

BOARD OF DIRECTORS

**MINUTES OF
FORMAL MEETING**

30th January 2013

**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
Sue Green	Director of Human Resources & Organisational Development
Jeff Kozer	Non-Executive Director
Lyn Meadows	Non-Executive Director
Tina Long	Director of Nursing & Midwifery
Evan Moore	Medical Director
Alistair Mulvey	Interim Director of Finance
Anne Parker	Non-Executive Director
Jean Quinn	Non-Executive Director
Nick Williams	Non-Executive Director

Apologies:

In attendance:

Lucy Lavan, Associate Director of Governance
David Hounslea, Director of Estates (Item 5.3 only)
Gary Lewis, Estates Officer (Item 5.3 only)
Martin Wilson, McKinseys
Nick Patterson, McKinseys

Reference	Minute	Action
BM 12-13/155	<p>At the start of the meeting the Board listened to a patient story</p> <p>Apologies for Absence None.</p>	
BM 12-13/156	<p>Declarations of Interest There were no declarations of interest.</p>	
BM12-13/157	<p>Chairman's Business The Chairman welcomed Martin Wilson and Nick Patterson from McKinseys who would be observing the meeting.</p> <p>The following consultant appointment was noted:</p> <ul style="list-style-type: none"> • Dr Moulinath Banerjee- Consultant in Diabetes <p>The Chairman reported on the annual unannounced visit on 22nd – 23rd January 2013 by the Care Quality Commission. The Inspection Team had visited Maternity, Coronary Care, Ward 32 and Ward 25 (Winter Ward) and had focused on patient care, safeguarding, record keeping, staffing and medicines management. There had been very positive feedback from patients and relatives during the visit. Some shortfalls in record keeping had been identified and the Trust had provided evidence of improvement</p>	

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	<p>work in progress. The formal report would follow within the next week.</p> <p>It was announced that there would be a formal meeting of the Board of Directors on 27th February 2013, starting at the later time of 2.00pm.</p> <p>Other key diary dates for note were the Governor Workshop on Tuesday 12th February 2013 at 3.00pm and the Council of Governors meeting on Wednesday 13th March 2013 at 5.30pm.</p>	
BM12-13/158	<p>Chief Executive's Report</p> <p>The Board received the Chief Executive's report, noting the following:</p> <ul style="list-style-type: none"> • Contract negotiations for 2013/14 were underway with Wirral CCG with a target sign off date of 15th March 2013. It was noted that there was little detail at this stage but that the Trust had responded to draft contracting principles issued by the CCG. It was noted that the National Planning Guidance had set out a requirement for CCGs to align their priorities with those of Foundation Trusts. • Promotion of the new Digital Breast Screening Service and Da Vinci Robot • The Trust had retained its accreditation with Investors In People. The Board then referred to the Listening Into Action report and discussed staff feedback as outlined in the 'pulse check' along with the schedule of 'Quick Wins', 'Enabling Our People' and 'First 10 Teams'. A synopsis of expected benefits and timeframes was requested. • GP engagement work including plans for 'Start of Year' Conference in April 2013. • Update on 'Partnering for Value' including work with Liverpool Heart and Chest Hospital on the Cardiology pathway and dialogue with the Chief Executives of Countess of Chester, the Walton Centre and Cheshire & Wirral Partnership • Successful joint tender with the Community Trust and Brook Advisory Service for the provision of sexual health services. • Recommendation from the Health Board in Wales around provision of the Neonatal Level 3 service. • Work with McKinsey was nearing completion to support their final report and recommendations to Monitor. • A summary of current consultations relating to FT sector regulation and other key publications. 	SG
Strategy and Development		
BM12-13/159	<p>Vascular Reconfiguration Update</p> <p>The Board noted the publication of the national specification for vascular services and the outcome of the review of the public engagement process.</p> <p>Compliance with the national specification would result in all inpatient vascular work transferring to Chester (approximately 300 patients p.a.). Day case, vascular access, diagnostics, out patients and non complex work would remain at Wirral.</p>	

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	<p>The Board discussed the potential impact of loss of vascular inpatient activity and consequences for associated specialities, noting in particular the need to retain both high quality interventional radiology services with effective vascular support and the specialties required to meet the criteria for trauma unit status.</p> <p>It was noted that all vascular surgeons were fully engaged in the change process and establishment of clinical models to support the new configuration, as were the clinical leads of the associated specialties, including trauma, stroke and renal.</p> <p>In reviewing the Board's original response (15th September 2011), to the regional vascular review and the conditions stipulated, it was noted that although the scope of the work to be carried out at the designated Arterial Centre had been extended via the national specification, the Board's requirements remained broadly valid, in that the service changes proposed were in the best interests of patients, and that the determination to retain related services remained.</p> <p>The Board noted the current status regarding vascular reconfiguration and gave approval to the executive team to relax previously stated conditions where this was necessary to comply with national requirements.</p> <p>A discussion followed around the future implications for other services in the context of the organisational relationship that had been formed between the acute hospitals in Wirral, Chester and Warrington. The Board resolved that the Trust was well positioned to retain the excellent services provided in Wirral and would continue to seek to ensure the best possible services for Wirral patients, irrespective of the provider.</p>	
<p>BM12-13/160</p>	<p>Anticipating the Francis Inquiry Report – Lessons to be Learnt</p> <p>The Director of Nursing presented a paper and led a discussion on what the anticipated second Francis report is likely to recommend along with the Trust's preparedness and response to the expected issues that will be raised. She emphasised that the views presented represented her own thoughts along with reading and research that she had undertaken. The likely publication date would be 6th February 2013.</p> <p>The discussion focussed upon embedding the Patient Voice, embedding and strengthening leadership across all parts of the organisation, standards for safety and quality, safe staffing and developing a culture of compassionate care.</p> <p>The recommendation that once the report is published, MIAA be asked to undertake an audit against the recommendations for the Quality and Safety Committee was supported.</p> <p>The Board paid recognition to the fact that strong systems had been established upon which progress could be measured and also gave consideration to the likely impact of public reaction to the report.</p> <p>It was confirmed that preparatory work to respond to media coverage was underway and that the Trust would engage actively with LINKs and other</p>	<p>AM</p>

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	<p>patient / carer organisations at this time.</p> <p>The Board noted the challenge to identify effective indicators of compassionate care and emphasised that compassion must be demonstrated by all staff groups, and not be seen to be confined to the domain of nursing. The leadership programme, recruitment and appraisal processes would support this.</p> <p>The Board recognised the value of this discussion and agreed to consider the key issues following publication of the report in February 2013.</p>	TL
BM12-13/161	<p>Carbon and Energy Fund Business Case</p> <p>David Hounslea and Gary Lewis were in attendance for this item.</p> <p>The Board received the business case and noted that this had been reviewed by the Finance, Performance and Business Development Committee (FPBDC) where it had been supported subject to further clarification in a number of areas. The Chair of the Committee took the Board through the points of clarification, as follows:</p> <ul style="list-style-type: none"> • With reference to the table on Page 41, it was confirmed that there was some data missing and that three possible options had been considered for each contractor. The preferred contractor's bid had been adjusted to exclude 'STOR' for comparability and was a valid bid. • It was confirmed that financial due diligence had been undertaken at a national level under the terms of the National Framework by both the NHS Carbon Energy Fund and by the Co-Operative Bank. • There had been further consideration of risks relating to energy tariffs over the 15 year life of the contract. Energy cost projections up to 2030 published by the Department of Energy and Climate change indicated that gas prices would inflate by at least 5% and electricity prices at least 40%; there was negligible risk that tariff prices would deflate and therefore that the fixed energy price imposed on the Trust over the period of the contract would remain good value. • In terms of impact on the Prudential Borrowing Limit, it was confirmed that whilst the Trust has significant headroom, the scheme would be accounted for 'off balance sheet'. • The preferred supplier had generated a relatively low score for project management during the evaluation and the Estates team had been requested to monitor this closely once implementation commences. • It was confirmed that the Trust would not be in breach of the restrictions under the scheme to the provision of services to third parties in accommodation not owned by the Trust. <p>The business case was approved to proceed to legal sign off. The legal documentation would be brought to the Board.</p>	GD (DH)
Performance		
BM12-13/162	<p>Dashboard</p> <p>The Board received the compliance dashboard and discussed further measures that had been put in place to enhance patient flow, respond to</p>	

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	<p>winter pressures and maintain the AED target. It was noted that the hospital had been extremely busy throughout December and January and exacerbated by closure of wards and restricted visiting at times due to norovirus.</p> <p>The 18 week target had been met at Q3, although within the overall Trust position, two specialties (respiratory and ophthalmology) had not met the 18 week standard.</p> <p>The data presented showed compliance with all mandatory targets to the end of December 2012 and it was anticipated that the hospital would remain busy throughout Quarter 4. Whilst winter pressures posed some risk to continued compliance for example the AED target, January looked to be on track and continued work to improve flow, including introduction of 'Surgeon of the Week' provided confidence that targets would be maintained going forward.</p> <p>The Board then reviewed the quality dashboard in some detail, noting work in progress to identify further metrics and to further enhance the report.</p>	
<p>BM12-13/163</p>	<p>Financial Report at 31st December 2012 The Board received the report noting the current and forecast financial position against the key performance metrics.</p> <p>A surplus of £1.1m at 31st December 2012 had been achieved; there was significant over-performance on activity (£11m) and budgetary overspend of £8.5m due to a combination of the excess activity and other budgetary pressures.</p> <p>It was noted that there had been discussion at FPBDC concerning the financial performance of the Surgical Division and the need for a more detailed understanding of the issues that this Division faced. It was agreed that a report would be provided for the next FPBDC meeting.</p> <p>The need to provide greater clarity around the funding of additional income and enable increased ownership of income as well as expenditure for Divisions was recognised.</p> <p>A discussion followed around the penalties for readmissions and scope for local agreement of exclusions. This would provide further impetus for coordinated provision of care across the health economy.</p> <p>There remained a risk of a shortfall on recurrent CIP (£1.5- 2m) that may carry forward to 2013/14 highlighting the need to accelerate delivery of CIPs. The Board emphasised the importance of making every effort to avoid any in-year shortfall in CIP, and of making good progress in planning CIPs for 2013/14 as early as possible.</p> <p>It was noted that the FPBDC had considered options for allocation of CIP targets to Divisions in 2013/14.</p> <p>All Monitor financial metrics, current and projected to year end remained green rated.</p>	<p>AM</p>

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	The Board noted the report.	
BM12-13/164	<p>Financial Planning for 2013/14 The Board received the paper and discussed the financial outlook in the context of the new commissioning arrangements and progress with contract discussions; the 2012/13 forecast outturn and implications for 2013/14; budgetary assumptions; likely CIP requirement; capital requirements and clinical strategy implications.</p> <p>Progress with establishment of a PMO was discussed with key benefits being the provision of robust systems to plan and track execution of CIPs and creation of capacity and knowledge transfer to support Divisions in generating ideas and then the planning and delivery of schemes.</p> <p>The uncertainty around the 2013/14 contract due to new commissioning structures and lack of clarity around the definitions of specialist services and services to be commissioned by the new CCG was noted.</p> <p>The Board noted the report.</p>	
BM12-13/165	<p>Monitor Q3 Board Statements The Board referred to the previous reports on compliance and also cross – referenced the Report of the Chair of FPBDC, before approving the Board’s self-certification of the statements required by Monitor in support of the Q3 monitoring return which would be submitted on 31st January 2013.</p>	
Governance		
BM12-13/166	<p>Board Assurance Framework 2012/13 – Q3 Update The Board received the Q3 BAF Update noting the following;</p> <ul style="list-style-type: none"> • Reduction of risk scores where likelihood of risk is diminished as a result of action: <ul style="list-style-type: none"> - Risk 15 - all compliance targets achieved and actions in place to sustain, therefore the risk rating had been reduced from 15 to 12. The residual risk related to the fact that the Trust has not yet been de-escalated from significant breach. - Risk 21 – risk score reduced from 16 to 12 in recognition of the progression of the ‘Listening into Action’ programme; and of the establishment of new governance and performance management structures. • Addition of risk relating to the turnover in executive leadership (Risk 31). • Requirement to reflect a new risk identified at FPBDC concerning the turnover in senior finance team and consequential loss of skills and history relating to the FT process; as well as potential delay to the commencement of the PMO. • Requirement to more prominently highlight the risk associated with the Cerner contract within the BAF. <p>The Board noted progress in the development and design of a new BAF</p>	<p>LL/AM</p> <p>LL/DA</p>

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	<p>for 2013/14 that will add value to the work of the Board and actively drive the Board agenda as well as providing greater clarity on what the Board requires of the Executive Team in respect of assurance. The initial work had been undertaken by a working group comprising three Non Executive Directors, the Associate Director of Governance and the Director of Internal Audit. The next steps include engagement of the executive team, evaluation by the full Board in February, review by the Audit Committee on 5th March 2013 and approval and adoption by the Board at its March 2013 meeting.</p>	LL
	Quality & Safety Committee:	
BM 12-13/167	<p>Chair's Report – January 2013 The Chair of the Quality & Safety Committee presented the report of the Committee.</p> <p>A discussion followed in relation to the CIP impact assessment process and it was clarified that the role of the Q&S Committee was to seek assurance that the process around quality impact assessment of CIPs was adhered to.</p> <p>In relation to the item in the report on progress towards NHSLA Level 3, it was noted that the Maternity service would be assessed for Level 2 in February 2014 (not 2013 as stated).</p> <p>The Board noted the report.</p>	
	Finance, Performance and Business Development Committee:	
BM 12-13/168	<p>Chair's Report January 2013 The Board received the report, noting that Item 1 had been taken into account in the consideration of the CHP business case (refer BM 12-13/161); Item 3 in consideration of the Q3 return to Monitor (refer BM12-13/165); and Item 4 in consideration of the paper on Financial Planning 2013/14 (refer BM12-13/ 164).</p> <p>The Board referred to Item 2 (additional investment in Nurse Staffing), noting the increased investment already made in the Care of the Elderly Wards and further investment priorities for 2013/14. The Board discussed the resourcing of neonatology and maternity services in the context of the requirement to ensure compliance with BAPM standards by 31st March 2013. Further work was required to establish the baseline, determine the resource required to comply with the required standards and then to determine further resource requirements to meet the anticipated increase in neonatology activity.</p> <p>Owing to the urgency in ensuring BAPM standards are met by 31st March 2013, the case relating to this element would be considered by the FPBDC in February 2013.</p> <p>In relation to maternity staffing levels, it was agreed that no recurrent investment would be committed until a wider review of the service had been undertaken, led by the new Director of Nursing & Midwifery.</p>	

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	<p>The Board went on to note that KPMG had provided a useful presentation to the Committee on a variety of approaches to partnering in pursuit of new business opportunities.</p> <p>It was noted that the pace and performance of the IT shared service, in respect of pledges made to the Committee in November 2012 had been disappointing. The Committee would receive an update and evaluate the situation in February 2013.</p> <p>The Board noted the report.</p>	
BM 12-13/169	<p>Unapproved Minutes of meeting held on 14th December 2012 The unapproved minutes of the meeting of the Finance, Performance and Business Development Committee held on 14th December 2012, were noted.</p>	
	Audit Committee:	
BM 12-13/170	<p>Unapproved Minutes of meeting held on 4th December 2012 The unapproved minutes of the meeting of the Audit Committee held on 4th December 2012, were noted.</p> <p>The Board noted that in relation to Minute AC 12-13/070, further work had progressed following the self-assessment of the Audit Committee. A developmental workshop had been convened to consider the Committee's information requirements and business cycle; and had resulted in an improved understanding of the Audit Committee's role and effectiveness.</p>	
	Charitable Funds Committee:	
BM 12-13/171	<p>Unapproved Minutes of meeting held on 9th January 2013 The unapproved minutes of the meeting of the Charitable Funds Committee held on 9th January 2013, were noted.</p> <p>The Board noted that the Trust's charitable fund balance was modest and that work was underway to consolidate individual funds, where appropriate and also to consider whether the time was yet ripe for the launch of a new fundraising campaign.</p>	
	Board of Directors:	
BM 12-13/172	<p>Minutes of the Previous Meeting (19th December 2012) The minutes of the previous meeting were reviewed for accuracy.</p> <p>The minutes of the meeting held on 19th December 2012 were received, approved and signed by the Chairman.</p>	
BM 12-13/173	<p>Board Action Log The Board reviewed the Action Log and confirmed that Actions 1, 4 and Actions 8-14 could now be closed.</p>	

Reference	Minute	Action
Standing Items		
BM 12-13/174	Any Other Business None.	
BM 12-13/175	Items for Risk Register It was confirmed that the risk identified in respect of loss of senior finance knowledge would be reflected in the BAF. (Refer BM12-13/ 166).	
BM 12-13/176	Date and Time of Next Meeting Wednesday 27 th February 2013 at 2.00pm, in the Boardroom, Education Centre, Arrowe Park Hospital.	

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Chairman

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Date