

**BOARD OF DIRECTORS**

**MINUTES OF  
FORMAL MEETING**

**19<sup>TH</sup> DECEMBER 2012**

**BOARDROOM  
EDUCATION CENTRE  
ARROWE PARK HOSPITAL**

**Present:**

Michael Carr	Chairman
David Allison	Chief Executive
Cathy Bond	Non-Executive Director
Gary Doherty	Chief Operating Officer
Richard Dutton	Deputy Chair & Senior Independent Director
Russell Favager	Director of Finance & Procurement
Sue Green	Director of Human Resources & Organisational Development
Jeff Kozar	Non-Executive Director
Lyn Meadows	Non-Executive Director
Evan Moore	Medical Director
Anne Parker	Non-Executive Director
Jean Quinn	Non-Executive Director

**Apologies:**

Tina Long	Director of Nursing & Midwifery
Nick Williams	Non-Executive Director

**In attendance:**

Lucy Lavan, Associate Director of Governance  
Alistair Mulvey, Interim Director of Finance

Reference	Minute	Action
<b>BM 12-13/135</b>	<b>Apologies for Absence</b> As recorded above.	
<b>BM 12-13/136</b>	<b>Declarations of Interest</b> There were no declarations of interest.	
<b>BM 12-13/137</b>	<b>Minutes of the Previous Meeting (28<sup>th</sup> November 2012)</b> The minutes of the previous meeting were reviewed for accuracy.  The minutes of the meeting held on 28 <sup>th</sup> November 2012 were received, approved and signed by the Chairman.	
<b>BM12-13/138</b>	<b>Matters Arising</b> None.	
<b>BM12-13/139</b>	<b>Chairman's Business</b> The Chairman congratulated Gary Doherty on his appointment to the post of Chief Executive at Blackpool Teaching Hospitals NHS Foundation Trust. He welcomed Alistair Mulvey, Interim Director of Finance, and noted that it was Russ Favager's final Board meeting, expressing the Board's best wishes for Russ in his new role within the Local Area Team.  It was noted that Gary Doherty would shortly need to leave the meeting for a period of time to deal with a matter of strategic importance to the Trust.  The following Consultant appointments were noted:	

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	<ul style="list-style-type: none"> <li>• Dr Barbara Hammer – Consultant in Clinical Haematology</li> <li>• Miss Gillian Jackson – Consultant in Trauma and Orthopaedic Surgery (Foot and Ankle)</li> </ul> <p>It was noted that Jill Galvani had been appointed to the post of Director of Nursing and Midwifery and would join the Trust no later than 11<sup>th</sup> March 2013. Mark Blakeman had been appointed to the post of Director of Informatics and would take up post at the end of March 2013.</p> <p>The Monitor video conference scheduled for 10<sup>th</sup> December 2012 had been cancelled by Monitor and would now take place on 7<sup>th</sup> January 2013.</p> <p>It was noted that the Trust and Countess of Chester had jointly received the HfMA's Finance Efficiency Award for the Shared Microbiology Service.</p> <p>The following key diary dates were noted:</p> <ul style="list-style-type: none"> <li>• Special Members' Meeting on 8<sup>th</sup> January 2013 at 12.00 noon</li> <li>• McKinsey follow up review 15<sup>th</sup> – 17<sup>th</sup> January 2013</li> <li>• Board of Directors – 30<sup>th</sup> January 2013</li> <li>• Governor Workshop (joint meeting with Board of Directors) – 12<sup>th</sup> February 2013.</li> </ul>	
<b>BM12-13/140</b>	<p><b>Chief Executive's Report</b></p> <p>The Board received the Chief Executive's report, noting the following:</p> <ul style="list-style-type: none"> <li>• Installation of the new Da Vinci robot and training completed by two Urology consultants. The first patient was to be treated on 14<sup>th</sup> January 2013.</li> <li>• The re-structuring of the Urgent Care service to improve patient flow.</li> <li>• Receipt of the National Commissioning Board's initial guidance on Prescribed Services.</li> <li>• Update on the reconfiguration of the South Mersey Arterial Network.</li> <li>• Continued discussions with Liverpool Heart and Chest Hospital in respect of joint Cardiology provision.</li> <li>• Early discussions with the Walton Centre in respect of Rehabilitation Services.</li> <li>• Positive discussions with the Care Quality Commission in light of recent media coverage.</li> <li>• Good progress with the Listening into Action Programme</li> <li>• Progress with the development of clinical strategies to inform the Trust's strategic direction and annual plan.</li> </ul> <p>It was confirmed that the clinical strategies and enabling strategies would be aligned and presented to the Board on 22<sup>nd</sup> January 2013.</p> <p>The Chief Executive delivered a Powerpoint presentation on the three key operational priorities - CIP delivery, A&amp;E performance and patient flow.</p> <p>The Board discussed the operational pressures that had challenged the Trust in recent weeks and it was agreed that there would be provision for a longer discussion on patient flow and the impact of improvement work in</p>	

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	January 2013.	DA
<b>Strategy and Development</b>		
<b>BM12-13/141</b>	<p><b>PCIS Resilience</b> The Chief Executive explained the background and issues that had resulted in a delay in the rollout of Cerner and the consequential requirement to retain PCIS until 2015, some 8 years beyond the natural lifespan of the system.</p> <p>The Board discussed the risks associated with this issue and noted that the E Programme Group was evaluating options to ensure sustainability and resilience.</p> <p>An option appraisal would be brought to the Finance, Performance and Business Development Committee in February 2013.</p>	DA
<b>BM12-13/142</b>	<p><b>WEHS Progress against 2012/13 Plan</b> The Board received the report on the progress and work of the WEHS Team, noting also the positive impact of the Model Ward Programme.</p> <p>It was noted that the methodology and staff engagement process applied to the Bed Management project had been useful in helping to understand variation in demand and capacity at sub-specialty level.</p> <p>The unplanned flows work had identified a need to focus upon the length of stay of DME patients and this was consistent with feedback from staff who had participated in the 'Big Conversation'.</p> <p>A proposal to undertake a cost/benefit analysis of the investment in WEHS was supported.</p> <p>The need to consider the future direction for the WEHS Team in the context of the strategic plan, the PMO and how the Team would best support the operations of the Trust going forward was re-affirmed. This would be reviewed on 22<sup>nd</sup> January 2013.</p>	GD/RF  DA
<b>BM12-13/143</b>	<p><b>Strategic Vision and Objectives</b> The Board was appraised of the work in progress and noted the engagement of staff via the 'Listening into Action Programme' and also the engagement work with the Clinical Commissioning Groups.</p> <p>The work on the Clinical Strategies was now well advanced and had benefited from a public health perspective. Enabling strategies were being drafted by Executive Directors.</p> <p>The rapidly changing external environment and consequences for the Trust's strategy were discussed, notably the new emphasis of Commissioners on outcomes, rather than numbers; and a change in focus for the funding and management of long term conditions. It was anticipated that the basis for contracting would look very different in the future and the Trust would need to adapt to ensure that it was well placed to grasp the</p>	

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	<p>opportunities and confront the risks that lie ahead.</p> <p>The importance of the 'Listening into Action Programme' as a key vehicle for engaging staff was acknowledged.</p> <p>The work in progress would be collated and refined for presentation to and discussion with the Board in January 2013.</p>	DA
Performance		
<b>BM12-13/144</b>	<p><b>Dashboard</b></p> <p>The Board reviewed the revised dashboard on compliance targets and confirmed that the format and content was useful. The challenges around compliance with two targets – symptomatic breast cancer waiting time and A&amp;E 4 hours were discussed; all other targets remained low risk.</p> <p>A discussion followed around how comparative data might be utilised to better understand and challenge performance indicators, such as Length of Stay; and also consideration as to how the resilience of improvement measures might be tested. A note of caution in respect of adding too much data to the dashboard was expressed, but it was agreed that activity should be included as this was fundamental to the Trust's performance and set the context for many other indicators.</p> <p>The Board went on to discuss the proposal to establish a Programme Management Office (PMO) and how this would link with the Transformation Programme Group, E-Programme Group and WEHS. It was concluded that the Trust's strategy and underpinning clinical strategies must be clarified in order to inform the requirements and structures that would be needed to deliver improvement work. It was recognised however that key enablers such as a PMO would need to be progressed with some urgency to support the CIP challenge. It was noted that a holistic approach to service improvement must be developed and that progress will be reviewed at the Board Strategy Day in January 2013.</p> <p>The Medical Director presented proposals for a new Quality Dashboard discussing potential drivers for three 'big dots' – clinical effectiveness, safety and patient experience. The Board discussed the rationale for selection of each driver and some potential refinements were identified which would be tested and reviewed over time.</p> <p>The Board discussed at some length the measurement of medication errors as a driver for mortality and noted that the graph depicting MEWS scores was illustrative only and not based upon actual data.</p> <p>The value of measuring other indicators such as 'time to theatre' for fractured neck of femur was discussed.</p> <p>It was agreed that the dashboard would be reviewed in the light of the discussion and that proposed adjustments would be brought through Quality and Safety Committee for discussion and so that that Committee might give further consideration to the additional indicators it would wish to review. There would be opportunity for the Quality Committee and Groups</p>	GD

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	<p>to identify and measure a further range of indicators pertinent to their priorities.</p> <p>In respect of Patient Experience, the proposal that further thought be given to how the lowest performing areas identified from the national patient survey results might be measured was supported.</p>	EM
<b>BM12-13/145</b>	<p><b>Financial Position at 30<sup>th</sup> November 2012</b></p> <p>In addition to the written report, the Director of Finance delivered a Powerpoint presentation, highlighting that all key financial metrics were on target, with the exception of recurrent CIP. The Board noted the key expenditure variances and analysis of CIP slippage by Division. The key assumptions supporting the financial forecast were noted and it was anticipated that all targets would be met at the year end, despite a shortfall of approximately £2m on recurrent CIP. The Board emphasised the importance of maintaining CIP momentum both for this and future years.</p> <p>The Board noted the report.</p>	
<b>Governance</b>		
	<b>Governance Review:</b>	
<b>BM12-13/146</b>	<p><b>McKinsey Governance Review 2012 – Progress Report</b></p> <p>The Board considered the performance and progress of the Governance Action Plan. The Board approved a proposed RAG rating of the progress to date, noting that a number of ‘amber’ rated actions could be upgraded to ‘green’ if work presented to the Board were to be accepted.</p> <p>The Board discussed the item on the Action Plan relating to ‘CIP impact tracking’. It was noted that a CIP impact assessment process had been developed but that the Quality and Safety Committee had not yet had sight of this. It was agreed that this would be presented to the Quality and Safety Committee at its January 2013 meeting.</p> <p>The timeframe for establishing the PMO was discussed in the context of the need to gather pace on CIP delivery and it was agreed that a firm plan would be brought to the FPBDC in January 2013. The narrative within the Action Plan would also be refined to emphasise the role of the PMO in driving sustainability of CIP implementation going forward.</p> <p>In respect of the action relating to the Board Assurance Framework, it was requested that the narrative be updated to reflect the plans in place to develop a new framework for 2013/14 that will add greater value to the Board’s work.</p> <p>The Board gave consideration to the proposed Code of Conduct for Board Directors. It was recommended that Paragraph 7 be updated to make specific reference to the Bribery Act. Subject to this amendment the Code of Conduct was approved for adoption. It was agreed that all existing and new Directors would be required to formally sign up to the Code.</p>	<p>RF</p> <p>RF (AM)</p> <p>SG</p> <p>SG</p> <p>LL</p> <p>LL</p>
<b>BM12-</b>	<b>Governance Structure</b>	

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13/147	<p>The Board received the paper and noted an improved clarity around the distinction between Governance and Assurance and Performance Management.</p> <p>The Board supported the re-instatement within the structure of a Risk Management Group, at least throughout the duration of the transitional phase, during which further consideration would be given to the arrangements for operational risk management. The intent was to retain the strengths of the current risk management processes whilst ensuring effective governance via the Committee structure. It was noted that the Risk Management Group would be a smaller, more senior Group than the existing Corporate Risk Management Committee. The Group would comprise the Chairs of each Group within the structure and be supported by the Risk Management Team. It was requested that the reporting lines on the Structure chart be amended to reflect the bicameral risk escalation process to Board Committee level.</p> <p>The Board discussed the transitional arrangements as described in the paper and supported the recommendation that the Audit Committee undertake a review of the governance arrangements in their totality before making a recommendation to the Board in March 2013.</p> <p>Subject to the amendment described above, the Governance structure was approved.</p> <p>The Board reviewed the Terms of Reference for the FPBDC and the Quality &amp; Safety Committee. It was noted that the FPBDC's Terms of Reference would need to be amended at Section 9 to align with the Groups reporting to the Committee, as indicated on the Structure. The name of the 'CIP Management and Monitoring Group' was also to be amended to 'Finance Management Group'. It was noted that there should be consistency around the nomination of Deputies for each of the Committees. Subject to these amendments, the Terms of Reference for both Committees were approved.</p> <p>The Board discussed the fact that the Charitable Funds Committee does not currently provide reports to the Board and it was noted that the Audit committee is currently reviewing the governance arrangements surrounding charitable funds. The Terms of Reference for both Charitable Funds Committee and Remuneration and appointments Committee will be refreshed alongside the work on drafting Terms of Reference for the Groups.</p> <p>The Board noted the Performance Management structure and the transitional arrangements as outlined.</p>	<p>SG</p> <p>LL</p> <p>CB</p> <p>LL</p>
	<b>Quality &amp; Safety Committee:</b>	
BM 12-13/148	<p><b>Unapproved Minutes of the meeting held on 23<sup>rd</sup> November 2012</b> The unapproved minutes of meeting of the Quality and Safety Committee held on 23<sup>rd</sup> November 2012 were noted.</p> <p>It was noted that the Committee would be reviewing mortality, medicines</p>	

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	<p>management, ophthalmology and HR / OD in January 2013.</p> <p>The Board acknowledged the receipt of a letter from a complainant and it was confirmed that a full Board response was being prepared.</p> <p>Consideration would be given to patient and / or governor membership on the Quality &amp; Safety Committee and also to how the Committee will in future relate to the Council of Governors' Patient Experience Group.</p>	<p>DA</p> <p>JQ</p>
	<b>Finance, Performance and Business Development Committee:</b>	
<b>BM 12-13/149</b>	<p><b>Chair's Report December 2012</b></p> <p>The pressures on the future capital programme were highlighted in the context of a requirement to develop a Capital Investment Strategy which would need to consider new ways of financing.</p> <p>The pace of transformational change required to support future CIP delivery was highlighted and it was noted that KPMG would present to the FPBDC in January 2013 to stimulate thinking on this topic.</p> <p>The Committee had been pleased to note the proactive approach adopted by the Operations Team in anticipating and resolving recent operational challenges in a timely way.</p> <p>The Committee reviewed a Letter of Variation from Barclays Bank PLC (the "Bank") that was also tabled for Board Members. The Letter of Variation set out the amendments to the Trust's Working Capital facility agreement dated 30<sup>th</sup> March 2011 ("Letter of Variation"). The Letter of Variation reflected the fact that Monitor had on 23<sup>rd</sup> March 2012 declared the Trust to be in significant breach of its authorisation. It was resolved :</p> <ul style="list-style-type: none"> <li>i) That the amendments set out in the Letter of Variation are in the interests of and for the benefit of the Foundation Trust and are most likely to promote the success of the Foundation Trust that such terms and conditions of the Letter of Variation be and are approved and accepted.</li> <li>ii) That by entering into the Letter of Variation the Trust will not be in breach of its obligations pursuant to Section 44 of the National Health Services Act 2006, and the Foundation Trust will not use the Facility in such a way that will cause itself to breach its obligations pursuant to section 44 of the National Health Services Act 2006, or any condition of its Authorisation.</li> <li>iii) That the Chief Executive and Director of Finance are authorised to sign the Letter of Variation on behalf of the Foundation Trust, in their capacity as Board Directors to indicate acceptance of the terms and conditions.</li> <li>iv) That the Bank is authorised to act in all matters concerning the Facility as amended by the Letter of Variation upon instruction from the Foundation Trust signed in accordance with the Bank's mandate for any of the accounts of the Foundation Trust held with the Bank current from time to time.</li> </ul>	
<b>BM 12-13/150</b>	<p><b>Unapproved Minutes of meeting held on 23<sup>rd</sup> November 2012</b></p> <p>The unapproved minutes of the inaugural meeting of the Finance, Performance and Business Development Committee held on 23<sup>rd</sup></p>	

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	November 2012, were noted.	
	<b>Audit Committee:</b>	
<b>BM 12-13/151</b>	<p><b>Chair's Report December 2012</b>  The Board received the report and noted that the recent self-assessment exercise had identified scope for further improvement which would inform future developmental work.  Members of the Audit Committee would be setting aside time in January 2013 to develop a new Board Assurance framework that is usable and adds value.</p> <p>The urgent need to address the gap in Information Governance training before the end of March 2013 in order to ensure compliance at Level 2 with the IG Toolkit was highlighted. The Board received assurance from the Chief Operating Officer that the matter had been escalated and compliance would be achieved by the year end. It was noted that there was a tendency to catch up on training during Quarter 4 when the hospital is at its busiest and when there is difficulty releasing staff to complete the training. It was noted that there were plans in place to integrate the IG training within the Mandatory Training monitoring process to aid managers in forward planning and the phased release of staff.</p> <p>It was noted that a Board IG training session that is specific and relevant to the needs of Board members would be provided prior to 31<sup>st</sup> March 2013.</p> <p>The dates of forthcoming events and conferences as listed in the report were noted.</p> <p>It was noted that the Council of Governors had approved the Audit Committee's recommendation to extend the contract of the external auditor for a further 12 months up until December 2015.</p>	SG
	<b>External Assurances:</b>	
<b>BM 12-13/152</b>	<p><b>Q2 Feedback letter from Monitor</b>  The Board received the Q2 letter and high level summary of issues, noting that the format might be useful for synthesis with the new Board Assurance Framework or other purposes, including provision of assurance to the Council of Governors.</p>	
<b>BM 12-13/153</b>	<p><b>Board Action Log</b>  The introduction of a new process which applied greater rigour to the tracking of Board actions was proposed and the Board noted that this constituted an important part of the new Board Assurance process as the action log would be the primary tool used for tracking and ensuring the closure of gaps in assurance.</p> <p>The Board received the action log and confirmed that Actions 3, 6 and 7 had been acknowledged and progressed and could now be closed as no further direct assurance was required by the Board itself.</p> <p>Actions 4, 7 and 10 had been dealt with during the meeting and to the</p>	

Reference	Minute	Action
	<p>Board's satisfaction and would now be closed.</p> <p>The remaining actions would be reviewed at the appropriate due date.</p> <p>The Board supported the continued use of the new process and agreed that the standing item of 'Matters Arising' would no longer be required as all matters arising would in future be noted in the Action Log. The proposal that the action Log be taken at the end of the meeting was supported as this would enable the Board to determine whether the assurances received during the meeting were sufficient to justify the closure of certain actions.</p> <p>Following discussion it was also agreed that the receipt and approval of minutes of the previous meeting could be repositioned at the end of the agenda, prior to receipt of the Action Log.</p> <p>The Board noted that the standing item enabling the identification of new risks arising at the meeting be reinstated. The Board requested confirmation that the risk relating to the PCIS system had been assessed and noted on the Risk Register.</p>	EM
<p><b>BM 12-13/154</b></p>	<p><b>Date and Time of Next Meeting</b>                      Wednesday 30<sup>th</sup> January 2013 at 1pm, in the Boardroom, Education Centre, Arrowe Park Hospital.</p>	

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**Chairman**

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**Date**