

**BOARD OF DIRECTORS**

**APPROVED MINUTES OF MEETING**

**28<sup>th</sup> MAY 2014**

**BOARDROOM  
EDUCATION CENTRE  
ARROWE PARK HOSPITAL**

**Present:**

Michael Carr	Chairman
David Allison	Chief Executive
Cathy Bond	Non-Executive Director
Richard Dutton	Non-Executive Director
Jill Galvani	Director of Nursing & Midwifery
Sharon Gilligan	Director of Operations
Anthony Hassall	Director of Strategy and Partnerships
Jeff Kozer	Deputy Chair & Senior Independent Director
Cathy Maddaford	Non-Executive Director
Lyn Meadows	Non-Executive Director
Evan Moore	Medical Director
Alistair Mulvey	Director of Finance
Jean Quinn	Non-Executive Director

**Apologies:**

Graham Hollick	Non-Executive Director
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**In attendance:**

Sam Armstrong	Interim Trust Secretary (minutes)
Mark Blakeman	Director of Informatics

**Governors:**

Brain Beechey, Public Governor

**Members of Staff:**

Barbara Crompton,  
Communications & Marketing Manager  
Julie Tunney,  
Associate Director of Nursing

**Members of the Public:**

None

Reference	Minute	Action
BM 14-15/034	<b>Apologies for Absence</b> Apologies were noted as above.	
BM 14-15/035	<b>Declarations of Interest</b> There were no declarations of interest.	
BM 14-15/036	<b>Chairman's Business</b> Consultant appointments were noted: <ul style="list-style-type: none"> <li>• Mr Balasubramanian Ramasamy, Consultant Ophthalmologist;</li> <li>• Dr Simon Whittingham-Jones, Consultant in Elderly Care Medicine with a special interest in Stroke; and</li> <li>• Dr Anju Elizabeth Jacob Consultant in Elderly Care Medicine in</li> </ul>	

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	<p data-bbox="432 221 628 253">Orthogeriatrics</p> <p data-bbox="336 293 1302 456">The new front entrance to Arroee Park Hospital had been recognised for its outstanding design and public impact in the Manchester Architects Design Awards 2014, in conjunction with the Manchester Society for Architects; it won the Public Vote in the Small Projects category and was commended in the Community category.</p> <p data-bbox="336 495 1302 555">Dr. Evan Moore was congratulated for achieving a place in the prestigious NHS Leadership Academy.</p> <p data-bbox="336 593 1254 689">It was noted that Dr Jean Quinn would succeed Anne Parker, a former non-executive director of the Trust, as Chair of the Organ Donation Committee, as of January 2015.</p>	
<p data-bbox="145 707 245 768"><b>BM 14-15/037</b></p>	<p data-bbox="336 707 967 739"><b>Approval of the Annual Report and Accounts</b></p> <p data-bbox="336 741 1294 972">It was noted that the Annual Report and Accounts were reviewed in detail at the Audit Committee meeting on 22<sup>nd</sup> May 2014. The financial statements received an unqualified opinion from the auditors and the Quality Report received a limited assurance report, which was confirmed as the highest possible assurance. There was one unadjusted audit opinion, which related to an asset held for sale and did not effect the overall auditor's assessment.</p> <p data-bbox="336 1010 1302 1173">The Chairman of Audit Committee reported on its consideration of the Annual Report and Accounts, and confirmed that the Audit Committee had recommended the Board approve the Annual Report, including the Annual Governance Statement, the Quality Report, the statements of directors' responsibility and the Annual Accounts.</p> <p data-bbox="336 1211 1066 1272">The Board noted KPMG's IAS260 Report and its related recommendations.</p> <p data-bbox="336 1310 1302 1413">The Board noted the letters of representation for the Annual Accounts and Quality Report and the Director of Internal Audit's Opinion, which assigned significant assurance to the control systems in the Trust.</p> <p data-bbox="336 1451 1294 1576">It was agreed that in addition to the obligation to make the Annual Report and Accounts available to the public, that a summarised version would be produced to distribute at the Annual Members Meeting and other public and member events.</p> <p data-bbox="336 1615 1214 1675">The Board recorded its thanks to all those involved in producing the Annual Report and Accounts.</p> <p data-bbox="336 1713 1302 1816">The Board approved the Annual Report, including the Annual Governance Statement, the Quality Report, the statements of directors' responsibility and the Annual Accounts.</p>	
<p data-bbox="145 1834 245 1895"><b>BM 14-15/038</b></p>	<p data-bbox="336 1834 730 1865"><b>Monitor Licence Statements</b></p> <p data-bbox="336 1868 1222 1928">The Board reviewed the proposed confirmation of the statements as presented.</p> <p data-bbox="336 1966 1286 2027">It was noted that the Audit Committee had recommended to the Board to confirm statements 1, 2 and 3b, with an attendant explanatory statement</p>	

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	<p>concerning statement 3b</p> <p>After a brief discussion and confirmation of satisfaction with the proposed statements, the Board approved statements 1, 2 and 3b for Monitor submission.</p>	
<p><b>BM 14-15/039</b></p>	<p><b>Nurse Staffing Position Report Quarters 3 and 4</b> The Board received the new biannual report on nurse staffing.</p> <p>In answer to a question from a Non-Executive Director, it was confirmed that staff levels are published on notice boards in the Trust.</p> <p>It was noted that the Emergency Department and Medical Assessment Unit were not included in the report, as well as contingency wards, however the Surgical Assessment Unit, the Delivery Suite and Eden Suite and eight and six bed wards were.</p> <p>Compliance levels from the report were noted and it was explained that ward closures and reconfigurations would help to address potential compliance issues. Work is planned with the Director of Finance and Director of Strategy and Partnerships to develop nurse staffing headroom.</p> <p>A benchmarking exercise would be conducted in September and the results included in the next report to the Board, due in October.</p> <p>The report was considered to be helpful. In answer to a question from a Non-Executive Director, it was stated that some wards have a nurse: patient ratio of 1:5, however analysis of the next nurse staffing audit will direct the Trust to areas where focused work is needed. In answer to question it was reported that NICE will provide, in the future, guidance on headroom percentages for nurse staffing. It was agreed that the next audit would be analysed and NICE guidance awaited before completing a review on the Trust's headroom percentage.</p> <p>The potential cost implications of needing to improve headroom were noted.</p> <p>The Board noted the report and agreed the recommendations.</p>	<p>JG</p>
<p><b>BM 14-15/040</b></p>	<p><b>Integrated Performance Dashboard and Exception Reports</b> The Board noted the dashboards.</p> <p>It was accepted that April was an unusual month and is difficult to compare with the same time last year as Easter dates change.</p> <p>Reduced referral rates were pointed out. The data suggested that the Trust's market share in most specialities was in the 90s, however cardiology, ophthalmology and orthopaedics were lower; most likely due to more competition on the Wirral.</p> <p>Surgery had identified ten practices to promote the Trust to. It was pointed out that private providers are more difficult to engage with if not already referring to the Trust and a focused strategy of engagement was currently</p>	

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	<p>favoured.</p> <p>In answer to a question from a non-executive director, it was noted that the volume of activity completed in month one was close to that contracted, however the value was lower; medicine had overachieved, however surgery under achieved in both volume and value.</p> <p>In response to a question from a non-executive director, it was noted that the CCG infrastructure to manage QIPP was changing and they proposed a smaller version of demand management for soft tissue injury in musculoskeletal.</p> <p>It was thought that the Vision 2018 process was beginning to have a positive influence on planning across the health economy.</p> <p>It was reported that although possible, the Trust expected not to achieve the quarter one A&amp;E target. In answer to a question, it was reported that other trusts were also struggling with the target, however a smaller number might be expected to fail two quarters consecutively. The Trust continued to work hard to improve performance.</p> <p>Concerns were raised over the Urgent Care Board's effectiveness, which had been discussed with the CCG. In answer to a question from, it was confirmed that a new A&amp;E consultant commenced at the Trust on 16<sup>th</sup> May and other vacancies were expected to be filled soon.</p>	
<p><b>BM 14-15/041</b></p>	<p><b>Report from the Finance, Performance and Business Development Committee</b></p> <p>The Board received the report from the recent Finance, Performance and Business Development Committee meeting. It was noted that although a challenging period for the Trust, much good work was being undertaken to improve the situation. Nevertheless, the Month 1 financial position was a cause for real concern.</p> <p>The cash position had been improved when the CCG paid an outstanding invoice. Despite best efforts by the Trust, the developments in private patients had been frustratingly slow.</p> <p>The on-going pressures on capital funding were noted.</p> <p>Month one financial performance, which did not meet the planned budget, was reviewed. The outturn was a deficit of £1.7m against a planned deficit of £1.4m. The Committee discussed actions to control expenditure and asked that further consideration be given to whether any additional measures might be identified.</p> <p>It was pointed out that April was a transition month with ward closures. It was confirmed that the Trust expected better results in May, however April is often a difficult month and figures are not always indicative of expected</p>	

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	<p>performance for the rest of the year.</p> <p>The Board was updated on actions relating to the corporate restructure and capacity reduction. It was noted that the plan to close 250 beds had been shared at the Medical Board, a task and finish group had been established and the Trust was focusing on poor length of stay areas for improvements; wards 20, 25 and 31 had been closed and the latter is now used for dialysis. An asset utilisation project is underway and Elm House is earmarked for closure. It was pointed out that some savings benefits may not be realised this year, however they will be recurrent savings for the future. There are many best practices already employed at the Trust.</p> <p>Rotas and overtime practices were being investigated by the executives to ensure further savings are achieved. Pharmacy had been utilising significant amounts of bank and agency, which was now being reduced. In response to a question it was confirmed that safety of staff will be maintained when reviewing constraints on overtime arrangements.</p> <p>CIP was behind plan and it was acknowledged that achieving the planned £13m was a risk. Turnaround support was being sourced, however it was not expected to commence before July. CIP was at £9m and the gap required closing soon as each month where full CIP is not achieved would need to be reconciled during the year. New additional in-year plans were being sought urgently.</p> <p>The executive were closely monitoring and taking forward the planned corporate restructure, which had been progressing well. Announcements had been made of the planned reduction in phase one and the unions were supportive of this. Discussions with affected individuals were to occur soon.</p> <p>In response to a question it was confirmed that phase one of the restructure was known to everyone affected. In answer to a follow up question from a non-executive director, it was reported that the Trust's voluntary severance scheme (VSS) closed on 23<sup>rd</sup> May and had 48 applications. These would be reviewed for affordability and contribution to the new structure before a decision to grant or reject the application was made. The cost implications would also need to be considered.</p> <p>The Committee reported receiving an update on the CERNER implementation of phase 2b. It was noted that achieving the A&amp;E target was challenging and support of the various stakeholders is needed to resolve the challenge.</p> <p>It was noted that there was more rigour in the annual planning process this year, which provided assurance to the Board. The Board agreed that the process can be further improved from this year and plans are in place to exploit lessons learned. The strategic plan continues to be built and the Board accepted the summary presented. The Board noted the milestones.</p> <p>The contract with the CCG had not yet been agreed. Monitor had altered</p>	

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	the monthly reporting process and reports will be due on day 10 of the month.	
<b>BM 14-15/042</b>	<p><b>Minutes of the Previous Meeting</b> The minutes of the meeting held on 30<sup>th</sup> April 2014 were agreed as a correct record of the meeting.</p> <p><b>Matters Arising</b> Minute 14/15022: it was noted that by direction of the Board at their last meeting, the following wording for the Monitor quarterly submission had been agreed by the chief executive and the director of Finance:</p> <p><i>'Having failed the A &amp; E target for Q4 the Trust identified in its annual plan submission the continued risk to this target, the Trusts ytd performance continues to be below the 95% standard and whilst the Board of Directors are assured that internal plans, which have been externally reviewed, highlight that the Trust is undertaking all appropriate actions urgent care demands continue and an economy wide response has been identified as the top priority through the strategic vision of the health economy but the actions required out with the hospital are yet to be effectively implemented therefore a risk to the Trust of not achieving the A &amp; E standard for q1 persists.'</i></p> <p>Minute 14/15026: it was noted that the Audit Committee had queried some recommendations to the Board Assurance Framework (BAF) that the executives had not enacted. The matter would be followed up.</p>	SA
<b>BM 14-15/043</b>	<p><b>Board Action Log</b> The Board reviewed the Action Log and agreed to close the completed actions as presented.</p>	
<b>BM 14-15/044</b>	<p><b>Any Other Business</b> There was no other business</p>	
<b>BM 14-15/045</b>	<p><b>Items for BAF / Risk Register</b> There were no additional items for the BAF or Risk Register.</p>	
<b>BM 14-15/046</b>	<p><b>Risk 2555</b> Risk 2555 was presented. The score of 20 and the related mitigating actions were noted. The risk was due for re-assessment soon. It was pointed out that a potential fix existed with CERNER and this would be implemented as soon as checking confirmed it beneficial and appropriate to do so.</p>	
<b>BM 14-15/047</b>	<p><b>Questions from the Public</b> There were no questions.</p>	

Reference	Minute	Action
<b>BM 14-15/048</b>	<b>Date and Time of Next Meeting</b> Wednesday 25 <sup>th</sup> June 2014 at 9.00 a.m. in the Boardroom, Education Centre, Arrowe Park Hospital.	

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**Chairman**

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**Date**