Liverpool Women's NHS
NHS Foundation Trust

Corporate Assurance and Standards Committee

Minutes

of a meeting held at 9.30 am on Friday 1st December 2006 in the Boardroom, Trust Offices

PRESENT: Mr K Morris – Chairman
Mrs L Shepherd – Chief Executive
Mrs A McCracken – Non-Executive Director
Mr R Morris – Non-Executive Director
Mrs Y Rankin – Non-Executive Director
Mr H Yeung – Non-Executive Director
Ms G Core – Director of Nursing, Midwifery & Patient Quality
Mrs K Doherty – Director of Human Resources
Ms C Salden – Director of Service Development
Mr D H Richmond – Medical Director
Ms E Saunders – Director of Corporate Affairs
Ms S Lorimer – Director of Finance

IN ATTENDANCE: Mrs K Wheatcroft – Audit Manager, MIAA
Miss L Hardman – Minutes

APOLOGIES: Mr D Carbery – Non-Executive Director

1. **Minutes of the Previous Meeting held on Friday 6th October 2006**

The minutes of the previous meeting held on Friday 6th October 2006 were agreed as a correct record of proceedings.

2. **Matters Arising**

2.1 Mrs Shepherd updated the Committee with regards to the latest position in respect of the contract with Liverpool PCTs. She explained that following further correspondence, the PCT had agreed to fund fetal medicine but not normal deliveries. It was noted that at the recent meeting of the Finance & Contracts Committee it had been agreed that the Trust should not concede on this outstanding issue, but rather offer to split the difference between the two organisations. Mrs Shepherd was awaiting a telephone call from Derek Campbell.

2.2 Ms Saunders reported that the City Council's Health and Adult Services Scrutiny Panel had met on 28th November in order to consider Liverpool PCT's consultation proposal on the future of breast cancer services in Liverpool. At the meeting it had been agreed that the PCT should revise the document to include information on the proposals from both Trusts, with parties including the Trust's Membership Council and the PPI forums given an opportunity to comment before it was finalised. The Panel deemed the proposed consultation period inadequate and had requested that it be extended until

the end of February 2007. It was also agreed that at least 3 public meetings would be held across the city in order to ensure consultation with the wider public rather than just the proposed hand picked groups. However, the Panel had not made clear how the results of the consultation process/proposals would be evaluated. Ms Saunders added that although the PCT action plan had stated that the outcome of the process would be tabled at a future meeting, the Panel had insisted that the information is supplied ahead of time. In response to comments from Mrs McCracken, Mrs Shepherd confirmed that the Campaign Company would be providing assistance to the Membership Council in order to promote the Trust's proposal both in the community and the media. It was noted that all staff had received an update with respect to the current position. Mrs Shepherd and Mrs Doherty were to meet personally with those members of staff who would be directly affected.

3. Trust Governance Review Progress Report

3.1 Monitor Governance Code – Operational Assessment

Ms Saunders presented a paper which detailed the Trust's current position with respect to compliance with the provisions of Monitor's Code of Governance and suggested areas for further action. She commented that the assessment document constituted the last element of the review that had been undertaken by the Trust which would influence governance systems going forward. Although Monitor had responded to a number of aspects of the consultation, the Code remained very much a product of private sector ethos. The Code would continue to run on a "comply or explain" basis. Ms Saunders explained that the Trust had already made good progress in respect of compliance with the Code and focus would now be given to compiling a detailed action plan with timescales to address the outstanding issues. The Committee agreed the following in respect of areas where it was suggested that the organisation chooses to explain:

A.1.3 – Agreed. CEO would continue to provide input in NED discussions
A.3.2 – Additional NED not required at this stage, as the Chairman has a second casting vote.
C.2.1 – Will undertake a review of contractual arrangements and performance related pay in order to agree a long term strategy.
E.1.1 – As C.2.1 above.
E.1.3 – No action required.
E.1.4 – As C.2.1 above.

Action: To undertake a review of contractual arrangements and performance related pay and present findings to an April meeting of the Remuneration Committee - KD

3.2 Directorate Business Review

Mrs Wheatcroft presented the conclusions from the directorate business review which comprised the second stage to the governance review being undertaken by Mersey Internal Audit Agency (slides attached). She explained that a number of areas of good practice had been identified, however the Trust needed to reassess the role of the MEB in order to ensure the issues that impacted upon strategic objectives are communicated to directorates and feedback is provided to the Trust Board. It was noted that directorates should ensure that all corporate as well clinical objectives are clearly identified within their operational. In addition, directorates needed to take ownership of all aspects of key business areas, ie clinical, financial, operational etc. Mrs Wheatcroft commented that all directorates were extremely positive with regards to the accessibility of Board members. Although some directorates were in the

process of making changes, support would be required in order to develop the recommendations of the review.

Mrs Shepherd commented that although the Trust currently has a very good group of directorate manager's, there was a long record of business and corporate issues not being addressed by directorates, resulting in the lack of engagement of some clinicians. Ms Saunders mentioned that the genetics directorate had undertaken a strategy session in order to commence the operational planning process. She commented that the discussions had been very encouraging, which if replicated in other areas would go a long way to addressing the recommendations of the review.

In response to a query from Mrs McCracken, Mrs Wheatcroft commented that although some directorates did seem to have a huge matrix of meetings, there was acceptance that this was necessary. In response to a further query, Mrs Wheatcroft explained that attendance at meetings was not consistent across directorates – the directorate manager and clinical director would attend, but other members could vary. One directorate had held a clinical meeting and a business meeting, the only link between the two was the clinical director.

In response to a query from Mr K Morris, Mrs Shepherd explained that implementation of the recommendations would be a staged process. Firstly, the outcomes would need to be shared with directorates, with agreement obtained as to the way in which business issues could be added to the directorate agenda. She felt that this would take a couple of months to implement, with operational planning being a crucial aspect to take the process forward.

Ms Core commented that although separate meetings are currently held for business and clinical issues, these should be integrated in order to promote the concept with clinicians that the Trust is operating as a business. Ms Lorimer concurred, explaining that in the past clinically focused decisions had been made which down the line had had a significant impact on finances.

4. **Trustwide Risk Assessment**

4.1 NHSLA Assessment

Ms Core briefed the Committee in respect of the recent NHSLA level three assessment. She explained that despite the Trust having prepared and provided evidence in line with the guidance notes supplied two months previously, it had become apparent at the end of the first day that the assessors had focused their review on how the organisation demonstrated and assured itself that appropriate controls were are in place. Unfortunately the Trust had not been informed of the change in assessment in advance in order to provide the required evidence. Mrs Shepherd commented that the assessors had admitted that the pilot assessments were a learning process for both organisations and the NHSLA alike. As the Trust did not want to register a fail, it was decided that the organisation would pull out of the pilot assessment and work towards formal assessment in July 2007. Ms Core mentioned that neither of the other two organisations who were similarly assessed for level three had been successful. Before completing the formal feedback process, she would liaise with the Trusts to ensure that the feedback is consistent. Ms Core added that the work that had gone into the preparation for the assessment had developed the whole approach to risk management, and as such the Trust was in a better position when compared to 6 months ago. She added that despite the set back, staff continued to be motivated and enthusiastic.

Following a suggestion from Mr K Morris it was agreed that he would appraise the Chair of the NHSLA of the situation and the Trust's disappointment at the way in which the assessment had been undertaken.

Action: To apprise the Chair of the NHSLA of the situation and the Trust's disappointment at the way in which the assessment had been undertaken - KM

4.2 Operational Risk Register Report

Ms Core presented the updated version of the Trust risk register which had been considered at a previous CASC meeting. She felt that all the directorates and the majority of the support structures were represented within the register. However, a peer review would be undertaken in order to validate the scoring and ensure consistency across the Trust. It had also been agreed to incorporate an adjusted risk score once controls measures were in place. Once the risk register had been finalised, Sue Bothwell from the National Patient Safety Organisation would undertake an external review.

In response to a query from Mr K Morris, Ms Core agreed that some risk areas had not been included within any of the directorate registers, demonstrating the requirement for a peer review. Mr Yeung commented that finance and purchasing departments had not been incorporated, and felt that issues in respect of business continuity, ie fire, should also be addressed. Ms Core added that the estates plan probably needed the most attention.

Ms Core explained that once the risk register had been completed and CASC had been assured that systems were in place to support it, issues would only be reported to the Committee on an exception basis.

Ms Lorimer commented that the financial implications in respect of risk issues needed to be addressed as part of the operational planning process before budgets were agreed. She added, that following a meeting with internal audit with respect to capital, they are to forward a copy of a risk assessed capital equipment matrix that would be used as part of the capital planning process.

4.3 Blood Transfusion Risks

Mr Richmond tabled a paper detailing the current situation in respect of blood transfusion services at the Trust and improvements that needed to be made to ensure safe clinical practice. Despite continued efforts to modify and reduce risk on a regular basis, the report recommended the purchase of equipment and the provision of funding to support operator training in order to further negate any risk. Although it would not be possible to provide 24 hour MLSO cover onsite, discussions would need to be held in order to improve the existing service. Ms Lorimer explained that if agreed the equipment would be included as part of the 2007/08 capital programme, but purchased in the current year due to slippage in the 2006/07 programme. The Committee agreed to the funding of the equipment.

5. Business Continuity Management

Ms Core presented a paper in respect of business continuity management. She commented that although there was a vast array of information on the subject generally, it was very limited in respect of health care. A meeting had been held with Baker Tilly, which had proved to be very useful with appropriate direction having been given. Ms Core stressed that it was essential that a managed risk approach is adopted, at the appropriate level and that is cost justifiable. Key risks need to be identified and considered as to how they could impact on the Trust's business. It was noted that Cathy Umbers, Trust Risk Manager had agreed to

undertake training in business continuity management. Amongst the recommendations identified in the document, Ms Core highlighted the need to develop a business continuity plan and establish a process for ensuring the plan is kept up to date and audited regularly for completeness and currency of content.

It was agreed that one of the initial steps would be to identify the Trust's priority and vulnerable business areas. Ms Rankin suggested identifying a crisis team and contact numbers for each area.

In response to a query from Mr Yeung, Ms Core commented that the fire brigade had recently undertaken a review of the storage of medical gases and was currently awaiting their conclusions.

Mr Yeung raised the issue of business continuity insurance cover. Ms Lorimer felt that the basis of the insurance quotation provided should be further investigated and reviewed in view of the financial implications for 2007/08. Mrs Shepherd added that this process should follow the identification of the priority business areas.

6. **Board Assurance Framework 2006/07 – Priority Risks**

Ms Saunders presented a paper detailing progress made against the seventeen priority risks. She explained that at a recent meeting of the Audit Committee, external audit had suggested ways in which to track progress more effectively, ie implementation of a traffic light system. Specific comments in respect of the document were as follows:

Ms Lorimer commented that Liverpool PCTs agreement to fund fetal medicine service should no longer be identified as a gap. It was noted that representatives from the Trust would be meeting with the maternity commissioning team at the Department of Health the following week in order to address issues in respect of the obstetric tariff. The tariff development team would be visiting the organisation on 11th December, which would give the Trust opportunity to present its conclusions on the audit of deliveries.

Ms Salden reported that work to finalise the marketing tender was almost complete. It was hoped that the service would go out to tender by the end of the year, with feedback expected early in 2007.

In response to a query from Mr Yeung, Ms Core explained that the obstetric directorate would be reporting back to the December meeting of the Clinical Governance Committee in respect of epidurals.

With respect to clinical benchmarking, Ms Lorimer reported that the Trust would be participating in the FTN obstetric benchmarking review to be undertaken by McKinseys. Mr Richmond commented that both the Health Commission and the RCG are to carry out a benchmarking review of maternity services.

In response to a query from Mr K Morris, Ms Lorimer explained that discussions were well underway as to the future services to be provided at Aintree. A project board was currently meeting on a fortnightly basis. The overall plan would be presented to the March meeting of the Trust Board. It was noted that the Trust had already given Aintree Hospitals notice to drop 3 to 4 theatre sessions, a saving of approximately £75,000, and would be reviewing the use of the outpatient area. Mrs Shepherd commented that although the Trust could provide documentation to support the reduction of the Aintree SLA by £0.5 million, it may be necessary to seek arbitration with Monitor.

Mrs Doherty reported that due to agenda for change payment arrears, the Trust would have to pay an additional £150-175,000 in December. Ms Lorimer commented that these costs had already been factored into the budgets.

Mr Richmond explained that as research undertaken at the Trust is not perceived nationally as of top priority, future research funding could be at risk. It was noted that Dr Shaw and Prof Alfirevic were currently trying to address the potential gap in research monies that may arise. In response to a query from Mr K Morris, Mr Richmond commented that academic members staff were continually trying to source areas of independent funding, but unfortunately it proved to be very difficult.

7. **Corporate Report: Month 7 Position**

Ms Lorimer reported that the Trust's total overspend had decreased to £182,000 at the end of October 2006. It was noted that the forecast surplus for the year had increased. The capital programme had been adjusted to take into account slippage on the RMU and estates schemes. Discussions were also taking place with the Department of Health in respect of the reconfiguration of Public Dividend Capital.

In response to a query from Ms Rankin, Ms Lorimer confirmed that the high number of debtors consisted mainly of other NHS organisations which were not a risk to the Trust.

Ms Salden reported that performance indicators were good against target. The gynaecology directorate had put through additional activity in order to recover its position. A joint piece of work would be undertaken in order to understand the decrease in neonatal activity.

Mrs Doherty reported that the Trust had finally received guidance on ESR reporting tools. It was hoped that this, coupled with the work undertaken by Baker Tilly on the executive dashboard, would mean that a report could be provided within the next corporate performance report.

8. **Any Other Business**

There were no other items of business to report.

9. **Date and Time of Next Meeting**

Friday 2nd February 2007 at 9.30 am.

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05.12.06