

Board of Directors Meeting
Minutes of the Meeting held in Public
Monday, 7 November 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
Mrs R McNeil	Non-Executive Director
Mr M Oldham	Director of Finance & Strategic Planning

In attendance

Mr J Lyons	Lead Governor
Mrs K Dowson	Trust Board Secretary

Observing

Barbara Beadle	Public Governor (Crewe & Nantwich)
Pat Psaila	Public Governor (Patient & Carer)
Janet Roach	Public Governor (Crewe & Nantwich)
Charles Main	Strategic Lead, Physical Activity and Health, Active Cheshire

BoD16/11/1

Welcome, Introduction and Apologies

16/11/1.1

The Chairman welcomed everyone to the meeting reminding those observing that any comments or questions would need to be made following the meeting.

16/11/1.2

There were no apologies received as all Board Members were noted to be present.

BoD16/11/2

Patient Story

16/11/2.1

Ms Lynch introduced the Patient Story which concerned a baby in the Child and Adolescent Unit who acquired a Grade 2 Pressure Ulcer during their stay. This occurred due to a failure of staff to follow correct processes as a result of faulty equipment. The family were informed of the result of the investigation and agreed to share their story to ensure lessons were learnt across the Trust

16/11/2.2

Mr Church observed that it was positive that the lessons learnt were shared across the Trust as they are universal lessons of checking equipment, following the SKIN bundle protocols and ensuring good communication with families. The Chairman commented that it was disappointing to hear of a series of errors being made which led to this, but he was pleased to note that the baby had made a quick and full recovery and that learning had been shared. The Chairman asked if there is a policy in place to check all equipment after use, Ms Lynch confirmed that this was in place and the probe should have been removed from use. Mr Oldham commented that this was not a failure of controls but a failure of compliance by staff.

Resolved: The Board noted the story provided and the commitment to sharing lessons learnt across the Trust.

- BoD16/11/3**
16/11/3.1 **Board Members' Interests**
There were no new interests declared.
- 16/11/3.2 There were no interests declared in relation to open items on the agenda.
- BoD16/11/4**
Minutes of the Previous Meeting
Resolved: The minutes were agreed as a true and accurate record of the meeting held on 3 October 2016.
- BoD16/11/5**
16/11/5.1 **Matters Arising and Action Log**
There were no Matters Arising.
- 16/11/5.2 The Chair asked for progress on actions and noted that actions 16/10/9.8.3 and 16/10/11.1 were complete. Ms Lynch advised that discussions in regard to the Patient Safety Walkaround have taken place but due to long term sick there was unlikely to be any significant changes in the short-term.
- 16/11/5.3 The Chairman noted that all actions due for review have been completed and can be closed.
- Action: To update the action log and close off completed actions (Mrs Dowson)**
- BoD16/11/6**
16/11/6.1 **Annual Workplan**
The Workplan for 2016/17 was reviewed by the Board and the changes made as a result of discussion at the Board Away Day were agreed.
- Resolved:** Changes to the 2016/17 Work Programme was approved
- BoD16/11/7**
16/11/7.1 **Chairman's Announcements**
Chair to Chair Meetings
16/11/7.1.1 The Chairman informed the Board that he had attended the NHS Providers meeting for Chairs and CEOs in the North West, as had Gill Morgan, Chair of NHS Providers. The Chairman reported on the productive discussions held in regard to national health priorities and Sustainability and Transformation Plans, (STPs). The Chairman added that performance of Trusts in Q2 is generally reported to be on track; however some Trusts have ambitious Q3 and Q4 targets which may prove a challenge. The Chairman also noted that some Trusts had reported that the impact of the fall in the pound was now being felt by Trusts when recruiting staff from abroad.
- 16/11/7.1.2 The Chairman reported that he had met with the four Chairs of Hospital Trusts in Cheshire and the Wirral and a productive discussion had taken place in regard to their universal challenges.
- 16/11/7.1.3 Dame Patricia commented that the lack of consultation with local authorities, (LA) in regard to the STP is an issue; for example the Birmingham STP has been criticised for not including integration with social care. Mrs Bullock replied that in terms of finances the STP template excludes LA finances in the calculations; however social care has not been excluded in the Cheshire & Merseyside, (C&M) STP integration plan. Cheshire & Wirral (C&W) is building on the four existing transformation plans to develop integration of health and social care as a key part of the Local Delivery Sustainability Plan (LDSP) for C&W and that social care are fully engaged with these programmes. Mrs Bullock commented that the LAs in Cheshire are more engaged than many, as not many STPs have these transformation plans in place to build on. Mrs Bullock informed the Board that the Connecting Care Provider Board has been stood down as the Central Cheshire Integrated Care Partnership Board (CCICP) has superseded it. However the role of the LA on this is now being considered as they are not formally a member of CCICP.

16/11/7.1.4 The Chairman also reported on the discussion held with the C&W Chairs in regard to Nursing Associates and their role. Ms Lynch confirmed that the curriculum and status of these posts was the subject of an open consultation. Ms Lynch added that if these posts are to be reported as 'qualified' staff in the future the impact would be low as the Trust is only adding four of these posts initially, although this may increase in the future if it proves successful. Mrs McNeil asked if it would be possible to have further information on any impact of these changes and the Chairman asked Ms Lynch to provide an update to the Board in one of the Nursing reports.

Action: Update to be provided to the Board on the role of the Nurse Associates following the results of the consultation (Ms Lynch).

BoD16/11/7.2 C&M STP Five Year Forward Plan Workshop

16/11/7.2.1 Mr Church informed the Board that he had attended this on behalf of the Chairman. Mr Church noted that all partners were there but it was difficult to judge the impact of discussion and workshop findings as the STP submission was made only two days later. Mr Church reported that Mrs Bullock had presented the Clinical Support Services work to the group. Discussions had included how to design the right integrated care organisation and how hospital reconfiguration could work. Mr Church reported that there was no clear consistency of views across the three LDSPs, in regard to what form an ACO should take. The Chairman thanked Mr Church for his perspective on this meeting and for attending on his behalf.

BoD16/11/7.3 Board development AQUA

16/11/7.3.1 The Chairman advised the Board that he has been in discussions with AQUA on the content for a future Board development day for early in 2017. The Chairman asked the Board to consider topics to advance and challenge the Board and Trust. The Chairman proposed external partnerships, integrated care with CCICP or dementia as possible topics. Alternatively the session could focus on work to fulfil the aspiration of moving progress from a CQC accreditation of 'good' to 'outstanding'. Mrs McNeil commented that if the Trust focuses on improving the CQC rating other areas such as a renewed focus on dementia will follow as part of improvements. The Chairman suggested that this could be further discussed at the Board Away Day in December.

16/11/7.3.2 Mr Davis asked how the Trust would score on 'Responsiveness' now as this had been assessed as 'Requires Improvement'. Mrs Bullock confirmed that the CQC action plan was still reviewed regularly by the Board, but that despite improvements in outpatient and theatre waiting times, the failure to meet the 4 hours target in A&E would still be an issue. The Chairman observed that this kind of discussion would be the focus of any workshop.

BoD16/11/7.4 Corporate Trustee Meeting

16/11/7.4.1 The Chairman reported that the Corporate Trustee meeting was held on 17 October as part of the Board Away Day and the committee had agreed that the business case for the proposed new appeal should be discussed at Board. The Chairman also reported that the Trustees approved the recruitment of a second member of staff to the Charity to be funded through the Charity but employed by the Trust.

BoD16/11/7.5 Council of Governors

16/11/7.5.1 The Chairman noted that the Council of Governors had formally approved a change to the constitution recommended to them by the Board. This will allow a temporary staff governor to be appointed to the Council following any significant changes to the workforce such as Community Services. The Chairman advised the Board that there had also been a suggestion that a further Patient and Carer Governor could be appointed to reflect the growth in the patient base with the transfer of Community Services and the Chairman would be considering this proposal.

- BoD16/11/7.6**
16/11/7.6.1 **CCG Board to Board Meeting**
The Chairman reported on the Board to Board meeting held with the CCGs on the 4 November 2016. The discussion had been candid with lots of focus on what a local ACO may look like and the sustainability of CCGs and Trusts. The Chairman commented that this had been a good meeting considering the challenges for both Boards and a further meeting is scheduled for early January.
- BoD16/11/7.7**
Development Day for Active Cheshire
The Chairman advised that he had attended this event which had brought together a significant number of local stakeholders.
- BoD16/11/8**
BoD16/11/8.1
16/11/8.1.1 **Governors Items**
Council of Governors Meeting 27 October 2016
The Chairman reported that the Council of Governors had met and a useful presentation and discussion on the Trust IT strategy had been held. The Chairman noted that the meeting had been reviewed for the first time by a Governor, Mrs Pat Psalia who had provided an excellent review.
- BoD16/11/8.2**
16/11/8.2.1 **New Governor Induction**
The Chairman advised the Board that the four new Governors had begun their induction, attending a half day at the Trust and that all four had attended the recent Council of Governors meeting.
- BoD16/11/8.3**
16/11/8.3.1 **Annual Members Meeting – 6 October 2016**
The Chairman reported that the Annual Members meeting had taken place and had been well attended by Governors. The Annual Report and Accounts were reported and all constitutional duties were fulfilled. Mr Barnes asked how these meetings could be better attended by members. Mrs Bullock replied that any good ideas from other Trusts are implemented where possible but it is unlikely that a large and representative audience will be achieved. Mrs Bullock added that this is not an issue limited solely to the Trust and added that the statutory elements of the agenda that have to be presented were probably the least interesting to the public but advised the Executives would consider how this information could be presented in a more appealing way.
- BoD16/11/9**
BoD16/11/9.1/2
16/11/9.1.1 **Chief Executives Report**
Cheshire & Merseyside STP /Cheshire & Wirral Local Transformation Plan (LDSP)
Mrs Bullock formally reported that the STP was submitted on 21 October and in accordance with NHS England (NHSE) guidance this had not been published and noted that Board members had seen previous iterations of the STP as it was developed and have had the opportunity to comment. However several STPs have subsequently been leaked including the C&M STP. In response to this the C&M Communications Team prepared a series of briefings for staff, MPs and the media and advised that CCGs circulated the letter to MPs which has been circulated to the Board and Governors. Mrs Bullock commented that the main media interest had been focused on Macclesfield and Southport and Ormskirk. Mrs Bullock added that the Trust is ahead of many others in terms of its level of engagement with the Board, Council of Governors and its staff. A new iteration of STP is due to be published on the 16 November and this will be circulated in due course.
- 16/11/9.1.2
Mrs Bullock reported that she attended the Five Year Forward View workshop with Mr Church and presented the Clinical Support Services programme. There were several other presentations on various aspects and cross-cutting themes of the STP. Mrs Bullock commented that C&W appeared less cohesive in its views than other LDSPs. There was some challenge at the meeting in regard to the representation of all views in the STP. Mrs Bullock advised the Board that the financial projection for the deficit by

2020/21, if no changes are made, has decreased to £908m although the system wide Control Total will not be met for 2017/18 and 2018/19.

16/11/9.1.3 Mrs Bullock added that at NHSI and NHSE events last week it was noted that the STP has collectively asked for £755m of capital to support additional transformation, this is unavailable and the STP will be asked to reprioritise. Mr Barnes asked what was in the capital request. Mrs Bullock replied that she did not have the detail but the proposed merger between Royal Liverpool and Aintree is a large chunk of this and the Countess of Chester NHS Foundation Trust, (CoCH) and Wirral University Teaching Hospitals NHS Foundation Trust (WUTH) have also asked for a significant investment to reconfigure their services. Mrs Bullock noted the capital ask was for transformation only and therefore did not include business as usual or issues such as the Trusts Cheshire Fire and Rescue notices

16/11/9.1.4 Mrs Bullock added that there are elements of the STP, such as Clinical Support Services, that have not yet been fully scoped and therefore the capital requirement is not yet known. The CEO of NHSE, Simon Stevens stated that projects that are ready and likely to deliver a significant return on investment in the next two years could receive a decision on funding in the next 10 weeks. Mr Barnes asked if the Trust or the local LDSP have any projects in this state and Mrs Bullock confirmed that while there are Trust projects ready there is nothing that could be described as a system wide improvement project or that would deliver significant efficiencies etc. Mr Hopewell asked if there is likely to be any readdressing of the inequalities of funding across C&M. Mrs Bullock said that while this has not been proposed there will be a system wide control total for each LDSP which can be adjusted to support another. Mrs Bullock added that North Mersey have stated their ambition to manage their own Control Total which could potentially split the STP. Mr Church observed that all the workshops reflected good work being done but the timescales are ambitious and left no time to influence the STP before submission, Mrs Bullock responded that the event was effectively a dissemination of information event rather than a consultation event.

BoD16/11/9.3 Local Delivery Plan (Connecting Care)

16/11/9.3.1 Mrs Bullock advised that the Connecting Care Board will focus on the development of a local ACO at pace and discussions were held with the CCG at the Board to Board to develop proposals for this.

BoD16/11/9.4 Community Services

16/11/9.4.1 Mrs Bullock reported that the transfer of Community Services took place successfully on 1 October and noted this appeared to go smoothly with all staff paid on time. Positive feedback has been received from staff in regard to the support from services such as Payroll and IT. Mrs Bullock advised that significant engagement is taking place with the staff and the first CCICP Transformation Board meeting has also taken place.

BoD16/11/9.5 Control Totals NHSI

16/11/9.5.1 Mrs Bullock added that the Control Totals reported at the last Board meeting have been revised by NHSI to take into account the Clinical Negligence Scheme for Trusts (CSNT) contributions. The impact for the Trust was outlined.

BoD16/11/9.6 Chief Operating Officer

Mrs Bullock informed the Board that as agreed at the Remuneration Committee on 5 September, recruitment for a new Chief Operating Officer has been started and an interview date of 21 December has been set, some Board members have been invited to take part in the formal panel or structured discussion.

BoD16/11/10
BoD16/11/10.1
16/11/10.1.1

CARING
Quality, Safety and Experience Report

Ms Lynch presented the Monthly Quality, Safety and Experience Report which incorporates data from September 2016, noting particular improvements in the Stroke performance measure and a reduction in avoidable Pressure Ulcers. Ms Lynch also informed the Board that following an increase in inpatient falls a targeted action plan has been put into place. Ms Lynch reported that a bi-monthly patient safety summit has been started to share learning from incidents at a much earlier stage.

16/11/10.1.2

Mr Davis commented that the Summary Hospital-Level Mortality Figures (SHMI) position has worsened for the first time in two years as has the Hospital Standardised Mortality Ratio, (HSMR) and asked if the Board should be concerned about mortality levels. Mr Davis added that the Performance and Finance (PAF) Committee have reviewed the HSMR as part of the changes to the Single Oversight Framework (SOF) which uses HSMR as well as SHMI to measure Trust performance. Dr Dodds responded that the executive are aware of this rise in HSMR and as a result a quarterly Trust Mortality Group has been established which met for the first time in October. Dr Dodds noted that the weekly mortality audits have continued and noted a lack of ownership in some areas, corporately and in divisions, as well as a delay in understanding the new HED information system. The Trusts response also includes a review of the REMEL actions. Dr Dodds also noted that one spike in performance should be looked at carefully but not lead to one off responses that may not be the right course of action and confirmed this situation is being monitored closely.

16/11/10.1.3

Ms Lynch reported on the CQUIN targets and Mrs McNeil asked why there is a delay in the reporting of Sepsis results. Ms Lynch acknowledged that this is an unavoidable delay in capturing and verifying the data however the Trust has been aware of the issues in achieving this measure from the outset and this is reported regularly through the Quality Governance Committee. As a result action has already been taken to improve on the expected results under these measures. Ms Lynch advised that she expects to see the benefits of this work in the Q3 results. Dr Dodds commented that Sepsis is one of the drivers for the HSMR measure and the Trust has a good understanding of what the data will indicate; the Trust is therefore working to ensure key processes are in place. Mr Davis commented that it is not clear if this is a new issue or a long-term problem that is only now being illustrated due to the CQUIN. Mr Davis added that previously this would have been reviewed at an earlier stage at Strategic Integrated Governance Committee and asked if there is a gap. Dr Dodds assured Mr Davis that these concerns have been picked up at an early stage and have been reported through both Executive Quality Governance Group and the Quality Governance Committee (QGC) and this will continue.

16/11/10.1.4

Mrs McNeil commented that while it is good to see effort being focused on an area of concern and improvements being made, this must be embedded as standard practice. Dr Dodds responded that these trends have been noted and the Trust is aware of what is happening and work is in place to address this. The Chairman commented that this is not the direction of travel that the Trust wants. Dame Patricia observed that the pressure on Executives to manage the transformational change and focus on the day to day management of the Trust was challenging. Mrs Frodsham added that the pressure was also on the wards and the staff as well. Mrs Bullock commented that even when the HSMR was at a better level the data was always disaggregated to identify areas for improvement as well as new areas to focus on and this will continue to happen.

16/11/10.1.5

Ms Lynch presented the staffing level figures noting that two wards had failed to report in time which had been flagged to them as unacceptable. Mrs Frodsham asked if there are any national targets or benchmark for these figures. Ms Lynch replied that this is a new national report and new advice is expected to allow triangulation of these figures and

provide acceptable performance levels and that this would be described further in the Nursing and Midwifery Staffing Report. Mrs Bullock asked that action be taken to ensure all wards report on time.

- 16/11/10.1.6 Ms Lynch presented the summary of complaints closed in September. Mr Church asked for clarification on the circumstances for a complainant who had to wait 13 hours for IV antibiotics. Ms Lynch confirmed that this was in fracture clinic and the review had established that the wait was in fact six hours but that this was still unacceptable. Ms Lynch asked the Board to note that the NHS Choices rating for the Victoria Infirmary was now at 5 stars.

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

BoD16/11/10.2 Nursing and Midwifery Staffing Annual Comprehensive Report

- 16/11/10.2.1 Ms Lynch presented the results of the establishment review which was undertaken in July and incorporates the National Quality Board's recently published guidance and the Carter Review recommendation both of which will be embedded as part of the assessment in the future. Ms Lynch highlighted the findings from each division and the associated actions. An overall trend of increased patient dependency and higher demand for 1to1 care for the most vulnerable patients was noted across the Trust. Ms Lynch noted the incremental improvements in Surgery and Cancer and Paediatrics following recent investment in staffing.

- 16/11/10.2.2 Ms Lynch described the action being taken by the Trust to fill vacancies in staffing. Mrs McNeil noted the efforts that have been made to recruit to vacancies, but noted that the level remains fairly steady despite this work and asked how this is going to be reduced. Miss Carmichael commented that the Trust is working hard to attract people in an ever decreasing pool. The Trust is limited by national terms and conditions and moving outside of this would be unlikely to help given the national contract negotiations that are due to start in the next 18 months.

- 16/11/10.2.3 Dame Patricia asked what the impact of changes to bursaries and training fees will be. Miss Carmichael agreed that there is some concern that the numbers of nursing and midwifery students will decrease, however a pilot in Bolton has had positive results, producing applicants who are more committed to their training organisation and these recruits are staying with their training Trust for three years post-qualification on average. There is an opportunity to introduce recruitment benefits which could include paying off some of the student debt. Ms Lynch commented that the average age of a student nurse is now 29 compared to 18, 20 years ago and while the younger candidates are less concerned about fees those moving to nursing as a career change may find it more challenging.

- 16/11/10.2.4 Ms Lynch added that the Trust has made some good impact on the vacancy list and is performing well compared to peers. The Chairman noted this work and acknowledged that every organisation carries some vacancies, but the ability to target particular vacancy areas successfully is important. Ms Lynch added that the Trust is also looking at how to use other staff members to do work that traditionally qualified nurses have done, for example using Pharmacy Technicians. Mrs Frodsham commented that it was important to keep investing in qualified nurses while using other roles where possible.

- 16/11/11.2.5 Ms Lynch concluded by noting the changes introduced as part of this report. Ms Lynch advised that a review will be conducted in April following which an annual report will be seen by the Board. The monthly Patient Safety Quality and Experience report will include the updated measures. Together these will ensure the triangulation of safe staffing levels quality data with acuity and professional judgement.

Resolved: The Board noted the review of Staffing acuity and the changes proposed.

BoD16/11/10.3
16/11/10.3.1

Cheshire & Merseyside Pressure Ulcer Project

Ms Lynch reported on the work being conducted by the Pressure Ulcer Steering Group for the North West which she leads and is supported in by AQUA. This was set up with NHSE in response to concerns over rates of Pressure Ulcers in care settings, which is one of the highest areas of patient safety incidents. The group has made a number of recommendations to Directors of Nursing to reduce stage 3 and 4 Pressure Ulcers across Cheshire & Merseyside by March 2017. All NHS Providers are included; they are submitting data to the group and using a common Root Cause Analysis (RCA) tool to ensure that composite action plans are created.

Resolved: The Board noted the update and the leading role that the Trust is taking on this area.

BoD16/10/11
BoD16/10/11.1

SAFE

Draft Quality Governance Committee (QGC) – 10 October 2016

Dame Patricia reported that there were two items for the Board to note from QGC, one of which is the Board Assurance Framework (BAF) which is on this Board Agenda. The committee also considered an analysis report of claims which was insightful. The report is difficult to benchmark but it is clear that the Trust is not a significant outlier for claims. Dame Patricia added that it is essential to understand the lessons learnt from these claims as well as the trends and issues.

Resolved: The Board noted the report of QGC.

BoD16/11/11.2

Serious Untoward Incidents and RIDDOR Events

Dr Dodds reported that there was one SUI to report in October which has instigated a Level 2 RCA and that there were two RIDDOR reportable events.

BoD16/11/12
BoD16/11/12.1
16/11/12.1.1

RESPONSIVE

Performance Report

Mrs Frodsham presented the Performance Report noting that all headline measures had been achieved with the exception of the 4 hourly transit time performance. Mrs Frodsham noted that the 4 hourly performance figures are improving with days when the target is being met and the action plan to address this is being progressed. Particular efforts are being made to address delayed transfers of care which remains a challenge. Mrs Frodsham noted the excellent work being undertaken by the Trust and Social Care together and noted the work is vital as the impact of addressing this will be felt across the hospital in improved patient flow and staffing levels. Mrs Frodsham reported that the Trust is working closely with the CCG on Continuing Healthcare Packages as part of this whilst acknowledging progress was much slower. Mrs Frodsham noted that the 18 week incomplete pathways measure had declined slightly so this is being closely monitored but was partly due to the backlog of Gastroenterology patients now being seen. Mrs Frodsham commented that there was also a focus on reducing readmissions rate, utilising the Community Services teams and the benefits of this integration are starting to show.

16/11/12.1.2

Mrs Frodsham presented the financial section noting that revenue generating schemes are behind plan; this is predominantly due to delays in the expansion of the Bowelscope to Chester. Mrs Frodsham confirmed that this service has now been approved so this position should start to improve. Mrs Bullock added that Health Education North West (HENW) have also agreed an accelerated training programme for endoscopy which will allow the Trust to upskill existing members of staff. Ms Lynch added that this will help with the recruitment of consultants.

16/11/12.1.3 Mrs Frodsham highlighted the performance of the Cost Improvement Plans (CIPs), which are all very positive and on plan. Mr Hopewell observed that it was sensible to have not been over ambitious this year for the CIPs as achieving the Control Total is such a priority. Mr Oldham observed that the reduction in agency spend is also very positive. Mrs Frodsham noted that the Trust is still forecasting to achieve its end of year position.

Resolved: The Board noted the Performance Report

BoD16/11/12.2 Draft Performance & Finance (PAF) Committee Notes – 2 October 2016

16/11/12.2.1 Mr Davis reported that PAF had considered a large agenda which was reflective of the increased pressure on Executives and the management team to deal with day to day demands as well as requests from regulators to provide information and plans. Mr Davis advised the Board that PAF have considered the impact of the new Single Oversight Framework (SOF) which will be the basis for reporting from Q3. PAF have also reviewed the Q2 CQUIN results, noting that there are still risks in achieving these, in particular the Sepsis and flu vaccination measures which have considerable income linked to them. Mr Davis highlighted the impact of lost income and cancelled theatre activity due to gaps in the junior doctor rota.

16/11/12.2.2 Mr Davis reported that the Planning Guidance timetable is such that neither PAF nor the Board will have had the opportunity to review detailed plans before submission on 24 November. Mr Oldham confirmed that the timetable was tight and the Board may have to sign off the Annual Plan submission before the next Board meeting. Mr Oldham advised that the Contract with the CCGs for two years also needs to be signed off by 23 December and there is currently no indication of a resolution of the current dispute. This carries a large risk at the end of the year as income in the plan may not be received.

16/11/12.2.3 Mr Davis informed the Board that PAF discussed the Costing Transformation Project which will be managed by the Business Intelligence Unit (BIU) Project Board in response to new mandatory costing standards and patient returns which need to be in place for 2018. This significant piece of work will enable detailed knowledge of how costs have arisen and where they are allocated to. Mr Davis concluded that PAF wished to inform the Board of the amount of information being requested by national bodies and the risk of this increased workload and pressures on Executives. The Chairman thanked Mr Davis for his report and noted that the Non-Executive Directors would be having a presentation on the SOF at their meeting next week.

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

BoD16/11/12.3 Legal Advice

Mrs Bullock advised that there was no new legal advice to report at this time, noting that the Community Services work had cost £13k in total.

BoD16/11/12.4 NHS Improvement & Action to Reduce Agency Spend

16/10/12.4.1 Ms Lynch advised that the Trust has received two letters as it has exceeded its agency spend target by £0.1m. The letters detailed the measures required from the Trust to reduce spending on agency staff and the information required. Data provided will be published and a self-certification checklist must be submitted by 30 November. Mrs Bullock noted that there are some occasions where the Trust does pay over the agency cap for a small number of staff where recruitment to substantive posts has not been successful. The Chairman asked whether the Trust is meeting expectations overall. Mrs Bullock replied that the Trust is making excellent progress but as the targets have not been met this will trigger some scrutiny. Mrs Bullock added that the Trust has control of this issue and is making significant reductions in spend and there are robust processes

in place.

16/10/12.4.2 Mr Barnes asked if the work to reduce spending has cost money to deliver, as well as made savings across the system. Mrs Bullock replied that the reduction has been predominantly due to appropriate challenge and there is no evidence that patient safety has been affected. Mr Barnes expressed his surprise that this should have been a relatively easy win and noted that this reflects the impact a national driver can have to achieve a substantial system saving. Mrs Bullock agreed and said that the sector had been asking for this to be introduced for some time; it was also likely that this cap would be extended to interim posts next year with high earning individuals targeted. Mrs Bullock added that national drivers on procurement may deliver a similar level of saving and that the Lord Carter recommendations are as a result of the recognition that national direction is sometimes required on issues. Mr Oldham asked the Board to note page 19 of the performance report which shows the marked reduction in the volume of agency spend compared to bank.

Resolved: The Board noted the briefing note and that Mrs Bullock and the Chairman will be signing the checklist.

BoD16/11/12.5 Exceptional use of the Trust Seal and Quarterly Report

16/11/12.5.1 Mrs Bullock asked the Board to note that the Seal had been used without Board approval in October in line with the Constitution, this was due to the urgency of the request and that the full details of this authorisation were included in this report.

Resolved: The Board accepted the exceptional use of the seal and noted the quarterly report of all sealings.

**BoD16/11/13 WELL-LED
BoD16/11/13.1 BAF Quarter 2**

16/11/13.1.1 Dr Dodds reported that QGC had reviewed the BAF and approved it subject to minor alternations.

BoD16/11/13.2 Pre-Operative Assessment Centralisation (POAC)

16/11/13.2.1 Mrs Frodsham advised the Board that while Executive Management Board (EMB) had originally approved the business case for this project, following the result of two tender processes the overall budget had increased to over £100k from £70k therefore requiring Board approval. Mrs Frodsham advised that the money for this investment has been identified from the theatre programme and the project has been subject to a robust design process.

Resolved: The Board approved the increase in capital expenditure to complete this project.

BoD16/11/13.3 Draft Transformation and People (TAP) Committee Notes – 6 October 2016

16/11/13.3.1 Mrs McNeil advised the Board that there were no formal escalations from TAP but asked the Board to note the levels of sickness in the Trust which are the fourth lowest in the North West. Dame Patricia commented that the action notes showed an increase in sickness rates which was contrary to the narrative provided. Mrs McNeil said that she would clarify this.

16/11/13.3.2 Mrs McNeil advised the Board that TAP had discussed Radiology, the impact of workforce shortages and the actions underway to address these issues. Mrs McNeil observed that the Surgical Transformation Programme is starting to make positive progress. Mrs McNeil informed the Board that TAP had discussed the renewal of the Investors in People (IiP) standard and whether the Trust should be aspiring to a platinum level of accreditation. Executive Workforce Assurance Group (EWAG) have been asked

to look at this, Mrs Bullock suggested that EWAG could also consider the level of resource required to achieve platinum given the aforementioned pressures that staff are under. The Chairman agreed it was good to review whether this is a worthwhile investment for the Trust in order to attract good candidates for vacancies.

Resolved: The Board noted the report of the TAP Committee and the report on the delegated Board decision.

BoD16/10/13.4 Visits of Accreditation, Inspection or Investigation

16/10/13.4.1

Mrs Bullock advised the Board that there had been two visits this month. HENW had conducted their post-graduate monitoring visit which had been very positive and as a result it will be recommended that the Trust be removed from enhanced monitoring. Mrs Bullock advised that the local supervision of midwives regional assessment had also taken place which was very positive with comments regarding the level of innovation and quality of practice and that this could be a future staff story for the Board.

BoD16/11/13.5 Audit Committee – 10 October 2016

Mr Hopewell advised the Board that the internal auditor's contract expires in March and a short paper will be brought to Board in regard to this. Mr Hopewell advised that the planning for the internal audit on the governance arrangements and systems for Community Services has begun.

BoD16/11/14 EFFECTIVE

BoD16/11/14.1 Consultant Appointments

16/11/14.1.2

Dr Dodds reported that a new Colorectal surgeon has been appointed.

BoD16/11/14.2 Annual Plan Presentation

16/11/14.2.1

Mr Oldham reported on the planning process which has a challenging timescale and as a result PAF had requested that the Board be briefed on the achievability of the Control Totals on offer for 2017/18 and 2018/19. Mr Oldham presented the proposed financial settlement, the emerging pressures and the economic challenge followed by an outline sensitivity analysis of these figures. Mr Oldham noted that the revised settlement provided following the inclusion of the CSNT premiums had been positive for the Trust as had the revised national tariff which recognises the increased complexity of activity. DGHs such as the Trust have generally gained from this change however this adds to the affordability challenge for the CCGs.

16/11/14.2.2

Mr Oldham noted the value of the CIP required next year based on these figures but any lower agreed contract settlement with the CCG will have to be balanced by increasing the CIP programme; therefore the dispute resolution is central to the ability of the Trust to hit its Control Target in the future. Mr Oldham advised the Board that the Control Total needs to be accepted by the 24 November or the full amount will not be received. If the Trust chooses not to accept this Control Total then there will be no STF and the Trust will be exposed to fines and penalties. The Chairman thanked Mr Oldham for this presentation and confirmed that due to the commercial sensitivity of the contract negotiations further discussion would be held in Part II of the Board.

Resolved: The Board noted the assurance provided by the presentation that the Control Totals were achievable under a rules based contract and if the contract dispute is resolved reasonably whilst noting the affordability challenge to the CCG.

BoD16/11/15 ANY OTHER BUSINESS.

There was no further business.

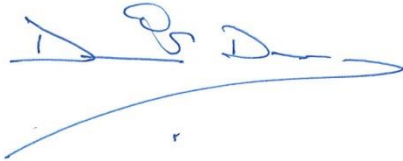
BoD16/10/16
16/10/16.1

Time, Date and Place of the next meeting

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

The meeting closed at 12:30 hours.

Signed

A handwritten signature in blue ink, appearing to be 'I. S. D.', written over a horizontal line. Below the line is a long, sweeping flourish that extends to the right.

Chairman

Date 9 January 2017

Board of Directors Meeting
Minutes of Board Meeting held in 'Private'
Monday 7 November 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
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

BoD2/16/11/1 **Welcome and Apologies for Absence**
2/16/11/1.1 The Chairman welcomed everyone to the meeting and noted that no apologies had been given for this meeting as all Board members were present.

BoD2/16/11/2 **Board Member Interests**
2/16/11/2/1 There were no new interests declared and no interests declared in relation to open items on the agenda.

BoD2/16/11/3 **Minutes of the Previous Meeting**
2/16/11/3.1 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 3 October 2016.

BoD2/16/11/4 **Matters Arising and Actions from Previous Meeting**
2/16/11/4.1 There were no matters arising in addition to those included on the agenda.

2/16/11/4.2 It was noted that the action 2/16/10/4.1 had not yet been completed as Mrs Frodsham had not attended the Surgical Transformation Meeting in October and therefore this action will be rolled over.

2/BoD16/11/5 **Effective**
2/16/11/5.1 **Medical Staffing Update**
2/16/11/5.1.1 Dr Dodds informed the Board that there were no staffing issues for the Board to be made aware of.

BoD2/16/11/6 **Well Led**
2/16/11/6.1 **Community Services**
2/16/11/6.1.1 Mrs Bullock informed the Board that this would remain as a standing item on the Part II agenda until the governance process for reporting Community

Services performance and issues is established. Mrs Frodsham confirmed that there are fortnightly meetings taking place with managers and the senior clinical team to address any issues that have emerged. Currently there are no concerning issues to escalate to the Board and the group has given positive feedback about the transition to the Trust.

2/16/11/6.1.2 In response to a question from the Chair, Mrs Frodsham confirmed there are no strategically critical vacancies. The GP out of hours service is a priority for recruitment, key nursing vacancies are now being advertised and to date there has only been one night when no GP was available due to illness. Mrs Frodsham advised the Board that the CCICP Board will be considering a paper on the review and benchmark of rates of pay in the Urgent Care Centre.

2/16/11/6.1.3 Mr Oldham confirmed that no major financial issues have emerged and work is underway to start reviewing Community Services and the Board will be kept informed of this work.

BoD2/16/11/6.2 Cheshire & Merseyside STP

2/16/11/6.2.1 Mrs Bullock reported that the national message given by NHSI in regard to planning guidance is that local health economies need to manage their local relationships in order to achieve an agreed joint Control Total and Contract by 23 December. Mrs Bullock added that there was no indication that there would be any change in the financial allocation from central government to the NHS.

2/16/11/6.2.2 Mrs Bullock informed the Board that the STP for Cheshire & Merseyside had been leaked and published locally and there had been considerable media coverage. Mrs Louise Shepherd CEO of Alder Hey Children's NHS Foundation Trust and STP Lead had made a statement to the media which was contrary to the report. The Chairman expressed his disappointment in the way this had been managed by the STP and the lack of consultation with partners in doing so. Dame Patricia commented that it was not unexpected that plans will be challenged once made public.

2/16/11/6.2.3 Mrs Bullock observed that there was a general view that the STPs should be published and should have been published much sooner. The Chairman commented that if STPs are published it is not clear what comment Boards and Council of Governors can make as they have not signed it off and many have not had the opportunity to consider it formally. Mrs McNeil commented that it was notable that during the media interest last week the STP lead had provided the media statement, not the Board of East Cheshire Hospital NHS Trust whose services were being discussed.

2/16/11/6.2.4 **Sentence removed under Section 43 of the Freedom of Information Act.** Mrs Bullock confirmed that she is attending a meeting with them next week and it is likely that communications in regard to STPs will be part of the discussions

2/16/11/6.2.5 Mr Hopewell asked if the latest version of the STP has been released yet and will it include changes to the plan following the public response to the leaked STP. Mrs Bullock confirmed that it is expected a second version will be published on 16 November and the overall narrative will not change but that sensitive information will be reviewed and reworded as required. Mrs McNeil expressed her concern that the Trust will not see this ahead of publication. Mr Oldham commented that the Annual Plan submission due on 24 November has to be aligned to the new STP.

2/16/11/6.2.6 Mr Church asked what support the Executives require and how the NEDs can

help. Mrs Bullock replied that the CEOs in the STP have started discussing the approach to take over the next six months and the performance of Trusts over this time is crucial. Mrs Bullock added that NHS Improvement (NHSI) is under severe scrutiny for the performance of the NHS Provider sector and may offer Trusts incentives to over perform. The Trust has the potential to over perform in 2016/17; this would require close work in conjunction with the local CCGs to ensure the best possible scenario for the local health economy.

- 2/16/11/6.2.7 Dame Patricia stated that there is a risk that under-performance of other Trusts could result in penalties for the Trust when working in collaboration. Mr Davis responded that if all Trusts fail, sanctions can only be applied in a limited way; the priority has to be what is best for the local health economy and patients. Mrs Bullock agreed that keeping core values at the heart of all actions is the best way through and that she personally would not make any decision that would compromise patient safety of delivery of services to the population. Mr Hopewell added that the Board need to consider at what point it should speak out if it feels that the proposed plans are no longer morally acceptable
- 2/16/11/6.2.8 Mr Barnes asked if there any regional variations in performance, Mrs Bullock said that there are more acute providers and Ambulance Trusts struggling; Mental Health and Community Trusts less so. Mr Barnes asked if there was any likelihood that the sector will not accept increased central control and reject Control Totals unilaterally. Mrs Bullock replied that Chris Hopson CEO of NHS Providers has been invited to the next Cheshire & Merseyside, (C&M) CEO Providers meeting to discuss the national position. Mrs Bullock added that Mr Hopson consults regularly with CEOs and feeds this back to the government.
- 2/16/11/6.2.9 The Chairman commented that the advantages of being a Foundation Trust were less apparent now with mandated end of year positions and increasing direction from the centre. The Chairman added that the Board should recognise that the Executives are under significant pressure and that it is important that the Board as a whole acts with integrity in all matters. The Chairman informed the Board that he intends to keep meeting with the regional Chairs following the successful first meeting last week.
- BoD2/16/11/6.3 Bed Utilisation Review and Contract**
- 2/16/11/6.3.1 Mr Oldham advised the Board that the guidance in regard to Annual Plans and contract offers all state that they must align with the STP. Mr Oldham confirmed that he is engaging with the STP locally to understand the type of contracts being offered and an initial offer for the next two years has been received from the CCGs. Mr Davis commented that according to the Planning Guidance, the CCGs are required to make a reasonable offer. Mrs Bullock confirmed that if the offer were rejected the default position would be to return to a Payment by Results contract (PbR) which should be avoided if at all possible.
- 2/16/11/6.3.2 Mr Oldham advised the Board that the offer made is for a flat rate with no increase on the contracts to other partners including Community Services. **Sentence removed under Section 43 of the Freedom of Information Act.** Mr Barnes commented that there is some logic in the Community Services offer as there is an expectation that the contract will be delivered more efficiently. Mr Oldham replied that due diligence has showed that the Community Services contract was already forecast to run at a deficit when fully staffed.
- 2/16/11/6.3.3 Mr Oldham advised the Board that a collaborative approach to contract negotiations had been proposed in the Planning Guidance. The offer letter does not follow this or the conversations that have already taken place in which all

parties agreed to work towards meeting a shared control total. Mr Oldham recognised that the CCG have been directed to not sign any unaffordable contract but it is not a fair offer for the Trust due to its set Control Total. Agreeing this offer would therefore mean that the Trust could not hope to achieve this. Mr Hopewell commented that there is still the option of a PbR contract as an alternative. Mrs Bullock observed that if the Trust took this line the negotiations were likely to go to arbitration and NHSI and NHS England (NHSE) have been very clear about the consequences of relying on arbitration to settle local disputes.

2/16/11/6.3.4 Mrs Bullock commented that there is no new thinking or alignment to the STP within the offer letter. Mr Oldham read out a section of the letter which states that the CCGs expect providers to work to reduce demand for services. Mrs McNeil expressed her disappointment that this letter arrived following a productive and candid discussion at the CCG and Trust Board to Board. The Chairman confirmed that the CCG had wanted to discuss the contract at this meeting but it would not have been appropriate to discuss this operational issue and that it is essential that productive relationships with the CCG are maintained despite difficult negotiations.

2/16/11/6.3.5 Mrs Bullock added that she has a telephone meeting booked with Paul Chandler from NHSI tomorrow morning and the offer letter will be discussed then as the Trust need to respond by Friday 11 November. Mrs Bullock added that the telephone call had been scheduled to discuss the Utilisation Management Report and she expected to be informed of the thoughts and outcomes of the discussions held between NHSI and NHSE in regard to this.

2/16/11/6.3.6 The Chairman acknowledged the tight timetable for the Annual Plan and contract negotiations which need to be agreed by 23 December and asked when Board approval was required. Mr Oldham advised that the 24 November submission for the Annual Plan needs to explicitly state whether the control total can be accepted and the presentation given in Part I of the Board has illustrated the plan to deliver the settlement offered to the Trust. The caveat to this is that the contract negotiations will be based on whether the CCGs can afford this. Mr Church commented that this is an unrealistic approach to setting the budget plan for the Trust in which neither side can win. Mr Oldham confirmed that he does require Board approval to accept the control total by 24 November, based on the current figures but with the caveat that the Contract is still to be negotiated. Mrs Bullock added that the wider impact on affordability cannot be ignored and this position will not be acceptable to the CCGs.

Resolved: The Board accepted the recommendation from the Director of Finance that the settlement and Control Total offered to the Trust from NHSI for the next two financial years should be accepted subject to satisfactory resolution of the contract dispute for 2016/17 and securing a contract value for 2017/18 based on national tariff and forecast outturn or one that allows the Trust to meet its financial and operational expectations.

2/16/11/6.3.7 Mrs Bullock advised she will keep the Board up to date on contract negotiations and Mr Oldham confirmed that there is a deadline of 9 December to report any issues. Mrs Bullock added that Mr Whitehouse, Accountable Officer of the CCGs has already sent a preliminary email to NHSE stating that he believes a Contract will not be agreed. Mrs Bullock added that she was disappointed that Mr Whitehouse chose to escalate this without discussion with her and whilst agreed actions from a previous contract meeting had not been concluded.

Resolved: To note the paper and the recommendations made

BoD2/16/11/7
2/16/11/7.1

Any Other Business

Mr Hopewell, as Chair of the Trustees Sub-Committee advised the Board, as Corporate Trustees, **Section removed under Section 40 of the Freedom of Information Act.** It was agreed that this settlement, which is outside the normal use of the Charity Funds, should be made as it is a relatively small amount compared to the potential legal fees. This will allow for the sale of the estate and the release of the legacy to the Charity.

Resolved: The Board, acting as Corporate Trustees of the Mid Cheshire Hospitals Charity agreed to approve a settlement payment.

BoD2/16/11/8
2/16/11/8.2

Review of Board Meeting


Mrs McNeil reviewed the Board meeting which she noted had been against a backdrop of the STP and big political issues that impacted on all items and made for a challenging meeting and discussion. Mrs McNeil observed that the meeting contained all the all usual reports and review of challenges but patient and quality remained central. Despite all the discussions in regard to Annual Planning and Contract negotiations Mrs McNeil noted that the Board had also had the time and space to consider Board development.

The meeting closed at 13.34 hours.

BoD2/16/10/9 **Time, Date and Place of the next meeting**

Board of Directors Meeting to be held in Private on Monday 5 December 2016 following the Board meeting held in Public.

Signed



Chairman

Date 9 January 2017