

SOUTH TEES HOSPITALS NHS FOUNDATION TRUST

BOARD OF DIRECTORS MEETING

Minutes of the Trust Board meeting held in public on Tuesday 31 May 2016
at 10.30 in the Board room, 1st floor, Murray Building,
The James Cook University Hospital, Middlesbrough TS4 3BW

Present:	Ms D Jenkins	Chairman
	Mr R Carter-Ferris	Non-Executive Director
	Mr D Chadwick	Medical Director (Planned Care)
	Mr D Heslop	Non-Executive Director
	Mrs M Hewitt-Smith	Director of Finance
	Mrs A Hullick	Vice Chairman
	Mrs G Hunt	Director of Nursing
	Ms R James	Director of Quality
	Mr S Kendall	Medical Director (Clinical Diagnostic/Support Services)
	Mr H Lang	Non-Executive Director
	Mrs S McArdle	Chief Executive
	Dr S Nag	Medical Director (Community Care)
	Mrs M Rutter	Non-Executive Director
	Mr M Stewart	Medical Director (Specialist Care)
In attendance:	Dr C Coapes	Chairman, Senior Medical Staff Forum
	Mrs M Coyle	Personal Assistant to CEO
	4 members of the public	
Apologies:	Mr A Clements	Medical Director (Urgent & Emergency Care)
	Mrs A Marksby	Head of reputation management
	Mrs C Parnell	Director of Communications & Engagement
	Mr M Reynolds	Non-Executive Director
	Ms R Shaher	Chairman, Staff Side

1 WELCOME AND INTRODUCTION

The Chairman, Ms Jenkins, introduced herself and welcomed everyone to the meeting.

Ms Jenkins welcomed Dr Sath Nag, Medical Director (Community Care) to his first meeting as executive director of the Board.

2 DECLARATIONS OF INTEREST

Attendees were reminded of the need to declare any interests they may have in connection with the agenda.

3 MINUTES

The minutes of the meeting of the Board held in public on 26 April 2016 were received and approved as a correct record of the proceedings with the following amendment:

Page 9, minute 9, first paragraph, fourth line, should read: of three non-executive directors. Ms Jenkins explained that this would ensure that there was at least one more non-executive director than executive director on the Board.

DECISION:

The minutes of the meeting held on 26 April 2016 were approved.

4 MATTERS ARISING AND ACTIONS FROM PREVIOUS MEETING

There were no matters arising from the Minutes that were not covered elsewhere on the agenda.

Action 14-2015/16: Mrs McArdle stated that a year-end position would be reported to the June Board of Directors meeting on performance against the discharge process KPIs. 2016/17 would see a renewed focus through the changes in the patient flow team and processes; a quarterly progress report would be brought to the Board of Directors.

Action 31-2015/16: it was noted that the review of the FIC terms of reference was on the agenda; action completed and agreed to remove from the actions register.

Action 4-2016/17: Mrs Hewitt-Smith confirmed that Mr Reynolds had been given an early opportunity to contribute to the FIC early review of the new performance report structure; action completed, agreed to remove from the agenda.

ACTION/NOTED/DECISION:

The Board noted the progress and agreed to closing outstanding actions as identified. The executive directors were asked to review the outstanding actions and include completion dates where they were omitted.

5 CHIEF EXECUTIVE'S REPORT

The purpose of the report was to provide the Board with an executive summary of the trust's key strategic objectives, national policy and organisational issues in the following areas:

- a) CQC re-inspection
- b) Urgent Care Review
- c) Early Access to Medicines Scheme
- d) Nightingale Awards
- e) Clinical Trials

Mrs McArdle drew the Board's attention to the following areas:

- f) The CQC re-inspection will take place between 8 to 10 June 2016 and will focus on the areas identified for improvement. Mrs McArdle assured the Board on the processes to prepare for the inspection and stated that the inspectors would be in a public area of the hospital on 1 June 2016 to obtain feedback from patients and visitors.
- g) The outcome of ST CCG consultation into provision of Urgent and Emergency Care had been presented to the CCG's Governing Body, the Trust, along with other key partners, had responded to the consultation. Discussions with the CCG would continue and plans put in place to mitigate the impact of the closure of the Resolution Centre.
- h) Mrs McArdle drew attention to an example of good practice improving patient outcomes led by Dr Talal Mansy through his work to gain access to a new immunotherapy drug for a lung cancer patient.
- i) The Nightingale Awards was an enjoyable and successful event celebrating the outstanding performance of nursing staff, the overall winner was Ann Marie Pryde.
- j) The Board's attention was drawn to the summary of performance and promotional work in the area of clinical research, Mrs McArdle highlighted the importance this had to improving patient outcomes and experience.

Ms Jenkins reminded the Board of a previous approach requesting a NED lead as a

research champion and suggested that she took on this role pending the recruitment of the three NEDs to the Board; agreed.

NOTED/DECISION:

The Board noted the report and agreed that Ms Jenkins would act as the NED research champion pending the recruitment of the three NEDs to the Board.

QUALITY, SAFETY AND PERFORMANCE

6 QUALITY ASSURANCE COMMITTEE CHAIRMAN'S LOG

Mrs Rutter presented her report out of the QAC held on 11 May, the main points to which she drew the Board's attention were:

- a) The QAC had agreed to recommend the Annual Governance Statement to the Board of Directors. The revised terms of reference had also been reviewed and recommended for approval by the Board of Directors.
- b) Preparations for the CQC re-inspection were reviewed, in particular the areas of medicine safety, DNACPR and staffing. The remaining concerns in those areas would be discussed in more detail later in the meeting.
- c) Attention was drawn to the areas identified as presenting a potential risk. Mrs Rutter stated that the Board should be aware of the potential risks to continuity of services posed by workforce issues. It was recommended that the Workforce Sub-Committee should address the issues as a matter of urgency through the development of the workforce plan. Mrs Hullick indicated that the first meeting of the Workforce Sub-Committee was not scheduled to take place until September but outlined the work that Mrs Iddon was progressing on data collection and identifying resource gaps for the development of the workforce plan. Mrs McArdle suggested that the September timescale for the production of the workforce plan should be brought forward and was supportive of an earlier meeting date for the Workforce Sub-Committee.

Ms Jenkins asked if the QAC were assured that the CQC re-inspection action plan was robust, Mrs Rutter responded that appropriate plans were in place and would be reported on in detail later in the meeting.

NOTED:

The Board noted the report.

7 INTEGRATED PERFORMANCE REPORT FOR APRIL 2016

The purpose of the report was to provide the Board with a summary of the quality, finance and performance of the Trust at the end of April 2016. To describe any exceptions to agreed plan/standards and to forecast the position for the coming quarter.

Healthcare-associated infection

Mrs Hunt presented slides providing performance information on healthcare-associated infections for the month of April 2016 and drew attention to the following key points in the report:

- a) The first slide provided performance data up to April 2016 on trust attributed cases of *Clostridium difficile* against the 2016/17 trajectory and compared performance to 2015/16 performance. The Trust had 61 cases in the period 2015/16 which was above the threshold of 50 cases. There had been 4 cases in April putting performance slightly below the trajectory; 2 cases were appealable as the RCA had not identified any gaps in the management process and were avoidable from the Trust's perspective. Mrs James continued to pursue the re-classification of the Trust's 50 cases threshold to be brought in-line with its teaching hospital status, this should result in a re-calculation of the threshold to 56 cases.
- b) The second slide provided an analysis of Trust acquired *Clostridium difficile* per 100k

- bed days, performance was below trajectory for the month of April.
- c) The third slide provided an update on progress and performance in the areas of: cleaning where improvements were being maintained; postponement of the bed reconfiguration work to take account of demand and capacity planning; pilot of a decontamination unit for beds and equipment; in response to a number of cases identified on Ward 24 HPV fogging had taken place to address environmental concerns.
 - d) The fourth slide outlined the key priorities for 2016/17. Mrs Hunt highlighted the significant focus that will be given to devices (IV cannula, CVC, Hickman lines and urinary catheters) in the areas of education, training and development.

Mrs Hullick drew attention to the reporting data measuring levels of compliance with mandatory actions and expressed disappointment at the areas of non-compliance. Mrs Hunt explained that the scope of the audit had been extended and also included a new measure, staff would become familiar with the new approach and performance was expected to improve quickly. Mrs Hunt assured the Board of the continued actions to ensure there was tight monitoring of performance and standards.

Mr Lang asked if the isolation target was too aspirational, Mrs Hunt responded that the target was designed to bring about a focussed approach to improving performance.

Quality and Performance

Ms James presented slides reporting on exceptions in the areas of quality and performance operations metrics:

- e) A&E and 18 weeks performance had come under operational pressure through increased levels of activity in the front of house area and demand for beds. Despite this the Trust had achieved a level of performance in April of 95.5% against the 95% target for A&E. The Trust had achieved 92.5% against the 92% target for 18 week incomplete pathways; 3 specialities were not compliant (orthopaedics, neurology and ophthalmology). Where there was the largest volume of patients in orthopaedics, demand modelling work was taking place to clear the backlog and develop an activity level plan to create headroom in the system. Mrs Rutter asked what the expected timescale was to achieving compliance, Mrs James explained that in orthopaedics the plan would have to be aligned to other processes to achieve efficiencies and transformation aims but provided assurance that each phase of the plan would be modelled to achieve compliance. The aim was to keep activity in-house and avoid using the private sector. Mrs Rutter expressed concern at the impact both on patients and reputation on waiting lists. Mr Kendall agreed with the concerns and assured the Board of the focus to identify the reasons for the backlog, inefficiencies and improvements, he was hopeful that with the right plans in place significant improvements would be made.

Ms Jenkins asked for the timescales for when the improvement plans would be in place, Mr Chadwick responded that the plans did not yet have all of the data required relating to availability of operating theatres and patient pathway factors.

Mrs McArdle commented that the quality reputation of the orthopaedic services was high and this was in part a contributory factor to the long waiting lists. The position at the moment was not to use the private sector whilst plans were put in place to free up the capacity, if this was unsuccessful the activity would be out-sourced to protect patients. Mr Chadwick was hopeful that the position would be clearer to report to the June Board of Directors meeting.

- f) Ms James reported that the Trust 2ww first seen target for cancer would be compliant for quarter 4, but performance in April and May had dropped below the 93% threshold. Performance issues had arose through patient choice (not accepting the appointment or re-booking beyond the 2ww). An analysis of GP practices had not identified any hot spots but it was thought that there may not be enough emphasis communicated to

the patient to take the appointment. On a positive note, 95% of patients in the system on a 2ww were seen within 8 days. Ms James assured the Board that through the CCGs, support would be offered to GPs to work collaboratively to improve performance.

Mr Lang asked if patients were aware of the purpose of the appointment, Ms James responded that with some patients that was not the case.

- g) Ms James spoke to a graph detailing performance against the 62 day cancer target and the number of breaches. Performance in April showed an improvement at 81.5%, Ms James commented that this was moving in the right direction. This was above the trajectory for the STP and raw data for May's performance appeared to fall within the plan. An analysis of breaches indicated that late referrals was a significant issue, NHSE was expected to implement the breach re-allocation policy in October. Ms James explained that an analysis of breaches had indicated that this would not change the Trust's position, however, this would encourage a focus in other organisations on their referral timescales.

Mr Heslop commented on the importance of monitoring compliance on processes that were within the Trust's control, and suggested that this should be reported on in the same way as it was in the Clostridium difficile improvement plan. Ms James responded that the Cancer Action Plan was taking a different approach and agreed to review Mr Heslop's suggestion within the development of the plan. Mrs McArdle agreed that this could be disaggregated into controllables. Ms James was pleased to report good progress in developing the plan which included clear links to lead responsibilities.

Mrs Rutter sought clarification on the reasons for the breaches in out-patients and asked if all patients took up the 2ww appointments would the number of breaches increase. Dr Stewart responded that there should be the capacity in the organisation through efficient scheduling and best use of out-patient resource. Mrs Rutter sought further assurance on the response to issues relating to treatment of cancer patients, Ms James responded that the transformational work was integral to the Cancer Action Plan, for example, which beds are taken out of the system would take account of those specific to cancer patients. Diagnostic services reviewing how cancer patients activity could be prioritised, but the potential for impact on other patients had to be considered. Linking the Cancer Action Plan into the transformation work would ensure a holistic approach to change.

Ms Jenkins commented that the new structure had increased the detail and clarity of information and noted the Board's acknowledgement of this and the progress being made to address performance issues.

Ms James spoke to the slide reporting on the progress of the Cancer Action Plan and the increased focus this had since the appointment of Dr Wood to Strategic Lead for Cancer, giving an increased understanding of the problems in the system and linkage with the transformational programme. Progress was being made to address the resource issues in diagnostic services and improve capacity. Ms James drew attention to the other key areas of focus identified for improvement adding that Dr Wood would be seeking significant improvement in the performance of MDT reviews, specific action plans would be refreshed particularly relevant to tumour sites and the work with Macmillan to identify any inefficiencies. Ms James had tightened the oversight of potential breaches which would now be reported to herself for management of avoidance.

Mr Heslop asked if there was a way of making current performance available to drive a change in behaviours. Mrs McArdle agreed that more recent data was required and the appointment to the role of cancer manager would increase the drive to achieve improvements. Ms James commented that the Cancer Action Plan would include KPIs dashboard, targets and realistic and achievable improvements targets.

Mrs Hewitt-Smith presented the key points in the finance section of the report.

Financial

Mrs Hewitt-Smith highlighted that at the end of April the plan for the control total was £1.0m ahead of plan due to the underspend in EBITDA largely in the areas of clinical supplies and services within CDS and planned care centres.

Income was slightly above plan at £0.1m, key adverse variance of £0.68m in elective but offset by a positive variance of £0.74m in non-elective due to an increase in volume and case mix. Mrs Hewitt-Smith commented that this was a significant issue as each position had cancelled the other out, there had to be a significant drive on elective activity.

The primary driver of the financial performance was an improvement on expenditure. A positive variance of £0.7m on substantive pay off-set by £0.4m agency spends. WTE was in-line with 2015/16 actual, the 2016/17 planned increase was being closely monitored as it had not yet been reconciled against the forecast clinical income. Clinical supplies showed an under-spend particularly in the area of planned care. Mrs Hewitt-Smith highlighted that there was good linkage across all categories between a reduction in activity and consumables, demonstrating good cost control.

The retained deficit was a positive variance of £3.0m ahead of plan due to impairments. The Capital Programme was £0.3m for April, an adverse variance to plan of £0.9m.

Performance against the CIP was reported as £0.3m for April, an adverse variance to plan of £0.7m. Mrs Hewitt-Smith expressed confidence that this position would improve in M2.

A risk rating level of 2 was reported, under the Monitor enforcement action this was the optimum performance that could be achieved.

Mrs Hewitt-Smith commented that the EBITDA performance was a significant improvement over the same period in the previous year.

In response to Mrs Hullick, Mrs Hewitt-Smith commented that overall income performance was an improvement over the same period in the previous year and with good cost control.

Mr Heslop sought clarification on the projected run rate for CIP, Mrs Hewitt-Smith explained that this showed the 2015/16 actual compared to the 2016/17 if there was no change, to inform discussion on the size of any gap and what had to change for the run rate to go up. Mr Helsop expressed concern that this was a flat line and asked at what point this would be a concern. Mrs Hewitt-Smith responded that a significant improvement was expected in M2, the CIP delivery plan would be reported to the June Board of Directors meeting and the quarter one end would be the point at which any issues in performance would be a concern. Mrs McArdle added that at the June Board of Directors meeting the CIP delivery plan would also report on how the cash would be released, the implementation of the transformation programme and assured the Board that there was a focus on ensuring improvement in the run rate.

Mrs Hewitt-Smith reported a significant liquidity issue which had been addressed through the drawdown as part of the working capital facility to improve the cash flow. Net current assets were £3.2 higher in April than planned, a delayed payment from the specialist commissioner had now been received. Discussions were taking place with Monitor and the DoH to agree the drawdown for June amounting to £6.8m to maintain cash flow. Mr Hewitt-Smith commented that the working capital facility was expensive and assured the Board that there was a focus on converting this into interim support as quickly as possible.

Performance against capital expenditure was behind plan, Mrs Hewitt-Smith noted that

this would be discussed in detail later in the meeting.

Mrs Hewitt-Smith summarised that overall M1 had demonstrated a positive performance.

Mr Lang sought an explanation for the decrease in the elective activity, Mrs McArdle responded that this linked to issues arising from poor patient flow. Mrs McArdle had escalated permission for cancellations to herself as a step to improving performance. Mrs McArdle assured the Board that there was a focus on avoiding end of the year pressures through the build-up of a backlog of patients and commented that the change process required improvements in IT and a behaviour and cultural shift.

Mrs Hewitt-Smith presented the report detailing the content of the self-certification and requested the Board of Directors' approval prior to submission of the return to Monitor.

NOTED/ACTIONS/DECISION:

The Board noted the report and agreed the following actions:

- i) CIP delivery plan would be reported to the June Board of Directors meeting.**
- ii) The Board approved the responses and submission of the self-certification to Monitor.**

8 FOR INFORMATION AND ASSURANCE

The Board received the following papers for information:

- A PROPOSED REVISED COMMITTEE STRUCTURE
- B AUDIT COMMITTEE 20.8.15 AND 19.11.15

Mr Carter-Ferris reported that at the Audit Committee held on 26 May 2016 the following documents had been reviewed and recommended to the Extra-ordinary Board of Directors meeting for approval. The external auditor, KPMG, had recorded four opinions, three unqualified relating to the financial statements audit, quality account and the group audit assurance certificate and one qualified. The Auditors were not satisfied that the Trust had proper arrangements to secure VFM, although it was recognised that due to Monitor's enforcement action and the Trust's requirement for on-going support, this had to be qualified. At the Extra-ordinary Board of Directors meeting held on 26 May 2016, the following documents had been approved for submission to Monitor:

- 1 Annual Report 2015/16
- 2 Annual Governance Statement 2015/16
- 3 Annual Quality Account 2015/16
- 4 Annual Accounts 2015/16

Mr Carter-Ferris placed on record his thanks to the finance team for the detailed work undertaken on behalf of the Audit Committee and completed within challenging timescales. Ms Jenkins echoed those thanks and commented that the Board greatly appreciated their hard work.

NOTED/ACTION:

The Board noted the reports and agreed to the following action:

- i) The Workforce Sub-Committee should arrange to meet as soon as possible before the scheduled September meeting.**

9 ANY OTHER BUSINESS

There were no further items for discussion.

10 QUESTIONS FROM THE PUBLIC

There were no questions from the public.

11 DATE OF NEXT MEETING

Ms Jenkins informed the meeting of a change to the scheduled date of the next meeting of the Board (Part 1) in public which would now be held on Tuesday 28 June 2016 at 10.30am in the Board room, 1st floor, Murray Building, The James Cook University Hospital, Middlesbrough TS4 3BW.

12 RESOLUTION

The Board resolved that representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest (section (2) Public Bodies (Admissions to Meetings) Act 1960).

**Deborah Jenkins
Chairman
South Tees Hospital NHS Foundation Trust
01642 854397**

ACRONYMS

CDS	Clinical and Diagnostic Services
CIP	Cost Improvement Plan
DoH	Department of Health
EBITDA	Earnings before interest, taxes, depreciation and amortization
FIC	Finance and Investment Committee
HPV	Hydrogen peroxide vapour
KPIs	Key performance indicators
NEDs	Non-Executive Directors
QAC	Quality Assurance Committee
RCA	Root Cause Analysis
ST CCG	South Tees Clinical Commissioning Group
STP	Sustainable transformation programme
WTE	Whole time equivalents