

Minutes of the Board of Directors Meeting held at 1pm on Wednesday 30 March
2016 at Sentinel House, 4-6 Nuffield Road, Poole, Dorset, BH17 0RB

Present:

Ann Abraham	Chair
Ron Shields	Chief Executive
David Brook	Non-Executive Director
John Hughes	Non-Executive Director
Lynne Hunt	Deputy Chair and Non-Executive Director
Sarah Murray	Non-Executive Director
Peter Rawlinson	Non-Executive Director
Nick Yeo	Non-Executive Director
Linda Boland	Locality Director-Poole and East Dorset
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:

Keith Eales	Trust Secretary
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Apologies:

John McBride	Non-Executive Director
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Governor Observers:

Chris Balfe	Public Governor (Dorset RoE) (Lead Governor)
Scottie Gregory	Public Governor (Dorset RoE)
Sue Howshall	Public Governor (Dorset RoE)
Justine McGuinness	Public Governor (Dorset RoE)
Jan Owens	Public Governor (Dorset RoE)
Angela Reed	Public Governor (Dorset RoE)
Patricia Scott	Public Governor (Poole)
Anna Webb	Public Governor (Poole)
Angela Bartlett	Staff Governor
Steve Clark	Staff Governor
Pat Cooper	Staff Governor
Becky Aldridge	Partner Governor (Service User Group Representative)
Bill Batty-Smith	Partner Governor (Dorset District Councils)
Michael Bevan	Partner Governor (Dorset County Council)

518/16 Welcome and Apologies

The Chair welcomed members to the meeting and reported the apology received.

519/16 Patient Story

The meeting commenced with a story illustrating the experience of a patient referred to the Physiotherapy Service at St Leonards Community Hospital.

Board members considered that the story highlighted the benefits arising from the flexible approach taken to the provision of physiotherapy sessions. It also demonstrated the importance of the patient being motivated to undertake the sessions. The story demonstrated that co-production and partnership were key in maximising the effectiveness of the care provided.

520/16 Declarations of Interests in Relation to Agenda Items

No declarations were made.

521/16 Minutes and Notes of Previous Meetings

The Board approved as a correct record the minutes of the last meeting held on 24 February 2016 and the Workshop notes of 2 March 2016.

522/16 Matters Arising

The Trust Secretary submitted a report on matters arising from previous meetings.

The Board noted the report.

523/16 Chair's Update

The Chair gave her monthly update to the Board.

The Chair referred to:-

- Her attendance at the PREVENT training, which the Chair commended to Board members;
- The Road to Wellness Awards, which were uplifting and stimulating.

The Board noted the report.

524/16 Chief Executive's Update

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

The Chief Executive drew particular attention to the development of Sustainability and Transformation Plans, both nationally and in Dorset, the Care Quality Commission (CQC) re-inspection earlier in the month, progress with contract negotiations with Dorset Clinical Commissioning Group (CCG) and the Clinical Services Review (CSR).

With regard to the CQC re-inspection, the Chief Executive advised that inspectors had visited those services where there had been concerns during the June 2015 main inspection. Informal feedback received had suggested that improvements had been identified in a number of services. There were, however, some areas where there had not been as much progress as expected. A draft report on the re-inspection would be received within 50 days.

The Chief Executive advised that, with regard to the CSR, the Dorset CCG Governing Body would be deciding, on 18 May, whether or not to proceed to consultation. If the decision was to proceed, the CCG would then require approval from the Clinical Senate and NHS England's Capital Investment Committee before consultation could commence.

The Board noted the Chief Executive's report.

525/16 Board Integrated Corporate Dashboard

The Medical Director advised that the Executive Quality and Clinical Risk Group would be considering revised reporting arrangements for the dashboard. The intention was to reduce the frequency of reporting in respect of some indicators and to provide greater depth on action being taken to address those areas where performance was below the set threshold. The Medical Director confirmed that the report would be submitted to the Quality Governance Committee.

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

The Medical Director drew attention to:-

- The percentage of patient safety incidents resulting in moderate to catastrophic harm remained over the benchmarked metric.
- There had been an increase in the number of prone restraint incidents and episodes of seclusion in the mental health wards.
- The number of delayed transfers of care for physical health remained above the threshold.
- The percentage of patients with up to date care plans where performance was below the set threshold.
- The percentage of patients with risk assessments where performance was below the set threshold.
- Waiting times for access to community mental health services, where performance was below the required threshold.

Clarification was sought with regard to the reasons for the increase in the higher category patient safety incidents. The Director of Nursing and Quality advised that this largely reflected enhanced reporting in respect of pressure ulcers. The Director of Nursing and Quality undertook to identify year on year changes in the number of pressure ulcers and report to the Quality Governance Committee.

Further information was sought in respect of the reasons for the increase in incidents of prone restraint and seclusion. The Medical Director advised that the overall number of incidents was small. An individual event could have a disproportionate impact on the overall figure. The Locality Director, Bournemouth and Christchurch confirmed that a root cause analysis was undertaken after each incident.

The Board noted the Dashboard for February.

526/16 Finance Items

Finance Report for February 2016

The Director of Finance submitted the Finance Report for February.

The financial performance at the end of February was a cumulative deficit of £3m, which was £1m greater than plan. The current year-end projection was for a best-case deficit of £1.7m, a most likely case deficit of £1.8m and a worst case deficit of £2.1m. This was compared to the planned deficit of £2.2m. The Director of Finance advised that the deficit could reduce further during March.

The improving position in respect of agency expenditure underpinned the forecast year end position. The main areas of overspend-Prison Services pay, which was the most significant adverse variance, out of area placements, pay on mental health inpatient wards, cost improvement programme (CIP) under-achievement and medical pay- and the actions being taken in respect of each-were noted.

The Director of Finance advised that the overspends were being balanced by net pay underspends across all Directorates.

With regard to the CIP, £4.7m had been delivered to date. However, the year-end forecast was a £0.8m 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 £3.3m had been incurred to date. It was anticipated that £3.7m of the £4.5m plan would be committed by year end.

The Board noted that, at the end of February, cumulative capital expenditure totalled £8.4m. Forecast year-end expenditure was £9.9m, which was a shortfall against the plan of £0.3m.

The Director of Finance explained that the Financial Sustainability Risk Rating for January was 4.

The Chair commented that the Trust budget for 2015/16 had been based the achievement of a number of constituent components-an operating surplus for the year, the CIP, investment plans, the capital investment programme. The Chair commented that it would be important for the Board to review performance in respect of the objectives for each component of the budget.

It was recognised that, whilst the forecast year end position was for a smaller deficit than planned, not all the planned investments for the year had been implemented. The Board asked that, where possible, the underspends be ring-fenced to enable these investments to be made in 2016/17. The Director of Finance undertook to investigate opportunities for achieving this.

The Board noted the Finance Report for February.

Trust Budget 2016/17

The Chief Executive updated the Board on the progress with contract discussions with Dorset CCG and the preparation of the Trust budget for 2016/17.

The Chief Executive gave a context to the current discussions with commissioners and the development of the Trust budget.

The Chief Executive advised that, since the despatch of the Board agenda, the Trust had received further notifications in respect of funding from Specialised Commissioners and Public Health. However, the main source of funding for the Trust was from Dorset CCG.

The Chief Executive commented that Dorset CCG was facing considerable funding challenges. The national funding received by the CCG had been less than anticipated. In addition, a number of new service developments, such as seven day working, were expected to be met from this allocation. In addition, the Sustainability and Transformation Fund allocations had been made directly to the acute Trusts in the County rather than through Dorset CCG.

On the basis of the current offer from the CCG, the Trust would be facing a budget deficit of £7.4m in 2016/17.

The Chief Executive advised that the focus of the argument being put forward by the Trust for an increased offer was in respect of mental health services. This was based on the high level of occupancy on the mental health wards, the safe staffing investment in mental health wards, the parity of esteem uplift agreed nationally and the cost of out of area placements.

The Chief Executive advised that, given the current position, the Trust and the CCG had entered the formal mediation process under the national Dispute Resolution Procedure. If mediation was not successful by 25 April, a process of arbitration would commence. This was based on the pendulum principle, with each question under consideration being resolved wholly in favour of one party. The financial position of the parties was not a matter for consideration by the arbitration panel.

The Chief Executive commented that, on the basis of the current position, the Board was not yet able to agree the Trust budget for 2016/17.

The Chair commented that, in noting the current position, it would be appropriate for the Board to review the scale of the CIP for the year. Board members were reminded of the work undertaken by the Audit Committee in relation to the CIP process. The Board concluded that the programme, of £7.1m, was clinically and operationally valid and had been developed on the basis of a realistic assessment of what could be delivered.

The Board considered that it was imperative for the funding agreement for 2016/17 to provide a sustainable solution for the Trust in 2016/17 and the services it was commissioned to provide. It was noted that loans and reserves were being used to bridge deficits in some areas of the country. However, it was considered that this approach should only be used by the Trust to fund a transition to a more sustainable solution.

The Board agreed that further consideration would be given to the position at the workshop on 6 April 2016.

The Board noted the current position with regard to negotiations with Dorset CCG and authorised the Chief Executive to proceed to arbitration on the 2016/17 contract if required.

Going Concern Report

The Director Finance submitted a report setting out details of the requirement for the Trust to consider, each year, whether or not the accounts could be prepared on a going concern basis.

The Director of Finance advised that a key consideration was whether or not the Trust had sufficient cash resources to meet its obligations as they fell due over the next 12 months. If the cash resources were sufficient, the Trust could be considered to be a going concern.

The Director of Finance set out details of the forecast cash position throughout 2016/17. The year-end cash resources were £18.7m. The Board noted the projected Liquidity Risk Rating was 4 in each quarter of 2016/17.

The Board agreed that the following statement be included in the Annual Report for 2015/16:-

‘After making enquiries, the Directors have a reasonable expectation that the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual report and accounts’.

527/16 People Management

Monthly Update

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

The Director of Human Resources drew particular attention to the industrial action by junior doctors, recruitment and retention initiatives and the staff survey results, the continued significant reduction in agency expenditure and the Government response to the NHS Pay Review Bodies’ national recommendations in respect of the pay award for Agenda for Change staff and doctors and dentists.

With regard to the pay award, the Director of Human Resources advised that the Government had accepted the recommendations of the pay review of a 1% uplift for Agenda for Change staff and doctors and dentists.

The Board noted that the Government was proposing to remove bursaries covering students’ living costs for nursing and Allied Health Professional pre-registration schemes. This would be replaced by a loan system. In addition, from September 2017, student nurses would be required to pay university course fees. Clarification was sought as to whether or not the Trust was able to support staff who undertook this training. The Director of Human Resources undertook to investigate this.

The Board

- (a) agreed to implement the 1% cost of living pay award for Agenda for Change staff, doctors and dentists from 1 April 2016**
- (b) asked the Director of Human Resources to investigate whether the Trust was able to support financially Trust staff undertaking nursing and Allied Health Professional pre-registration schemes.**

The Board noted the report.

Behaviours Framework

The Director of Organisational Development, Participation and Corporate Affairs submitted a report on the development of a Behaviours Framework for the Trust.

The Director of Organisational Development, Participation and Corporate Affairs gave an overview of the engagement with staff on the development of the Framework and the approach taken to rank and refine the behaviours identified by staff and stakeholders at workshop and other events. It was noted that over 900 staff had been involved in events.

The Board noted that the five behaviours given the most votes by staff were supportive, reliable and trustworthy, positive, proactive and respectful.

The Director of Organisational Development, Participation and Corporate Affairs explained the approach to be taken to embed the Framework within the Trust. As part of this, the alignment of the Framework with the draft Quality Priorities for 2016/17 would be reviewed.

The Board approved the Behaviours Framework for the Trust.

528/16 Staff Survey

The Director of Human Resources submitted a report on the results of the 2015 Staff Survey and the action being taken within the Trust.

The Director of Human Resources advised that the overall response rate had fallen from 46% in 2014 to 33% in 2015. This was considered to be a consequence of, in part, the survey being conducted electronically in the Trust for the first time. For those questions with a direct comparator, 67% of responses indicated an improvement in 2015. However, the Director of Human Resources commented that, overall, the results were not as positive as the Trust would wish. This was also reflected in the individual comments received as part of the Survey.

The Chief Executive advised that a number of priorities for action had been identified. These would be taken forward at staff engagement events to be held over the coming months.

The Board noted the report.

529/16 Summary Notes of the Appointments and Remuneration Committee: 27 January 2016

The Chair of the Appointments and Remuneration Committee introduced the summary notes of the meeting held on 27 January 2016.

The Board noted the summary notes.

530/16 Planning Framework

Operational Plan 2016/17 Board Declarations

The Director of Strategy and Business Development submitted a report setting out details of declarations that the Board was required to make as part of the Operational Plan 2016/17 submission to NHS Improvement.

The Board, after discussion, agreed the following declarations

- (a) After making enquiries the Directors of the Licensee have a reasonable expectation that the Licensee will have the Required Resources available to it after taking account distributions which might reasonably be expected to be declared or paid for the period of 12 months referred to in this certificate.**
- (b) The Trust does not forecast a requirement for Department of Health interim support or planned term support for the year ending 31 March 2017.**
- (c) The Board is satisfied that adequate governance measures are in place to ensure the accuracy of data entered in this planning template.**
- (d) The Trust Board, despite its determination to deliver a breakeven or better position, is at this stage unable to confirm acceptance of its proposed control total.**

Sustainability and Transformation Plan Update

The Director of Organisational Development, Participation and Corporate Affairs gave a progress report on the development of the STP for Dorset.

Draft Trust 2016/17 Annual Plan Deliverables

The Director of Strategy and Business Development submitted a report setting out the draft Annual Plan deliverables for 2016/17.

The Director of Strategy and Business Development advised that the deliverables had been developed through the Directorate review process undertaken in November 2015 and discussion at the December 2015 and January and February 2016 Board workshops.

The Board agreed the draft Annual Plan deliverables for 2016/17.

531/16 Quality Account and Report for 2015/16 and Quality Priorities for 2016/17

The Director of Nursing and Quality submitted the draft Quality Account and Report for 2015/16, including the proposed Quality Priorities for 2016/17.

The Director of Nursing and Quality gave an overview of the Quality Account and Report and set out the timetable for the statutory consultation and completion of the document. Further amendments would be made to the document prior to submission to Monitor on 27 May 2016.

The Board agreed that the Mental Health Legislation Assurance Committee would be referred to, in the document, as a specialist arm of the Quality Governance Committee.

The Board agreed the draft Quality Account and Report and Quality Priorities as a basis for consultation with stakeholders.

532/16 Quality Improvement Plan

The Director of Nursing and Quality submitted the monthly update on progress in implementing the Quality Improvement Plan following the June 2015 CQC inspection.

The Board noted that of the 60 'must do' recommendations, seven were rated as amber and 53 as green. Of the 90 'should do' recommendations, four were rated as amber and 86 as green.

Confirmation was sought that the position reflected in the action plan was consistent with the feedback from the CQC re-inspection earlier in the month. The Director of Nursing and Quality confirmed that this was the case.

The Board noted the report.

533/16 Review of Parliamentary and Health Service Ombudsman (PHSO) Investigation

The Director of Nursing and Quality submitted a report providing details of a complaint to the PHSO that had been partly upheld.

The Director of Nursing and Quality explained that the complaint related to the Dorset Crisis and Home Treatment Team. The Board noted the details of the complaint and the action taken following its receipt in March 2014.

The case had been accepted by the PHSO in May 2015 and the final report was received in March 2016. The PHSO had recommended that the Trust write to the complainant acknowledging the failings in the service provided and the level of distress caused and also develop an action plan to address the training needs in the Dorset Crisis and Home Treatment Team in respect of autism.

The Board noted the report.

534/16 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.

535/16 Governor Questions and Observations

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

- Reference was made to the CSR consultation events that were now underway.
- Concern was expressed at the cost of the arbitration process on the contract with Dorset CCG.
- The Board should receive a story from a patient with autism.
- The revised commissioning arrangements for the breastfeeding service. The Chief Executive advised that two very different services had been in place within Dorset. Commissioners had now commissioned one service for the County.

536/16 Forthcoming Meetings

The schedule of forthcoming meetings, all at Sentinel House, was noted

- Board Workshop 6 April 2016 at 9.30am
- Board meeting 27 April 2016 at 1.00pm

537/16 Vote of Thanks

The Board recorded its thanks to Steve Hubbard, Director of Strategy and Business Development, for his contribution to the work of the Trust and wished him well for the future.

Signed:

Date:

Ann Abraham, Chair