

Part 1 Minutes of the Board of Directors Meeting held at 1pm on Wednesday 28
October 2015 at Sentinel House, 4-6 Nuffield Road, Poole, Dorset, BH17 0RB

Present:

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| Ann Abraham | Chair |
| Ron Shields | Chief Executive |
| David Brook | Non-Executive Director |
| John Hughes | Non-Executive Director |
| John McBride | Non-Executive Director |
| Sarah Murray | Non-Executive Director |
| Peter Rawlinson | Non-Executive Director |
| Nick Yeo | Non-Executive Director |
| Jackie Chai | Director of Finance |
| Fiona Haughey | Director of Nursing & Quality |
| Colin Hague | Director of Human Resources |
| Steve Hubbard | Director of Strategy and Business Development |
| Nick Kosky | Medical Director |
| Sally O'Donnell | Locality Director-Dorset |
| Nicola Plumb | Director of Organisational Development, Participation and Corporate Affairs |
| Eugine Yafele | Locality Director-Bournemouth and Christchurch |

In Attendance:

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| Keith Eales | Trust Secretary |
| Karolina Radoch | Management Accountant |
| Donna Steer | Patient Experience Facilitator (for minutes 425-426/15) |
| Jenny Winter | Management Accountant |

Apologies:

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| Lynne Hunt | Deputy Chair |
| Linda Boland | Locality Director-Poole and East Dorset |

Observers:

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| Chris Balfe | Public Governor (Dorset RoEW) |
| Scottie Gregory | Public Governor (Dorset RoEW) |
| Jan Owens | Public Governor (Dorset RoEW) |
| Angela Reed | Public Governor (Dorset RoEW) |
| Sue Evans-Thomas | Public Governor (Poole) |
| Anna Webb | Public Governor (Poole) |
| Becky Aldridge | Partner Governor (Service User Group) |

425/15 Welcome and Apologies

The Chair welcomed members to the meeting together with a number of Governors and two staff observers. The Chair reported the apologies received from the Deputy Chair and the Locality Director Poole and East Dorset.

426/15 Patient Story

The Locality Director-Bournemouth and Christchurch presented a patient story referring to the work of the Tissue Viability Service. The work of the service was highlighted through a story of the support provided to a patient in Bridport who suffered from pressure sores.

The Board considered that the story highlighted the importance of the early referral to the Tissue Viability Service of patients at risk of pressure ulcers. The Director of Nursing and Quality confirmed that training was provided to District Nurses. However, it was considered that there could be merit in extending this to other staff to support the early identification of patients at risk of developing pressure sores. The Director of Nursing and Quality undertook to pursue this through the Pressure Ulcer Workstream established as part of the Sign up to Safety Campaign.

427/15 Quorum

The Chair confirmed that the meeting was quorate.

428/15 Declarations of Interests in Relation to Agenda Items

No declarations were made.

429/15 Minutes: 30 September 2015

The minutes of the meeting held on 30 September 2015 were approved as an accurate record subject to the replacement of 'Continuity of Service Risk Rating' with 'Financial Sustainability Risk Rating' in the penultimate paragraph of minute 413/15 on page 4.

430/15 Matters Arising

The Board noted the report on matters arising.

Minute 416/15: Stages of Excellence

The Director of Strategy and Business Development advised that the review of the draft wording had not yet been completed.

431/15 Chair's Update

The Chair gave her monthly update to the Board.

The Chair referred to

- The election of Sue Howshall to the Council of Governors from the Dorset and Rest of England and Wales Constituency and the appointment of Vishal Gupta as the Poole Borough Council Partner Governor. A nomination for a Partner Governor was awaited from Bournemouth Borough Council
- The vacancies for four Public Governors on the Council. Elections were underway for the two vacant positions in the Dorset and Rest of England and Wales Constituency. No nominations had been received for the two vacant positions in the Bournemouth Constituency

- The discussion between Governors and Board Directors on the outcome of the self-assessment of the Council. This had taken place at the Council meeting on 14 October 2015
- The award to the Trust of a Defence Employer Recognition Scheme Silver Award. This was in recognition of the outstanding pledge made by the Trust to provide for the healthcare needs of the Armed Forces Community and for the high levels of employer support towards defence personnel and their families.

The Board noted the report.

432/15 Chief Executive's Update

The Chief Executive submitted a report setting out key issues of concern and interest.

The Chief Executive referred to

- The Care Quality Commission (CQC) State of Care report
- The publication of the CQC reports following the inspection of the Trust
- The Clinical Services Review and an out-of-hospital stakeholder event to be held on 30 October 2015
- The revalidation of nurses and midwives which, it was being reported nationally, could be postponed for two years
- Recent awards to Trust staff.

The Director of Nursing and Quality advised that there may be an option for Trusts to pursue the revalidation of nurses and midwives on a voluntary basis. Details of the announcement were awaited and a report would be made to the next meeting of the Board if appropriate.

The Board noted the Chief Executive's report.

433/15 Board Integrated Corporate Dashboard

The Medical Director submitted the Integrated Corporate Dashboard for September and drew attention to the exception reports.

The Board reviewed the commentary in the Dashboard under each of the five CQC Key Lines of Enquiry.

The Medical Director drew attention to

- The increase in the percentage of mental health patients who felt safe, and the increase in the threshold from 90% to 100%. The Medical Director commented that, given the challenge in achieving 100%, future reporting on the basis of an absolute number with a supporting narrative might provide a more useful insight for the Board

- The increase in the percentage of more serious patient safety incidents. Over the past six months, however, the Trust was below the national benchmarking threshold
- The year to date total of 12 C Diff infections
- The increase in the percentage of emergency readmissions
- The number of patients with up-to-date care plans, which was below the threshold
- The fall in the percentage of patients in hospitals who would recommend the Trust to friends and family.

It was noted that there had been a material reduction in the reported sickness rate for September. The Director of Human Resources undertook to confirm the accuracy of the reported figure.

The Chair of the Audit Committee advised that the Committee had received, at its recent meeting, a presentation on the action being taken to improve data quality in the Trust. It was now recognised that the challenges identified would take a number of months to address in some cases.

Board members commented that the Dashboard contained a substantial and growing number of indicators, measures and supporting narratives. The importance of keeping under review the volume of information being reported, and of highlighting to the Board the matters of significance and the action being taken, was emphasised. It was also recognised that addressing the identified data quality issues would be important to ensure that the Dashboard fulfilled its potential as a source of information and assurance to the Board.

It was agreed to

(a) note the Integrated Corporate Dashboard for September

(b) seek confirmation of the reported reduction in the sickness rate for September.

434/15 Finance Report for September 2015

The Director of Finance submitted the Finance Report for September.

The financial performance at September was a cumulative deficit of £1.8m, which was £0.7m worse than plan. The current year-end projection was for a best-case deficit of £1.4m, a most likely case deficit of £3m and a worst case deficit of £4.9m. This was compared to the planned deficit of £2.2m.

The key adverse variances which underpinned the overall financial position were noted-Prison Services pay, out of area placements, pay on mental health inpatient wards and medical pay.

With regard to the Cost Improvement Programme (CIP), £3.5m had been delivered to date. However, the year-end forecast was a £1m shortfall in the programme. This largely reflected a £2m shortfall on agency schemes.

With regard to the planned investment in infrastructure projects, it was noted that expenditure of £1.9m had been incurred to date. It was anticipated that £4m of the £4.5m plan would be committed by year end.

The Board noted that, at the end of September, cumulative capital expenditure totalled £4.7m which was 89% of target. A further £2.8m was due to be spent by the end of quarter 3.

The Director of Finance explained that the currently projected year end position would result in a Financial Sustainability Risk Rating of 2.

The Chief Executive commented that the key issue underpinning the disappointing financial position was expenditure on agency staff. The adverse variances in respect of Prison Services pay, pay on mental health inpatient wards and medical pay could all be attributed to agency and locum expenditure. The performance in these areas, and the Trust in general, resulted in a most likely year end forecast of a £3m deficit. This assumed the use of the contingency and £0.5m of the investment fund not being utilised.

The Chief Executive commented that this was not an acceptable position. The focus of attention would be on delivering the planned deficit for the year of £2.2m. The Chief Executive explained the action being taken to reduce expenditure, whilst taking care not to undermine the local management of services.

The Chair sought clarification on the proposed review of Trust financial systems and processes. The Chair of the Audit Committee advised that Internal Audit had been commissioned to undertake the review in time for recommendations to be considered as part of the budget process for 2016/17.

The Chair of the Audit Committee also advised that the Committee had received a report on the 2016/17 CIP. It had been noted that the development of this was behind plan. The Committee had requested a report to the next meeting on the action being taken to achieve the planned CIP for 2016/17.

It was considered that there was scope to enhance financial reporting to Board meetings. The narrative at present placed too great an emphasis on achieving a Financial Sustainability Rating of 3 rather on the delivery of the financial plan for the year.

Clarification was sought that maintaining the current level of delegation to local managers would not impact on the achievement of overall financial plans. Given the unrecoverable overspends in some areas, it would be necessary for underspends to be utilised to support the overall Trust position. The Chief Executive commented that this was recognised and underspends were already being frozen. However, it would be important for the messaging to be clear to ensure that staff understood the reasons for this.

The Board discussed progress in achieving the planned agency CIP projects. The Director of Human Resources outlined the action being taken to achieve the planned reductions in agency expenditure. To date, a saving of £160,000 had been achieved. It was confirmed that the action being taken was likely to improve the position further. However, it was unlikely that the agency CIP targets would be achieved in full.

Clarification was sought with regard to the availability of the planned contingency given that the CIP programme would be under-achieved. The Trust financial plan assumed the full achievement of the CIP to provide the contingency. It was noted that the CIP target for the year of £6.1m was intended to cover cost pressures, impairment charges and the provision of the contingency. The CIP was forecast to achieve £5.1m at year end. The shortfall could, therefore, impact on the availability of the contingency. The Director of Finance undertook to confirm the position at the next meeting.

It was noted that the Executive had identified savings of £2.4m to address the current under-performance against the financial plan. It was recognised that further challenging decisions would need to be made to achieve the planned year-end financial position. The importance of the Board being fully engaged in these decisions was emphasised.

The Board agreed that

- (a) the commitment to achieve the financial plan for the year be re-iterated**
- (b) the mitigating actions being taken to address the current financial under-performance be noted**
- (c) a summary analysis of the impact of the £2.4m savings identified to date be provided for Board members**
- (d) further information be provided to the next meeting on the level of contingency likely to be available to the Trust in the light of the forecast under-performance against the CIP target for the year.**

435/15 People Management

The Director of Human Resources submitted the monthly People Management report.

The Director of Human Resources drew particular attention to action being taken to improve the attractiveness of the Trust as an employer, recruitment and retention, including recruitment stands at job fairs, conferences and promotional events and the employment of apprenticeships.

The Director of Human Resources corrected the figure given for the increase in full-time equivalent staff over the last year. Staff numbers had increased from 4358.32, rather than 3802.06 as stated in the report, to 4546.93.

The Board noted that the flu vaccination programme had commenced.

It was noted that staff were being provided with information on a range of wellbeing topics. It was suggested that obesity should be added to the list of topics. The Director of Human Resources undertook to review this.

The Board noted the report.

436/15 Minutes of Committee Meetings

The Board received the minutes of the following meetings

Quality Governance Committee 20 July 2015
Audit Committee 20 July 2015

The Chair of the Quality Governance Committee drew particular attention to the first quarterly staff report and the reported level of Care Programme Approach care plans and risk assessment completions in Community Services, which was under review.

The Board noted the minutes.

437/15 Care Quality Commission Inspection

The Director of Nursing and Quality submitted a report on the outcome of the CQC inspection of the Trust.

The Director of Nursing and Quality advised that the overall rating for the Trust was 'requires improvement'. This was the rating awarded for the domains in respect of the safe, effective, responsive and well-led domains. A rating of good had been awarded in respect of the caring domain.

The Board noted that two services had been rated as outstanding-the acute wards for adults of working age and psychiatric intensive care units, and the community forensic service. The outstanding rating in respect of the former was the first awarded in England.

The Board noted that two services received an inadequate rating for the safe domain-specialist community mental health services for children and young people and the minor injury units.

It was also noted that the CQC had highlighted two areas of serious concern in respect of Child and Adolescent Mental Health Services (CAMHS) in Weymouth and Portland and in Bournemouth and Christchurch and the Weymouth, Portland and Bridport Minor Injury Units. The details of the concerns expressed were outlined. The Director of Nursing and Quality advised that the Trust had responded quickly and positively to the concerns expressed.

The Board noted that the CQC had identified significant variance in the quality of care delivered between teams across the Trust, inconsistencies in the planning and delivery of a number of services and areas of non-compliance with regulations. The CQC had also identified 41 areas of good practice. The concerns had not, however, resulted in enforcement action being taken against the Trust.

The Director of Nursing and Quality advised that the CQC had issued a report for each service line, 16 in total, each containing 'must do' and 'should do' actions. These would be developed into action plans and risk registers reviewed. No date had yet been given to the Trust by which the action plans had to be provided to the CQC.

It was agreed to note

(a) the areas of concern identified that required improvement

(b) that no enforcement action was being taken against the Trust

(c) that service specific action plans would be developed over the next few weeks in response to the report findings and shared with the CQC

(d) that the Board Assurance Framework and local risk registers would be reviewed in the light of the findings and recommendations

(e) that the action plans would be monitored by the Quality Governance Committee with regular progress reports to the Board.

438/15 Well-Led Governance Review

The Trust Secretary submitted a report on the outcome of the external governance review against the Monitor Well-Led Framework.

The Trust Secretary explained that the Trust was expected, by Monitor, to carry out an external review of its governance arrangements every three years. Monitor had published the Well-Led Framework to support the reviews.

PM Governance had been commissioned to undertake the review, which had been carried out in July and August. The provisional conclusions had been presented to the Board earlier in the month. The final report had now been received.

The final report following the review had concluded that the Trust had built a good governance structure that was conceptually sound, incorporating leading edge practices in risk management and board assurance. The report had made 17 recommendations that would form the basis of an action plan which would be reported to the Board quarterly.

The Board noted that the Chair was expected to write to Monitor within 60 days of the submission of the review to the Board to either

- advise that there were no material governance concerns or
- to advise that concerns had been identified and to confirm details of the action plan

No material concerns had been identified in the report and Monitor would be advised accordingly.

It was agreed to

(a) receive the report from PM Governance following the external review of the Trust against the Well-Led Framework

(b) endorse the recommendations set out in the report, which would form the basis of the Trust action plan

(c) review updates against the action plan on a quarterly basis

(d) note the intention of the Chair to confirm to Monitor that there were no material governance concerns and to summarise the recommendations in the review report.

439/15 Quarterly Review of the Board Assurance Framework (BAF)

The Trust Secretary submitted the BAF for review.

The Trust Secretary explained that the BAF had been updated following discussions with the lead Directors for each risk. The covering report set out details of progress with and the impact of the actions taken to address each risk.

The Trust Secretary explained that the outcome of the CQC inspection had not yet been incorporated into the BAF. Whilst at a Trust-wide level the outcome of the inspection was considered to be an important source of assurance, each BAF risk would need to be reviewed in the light of the detailed conclusions of the review and the draft action plan. This would happen over the course of the next month, with the revised BAF being submitted to the November Board meeting.

The risk in respect of the financial challenge had been under detailed review over the course of the last month to assess the extent to which the actions being taken were mitigating the risk. The Chair of the Audit Committee, the Director of Finance and Trust Secretary had reviewed the risk and the Executive Performance and Corporate Risk Group on 20 October had reviewed the position in detail. The broad conclusion was that the actions being taken to address the risk were not yet having the desired impact. It was considered that the risk score was worsening.

The Board agreed to

- (a) note the updated BAF**
- (b) note that the BAF would be revised to take account of the outcome of the CQC inspection and action plan and submitted to the next meeting**
- (c) confirm the conclusion that the risk in respect of the financial challenge was worsening.**

440/15 Quarter 2 Return to Monitor

The Chair advised that, although part of the published agenda for Part 1 of the meeting, it was proposed to consider the quarterly return to Monitor in Part 2. This was on the basis that consideration of the return, and supporting comments to be submitted to Monitor, would be materially affected by the content of the Matters Arising Report on the confidential minutes of the September Board meeting. It was proposed to consider the return to Monitor after the Matters Arising Report.

The Board agreed to deferring consideration of the quarterly return to Monitor to Part 2 of the meeting.

441/15 Standing Financial Instructions (SFI's)

The Director of Finance submitted revised SFI's which had been recommended to the Board for approval by the Audit Committee.

The Director of Finance advised that a large number of changes had been made to the document, to reflect the approach taken to revising Standing Orders and the Scheme of Reservation and Delegation. The opportunity had also been taken to revise delegated limits.

The Board approved the revised SFI's.

442/15 Annual Cycle of Board Business

The Trust Secretary presented the Board cycle of business, which formed the basis of Board agendas.

The importance of having a comprehensive cycle of business in place was emphasised. Directors were asked to advise the Trust Secretary of additions or amendments to the draft cycle.

The Board noted the updated cycle of business.

443/15 Governor Questions and Observations

Governors present at the meeting made a number of observations and comments

- Reference was made to the merit in providing accommodation for Nursing staff to improve the attractiveness of the Trust as an employer
- Clarification was sought that the Trust worked with Dorset Adult Asperger Support. The Locality Director-Bournemouth and Christchurch confirmed that this was the case
- Comment was made about the current waiting time for access to CAMHS. The Locality Director-Bournemouth and Christchurch commented that the Trust recognised that this was an area requiring improvement
- Reference was made to the limited availability nationally of obesity support services.

444/15 Next Meeting

The next meeting of the Board would be held at 1pm on Wednesday, 25 November 2015 at Sentinel House, 4-6 Nuffield Road, Poole, Dorset, BH17 0RB.

445/15 Exclusion of the Press and Public

Resolved that the press and public be excluded from the remainder of the meeting having regard to the confidential nature of the business to be transacted, publicity of which would be prejudicial to the public interest.

Signed:

Date:

Ann Abraham, Chair