

Meeting Minutes

Board of Directors Meeting

Wednesday 30 May 2012

**Boardroom, Education Centre
Arrowe Park Hospital**

Members present:
 Michael Carr, Chairman
 David Allison, Chief Executive
 Cathy Bond, Non-Executive Director
 Gary Doherty, Chief Operating Officer
 Richard, Dutton, Non-Executive Director
 Russ Favager, Director of Finance
 Sue Green, Director of HR & OD
 Jeff Kozer, Non-Executive Director
 Tina Long, Director of Nursing and Midwifery
 Lynn Meadows, Non-Executive Director
 Anne Parker, Non-Executive Director
 Jean Quinn, Non-Executive Director
 Luke Readman, Director of Information
 Nick Williams, Non-Executive Director

In attendance:
 David Dodgson, Financial Accountant (for Items 8 & 13)
 Jen Humphries, Senior Assistant
 Evan Moore, Deputy Medical Director
 Angela Wetton, Corporate Secretary

Apologies:
 David Rowlands, Medical Director

AGENDA ITEM	SUMMARY OF ACTIONS	LEAD
BM12-13/026	Wirral Excellence in Healthcare activity update report to be circulated to the Non-Executive Directors for information.	Chief Executive
BM 12-13/026	The Director of Nursing and Midwifery to circulate the CQC report and action plan regarding the reconciliation of drugs to the Board of Directors.	Director of Nursing and Midwifery
BM12-13/026	The patient flow and bed management improvement plans developed by the Deputy Chief Operating Officer to be presented at the next Quality and Safety Committee.	Director of Nursing and Midwifery
BM12-13/027	The Director of Nursing and Midwifery to extend the audit on patients discharged at night.	Director of Nursing and Midwifery
BM12-13/030	The Director of Information to circulate a brief report in due course on systems available within Wirral Millennium to support research and development projects.	Director of Information
BM12-13/030	Details regarding the Trust's pharmacy license and ethics policy to be included in the Research and Development Capability Statement.	Deputy Medical Director
BM12-13/040	CIP plans to be projected across the year to clearly identify when improvements will be implemented and cash released.	Director of Finance
BM12-13/040	CIP and financial performance of the Acute Care division to be discussed at a future EDG meeting.	Executive Directors
BM12-13/045	Items to be added to the Risk Register as agreed under agenda item 25	Chief Operating Officer

The Chairman opened the meeting and welcomed representatives from McKinsey and Company and Governors who were observing the meeting. The running order of the agenda was amended to improve the flow of business. Agenda Item 16 (BM12-13/036) was deferred to the Board of Directors meeting scheduled for June 2012.

Agenda item 1 | BM12-13/021 | Apologies

Apologies received from David Rowlands, Medical Director.

Agenda Item 2 | BM12-13/022 | Declarations of Interest

None declared.

Agenda item 12 | BM12-13/032 | Audit Committee Chair's Report 23 May 2012

The Chair of the Audit Committee presented a report summarizing key items reviewed at the Audit Committee meeting held 23 May 2012 in line with clause 15.12 of the Terms of Reference of the Audit Committee dated 11 June 2011. The Audit Committee reviewed the 2011/12 Annual Report and Accounts incorporating the Annual Governance Statement and Quality Account. The Chair of the Audit Committee confirmed that suggested text amendments for the Annual Report, Quality Account and Annual Governance Statement had been incorporated.

The Audit Committee had reviewed changes in, and compliance with, accounting policies and practices, unadjusted mis-statements in the financial statements, major judgmental areas, significant or proposed adjustments resulting from the audit and the rigour with which the Auditor had undertaken the Audit. The Committee received the ISO260 Audit Highlights Memorandum from KPMG which was included in the Board of Directors papers 30 May 2012. The Chair of the Audit Committee reported that KPMG were satisfied that the Trust had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2012. KPMG had provided limited assurance (highest assurance available from auditors) on the Quality Account 2012/13 which members were satisfied with. KPMG had confirmed that the Annual Governance Statement reflected their understanding of the Trust's operations and risk management arrangements. The Auditor's report provided assurance that the 18 weeks and Medicines Management issues were not symptomatic of systemic failure to provide arrangements over securing economy, efficiency and effectiveness in the Trust's overall performance.

An annual report received from the MIAA Director of Audits noted the overall opinion of significant assurance in relation to the Trust's systems and procedures.

The Chair of the Audit Committee provided an update on the audit results of the local indicator MUST (Malnutrition Universal Screening Tool) and consideration for the timing of meetings for next year.

It was the Audit Committee's recommendation that the Board approve and sign the 2011/12 Annual Accounts, 2011/12 Annual Report, 2012/13 Quality Account and 2011/12 Annual Governance Statement. The Board of Directors noted the report.

Agenda Item 8 | BM12-13/028 | ISA260 Auditor's Audit Highlights Memorandum

KPMG had indicated satisfaction with the Trust's decision to report in a single segment for the 2011/12 financial year. The Director of Finance clarified that segmental reporting will continue to be reviewed in conjunction with the embedment of Service Line Reporting.

The Board of Directors was satisfied with the Auditor's Highlights Memorandum and noted the report.

Agenda Item 8 | BM12-13/028 | 2011/12 Annual Report and Accounts incorporating the 2011/12 Annual Governance Statement and management Letter of Representation

And

Agenda Item 13 | BM12-13/033 | Quality Account 2011/12

The Director of HR & OD stated that hard copies of the 2011/12 Annual Report would be produced to satisfy statutory requirements. However, the full document was designed for electronic and interactive use. Selected highlights from the report would be produced for specific audiences.

Following discussion, the Board approved and adopted the 2011/12 Annual Accounts, 2011/12 Annual Report, 2011/12 Quality Account, Management Letter of Representation and 2011/12 Annual Governance Statement.

Documents signed by the Chief Executive:

- Foreword to the 2011/12 Accounts
- Accounting Officers Statement
- Balance Sheet
- Remuneration Report
- Annual Governance Statement

Documents signed by the Chief Executive and Director of Finance:

- FTC Summarisation Schedules Statement
- Letter of Representation

Document signed by the Chair and the Chief Executive:

- Quality Account

The Board thanked everyone involved with the process.

Agenda Item 3 | BM12-13/023 | Minutes of the Board of Directors' meeting held 25 April 2012

The following amendments were agreed:

- Item BM12-13/008 stated that '...Identify sources of assurance on Clinical benchmarking and outcomes'. Should read '...Identify sources of Clinical benchmarking and outcomes to provide assurance'.
- Item BM12-13/010 stated that '...the importance of attaining level 2...' should read '...the importance of retaining level 2...'
- Item BM12-13/013 stated that '...The Board was assured that...' should read '...The Board noted that...'

Subject to the above amendments, members approved the Board of Directors minutes of the meeting held 25 April 2012.

Agenda Item 4 | BM12-13/024 | Matters arising

None.

Agenda Item 5 | BM12-13/025 | Chairman's Business

The Chairman provided an update regarding the performance conference call held with Monitor and attended by the Chair, the Chief Executive, the Chief Operating Officer and the Director of Finance, and the Chair of Audit Committee on 22 May 2012. Monitor was satisfied with the pace of progress made and the assurance of the McKinsey and Company review of the Trust. It was essential for the

Trust to demonstrate sustainable improvements and forecast performance. The next meeting with Monitor was scheduled for 9 July 2012.

The Chairman proposed that the Board's Annual Review of its Terms of Reference and those of its sub-committees should be deferred pending consideration of the Governance Review being undertaken by McKinsey. The Board agreed to this proposal.

The Chairman reported that the Director of Information, Luke Readman, had submitted his resignation following a successful appointment to The Director of Informatics post at Barts Health in London. Consideration was now being given to consequent re-arrangements.

Agenda Item 6 | BM12-13/026 | Chief Executive's Report

The Chief Executive presented a report detailing significant progress that had occurred since the previous Board meeting, including the partnership working with the Countess of Chester NHS FT, Monitor review meeting, CQC Inspection, industrial action held 10 May 2012, McKinsey and Company programme of work and an overview of Wirral Excellence in Healthcare activity.

The Chief Executive reiterated that the public consultation was still underway regarding Vascular Services for Cheshire and Merseyside. Representatives from the Countess of Chester NHS FT, Warring Hospital NHS FT and Wirral University Teaching Hospital NHS FT were part of the Steering Group reviewing implications of decisions and future services. Many service issues remained to be resolved and Commissioners would be kept fully briefed of the discussions. The Board welcomed this level of clinical engagement.

The Chief Executive reported on developments in the collaboration with the Countess of Chester NHS FT for Cardiology and Urology services, on the progress with the McKinsey Review, and on the various meetings he had been conducting internally and externally to improve Trust engagement with staff and stakeholders.

The Director of Nursing and Midwifery provided feedback from the recent CQC unannounced inspection reviewing the Care And Welfare Of People Who Use Our Services, and Management of Medicines. CQC had confirmed compliance with the former and in-so-doing had been positive about the standard of services in place. Management of Medicines had been downgraded to a minor concern, recording significant improvements made since the last inspection. An action plan would now be implemented to ensure compliance with procedures for the processes of reconciliation of drugs.

Agenda Item 7 | BM12-13/027 | Quality and Safety Committee Chair's Reports April & May 2012

The Chair of the Quality and Safety Committee, Anne Parker, presented the summary report of key discussions of the Quality and Safety Committee at meetings held April and May 2012. The Board of Directors noted the report.

The Director of Information provided an update on the DNA reduction pilot in the Outpatient's department. DNAs reduced from 10% to 7% approximately in the pilot. This scheme which included test reminders would now be rolled out more widely.

Agenda Item 9 | BM12-13/029 | Energise for Excellence – Northwest Transparency Pilot

The Director of Nursing and Midwifery presented a recommendation for the Trust to join phase two of the Transparency Pilot relating to pressure ulcers and falls being promoted by NHS North West. Data and patient feedback would be published. The Board of Directors accepted the risk of potential adverse publicity as it was important for the Trust to be open and transparent regarding its performance. The Director of Nursing and Midwifery stated that there would be some resource implications though the

majority of additional work could be absorbed into existing staff training programmes. The Board of Directors approved the proposal.

Agenda Item 10 | BM12-13/030 | National Institute for Health Research (NIHR), Research and Development Operational Capability Statement and Research and Development Strategy

The Deputy Medical Director presented the above report and stated that it was the Trust's intention to increase and showcase research and development opportunities. The Director of Information assured members that a product was available within the Wirral Millennium system to support projects. Members discussed capacity for further innovative research projects

The Board of Directors approved the NIHR Research and Development Operational Capability Statement and the Research and Development Strategy.

Agenda Item 14 | BM12-13/034 | Health and Social Care Act 2012

The Board received a paper setting out the constitutional and procedural changes consequent upon the passing of the Health & Social Care Act 2012. The Board in particular noted the changes affecting the Board of Directors collectively and individually. The Board also noted that the implementation might need to be deferred while the appropriate Statutory Instruments were introduced, but that the Trust at the same time needed to be in a position to implement in a timely fashion some of the more public aspects of the changes. Accordingly the Board:

- Agreed to the establishment of a Joint Group of the Board and of the Assembly of Governors to consider and to make recommendations as soon as practical as to the changes to be introduced to our Constitution and to our procedures as a consequence of the Act, and that the Board's representatives of that Group should be the Chairman, the Deputy Chairman, Mrs Sue Green and Mrs Anne Parker.
- In order that Public Board Meetings might be held as soon as might be required, the Board agreed (voting 14 for, 0 against) that the Trust's Constitution be amended by the deletion of Para 5 of Annex 6 (with consequent re-numbering) and that Para 4.1 of Annex 8 be amended to read as follows:

Meetings of the Board of Directors will be open to members of the public unless the Board of Directors in its absolute discretion decides otherwise in relation to all or part of such meetings for reasons of commercial confidentiality or on other proper grounds. The Chair of the Board of Directors may exclude any member of the public from the meeting if they are interfering with or preventing the proper conduct of the meeting.

The Board noted that unless otherwise needing to be enacted, this amendment would be incorporated into the wider report of the Joint Group.

- Noted that it would be good practice for the Board to define outwith the Constitution the purpose of the provision to exclude members of the public. The Board therefore agreed to adopt the following principles:

The Board is committed to securing openness, transparency and accountability in the transaction of Board business. Equally it is proper and in accordance with Nolan Principles that the nature of some Board business should require that the Board meet in private.

The Board would only resolve to exclude the public where it considers it necessary and proportionate to do so.

Examples of such private business would include the care of one or more individual patients; disciplinary proceedings; matters of commercial sensitivity or subject to litigation; other information which, if it was to be the subject of a Freedom of Information Act 2000 request, would be exempt from disclosure, e.g. identifiable personal information.

Agenda Item 15 | BM12-13/035 | NHSLA Update

The Director of HR & OD presented an update on NHS Litigation Authority assessment of the Trust retaining level two, the requirements, criterion, levels of assessment, previous Trust performance and the current pre assessment evidence review. Plans and progress were discussed by members. The NHSLA assessment will be carried out 5 and 6 July 2012.

The Director of HR & OD provided feedback from a meeting held with the NHSLA Assessor. Nine standards had been reviewed and the case note audit discussed. The NHSLA Assessor had been satisfied that the evidence gathered was appropriate and highlighted areas of exemplary practice. The Director stated that the RAG rating of evidence to support retaining NHSLA level two was now more predominately 'green' but outlined a number of items that were still 'amber' or 'red'. The Board was pleased to note the progress that had been made.

Agenda Item 17 | BM12-13/037 | Update on Risk Management System

The Director of Information presented a report on the Trust's response to the KPMG Audit on the Risk Management System, which arose from the loss of data on the Risk Management System. This was a matter of great concern and therefore the Board was pleased to note that KPMG seemed broadly satisfied with the improvements made in response and that internal and external audit would be completing further reviews to provide further assurance. Nevertheless, there remained a considerable amount of work to be undertaken to re-define the Trust's relationship with a reconfigured WHIS and in developing appropriate and rigorous IT strategies.

Agenda Item 18 | BM12-13/038 | 18 Weeks Update

The Chief Operating Officer presented a report detailing the 18 weeks performance and action plan. Performance for April 2012 showed that all Compliance Framework 18 weeks targets were met. However, at a specialty level four Specialities had not met the Standard. Good progress had been made to improve performance and the additional role of Deputy Chief Operating Officer would assist with performance reviews and driving forward improvements. The Chief Operating Officer detailed staffing issues within the gastroenterology department and the impact on performance. The Board noted that improvements would become more sustainable in the long term as Consultants returned from sick leave and additional Nurse Endoscopists were trained.

The Chief Operating Officer confirmed that the Trust remained on plan to deliver the admitted and non-admitted targets at Trust level in May 2012. There were, however, a small number of Specialties where concerns remain. Plans were in place to build capacity where needed.

The Director of Information facilitated a presentation on the development of metrics for waiting list models in support of demand and capacity plans based on the national Intensive Support Team model. This provided a quantified method of assessing capacity and demand for a 12 month period to provide assurance on the sustainability of RTT performance. A paper would be presented to a forthcoming Board meeting to provide an overview of plans for the next 12 months.

The Board approved the 18 Week Action Plan.

Agenda Item 19 | BM12-13/039 | Intelligent Board Performance Report

The Director of Information presented the Intelligent Board Performance Report. In particular the Board noted that current A&E performance (excluding the Walk In Centre) was not meeting the target. The Chief Operating Officer explained the work being undertaken to improve performance and the Board discussed how the Trust was planning to deal with the likely challenges of the Jubilee Weekend. The importance of achieving compliance by the quarter end was emphasized.

The Director of Nursing and Midwifery outlined the interim measures that were being put in place to deal with the growth being experienced in non-elective activity and to improve patient flow and length of stay. Additional beds were being maintained for the present in order to give the system time to readjust sustainably. The additional cost would be met from contingency, which would have implications for the winter period should sustainability not be achieved. The Board asked for regular reports on this matter.

More generally, the Board discussed the importance of building on relationships with the CCGs, GPs and external agencies such as nursing homes and the ambulance service to improve patient care and patient flow.

Agenda Item 20 | BM12-13/040 | Financial Position 30 April 2012

The Director of Finance presented the financial position as at 30 April 2012 and noted it was a disappointing start to the financial year. The Trust had achieved plan in month one. However, this was only achieved through the use of £700k of the £3m mitigation resource to offset slippage against CIP. Income was above plan by £0.5m mainly from ITU and Orthopaedics, and there was income loss of £300k due to readmissions and new follow ups. Expenditure had exceeded plan by £1.2m due to CIP slippage and overspends on medical staffing and winter contingency wards remaining open. There was real concern over the Nursing overspends on wards 25 and 26 and HMB approved using £500k of the winter contingency budget for the wards to remain open until June and September respectively. The Director of Finance expressed concern that if current working on patient flows and bed management had not been completed and implemented before Autumn there is a risk that the Trust is back-loading financial pressures to winter.

The Director of Finance reported concern and disappointment with progress of CIP schemes. Progress on scheme identification had been good but execution had stalled over the last quarter of 2011/12. It was essential for the majority of CIP schemes to be fully implemented by July 2012 with Divisions needing to identify mitigation plans for any cash shortfalls.

The Board raised concerns regarding the Surgery Division CIP. The Director of Finance stated that delivery of CIP had marginally improved but there was still serious concern and the Division remained in Special Measures.

The Board also discussed the operational and CIP performance in Acute Care, and agreed to consider at its next meeting whether this Division needed to be placed in Special Measures.

The Director of Finance provided an update on the bids approved at the Capital Programme Board meeting held Monday 28 May 2012. Bids to improve quality and safety had been approved. Other bids were currently on hold until the financial position improved. The Chief Executive indicated the importance of creating a resource to support a long-term maintenance strategy.

The Director of Finance stated that unless there was an immediate improvement in our financial position then further rigorous action and specific control measures would need to be introduced.

The Board noted the financial position and the need to accelerate implementation of CIP schemes and the need for Divisions to tighten their financial control.

Agenda Item 11 | BM12-13/031 | Annual Plan 2012/13

An updated Forward Plan Strategy Document for 2012-13 was distributed at the meeting, picking up feedback from the Board of Directors following the circulation of the papers. Subject to minor typing errors the document was approved. A substantial discussion took place regarding the Governance Statement and the Targets and Indicators Declaration.

The Board went through each of the 16 elements within the Governance Statement and assessed its position. Agreement was reached to state “not confirmed” in relation to the following three statements:

6. The Board will ensure that the Trust remains at all times compliant with its Authorisation and has regard to the NHS constitution
8. The Board has considered all likely future risks to compliance with its Authorisation and has reviewed appropriate evidence regarding the level of severity, likelihood of a breach occurring and the plans for mitigation of these risks to ensure continued compliance
11. The Board is satisfied that plans in place are sufficient to ensure: ongoing compliance with all existing targets (after the application of thresholds) as set out in Appendix B of the Compliance Framework; and a commitment to comply with all known targets going forwards

In relation to the Targets and Indicators Declaration, the Board considered its current/historic performance and agreed actions plans as detailed in the Intelligent Board Report and the 18 Weeks Report. It was agreed that waiting times within A&E was the highest risk indicator, with performance in Q1 only just above target. The context to this, including the causes of delays and the actions in place to address/improve, had already been noted in previous discussions and was reiterated by the Chief Operating Officer. Having taken account of the current and expected situation relating to all the items within the Targets and Indicators Declaration the Board agreed to declare that none were at risk, with the exception of the known issue of an outstanding CQC Compliance Action (Medicines Management).

Agenda Item 21 | BM12-13/041 | HMB minutes 13 April 2012

Noted.

Agenda Item 22 | BM12-13/042 | Quality and Safety Committee minutes 11 April 2012

Noted.

Agenda Item 23 | BM12-13/043 | Audit Committee minutes 14 March 2012

Noted.

Agenda Item 24 | BM12-13/044 | Any other business

- The Board of Directors wished to pass on their thanks to David Rowlands for his time as Medical Director.
- The Board of Directors thanked Angela Wetton for her time as Corporate Secretary and wished her luck in her new role.

Agenda Item 25 | BM12-13/045 | Items for Risk Register

- The Chief Operating Officer to review risk rating relating to A&E performance compliance.
- Risk regarding the funding of winter contingencies to be added to the risk register.