

**Minutes of the Meeting of the Board of Directors held in public
On Wednesday 25 July 2018, 3.00pm in Community Rooms A&B, Cleadon Park
Library, 10 Prince Edward Road, South Shields, NE34 8PS**

Present:

Mr Neil Mundy, Chairman
Mr Ken Bremner, Chief Executive
Mrs Julia Pattison, Director of Finance
Ms Melanie Johnson, Executive Director of Nursing and Patient Experience
Dr Shahid Wahid, Medical Director
Mrs Kath Griffin, Executive Director of Human Resources & Organisational Development
Mr Alan Clarke, Non-Executive Director
Cllr Iain Malcolm, Non-Executive Director
Mrs Lyn Cole, Non-Executive Director
Mrs Allison Thompson, Non-Executive Director
Mr Mike Davison, Non-Executive Director
Mr Keith Tallintire, Non-Executive Director

In attendance:

Mrs Carol Harries, Deputy Chief Executive/Director of Corporate Affairs and Legal
Ms Debbie Henderson, Company Secretary/Head of Corporate Governance
Dr Sean Fenwick, Director of Operations
Ms Alison King, Deputy Director of Performance

015/2018 Welcome and apologies for absence

No apologies for absence had been received. Mr Mundy welcomed two members of the public to the meeting.

016/2018 Declarations of Interest and Register of Interests

There were no declarations of interest relevant to items on the agenda.

**017/2018 Approve the minutes of the Board of Directors meeting held on 30th
May 2018**

The draft minutes of the meeting held on 30th May 2018 were considered.

Approved:

- **The Board approved the minutes of the Board meeting held on 30th May 2018 as an accurate record**

018/2018 Review Action Log and Matters Arising

Completed actions were noted. There were no further outstanding actions for discussion.

019/2018 Chairman's Report

Mr Mundy referred to issues of collaboration and the current period of change in health and social care. Many Trusts continue to pursue greater collaboration with partners through Sustainability and Transformation Partnerships (STPs) and Integrated Care Systems (ICSs). However, the absence of new legislation to support such change has been acknowledged as well as the need to manage change carefully within existing legal frameworks. Board members were asked to remember the common purpose to ensure resources are used effectively to support the best interests, and health and wellbeing of our patients and local communities.

On 9th July, Matt Hancock was announced as the new Secretary of State for Health and Social Care, replacing Jeremy Hunt. Matt Hancock was known to strongly support the adoption of new technologies and had already announced a £412m STP Technology fund for the NHS. As a Global Digital Exemplar (GDE) and GDE Fast Follower, CHSFT and STFT respectively, also continue to promote innovation and recognise the potential opportunity to access additional resources in this regard.

Mr Mundy referred to the NHS 70th Birthday celebrations held on 5th July and recapped on the events held in both Trusts, including tributes to the remarkable staff both present and past. The events were attended by two of the Trusts longest serving staff Nancy Clark and Margaret Maughan. The Trust was also represented by Mel Milburn, Lynn Robertshaw, Carol Harries and Anthony Steel in London at the National Celebrations on the 5th July.

On behalf of the Board, Mr Mundy thanked the Mayor and Council of South Tyneside for their generosity in hosting a special meeting and reception to confirm their strong commitment and support for the NHS and our local services. Representatives of the Trust and the Council of Governors attended the event.

Mr Mundy referred to the very generous donation of £84,000 by the charity, Heart Call, resulting in the purchase of an Echocardiograph machine. An event was held, and attended by Mrs Thompson on behalf of the Board, on 11th July to acknowledge the donation.

The Council of Governors have continued to be kept informed of progress in discussions taking place between STFT and CHSFT regarding the possibility of becoming one organisation in the future. Governor workshops were held at both Trusts on the 11th and 12th July respectively to discuss the option of merger, and the role of Governors with the support and advice of Hempson's, the Trusts independent legal advisors.

Mr Mundy and the Board acknowledged the last Board meeting for Mrs Carol Harries and her forthcoming retirement and offered enormous thanks for her tireless effort in supporting the Trust. Mr Mundy wished her and her family the very best for the future.

RESOLVED:

- **That the Board noted the Chairman's Report**

020/2018 Chief Executive's Report

Mr Bremner referred to the financial position of the NHS and noted that the Department of Health breached its revenue budget by around £85m with the Provider deficit being confirmed as £960m. Income from community services had also fallen nationally by approximately £300m and with the significant rising costs relating to clinical and medical negligence claims, more and more Providers are continuing to their efforts to maintain cash flow.

Matt Hancock, the newly appointed Secretary of State for Health and Social Care referred to an increased focus on the use of technology in healthcare as well as recognition of issues in workforce, prevention, leadership and diversity. The need for a period of recovery for the NHS was recognised in terms of investment in transformation and managing issues of performance, and this has been supported by Simon Stevens, CEO of NHS England, and the launch of his 10 year plan. The plan also identified five key priorities of: mental health services for children and young people; cancer; cardiovascular disease; prevention and inequality in children's services; and reducing health inequalities.

Mr Bremner referred to an announcement regarding pay awards for junior doctors, specialist doctors, GPs, dentists and consultants, but noted the potential impact on the Trusts financial position.

The Judicial Review into the Government's plan to create Accountable Care Organisations (ACOs) was rejected in the High Court on 5th July 2018. The High Court's decision concluded that the introduction of ACOs was lawful under the Health and Social Care Act 2012. NHS England would be planning a public consultation on the draft Accountable Care Contract with a view to providing more clarity for Trusts, patients and the public.

Capital bids for funding had been submitted for consideration in terms of national prioritisation and Mr Bremner confirmed that the bid in relation to the Path to Excellence Programme had been one of the top four schemes supported. It was noted that funding identified for the Sunderland Eye Infirmary may be unlikely as a consequence.

The Board were pleased to note that the General Medical Council results for 2018 had revealed that Junior Doctors at STFT were the most satisfied in the region and in the top 15% of all NHS organisations nationally. Junior Doctors in CHSFT also voted their experiences very highly with the Trust, and were ranked fifth in the region and in the top 30% of all NHS organisations nationally

Mr Bremner referred to the publication of the Clinical Research Activity League table and noted both STFT and CHSFT had continued their strong performance demonstrating the position of both Trusts as being research active.

RESOLVED:

- **That the Board noted the Deputy Chief Executive's Report**

021/2018 Quality Report (including Patient Story and National Inpatient Survey Results)

Ms Johnson and Dr Wahid presented the Quality Report. The patient story related to the Paediatric Service in CHSFT and a 6 year old girl who had been referred by her GP to have grommets fitted. The patient story had also been filmed and shown on the BBC

Channel programme CBeebies. Mr Mundy congratulated the team on exploring innovative ways to tell a patient story, particularly methods which can be used to reach out to young people.

Ms Johnson noted an improved trajectory with regard to Pressure Ulcers (PUs) across both acute and community divisions.

With regard to falls, the number of falls resulting in moderate or severe harm continued to reduce. The Governance Committee received a deep dive into the work of the Falls Team, and it was reported that they had been asked to share their learning nationally with other NHS organisations. Mr Davison referred to a discussion regarding the national falls rate used as the comparator and the committee supported the Trusts approach of continuing to focus on falls resulting in harm. Mr Mundy referred to a recent Trust event about dementia/delirium and the need to look at ways to support staff in this regard, for example, the current process for the appointment of an Activities Coordinator.

In response to query from Mr Mundy as to whether the improvements in performance were sustainable, Ms Johnson confirmed that no issues had been flagged during June and performance for PUs continued to improve. The Governance Committee would receive a deep dive regarding the work relating to PUs at the September meeting.

Dr Wahid confirmed that no cases of MRSA had been reported in May and June. MSSA continued to be measured nationally, and there remained an absence of a specified target. However, the numbers remained small. The Trust committed to a reduction of 10% for E-coli, but confirmed that the trajectory would be available at the end of the year. The Trust had reported one case of Clostridium Difficile in April, no cases in May and two in June, totalling three year-to-date against a target of seven for the year.

18 complaints had been received in May 2018, with one new case received from the Parliamentary Health Service Ombudsman (PHSO). It was noted that some cases had not achieved the target of initial response within 20 days which had been due to a backlog of meetings with families due to the complexity of the complaints.

Ms Johnson referred to the results of the National Inpatient Survey for 2017 and noted the timescales in receiving the outcomes from national surveys in terms of the impact on implementing timely actions and recommendations. The Board noted generally strong performance with key areas requiring improvement as: length of time waiting for surgery; medicines on discharge; and assistance with meals. The Board were advised that the outcome of the survey would be discussed in detail at the Patient, Carer and Public Experience Committee.

Ms Johnson referred to the first report to the Board on dementia screening, as part of the Trusts Dementia Strategy. The Board acknowledged that the difference in performance between STFT and CHSFT was due to data capture processes, in particular, the ability to capture data electronically in CHSFT. Gaps in assurance in terms of the full assessment being completed had also been identified. Dr Wahid advised that the issues were being addressed by the Dementia Screening Working Group. The ability to develop an electronic solution similar to that in place at CHSFT would link to the GDE Fast Follower work, but it was recognised that the work may not commence until 2021.

With regard to Safeguarding, Ms Johnson tabled a 'Minute Briefing' for the Safeguarding Adults Review process which described the new process for capturing and sharing

information with staff in an easy way to improve shared learning and understanding of safeguarding issues.

Ms Johnson noted that there had been a slight increase in incident reporting and work continued to improve Datix, the Trusts risk management and incident reporting system, particularly around usability.

In terms of nursing staffing, the Board noted a positive position with a reduction in vacancies in both acute and community divisions, with further appointees commencing with the Trust in September. It is envisaged that the report would include Allied Health Professionals in terms of vacancies going forward.

Mrs Cole asked about the rationale for the independent audit undertaken by the Royal College of Paediatrics and Child Health (RCPCH). Dr Wahid confirmed that the RCPCH undertook an independent review of safeguarding procedures which included interviews with consultants, staff and other health partners, and a desktop review. The final report was expected to be received in August/September and would be submitted to the Governance Committee for review. High level feedback had suggested that there were no patient safety issues identified.

Mr Davison asked if the staff issues in the Special Care Baby Unit remained a concern following the temporary closure of the unit in December 2017. Following the re-opening of the unit in January 2018, Ms Johnson confirmed that the team remained reliant on the Maternity Service to ensure safe staffing levels were maintained. The continued fragility of the service was however emphasised and the team were under continual review by operational managers and an escalation process was in place.

Resolved:

- **The Board received the Quality Report (including the Patient Story and National Inpatient Survey Results)**

022/2018 Performance Reports

Financial Performance Report

Mrs Pattison presented the finance report to the end of June 2018 and advised that the overall consolidated financial position of the Trust and its subsidiary companies was a net year to date deficit of £4,348 against a planned deficit of £3,867k, a favourable variance of £481k. The Board were advised that Provider Sustainability Funding (PSF) of £443k was included in the month 3 position following achievement of PSF.

It was noted that income was £435k ahead of plan, comprised of £81k clinical income over recovered, £340k other income over recovered and £14k finance income over recovered. The report showed that if the Trust was not on a block contract then additional income of £974k would have been due. The majority of the over-performance related to non-electives and ambulatory care including: a general increase in A&E attendances in 2018/19 converting to non-elective admissions, or resulting in the patient being assigned to an ambulatory care pathway; and an increase in the average tariff per patient thus suggesting a change in case mix.

Pay was showing an underspend of £573k against plan, but medical staffing continued to be the biggest area of overspend, being partially offset by a reduction in medical agency

spend. Discussions continued regarding the impact and benefits of moving bank staff to NHSP on agency spend.

Non-Pay is overspent by £527k against plan, the main drivers within the non-pay variance were: an overspend within depreciation and amortisation of £104k partly due to increase in revaluation of the Trust's estate; overspends within drugs costs of £115k; and premises overspend of £229k. With regard to on-going discussions with NHS Property Services, Mrs Pattison advised the Board that arbitration may be forthcoming. This was an issue being addressed regionally by other NHS providers.

Following the June resubmission of the Trust's NHSI Plan the Trusts CIP target had been increased by £1,879k to £11,379k. The additional CIP was planned to be achieved as a corporate stretch target rather than being added to divisional targets. Mrs Pattison confirmed the year-to-date position was £122k ahead of plan.

Mrs Pattison highlighted the cash flow forecast to June 2019 and noted that the planned position reflected the application for deficit support which had been approved. Mrs Pattison advised that it was assumed the Trust would continue to receive deficit support funding and, therefore, the Trust's cash balance would stabilise at a minimum working capital cash level of £1,162m.

Mrs Pattison highlighted an increase in costs associated with the non-medical staff pay award in July. It was noted that arrears relating to April, May and June would be paid in August. Mrs Pattison advised that the Trust had been notified that the amount of funding to be received for the pay award was £1,954k. In addition to this, the Trust had allocated 1% of its Annual Plan for the pay award, plus 0.75% for incremental drift. The total funding available to cover the non-medical pay award amounted to £3,807k, £562k short of the estimated cost. Mrs Pattison advised the gap would increase to around £700k when the 0-19 service which transferred to Harrogate was included.

In summary, Mrs Pattison referred to a positive overall financial position, particularly the achievement of Q1 PSF monies. The Board recognised the challenges going forward in terms of the full year effect of CIP and the non-medical pay award.

Mr Tallintire referred to the discrepancy between the allocation of funding associated with the pay award between STFT and CHSFT and queried the methodology for calculating the allocation. Mrs Pattison advised that the allocation was dependant on the different staff groups across individual Trusts, for example, lower banded posts have had a significant pay rise. Mrs Griffin also referred to the impact of vacancies which are not included in the data submitted centrally from the Trusts Electronic Staff Record. Mrs Pattison agreed to have a further discussion in detail with Mr Tallintire outwith the meeting.

Mr Clarke stated that community services had been underspent for a long time and queried the level of satisfaction with the Trusts delivery of the contracts. Dr Fenwick advised that these were often transacted contracts underpinned by specific key performance indicators, some of which related to issues such as turnover and sickness absence. He suggested that the issue related to the short term length of contracts and the impact on decisions to invest in a service which was due to be subject to a further tendering process. Opportunities to work closely with Local Authority colleagues to explore extending the length of health and care contracts would be advantageous.

Mr Clarke suggested that the Trust monitors acute service staffing closely and asked if the same level of scrutiny could be provided in terms of community staffing. Ms Johnson

confirmed that community staffing was included in the Quality Report, but acknowledged that there was no requirement to track community nursing at a national level. Mr Bremner referred to a detailed discussion which took place at the Finance and Performance Committee by way of a deep dive into sexual health activity as part of the review of Community Services, which provided an opportunity to look at the issues, examine the confidence in the service, and any risks being identified. Information would also be discussed and reviewed at the Joint Strategy Committee.

Mrs Thompson advised that an approach to tendering for every contract available was ill-advised, but an approach whereby the Board considered the impact on the longer term viability and sustainability of the Trust, when contracts were lost would be beneficial. Mr Sutton advised that the bidding process for tender submissions would be reviewed by the Joint Strategy Committee going forward, to ensure individual contracts were aligned to, and supported, the Trusts overall longer term strategic direction.

Mr Davison queried the underspend within the IT programme related to the GDE scheme capital expenditure. Mrs Pattison confirmed that this had been due to the timing of the funding being available, which was slightly later than anticipated.

Operational Performance Report

Mrs King presented the performance report for June and noted that A&E 4 hour waiting time performance for June had improved to 96.5% and continued to achieve the operating standard and PSF trajectory of 95.0%. Performance for July remained above target at 95.3% as at 17th July. The Trust remains in the top quartile of Trusts nationally and was ranked 13th out of 139 acute Trusts.

The Trust achieved all cancer waiting time standards this month with the exception of 2 week waits and the 62 day waits. Indicative performance for June shows the Trust currently above target for all cancer waiting time standards, again with the exception of 62 day waits. Gastroenterology and Colorectal Surgery continued to be subject to the formal performance escalation process relating to 2 week wait performance. Short term additional capacity had been put in place and a medium term plan, to be launched in July, had been agreed to amend the cancer pathways so that appropriate patients would go straight to test following clinical triage. Performance was on track to recover in June.

Resolved:

- **The Board received the Finance and Operational Performance Reports**

023/2018 Mortality Dashboard (Learning from Deaths)

Dr Wahid presented the report which included the learning from deaths dashboard and actions taken during the period 1st January 2017 to 10th July 2018. The avoidable death rate remained low at 0.2%, representing two avoidable deaths for every 1000 deaths. Dr Wahid provided a summary of the primary and secondary reviews undertaken.

86% of the reviews identified excellent or good care on primary review. 16.5% of deaths triggered a secondary review, and 78% of those had been undertaken. 2.1% of the secondary reviews undertaken were identified as receiving poor care, none as very poor care and 87% as excellent or good care.

Four key areas for learning were: improvements in oxygen prescribing; improvements in handover between A&E and the Emergency Assessment Unit; improving the identification of potential harm of in-hospital falls and post-fall review documentation; and specifying the type of dementia when documenting cause of death.

With regard to the two avoidable deaths, Mr Davison queried the seriousness of the issues involved. Dr Wahid confirmed that following primary and secondary review, there was no evidence of negligence. The outcome of the findings were discussed with families in both cases.

Resolved:

- **The Board received the Workforce Quarter 4 Report**

024/2018 Joint Finance and Performance Committee Terms of Reference

Mrs Pattison presented the Terms of Reference for the Joint Finance and Performance Committee for approval by the Board. Mr Mundy supported the move towards a joint committee and its reflection of the close working of STFT and CHSFT.

Approved:

- **The Board approved the Joint Finance and Performance Terms of Reference**

025/2018 Audit Committee Annual Report 2017/18

Mr Tallintire presented the Audit Committee Annual Report for 2017/18 and highlighted continued strong attendance at meetings. Mr Tallintire referred to 69% of internal audits receiving 'reasonable assurance' and although the committee expected to see a significant improvement going forward, he reminded Board members of the change in approach to Internal Audit to a more 'risk based' approach, with Executive colleagues identifying areas of particular high risk, with therefore a likelihood of less assurance initially. The Audit Committee would be looking for improvements in follow-up audits in such areas as a sign of continual improvement.

Mr Tallintire referred to the Medical Job Planning Internal Audit which had received a 'limited' assurance rating. This had been previously highlighted as an area of high risk and was subsequently identified as an area of focus for the Internal Audit team. Dr Wahid had attended the July meeting of the Audit Committee to provide further assurance as to progress made to address the recommendations within the report.

It was encouraging that the Head of Internal Audit Opinion gave a 'good' assurance rating of the Trusts systems for internal control. In terms of External Audit, Mr Tallintire expressed the disappointment of the Committee following the continuing data quality issues relating to Referral to Treatment Times, identified as part of the audit of the Trusts Quality Report. A significant amount of work had been undertaken by the Performance and Information Teams, and it was recognised that in the absence of an intuitive IT infrastructure, data quality issues relating to RTT may continue to be identified. It was hoped that the GDE work can address some of these challenges going forward.

At the May meeting of the Audit Committee, the External Auditors were of the view that the Trust continued to face significant financial challenges for 2018/19 and as a result, the External Audit Opinion highlighted a material uncertainty in relation to Going Concern.

Mr Tallintire thanked Ms Henderson for undertaking the Annual Audit Committee effectiveness review and he urged Executive members of the Board to continue to implementing Internal Audit recommendations within the relevant time frames.

Mr Davison asked if the Committee felt the Internal Audit Team had the appropriate capability to effectively audit issues relating to cyber and IT business continuity. Mrs Pattison referred to the recent reconfiguration of teams within AuditOne and the move to incorporate more subject matter expertise to particular audit areas, including IT and cyber. Mr Tallintire suggested that Mr Davison, as Governance Committee Chair, attend a future meeting of the Audit Committee to support triangulation and strengthen governance between the two committees.

Mrs Harries referred to the recent comprehensive audit undertaken at CHSFT by NHS Digital in relation to IT systems and cyber, the outcome of which will inform a presentation by Mr Andy Hart, to CHSFT in August and replicate the learning across both Trusts. There is an expectation that NHS Digital would audit STFT as a GDE Fast Follower in the future. Mr Bremner supported the risk based approach to the Internal Audit planning process and the approach by the Audit Committee to monitor follow-up audits to ensure improvement in systems of internal control. He also advised the Board that as Accountable Officer of the Trust, he had been reassured from discussions with both Mr Tallintire and Mrs Pattison with regard to the Trusts systems for audit and internal control.

Resolved:

- **The Board received the Audit Committee Annual Report for 2017/18**

C026/2018 FOR INFORMATION

Infection Control Annual Report 2017/18 and Annual Plan 2018/19

Mr Mundy queried the reference to poor water management recording. Dr Wahid confirmed this had been a one-off issue and regular audits were maintained.

Mr Mundy asked if issues around recording and capturing information were barriers to effective working for staff. Dr Wahid advised that strong processes were in place to promote trust wide learning in this regard.

Safeguarding Children and Looked After Children Annual Report 2017/18

Cllr Malcolm referred to the South Tyneside Integrated Safeguarding Intervention Team and expressed his gratitude for the work of a very effective team. He asked if the team could be included in the Board visit schedule.

Mrs Cole referred to the low levels of training compliance due to winter planning and asked if training levels were now at target. Ms Johnson advised that safeguarding training was reviewed by the Safeguarding Group and shared with operational services to ensure mandatory training can be undertaken throughout the course of the year, not only at times of high pressure. Mrs Griffin also referred to new ways of undertaking training by using iPads, iPhones to make training more accessible. The teams are also undertaking targeted work for those staff who don't regularly use technology.

Mr Mundy queried the reference to data not being available in relating to Child Death processes. Ms Johnson advised that the process was undertaken by the CCGs and Designated Doctor and there were issues in relation to the Trusts processes.

Safeguarding Adults Annual Report 2017/18

The report was received for information.

Resolved:

The following reports were received for information and assurance:

- **Infection Control Annual Report 2017/18 and Annual Plan 2018/19**
- **Safeguarding Children and Looked After Children Annual Report 2017/18**
- **Safeguarding Adults Annual Report 2017/18**

Action:

- **Include a visit to the South Tyneside Safeguarding Interventions Team in the Board visit schedule**

027/2018 Any Other Business

There being no other business, Mr Mundy declared the meeting closed.

Date and time of next meeting

The next meeting of the Board of Directors held in public will be held on Wednesday 26th September 2018, 3.00pm in Community Rooms A&B, Cleadon Park Library, 10 Prince Edward Road, South Shields