions. Mr Davis asked if the consultancy work on demand being conducted for the STP will report in time to impact plans for 2017-18. Mrs Bullock replied that while it will be a rapid piece of work it is unlikely to report in less than two months. Mr Oldham commented that the activity planning normally undertaken for this purpose is usually accurate and consistent. The Chairman asked the Board to send any comments or corrections through to Mr Oldham for the final submission.

BoD16/12/13.2 Draft Transformation and People (TAP) Committee Notes – 6 October 2016

16/12/13.2.1 Mr Church as Deputy Chair to the committee advised the Board that there were no formal escalations from TAP but asked the Board to note for information the very positive friends and family results for both Surgery and Cancer and Women and Children's Divisions. Mr Church also advised that the Executive Transformation Steering Group's annual report had been reviewed with a focus on managing the interdependencies between it and other committees and ensuring that assurance was provided to TAP.

16/12/13.2.2 Mrs Frodsham added that the deep dive into outpatient project notes from the last 45 years of patient records had freed up a lot of space and that a review of outpatient templates had reduced these down from 140 to 25. Mrs Frodsham informed the Board that a focused piece of work on increased sessions and clinics at Victoria Infirmary had been positive as the site is being used more.

BoD16/12/13.3 Visits of Accreditation, Inspection or Investigation

16/12/13.3.1 Mrs Bullock reported that there were no visits to report this month.

BoD16/12/13.4 Carter Gap Analysis

16/12/13.4.1 Mrs Bullock apologised that the Carter Action Plan provided in the pack to the Board was the original version, not the revised one but that everyone had now been provided with a copy of the latest version for this meeting. Mrs Bullock noted that this had been updated following the Executive Away Day and reminded Board that this document contained only the recommendations that required direct Board scrutiny. Mrs Bullock noted that many of the actions are for NHSE and NHSI who have made limited progress and therefore the Trust is waiting for guidelines and dashboards to be produced.

BoD16/12/13.5 Cheshire and Merseyside STP

- 16/12/13.5.1 Mrs Bullock noted that a full copy of the STP submitted to NHSI on 16 November had been circulated in the Board Pack. Mrs Bullock advised that the direction of travel is being driven locally through each area's own transformation programmes such as the Connecting Care Programme. The local aspects to the plans are crucial as the LDSPs have most of the actions and the detail behind each work stream is now being completed, with PIDs being developed. Mrs Bullock advised the Board that procurement is likely to be the first project to go live from the C&W LDSP.
- 16/12/13.5.2 Mrs Bullock drew the Board's attention to key points in various sections of the plan and asked the Board to note the financial challenge detailed in the plan and that the C&M control total is illustrated as not being achieved during 2017/18 and 2018/19. Mr Davis commented on the large capital request element of which a significant amount is for the reconfiguration of acute services which Mr Jim Mackie had suggested at the NHS Provider conference should not be the focus for the STPs. He stated that the STP should be focused on reconfiguring services out of hospitals. Mrs Bullock agreed that there are significant amounts of capital requested for transformation in the plan and this still does not include all the capital required for unscoped priorities or business as usual. Mr Davis observed that there had been a hint that capital funding may become available if the STPs become more realistic, with a bigger focus on out of hospital care.
- 16/12/13.5.3 Mr Church asked who is going to initiate this change. Mrs Bullock replied that the resources required by the STP to deliver the plan are at the end of the STP and money or people are required from all partners. The STP group will then need to review whether this is sufficient to deliver the programmes.
- 16/12/13.5.4 Mrs Bullock observed that it is clear from discussions with other CEOs that the Board of Directors and Council of Governors at MCHFT had had much more engagement and information on the STP than at other Trusts and that Governors have had the chance to comment on the STP as it has been developed. Mr Lyons acknowledged this and noted that the Governors had used this information responsibly and confidentially as requested. Mr Davis commented that keeping people informed is essential as otherwise a vacuum is created which will then be filled by the media and information will be leaked.
- 16/12/13.5.5 The Chairman noted that there is a growing body of work regarding the governance of STPs, and he has a copy of the newly published guidance from Hemptons and NHS Providers which he is happy to circulate. The Chairman noted the STP is not for approval by the Board as it is contingent on the performance of other organisations but it is important that the Board and the Governors are cited on the work involved for the Trust.

BoD16/12/14 EFFECTIVE
BoD16/12/14.1 Consultant Appointments

- 16/12/14.1.2 Dr Dodds reported that a replacement Consultant Microbiologist and a new Ophthalmologist have been recruited.

BoD16/12/15 Any Other Business

- 16/12/15.1 There were no further items.

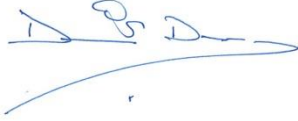
BoD16/12/16 Time, Date and Place of the next meeting

16/10/16.1

Board of Directors Meeting to be held in Public on Monday 9 January 2017 at 9.30 am in the Boardroom, Leighton Hospital, Crewe.

The meeting closed at 12:47 hours.

Signed

A handwritten signature in blue ink, appearing to be 'D. S. D.', written over a horizontal line.

Chairman

Date: 24 January 2017

Monday 5 December 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
Miss E Carmichael	Director of HR and Organisational Development
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
Mr M Oldham	Director of Finance & Strategic Planning

In attendance

Mr J Lyons	Lead Governor
Mrs K Dowson	Trust Board Secretary

Apologies

Mrs R McNeil	Non-Executive Director
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BoD2/16/12/1 Welcome and Apologies for Absence

2/16/12/1.1 The Chairman welcomed the Board to Part II of the Board meeting and noted the apologies given by Mrs McNeil.

BoD2/16/12/2 Board Member Interests

2/16/12/2/1 There were no new interests declared and no interests declared in relation to open items on the agenda.

BoD2/16/12/3 Minutes of the Previous Meeting

2/16/12/3.1 There were no amendments 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 7 November 2016.

BoD2/16/12/4 Matters Arising and Actions from Previous Meeting

2/16/12/4.1 There were no matters arising in addition to those included on the agenda.

2/16/12/4.2 It was noted that the action 2/16/10/4.1 has been actioned by Mrs Frodsham and can now be closed.

**2/BoD16/12/5 Effective
2/16/12/5.1 Medical Staffing Update**

2/16/12/5.1.1 Dr Dodds informed the Board that there were no staffing issues for the Board to be made aware of.

**BoD2/16/12/6 Well Led
2/16/12/6.1 Community Services - CCICP**

- 2/16/12/6.1.1 Mrs Bullock advised the Board that Community Services will be reported here until the full governance routes are aligned. Mrs Bullock noted that there were no concerns but highlighted the work Mrs Frodsham is conducting in relation to the 'front of house' (Urgent Care Centre (UCC), GP Out of Hours and A&E). Mrs Bullock informed the Board that the CCG had served notice to decommission the Urgent Care Centre whilst noting this is a formal part of the integration of the 'Front of House'.
- 2/16/12/6.1.2 Mrs Bullock reported that the uptake by GPs had been positive and the rotas have been filled. In response to a question Mrs Bullock confirmed that these patients will now be paid for on the A&E tariff and the Trust has ensured that the CCG are fully cited on the cost implications of this which is likely to be greater than the decommissioned service. Mrs Bullock confirmed that the changes will be an improvement for the 'Front of House' and the service offering to patients. Mrs Bullock commented that the change to the contract has been a good opportunity to make a substantive change to the GP Out of Hours service which transferred over to the Trust as part of CCICP.

BoD2/16/12/6.2 Cheshire & Merseyside STP

- 2/16/12/6.2.1 Mrs Bullock advised that there was nothing further to report regarding the STP.

BoD2/16/12/6.3 Contract and Arbitration position

- 2/16/12/6.3.1 Mrs Bullock added to the update in Part I of the Board on the actions following the meeting with NHS Improvement (NHSI) and NHS England (NHSE) on 14 November. The impact assessment of the recommendations, made in this meeting, found that the recommendations were unpalatable and the risks to patient, safety, quality and finance too great. Mrs Bullock added that the recommendations were short-term measures that would merely shift the financial burden into next year and the Trust had been disappointed and surprised, given previous discussions, that the NHSI representative had endorsed these recommendations.
- 2/16/12/6.3.2 Mrs Bullock advised the Board that the Trust has written to NHSI and NHSE with the results of the impact assessment, stating that the Trust cannot accept the impact on patients and was therefore triggering arbitration. The CCG have also written a strongly worded letter to NHSI and NHSE which sets out their arguments and stating that the Utilisation Management report recommendations should be binding. Mrs Bullock noted her disappointment at the tone and misrepresentations about the Trust in the letter and advised the Board that the Trust responses would remain professional and that she was not planning to respond to this letter as the next step is independent arbitration and a response is required from NHSI and NHSE.
- 2/16/12/6.3.3 Mr Oldham commented that the guidance to contract negotiation resolution is very clear, firstly that NHSI cannot instruct the Trust to do anything during mediation and secondly that formal arbitration can only be done by an independent arbitration panel following the issuing of an expert determination notice which sets out the scope of the arbitration. Therefore, the Utilisation Report cannot be arbitration as no notice was given. Mr Oldham advised that although Board members were fully apprised of this situation that not everyone had had sight of the letters and noted that all are available to Board members. Mr Davis asked for the letter from NHSI and NHSE and the subsequent reply from the Trust, outlining the implications for patients, to be

circulated to the Board. The Chairman agreed and advised the Board that the full record of correspondence is maintained by Mrs Chris Ralphs in the Board Secretariat and all Board members can access this.

ACTION: The letter from NHSI and NHSE and the Trust response exchanged as part of contract mediation to be circulated to the Board and to include Mr Lyons. (Mrs Bullock)

- 2/16/12/6.3.4 Mr Davis informed the Board that he had attended the CCG Governing Body meeting last week and noted that the information presented was subjective and painted a negative picture of the Trust's position. Within the meeting a GP asked if the Trust rejection of the recommendations had been to the Trust Board or Council of Governors. The Chairman confirmed that following today's meeting it had been and that he as Chair was fully aware of the discussions as were the Board members of the Performance and Finance Committee. Unfortunately, the timing had meant that a decision was required between Board meetings. Mrs Bullock also reminded Board that although the rejection of the specific recommendations had not been to a full Board that a previously recorded discussion at an earlier Board noted that the Executive should pursue arbitration if a reasonable contract offer was not made.
- 2/16/12/6.3.5 Mr Davis observed that this dispute will enter the public domain at some point. The Chairman noted that the Governing Body do not have a private section of their meeting to discuss issues that could result in the loss of confidence of the public, reputational risk and create public concern. The Chairman added that it is important that these issues are discussed in the public Board as well. Mrs Bullock did remind Board that the CCG do have other forums where sensitive discussions could more appropriately take place and that the public discussion had obvious intent.
- 2/16/12/6.3.6 **Paragraph removed under Section 36 of the Freedom of Information Act.**
- 2/16/12/6.3.7 Mr Hopewell observed that the whole argument is about where the deficit sits as there is not enough money in the system; however the proposed solution is one that puts patient safety and experience at risk and effects next year's position. Mr Davis observed that most acute providers will be in the same position and the proposed CCG solutions just shift the problem to the acute providers. The Board agreed with this sentiment.
- 2/16/12/6.3.8 The Chairman expressed his concern that the arbitration will not favour the Trust as it is successful and the system is set up to support failing organisations. Mrs Bullock stated that she was more optimistic because of the legal basis of the contract and it is hard to see on what grounds it would be decided to renege on a legally bound contract. Mr Barnes commented that nationally there has been some moving of the goalposts in the past such as moving money from capital funds and bending of the rules and as such he would not be surprised if a legally binding contract was revoked.
- 2/16/12/6.3.9 Dame Patricia noted that the Department of Health are unable to request further funds for the NHS so they will do anything to ameliorate their position with ministers. Mrs Bullock agreed that the treasury confidence in the NHS is not high and if the sector performed better this year it would give a stronger foundation for negotiations in the future but she was not hopeful of this given the anticipated national decline in financial performance for quarter three and four, although not by this Trust. The Chairman commented that it is advisable to plan for the worst and hope for better. Dame Patricia commented that

through this discussion she has observed how good this Trust is at planning and is there anything in the performance system that recognises this. Mrs Bullock replied that only in the earlier Monitor investigation which stated that they have not seen better Business Intelligence although this is not written as there was no report as such.

2/16/12/6.3.10 Mr Davis commented that through all this the Trust has got to keep treating patients and think about how the Trust can take cost out of the system by looking for efficiencies in pathways or reviewing which are the least palatable areas to stop some services. Mrs Frodsham confirmed that the Trust is looking at these pathways along with readmission rates, delayed transfer of care rates and bed days as well as all the local health economy work. The work is all happening but it is not going to take £20m out.

2/16/12/6.3.11 Mr Davis asked that if the Trust gets an adverse outcome from the arbitration in three weeks' time how will it operate within its reduced income. Mrs Bullock replied that the Trust would have to follow the previous recommendations of the mediation discussion even if they are only short term and not in the best interests of patients. Mrs Bullock added that the key way to take costs out is through transformation in the Accountable Care System (ACS) and investment is needed in social care, community care and primary care as patient demand will shift to out of hospital. Mr Oldham added that if arbitration does not conclude this debate then there is always recourse through the courts.

2/16/12/6.3.12 **Paragraphs removed under Section 36 of the Freedom of Information Act.**

2/16/12/6.3.13 **Paragraphs removed under Section 36 of the Freedom of Information Act.**

Resolved: To note the paper and the recommendations made

BoD2/16/12/7 Any Other Business

2/16/12/7.1 There was no further business.

BoD2/16/12/8 Review of Board meeting

2/16/12/8.1 Dame Patricia reviewed the meeting which had a strong focus on patient safety and experience and thanked Sisters **Names removed under Section 40 of the Freedom of Information Act** for an excellent patient story which gave a flavour of how problems are tackled. Dame Patricia noted the realistic discussion about the external pressures on the Trust which is that there is not enough money to meet demands. There is an increasingly difficult role for the Board to balance between the responsibilities of oversight of the Trust and the wider role of the hospital as part of the local health economy.

2/16/12/8.2 Dame Patricia noted the balance of the Board discussion towards scrutiny, challenge and question, not decision-making and this may be because the Board is not able to make decisions on issues that have a wider impact outside the Trust. Dame Patricia added that it was a time when emotional intelligence skills were needed to manage the ambiguity in the sector and this is something Mrs Bullock is very good at.

2/16/12/8.3 Dame Patricia observed that there was a good balance between openness and confidentiality, the Board is committed to being open and transparent which makes the Board take a balanced view in Part I and maximise discussion in this section. The Board need to ask questions and challenge as professionals the concerns of the local community. Dame Patricia added that

it is important to then have time in Part II to test out the Board's understanding in a non-public domain.

2/16/12/8.4

Dame Patricia observed that the lack of control the Board is feeling on some of these issues is a challenge and the sheer number of regulatory requirements for information and reporting has become its own industry. Dame Patricia finished by commenting that the work on back office and procurement was promising and the Board looked forward to seeing the STP paper for Boards on procurement in the early part of 2017. The Chairman agreed that there were significant benefits potentially for this work. Mr Church replied that it was important to get the model right as CSUs set up to support the CCGs have not worked.

Resolved: To note the review of the Board meeting by Dame Patricia.

The meeting closed at 13.00 hours.

BoD2/16/12/9

Time, Date and Place of the next meeting

Board of Directors Meeting to be held in Private on Monday 9 January 2017 following the Board meeting held in Public.

Signed



Chairman

Date: 24 January 2017