

BOARD OF DIRECTORS

**MINUTES OF
FORMAL MEETING**

28TH NOVEMBER 2012

**BOARDROOM
EDUCATION CENTRE
ARROWE PARK HOSPITAL**

Present:

Michael Carr	Chairman
Cathy Bond	Non-Executive Director
Gary Doherty	Chief Operating Officer
Richard Dutton	Deputy Chair & Senior Independent Director
Russell Favager	Director of Finance & Procurement
Jeff Kozer	Non-Executive Director
Tina Long	Director of Nursing & Midwifery
Lyn Meadows	Non-Executive Director
Evan Moore	Medical Director
Anne Parker	Non-Executive Director
Jean Quinn	Non-Executive Director
Nick Williams	Non-Executive Director

Apologies:

David Allison	Chief Executive
Sue Green	Director of Human Resources & Organisational Development

In attendance:

Lucy Lavan, Associate Director of Governance
Paul Smyth, Lead Governor
David Steele, Governor
Ed Davison, Governor

Reference	Minute
BM 12-13/112	Apologies for Absence Apologies were received from David Allison, Chief Executive and Sue Green, Director of Human Resources & Organisational Development.
BM 12-13/113	Declarations of Interest There were no declarations of interest.
BM 12-13/114	Minutes of the Previous Meeting (26th September 2012) The minutes of the previous meeting were reviewed for accuracy. The minutes of the meeting held on 26 th September 2012 were received, approved and signed by the Chairman.
BM 12-13/115	Matters Arising The Board reviewed the action log, noting that all actions could now be closed with the exception of the following: <ul style="list-style-type: none"> i) The Board wishes to schedule a discussion on patient flow at a future development day (CEO / COO) ii) A statement is to be developed to describe the Trust's governance arrangements for future joint ventures (CEO) iii) The quality framework is to be reviewed and developed (DoNM) – this will be part of the follow-on work from the 'Boards on Board' Programme in Blackpool 5-6th November 2012 iv) Performance reporting is to be reviewed as part of the Governance Review considerations (CEO/COO) – again this is part of the follow on work from Blackpool.

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	<p>It was agreed that the Associate Director of Governance would agree delivery dates for these actions with the Chief Executive, and incorporate within a new action logging process, to be introduced as part of the developmental work on Board Assurance processes.</p>
<p>BM 12-13/116</p>	<p>Chairman's Business The Chairman welcomed Lucy Lavan to her first Board meeting since taking up post on 5th November 2012.</p> <p>The Board noted the following consultant appointments: Mr Muthukrishnan Ramakrishnan – Consultant in Trauma and Orthopaedics Dr Diane Barker – Consultant in Cardiology Dr Jonathan Cooper – Consultant in Geriatrics Dr Srinivasarao Babarao - Consultant Neonatal Paediatrician Mrs S Taher - Consultant in Obstetrics and Gynaecology with Special Interest in Fetal Medicine Mr Haris Khwaja - Consultant in General Surgery interested in Benign Upper GI Mr Jeremy Wilson - Consultant in General and Colorectal Surgery Dr Colin Morton - Consultant in Anaesthesia Dr Sheila Carey - Consultant in Anaesthesia Dr Alice Arch - Consultant in Anaesthesia Dr Saravanan Solai Dhanesekaran - Consultant in Anaesthesia Dr Carl Wright – Consultant in Critical Care and Anaesthesia</p> <p>The Board noted that the reasons for the large number of recent appointments were primarily due to the need to formally address capacity and demand issues and the fact that the age structure of the Consultant body is beginning to result in an increased number of retirements.</p> <p>The Chairman advised that the next meeting of the Board of Directors, scheduled for 19th December 2012 would now be a formal meeting.</p> <p>The next meeting of the Council of Governors would take place on Wednesday 12th December 2012 at 5.30pm.</p> <p>Provisionally, there would be a Members' meeting at 12.00 noon on Tuesday 8th January 2013 to seek approval for the proposed changes to the constitution. This was dependent upon the recommendations being supported by the Council of Governors on 12th December 2012.</p> <p>It was noted that the Council of Governors was reviewing its working arrangements in light of best practice guidance and as a result there are likely to be two joint Board and Council meetings each year. The first of these meetings would be held on 6th February 2013 3pm – 6pm, subject to the approval of the Council of Governors on 12th December 2012.</p> <p>The Board heard that strong shortlists had been secured for the posts of Director of Informatics and Director of Nursing and Midwifery, with interviews for both posts scheduled week commencing 3rd December 2012.</p>
<p>BM 12-13/117</p>	<p>Chief Executive's Report The Board received the Chief Executive's report, noting the following:</p>

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	<ul style="list-style-type: none"> • A favourable year end settlement on the 2012/13 contract with the CCG • Receipt of an Operating Brief relating to Prescribed Services • Update on 'Partnering for Value' in respect of vascular, cardiology and ongoing engagement with the Countess of Chester FT. • Discussions with Monitor for possible de-escalation following the planned follow up review by McKinsey, week commencing 14th January 2013. • Recent engagement with CQC at the Governor Development Day on 12th October 2012. • Commencement of the 'Big Conversations' as part of the 'Listening into Action' programme. • Updates on executive-led work to develop the trust strategy and governance arrangements. • Feedback on the Board Development 'Boards on Board – From the Top' programme (Blackpool 5-6th November 2012) and proposed action plan. • Update on Wirral Health Informatics Service and reflection on the presentation and discussion that had taken place at the recent meeting of the Finance, Performance and Business Development Committee. • Executive Director changes and confirmation that the Interim Director of Finance is likely join the trust in early December 2012. • Approval of the 2012/13 Influenza Plan by the HMB on 16th November 2012. <p>The Board received a presentation on the key themes and learning from the recent 'Boards on Board' programme.</p> <p>The importance of maintaining the momentum on learning from Blackpool was recognised and the Board expressed a wish to review the results of the pre-conference questionnaire which had revealed some notable differences in the perceptions of Executives and Non Executives in relation to the way in which quality and safety are ensured.</p> <p>The Board also wished to explore the possibility of inviting one or more of the speakers from Blackpool to work with the Board on articulating its ambitions for quality and safety. The Chief Operating Officer agreed to explore the feasibility of this with David Fillingham, Director of AQUA.</p> <p>The Board noted that immediate work was underway to develop a dashboard for the remainder of 2012/13, in place of the 'Intelligent Board' report. This work would be developed further to construct a strategic dashboard for 2013/14, once work on key strategies concludes, enabling the definition of a number of 'big dots'.</p> <p>The Board went on to discuss the progress made in developing the Trust's clinical strategies and strategic plans. It was agreed that there would be value in scheduling a date in January 2013 for the Board to spend time on the integration of individual strategies into a medium term Strategic Plan with associated medium term plans for such matters as CIP progress and capital planning.</p> <p>The Board discussed progress with implementing the changes to the Vascular Service. It was noted that there were a number of operational and financial challenges to be addressed. The Board also noted the need to ensure that the clinical model being developed and upon which the public consultation was based would be accommodated within the specification for Vascular Services now being developed by national commissioners.</p>

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	<p>It was noted that the new Chief Executive of the Countess of Chester NHS Foundation Trust is not yet in post and that it will be important to forge a good working relationship at the earliest opportunity.</p>
Strategy and Development	
<p>BM 12-13/118</p>	<p>The Da Vinci Surgical system</p> <p>The Board approved the business case to purchase a Da Vinci robot at a capital cost of £1.5m and ongoing annual revenue cost of £500k; comprising £300k additional capital charges, £140k annual maintenance and £60k operational costs.</p> <p>The Board noted the key benefits including quicker recovery time for patients and increased productivity resulting in shorter lengths of stay.</p> <p>A training programme will be put in place, initially for urologists and colorectal surgeons such that the benefits will start to be realised as soon as practicable in 2013/14.</p>
<p>BM 12-13/119</p>	<p>Proposal for Upgrade of Key Trust Facilities</p> <p>The Board considered a proposal to commit £1.4m capital towards the 'First Impressions' programme, involving the upgrade of the Main Entrance, ambulance lounge and outpatient facilities. Provision had been made within the Main Entrance upgrade, to relocate the Executive offices, given the unsuitability of the current location and ambition to make the Board more visible and encourage greater engagement with clinicians and staff.</p> <p>The Board engaged in a lengthy discussion about the timing and necessity to invest in the relocation of the executive offices, given other priorities and noted that the cost of this part of the scheme was approximately £400k.</p> <p>The Board noted that the present location of the offices arose from an urgent need to relocate to permit the provision of the SEAL Unit, and that there are a number of options for accommodating groups of staff in the vacated D Block, including the possible future demolition of C Block and consequential opportunity to improve traffic flow and parking facilities. However, no firm proposals had been drawn up at the present time.</p> <p>The Board sought assurance that there had been full engagement of senior clinical and other staff in the plans as well as consultation with Governors, given the plan to re-provide the Membership Office, adjacent to the new Executive suite. This was confirmed, the Board noting that plans had been discussed at recent meetings of the Hospital Management Board and Governors' Forum.</p> <p>It was noted that it was difficult to contextualise the plan in isolation from the longer term estates strategy, which would no doubt provide for further continued investment in clinical areas. However, the proposal provided an opportunity to accommodate new Executive offices as part of the Main Entrance scheme. The Board noted that it would be more costly and disruptive to defer this element of the scheme for a later date.</p> <p>After fully debating the possible consequences in terms of perception of staff and others arising from a decision to invest in new executive accommodation and also the opportunity costs associated with the capital commitment, the Board approved</p>

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	<p>the full scheme, at a cost of £1.4m.</p> <p>Nick Williams, Non Executive Director expressed his wish to have recorded that he supported the scheme but only with the exclusion of the element relating to the re-provision of the Executive offices.</p> <p>The Board discussed the tendering processes and requested that bids be invited for the full scheme, in addition to individual bids for each element. This way, there would be assurance that any potential benefit from economies of scale had been considered.</p>
<p>BM 12-13/120</p>	<p>Nurse Staffing</p> <p>The Board received a presentation from the Director of Nursing and Midwifery, which set the context for a future business case for investment in nurse staffing; this was being compiled for consideration by the Finance, Performance and Business Development Committee in January 2013.</p> <p>The Board expressed a requirement for the nurse staffing plan to be aligned to the clinical strategy and noted that in addition to headcount to match acuity and improve nurse:patient ratios, consideration was being given to skills and in particular, roles for Specialist Nurses and Advanced Nurse Practitioners.</p> <p>The impact of the forthcoming 'Francis 2' report was discussed, and it was noted that the labour supply could be affected if other providers reacted by commencing recruitment soon after publication.</p> <p>Whilst confirming an absolute commitment to ensuring a proper establishment and skill mix, the Board discussed the investment challenge this would represent in the context of the need to identify recurrent CIPs at 5% per annum. This further emphasised the need for a programme of transformational change, with a focus on increased productivity and reduced length of stay as a result of new models of care. Reference was made to the earlier commitment to re-examine patient flow and the impact of this on productivity.</p> <p>The Board thanked the Director of Nursing and Midwifery for the presentation.</p>
Performance	
<p>BM 12-13/121</p>	<p>Intelligent Board</p> <p>The Board noted the report and supported the introduction of a new dashboard from December 2012 onwards.</p> <p>A discussion followed around the compliance issues which had been reviewed in detail at the Finance, Performance and Business development Committee.</p> <p>The Board noted an improvement in the AED target and the positive impact of 7 day working which had resulted in a significant increase in discharges at weekends, relieving the pressure on availability of beds.</p> <p>A recent SHA benchmarking report had shown that the Trust was now in the mid range in respect of AED treatment times.</p> <p>Further improvement is expected as a result of changes made to improve patient flow in respect of the Primary Care Admissions Unit and management of patients on</p>

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	<p>specialty wards.</p> <p>The Board noted that the 18 week RTT target had been met in October 2012 and was forecast to be met in November 2012.</p> <p>It was also noted that the 2 week cancer target was becoming a greater challenge and that this should be alleviated by the new consultant appointments.</p>
<p>BM12-13/122</p>	<p>Financial Position at 31st October 2012</p> <p>The Board received the financial report, noting that the Trust remained on course to deliver the financial plan, albeit with a potential shortfall on recurrent CIP.</p> <p>The need to gather pace in establishing CIP schemes for 2013/14 and beyond was emphasised, particularly given that implementation plans would need to be put in place prior to the start of the new financial year.</p> <p>The Board acknowledged the need to plan for CIP over a longer time-span, perhaps three years, with the consequential need for transformational plans on an extra-divisional scale.</p>
<p>BM 12-13/123</p>	<p>Reporting Mortality – A Comparison of Methods</p> <p>Following a previous request from the Board, a paper was presented to enable a greater understanding of how mortality was recorded and reported.</p> <p>As a result of the change from CHKS to Dr Foster, there would be a move away from RAMI (Risk Adjusted Mortality Index) to HSMR (Hospital Standardised Mortality Rate) as a measure of mortality, and hence clinical effectiveness.</p> <p>The Board noted that as well as improving the ease in which benchmarking data can be obtained, mortality would be measured in real time and at consultant and specialty level, directly informing the consultant appraisal process.</p> <p>The value in also measuring raw mortality data was noted as this allows a clear distinction between improvements in care and improvements in coding.</p> <p>The Medical Director outlined plans to identify mortality as a ‘big dot’ for the strategic dashboard, enabling a range of drivers to be measured and refined over time.</p> <p>The Board discussed the trends observed noting that seasonal factors and rebasing of risk adjustments can contribute to fluctuations in mortality.</p> <p>The Board noted the report.</p>
Governance	
<p>BM 12-13/124</p>	<p>Health and Social Care Act 2012 Report of the Joint Working Group</p> <p>The Chairman presented the report of the Joint Working Group, taking the Board through the proposed changes to the Constitution which would meet the new requirements of the 2012 Act. He advised that opportunity had been taken to review other aspects of the Constitution, most notably the size and composition of the Council of Governors to bring this into line with recognised best practice; and other changes that would remove repetition and the rules surrounding the initial</p>

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	<p>establishment of the Foundation Trust, along with removal of non-essential elements that would be better placed outside of the Constitution, in a Corporate Governance Manual.</p> <p>The Board noted that there remain certain aspects that the Working Group was not yet ready to reach a decision on, most notably the definition of Significant Transactions.</p> <p>The Board then discussed the basis of the current process for amending the Constitution and the additional powers currently afforded to Members, over and above that defined in the Act, noting that one member of the Working Group did not support the removal of these powers.</p> <p>The Chairman addressed some points of fact raised by members of the Board and referred the Board to the tracked changes highlighting the proposed amendments to the Constitution, as indicated in red marking. He proceeded to ask for a show of hands in favour of the following proposals:</p> <ul style="list-style-type: none"> i) Amendment of Paragraph 40 (Amendment of the Constitution) - unanimously supported; ii) Reduction of size of the Public Constituency (Annex 1) and associated transition plan – unanimously supported; iii) Extension of geographical boundary of Public Constituency to include North West and North Wales (including Ellesmere Port), better reflecting patient flow (Annex 1) – unanimously supported; iv) Representation of Staff Governors to remain unchanged but with removal of the present distinction between Arrowe Park and Clatterbridge in respect of the two seats assigned to Registered Nurses and Midwives – unanimously supported; v) Reduction in size and composition of Stakeholder Governors – unanimously supported, vi) Reduction in quorum for Council meetings to eight Governors, including five from the Public Constituency – unanimously supported vii) All other constitutional changes shown as tracked changes (red) to align with Act, reflect best practice and re-position / remove outdated or repetitious clauses – unanimously supported. <p>It was also agreed that the planned changes to the composition of the Council would benefit from an equality impact assessment</p> <p>The proposals would now be put to the Council of Governors on 12th December 2012, and if supported, a Special Members’ Meeting would be called on 8th January 2013 in order that the amendments can be presented to Monitor in March 2013.</p> <p>The Board confirmed that the Working Group would remain in place to give further consideration to the definition of a Significant Transaction and to consider any further recommendations concerning the composition of the Council.</p> <p>The Chairman paid tribute to the Working Group which had worked hard and effectively in leading the work to reconfigure the size and composition of the Council.</p>
<p>BM 12-13/125</p>	<p>Board Assurance Framework 2011/12 and 2012/13 The Board confirmed its understanding of the assurance processes that have been in</p>

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	<p>place throughout 2012/13 and that these have provided reasonable assurance, primarily to the Audit Committee, on the effectiveness of the system of internal control to manage the organisation's principal risks.</p> <p>The Board discussed an ambition for a new Board Assurance Framework for 2013/14 that would add greater value to the Board's work and drive the Board agenda. It was agreed that this work would be progressed by the Associate Director of Governance, in consultation with the Audit Committee in readiness for 2013/14.</p> <p>The Board approved the revised 2012/13 Board Assurance Framework and Quarter 2 progress report.</p> <p>The Board requested that consideration be given to potential overlap between the Quality & Safety and Finance, Performance and Business Development Committees and any new responsibilities required of these Committees in respect of the 2012/13 BAF.</p> <p>It was also requested that the significant risk involving Board turnover of approximately 50% over the next 6 months be given prominence in the 2012/13 Board Assurance Framework.</p> <p>It was agreed that a Quarter 3 update will be brought to the Board in January 2013 and a closing 2012/13 report will accompany the new 2013/14 Board Assurance Framework for the Board's approval in March or April 2013.</p>
<p>BM 12-13/126</p>	<p>Proposed Governance Structure</p> <p>The Board discussed the proposed Governance arrangements and approved the Committee structure, subject to some minor presentational changes.</p> <p>It was requested that consideration be given to whether there are any further groups or committees in existence that need to be incorporated into the structure.</p> <p>The Board noted that the current Risk Management Committee would cease to exist. The Risk Management Team would continue to coordinate all risk management activity but would refer risks to the appropriate Group for review. The Risk Management Strategy would be revised to reflect this new practice and to describe the escalation process whereby the Board Committees would review risks scored at 15 or above. This was supported.</p> <p>The Board noted the existence of a NED-chaired Security Group that currently reported into the Audit Committee and requested that the necessity for this group and its positioning within the structure be clarified. The same being applicable to the Staff Partnership Group.</p> <p>It was noted that the chart describing Executive Director accountabilities is not comprehensive and should be seen as illustrative of the reporting arrangements and not for approval.</p> <p>The Board then turned to Section 6 in the report to consider the principles that would inform the drafting of Committee and Group Terms of Reference.</p> <p>It was agreed that the Chair of the Quality and Safety Committee should be a member of the Finance, Performance and Business Development Committee.</p>

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	<p>It was agreed that it would be good practice for all Non Executive Directors to receive the agenda and papers of each of these Committees as a matter of routine.</p> <p>Draft Terms of Reference for the Committees and Groups would be brought to the December meeting of the Board for consideration.</p>
BM 12-13/127	<p>Health and Safety</p> <p>The Board reviewed the paper and noted that it would be helpful to understand the current position in respect of compliance with the wider Health and Safety requirements (i.e. those elements that are not assured through e.g. the NHSLA assessment process) and to have sight of a plan of work for 2013.</p> <p>It was agreed that the Chairman would discuss this with the Chief Executive and consider the value of commissioning some external review.</p>
	<p>Quality & Safety Committee:</p>
BM 12-13/128	<p>Chair's Reports: October 2012 and November 2012</p> <p>The Board received the reports, noting in particular the value of the new RCA trend analysis and some improvement in the efficiency of the Ophthalmic service as evidenced through the Service Line Reporting process.</p> <p>The Board noted the reports.</p>
BM 12-13/129	<p>Minutes of meetings held on 12th September 2012 and 17 October 2012</p> <p>The minutes of meetings of the Quality and Safety Committee held on 12th September 2012 and 17th October 2012 were noted.</p>
	<p>Finance, Performance and Business Development Committee:</p>
BM 12-13/130	<p>Chair's Report November 2012</p> <p>The Board reflected on the Committee's discussions in respect of delegated authority to approve new investments and agreed that the Committee would approve schemes valued within the range £250k - £1m non-recurrent or £250k per annum - £1m per annum recurrent, whilst also taking responsibility for making recommendations to the Board in respect of schemes with a value exceeding £1m.</p> <p>This arrangement would remain in place until at least March 2013, in recognition of the fact that there was currently no substantive Head of Procurement in post. The Board may then wish to review in light of practice.</p> <p>The Director of Finance was asked to draft a form of words to incorporate into the Terms of Reference to define this range of delegated authority in such a way that the ruling does not interfere with the course of normal business.</p> <p>It was confirmed that the Committee had received assurance in respect of the sustainability of compliance targets and had discussed at length the need to gather pace in the identification of recurrent CIPs for 2013/14.</p> <p>The Board noted that the Committee had reviewed the good work of the Business Development Unit (BDU), and had supported the extension of its remit in respect of a</p>

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	<p>strategic marketing role. The BDU currently had oversight of two commercial bids and was beginning to gain strength in its role around identifying opportunities and supporting the compilation of bids for new services.</p> <p>It was noted that casenote coding will be fully implemented by April 2013.</p> <p>The Board was briefed on a presentation delivered by the Managing Director of the IT Shared Service for Cheshire and Wirral. The discussions had included consideration of the KPMG review, highlighting a significant deficit in the Trust's IT infrastructure. This posed a significant risk around the suitability of the IT network and a major financial challenge, highlighting the importance of making a strong appointment to the post of Director of Informatics.</p> <p>It was noted that proposals, for example concerning remote hosting, would be brought to the Board for consideration in December 2012.</p> <p>The Chair of the Committee advised that he had requested a quarterly report from the Capital Monitoring Group in order that the Committee might be appraised of ongoing capital commitments in the wider context of the need for significant IT investment.</p>
BM 12-13/131	<p>Unapproved Minutes of meeting held on 25th October 2012 The unapproved minutes of the inaugural meeting of the Finance, Performance and Business Development Committee held on 25th October 2012, were noted.</p>
	Audit Committee:
BM 12-13/132	<p>Unapproved Minutes of meeting held on 20th September 2012 The unapproved minutes of the meeting of the Audit Committee held on 20th September 2012, were noted.</p>
	Hospital Management Board:
BM 12-13/133	<p>Minutes of meetings held on 7th September 2012, 21st September 2012, 5th October 2012 and 19th October 2012 The minutes of the meetings of the Hospital Management Board held on 7th September 2012, 21st September 2012, 5th October 2012 and 19th October 2012, were noted.</p>
BM 12-13/	<p>Date and Time of Next Meeting Wednesday 19th December 2012 at 1pm, in the Boardroom, Education Centre, Arrowe Park Hospital.</p>

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Chairman

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Date