

Board of Directors

Public Minutes of the Meeting (Part II) held on Monday, 3 March 2014 In the Boardroom, Leighton Hospital, Crewe

PRESENT

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| Mr J Moran | Chairman (<i>in the chair</i>) |
| Dame P Bacon | Non-Executive Director |
| Mr J Barnes | Non-Executive Director |
| Mrs T Bullock | Chief Executive |
| Mr M Davis | Non-Executive Director |
| Dr PA Dodds | Deputy Chief Executive and Medical Director |
| Mr D Dunn | Non-Executive Director |
| Mrs D Frodsham | Chief Operating Officer |
| Mr D Hopewell | Non-Executive Director |
| Mr M Davis | Non-Executive Director |
| Mr M Oldham | Director of Finance & Strategic Planning |
| Mr D Pitt | Director of Service Transformation & Workforce |

APOLOGIES

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| Mrs J Smith | Director of Nursing & Quality |
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IN ATTENDANCE

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| Mr J Lyons | Lead Governor |
| Ms M Steele | Acting Trust Secretary |

MINUTES OF THE LAST MEETING

After discussion, it was

Resolved

To sign the minutes as an accurate record of the meeting held on Monday, 3 February 2014

ACTIONS ARISING FROM PREVIOUS MINUTES NOT INCLUDED ELSEWHERE ON THE AGENDA

14.02.4.1 [Item removed under S43 of the Freedom of Information Act]

Resolved

- **To note the verbal update**

MEDICAL DIRECTOR'S REPORT

14.01.3.1 [Item removed under S40 of the Freedom of Information Act]

Resolved

- **To note the verbal update**

STRONG PROGRESSIVE FT

Interim Budget Proposal 2014/15

Mr Oldham presented the paper noting the position in the paper had been based on the contract proposal put forward by the Trust. Mr Oldham noted the Clinical Commissioning Groups have subsequently rejected the proposal and advised the contract is to be a Payment by Results contract.

Mr Oldham noted the Commissioning Landscape and the Clinical Commissioning Group Allocations including the two year allocation uplifts. Mr Oldham also advised of the Better Care Fund noting the 6 national conditions for accessing the Fund and discussion took place regarding the conditions and also the source of the monies for the fund. Mr Oldham advised there had been no acute provider engagement in the Local Authorities' submissions for the Better Care Fund and expressed his concerns in relation to the bids submitted. Mr Oldham and Mrs Bullock outlined the information events held by Cheshire West & Chester Council and Cheshire East Council in relation to their submissions.

Mrs Bullock also expressed her concerns regarding the Innovation Fund and the work of the Provider Board.

Mr Oldham noted the quality premium wherein Clinical Commissioning Groups will also be incentivised to deliver improvements in a range of performance indicators and discussion took place as to whether the local Commissioning Groups were driven, in their decision making, by quality or by finance.

Mr Oldham advised of the Planning Guidance for 2014/15 to 2018/19 noting in particular the three non-negotiable items that are expected between every commissioner and provider. Mr Oldham noted the items were driven by a number of national reviews including those of Francis, Berwick and the Winterbourne review. Mrs Bullock noted that local contracts for 2014/15 should include an action plan to deliver the clinical standards within the Service Development and Improvement Plan and a CQUIN is to be considered advising Dr Dodds was undertaking work in this regard.

Discussion also took place on the key business rules for the Clinical Commissioning Groups.

Mr Oldham outlined the contract discussions to date and provided in depth detail of the proposals put forward by the Trust and the Clinical

Commissioning responses to same. Mr Oldham noted the risks in relation to the reclassification of assessments as non-elective short stay admissions and advised the Commissioning Groups were to complete an audit review in relation to same.

In response to Mr Dunn's enquiry as to the potential risk to the Trust, Mr Oldham noted the financial risk of a Payment by Results contract noting in particular the risks in relation to the reclassification of assessments and non-elective activity. Discussion took place on the impact of a Payment by Results contract for the Clinical Commissioning Groups.

Mr Barnes expressed his concerns the contract negotiations and outcome were not supportive of partnership working within the local health economy and the integrated framework. Mr Barnes concerns were supported by other Board members.

In response to Mr Davis' enquiry as to the financial impact to the Trust of delayed discharges, Mr Oldham advised it was circa £200/£250 per bed day and noted required improvements are to be directed to the Provider Board as an improvement request. Mr Davis requested the information relating to the number of bed days lost is generally available and suggested including same in the monthly performance report.

Mr Oldham advised the budget document would need to be reviewed to reflect a Payment by Results contract and the outcome of the review/subsequent discussion on the reclassification of assessments. Mr Oldham advised the Executive Directors would need to review the proposed investments for 2014/15.

In response to the enquiry as to whether any approach made or action could be taken collectively as a Board to the Clinical Commissioning Groups, it was agreed a date should be agreed for the Board to Board to take place. Mrs Bullock advised she had had discussions with the Clinical Commissioning Groups in this regard and advised it would be later in the year before a date could be arranged.

[Sentence removed under Section 36 of the Freedom of Information Act.] Mr Hopewell agreed with Mr Barnes' suggestion that the Board of Directors reflect the Board discussion back to the Governing Body of the Clinical Commissioning Groups. In the subsequent conversation it was agreed the Board of Directors were disappointed by the proposal put forward by the Clinical Commissioning Groups particularly with the renewed emphasis in the NHS on quality and patient experience following the release of a number of national reports including Francis and Berwick. It was noted the Board of Directors would need to reduce the number of investments which was unacceptable as the Trust would not be able to make progress in a number of areas relating to patient

safety, experience and quality. It was agreed the contract funding more reflected the era of the Primary Care Trusts.

In response to Mr Oldham's enquiry as to whether the Board approved, in principle, to the investments outlined in the report it was agreed Board were supportive of the outlined investments noting same would now need to be prioritised to reflect the contract.

Resolved

- **To note the interim budget and the proposed changes following the implementation of the Payment by Results Contract**
- **To approve, in principle, the investments detailed in the paper**
- **To feedback to the Governing Body of the Clinical Commissioning Groups the discussion of the Board of Directors *MO***

ANY OTHER BUSINESS

None noted.

14.02.5.1 REVIEW OF THE MEETING

It was noted Part I of the meeting had finished within the timeframe with sufficient discussion taking place on each item. It was noted there had been detailed discussion in Part II on the Interim Budget Proposal.

Signed

Chairman

Date