

Minutes of the Board of Directors

Date	Monday, 1 June 2020
Time	9:30am
Location	Virtual - via Microsoft Teams
Chair	John Church, Acting Chair (JC)
Members	James Sumner, Chief Executive (JS) Heather Barnett, Director of Workforce and OD (HB) Trevor Brocklebank, Non-Executive Director (TB) Lorraine Butcher, Non-Executive Director (LB) Russ Favager, Deputy Chief Executive & Director of Finance (RF) Murray Luckas, Medical Director (ML) Lesley Massey, Non-Executive Director (LM) Chris Oliver, Chief Operating Officer (CO) Les Philpott, Non-Executive Director (LP) Julie Tunney, Director of Nursing and Quality (JT) Andy Vernon, Non-Executive Director (AV) Dennis Dunn, Chairman (DD)
In Attendance	Amy Freeman, Chief Information Officer (AF) Denise Frodsham, Director of Strategic Partnerships (DF) Caroline Keating, Company Secretary (CK) Katherine Birch, Lead Governor (KB) (from item 9.2) Katharine Dowson, Head of Corporate Governance (KD)
1	Welcome & Apologies (v) JC welcomed everyone to the meeting. He advised that he would be chairing the meeting although the Chairman would be attending ahead of returning to his role next week. JC also welcomed Mr Oliver Bennett who was observing the meeting as the incoming Chief Operating Officer.
1.1	
2	Declarations of Interest (v) HB advised that she was now a Governor at Ruskin High School in Crewe.
9:32	
	Action: Board of Directors Register of Interests to be updated (KD)
3	Draft Minutes of the Last Meeting - 4 May 2020 (d)
9:35	
3.1	LB commented that at 5.2.5 the response to CQC in Northwich was specifically from the Northwich Guardian newspaper. The minutes were agreed, subject to the amendment proposed.
3.2	CK advised that action 119 was in progress. JT advised that items 117 and 118 had been completed; JC agreed that all pending items could now

be closed.

4 Deputy Chair's Opening Remarks (v)

9:40

4.1 JC reported that he had been attending virtually the fortnightly North West Provider Chairs meeting on behalf of the Trust. The updates from Mr Bill McCarthy, North West Regional Director for NHS England and NHS Improvement (NHSEI) had been useful. JC advised that the briefings had included information on Covid-19 trends and regional variations. It was also likely that the command and control approach would continue to the end of the financial year 2020/21.

4.2 JC advised that he had also had meetings with Mr Andrew Wilson, Chair of the Cheshire Clinical Commissioning Group (CCG) and Mr Steven Michael, Independent Chair of Cheshire East Partnership. Both these meetings had focused on the post-Covid landscape and the challenges that this may bring.

4.3 JC noted that LP had written to the Lead Governor as Audit Committee Chair in regard to the Annual Report and Accounts processes this year as changes were made in response to Covid-19. This would be sent out to all Governors in due course. JC noted that the NEDs/Governors meeting for 8 June had been stepped down, but that JS intended to meet with all Governors at the end of June.

Resolved: The Deputy Chair's update was noted.

5 Chief Executive's Report - (d)

5.1 Covid-19

5.1.1 JS updated the Board on the Trust's response to Covid-19, noting that the Trust was responding well in terms of supply and demand issues such as Personal Protective Equipment (PPE). Elective operating would be starting again from today, 1 June 2020, and the Trust had been busy reorganising wards to ensure that there were ringfenced beds available for those elective patients that require an inpatient stay.

5.1.2 JS advised the Board of the current number of patients with Covid-19 or awaiting testing currently in the Trust; these numbers were consistent with other providers in the north west. There were challenges in the region as cases were higher than elsewhere in the country, but the level of infection was decreasing overall which was enabling providers to reintroduce elective work gradually.

5.1.3 JS reported that the Executives had met with senior divisional teams to discuss the next 'stabilisation' phase which was potentially the most challenging. Covid-19 would still need to be managed but a 'twin-track' approach to managing patients would need to be established in the acute Trust and in the community. The Trust would also need to be prepared for any second wave of Covid-19, with plans to quickly increase critical care provision if required.

5.2 Strategic Objectives and Key Risks 2020/21

- 5.2.1 JS presented the strategic objectives (SO), the strategic risks and the approach being taken with the Board Assurance Framework (BAF). The risks had been updated following Board discussions on 21 May 2020. JS added that the lead Executive for BAF risk 19 should be the Chief Executive rather than the Director of Finance and this amendment would be made.
- 5.2.2 JS reminded the Board of the rationale for having strategic objectives for a single year given the impact of the Covid-19 pandemic on the Trust. JS advised that the new BAF would be developed following agreement of these key risks and the 2019/20 BAF could now be closed off. JS reported that a new electronic risk management system had been chosen and this was now being procured for the Trust.
- 5.2.3 JS suggested that the next Board Away Day on 22 June 2020 would have a focus on risk and include a development session for the Board on risk management. JS noted the proposal to start a Risk and Assurance Group which would bring together the divisions and corporate teams to review risk and provide some assurance on the BAF.
- 5.2.4 DD commented that this was a very positive approach but asked whether SO4 'to ensure MCHFT is the *best* place to work', was achievable and measurable. JS acknowledged that this was a stretch objective, but that Executives had felt that it was important to be ambitious and staff views could be assessed through a variety of measures such as the national staff survey, benchmarking and staff metrics. LB agreed, remarking that becoming the employer of choice was important and that the Trust needed to be in the upper quartile of measures for staff satisfaction. JS advised that it would be important to share these objectives with staff soon.
- 5.2.5 LP reflected that at a recent Audit Chair's meeting facilitated by the internal auditors, Mersey Internal Audit Agency (MIAA), there was a general discussion about what trusts were focusing on and the Trust appeared to be ahead of others in moving forward to focus on post-Covid-19 challenges, and this document demonstrated that.
- 5.2.6 The Board approved the strategic objectives and risks for 2020/21 and noted the development of a new risk management system and strategy. JS advised that the next steps would be develop more detailed and SMART objectives that sit beneath these strategic objectives.

Resolved: The Chief Executive's update was noted.

6.1 Quality Governance Committee (QGC) Chair's Assurance Report - 11 May 2020 - (d)

- 6.1.1 JC advised that this was the first meeting using the new Chair's assurance reports from Committees which had been designed to bring a

focus on the level and type of assurance that Committees were providing to the Board.

- 6.1.2 LM outlined the key areas of discussion that had provided some level of assurance including:
- 6.1.3
- a review of new guidance on infection control during Covid-19, which would be reported to the Board in July
 - the re-established Quality Summit which would monitor and review the Care Quality Commission (CQC) action plan. QGC would receive a quarterly report; other sub committees would have a line of sight for areas that were within their sphere of responsibility
 - Use of online mandatory safeguarding training had improved
 - Learning from Deaths suspended nationally, although all Covid-19 deaths would still be reviewed. The Trust had also chosen to review a 10% sample of other deaths
 - Maternity Clinical Negligence Scheme for Trusts (CNST), compliance against the ten elements was being reported monthly to QGC
 - Monthly Quality Governance summary report was received which provides high level themes of patient safety and quality, Strategic Executive Information System (StEIS) declarations and QGC could choose to request a thematic deep dive and review into any areas.
- 6.1.4 JC commented that the new assurance reports were good concise summaries and LM agreed that it enabled the Board to identify quickly the pertinent points but added that full minutes would be available to any Board member if requested. CK commented that the content of the new Chair's Assurance report would be further strengthened with the introduction of the new cover sheet for Board and Committee reports as these would identify a specific level of assurance individual items were providing. This would allow the Board to focus on those key areas. JC observed that the Chairs would finesse these reports over time and commented that some items identified for escalation to the Board were not necessarily the items of assurance contained in the Chair's report.
- 6.1.5 AV noted that in the QGC minutes there were two escalations from the last meeting of the Executive Quality Governance Group (EQGG) and asked if any further detail could be provided. ML explained that there was an ongoing audit on blood transfusion competencies across the organisation to ensure that all staff who need to collect blood from the blood storage unit were appropriately trained. Some areas had high compliance, but others were too low, and this training had been hampered recently by staff movements. However, ML added that the high compliance areas were those that use blood products frequently and there was an ongoing focus to get all staff trained.
- 6.1.6 ML advised that the National Neutropenic Sepsis one-hour door to needle time audit had been suspended during Covid-19; however, the specialist

nurse running the audit had taken the opportunity to work with Emergency Department (ED) staff to redraft the Standard Operating Procedure. This is the area where most of the guidelines needed to be implemented and this should improve performance in the audit when it recommenced. ML stated that these were standing items at EQGG for review and would continue to be escalated where needed.

Resolved: The report of QGC was noted.

7 Patient Quality, Safety and Experience Report April 2020 (d)

10:10

7.1

ML presented the first section of the report, noting the new format which should be easier to navigate through. ML reported the steep decline in the number of reported patient safety incidents in April, during the height of the Covid-19 pandemic. He commented that this was a trend seen nationally which reflected the reduction in overall activity in the Trust and the focus on Covid-19 wards, the number of ward and staff moves which had led to some loss of focus on incident reporting. ML advised that the Quality Governance team was working hard to remind staff that these structures were all still in place.

7.2

ML advised that this pattern was repeated in the community with Central Cheshire Integrated Care Partnership (CCICP) patient safety incident reporting also reducing in April. ML added that in CCICP there remained a high level of reporting harm incidents versus low harm or no harm

7.3

ML noted that the number of Serious incidents reported to StEIS remained within control limits. Since March of 2019 when a new reporting policy was commenced, there has been a slight increase in incidents reported which has yet to reach statistical significance. Three incidents had been reported in March and had been verbally discussed at the May Board Meeting.

7.4

ML highlighted the following points:

- Venous Thromboembolism (VTE) assessments performance was above the national target of 95% for April
- The latest release of mortality data for the Trust showed a small improvement in the Trust's ranking for Summary Hospital-level Mortality Indicator (SHMI)

7.5

A significant spike in the crude mortality metric in December 2019 - whilst a spike in winter was expected, the December 19 spike breached the limits and so further work was being undertaken to understand the reasons why. JT presented the infection control metrics noting that all were within control totals and there were no concerning themes. JT explained that NHS England (NHSE) started to request reporting of hospital acquired Covid-19 two weeks ago and advised the Board of these numbers. JT added that this was for patients who had tested

positive for Covid-19 within 15 days of hospital admission. Guidance on how to manage these had not yet been provided so the Trust was managing these as incident reports and would assess each case for any lapses of care.

- 7.6 JT reported that the continued improvement in Pressure Ulcer (PU) lapses in care had continued, due to excellent work in the Trust and in CCICP. JT acknowledged that there had been some increase in level 4 PUs in the last six months in CCICP and she would be leading a cluster Root Cause Analysis (RCA) for those six cases to ensure there were no themes and identify any lessons learnt.
- 7.7 JT advised that inpatient falls remained above the control limit for a second month although only one was with harm which was identified in the StEIS report. The total number had reduced but this metric would be monitored carefully over the next month.
- 7.8 JT reminded the Board that, following national guidance, the complaints process had been paused during Covid-19. However, the Trust had made the decision to reinstate responses to complaints in May to improve its compliance with the 40-day national response rate target. JT outlined the measures to improve this metric which included additional staff resource and work with the Division of Medicine and Emergency Care to improve response rates. The Trust was aiming to get 70% of complaints closed within 40 days by December 2020 and 85% by the end of quarter 4 of 2020/21. The Executive Patient Experience Group would review and monitor this work.
- 7.9 JT explained that there was no safe staffing report this month as the number of ward reconfigurations had meant that there was no clear data and the registered nurse fill rate did not reflect the situation in the Trust. JT reminded the Board that NHSE had suspended this reporting during Covid-19 but that the Trust continued to manage staffing in the same way with daily matron-led staffing meetings and daily reviews of patient acuity and staff requirements. There was staffing support in place at all times, with a Matron on site until 9pm every day. LB asked when the safe staffing report would return, and JT advised that a verbal update would need to be given next month as May data would not be available.
- 7.10 LB welcomed the new report which she stated provided a high degree of resilience and assurance. JS agreed that the new reporting using Statistical Process Control (SPC) charts provided a more statistical view with greater use of benchmarking. JS noted that each chart now had a number 1,2, or 3 which identified the assurance level on each chart - 1 was locally captured data, 2 was system data from the CCG and the Trust and 3 was published and benchmarked data which identified the quality of the data. He added that the Trust was not setting trajectories any more but the SPC charts allowed a view on longer-term impacts of intervention.

7.11 JS advised that this process would now be applied to workforce and following that performance metrics would be reviewed with the intention of producing an integrated performance report. This work was being supported by the Business Intelligence Unit (BIU). JC welcomed the new report and the impact of SPC charts.

8 Serious Untoward Incidents (SUI) and RIDDOR Events (v)

10:30 ML reported three SUI in May:

- 8.1
- An elderly patient admitted under the surgical team following a number of falls and resulting head injury, then had a number of falls during their admission and an inter-cranial haemorrhage was diagnosed. The patient subsequently died from Covid-19 which was not linked to the falls, but the initial 48-hour review raised questions about the management of the in-patient falls
 - A patient admitted from the community following the identification of a level 4 PU - the initial review raised some questions about their care in the community
 - A patient admitted under the surgical team died within 24 hours from the effects of a bowel obstruction which may have resulted from a delay in treatment.

8.2 ML advised that two staff injuries that resulted in four weeks' absence were reported under the RIDDOR regulations.

Resolved: The report and assurance provided was noted.

9.1 Performance and Finance Committee (PAF) Chair's Assurance Report - 21 May 2020 (d)

10:35

9.1.1 TB presented the key areas of assurance provided and risks identified in the Chair's report, noting that finance remained under a temporary block payment system which had resulted in a £1.7m shortfall in April. The Committee had received a detailed explanation of what made up the shortfall and noted that the Trust was in the process of making a claim to be reimbursed for this amount.

9.1.2 TB noted that the Committee had received a report on the Trust's response to Covid-19 and the impact of eight weeks of cancelled elective work which had increased the patient waiting list; there had also been a small number of 52-week breaches. This was a major risk to the Trust and there remained a risk of a second wave of Covid-19 that could arrive just as winter pressures began. TB advised that PAF had received a report on the recovery plan for performance while remaining prepared for further Covid-19 pressures. The former South Cheshire Private Hospital (SCPH) facility had been very useful during Covid-19, but it had put a delay in the proposed development of the site.

Resolved: The report of PAF was noted.

9.2

10:40

Performance Report - April 2020 (d)

9.2.1

CO reported that, of the oversight metrics, only the 62-day Cancer screening target and the 4-hour transit time target were achieved in April. For the first time, the 62-day from GP referral and two-week urgent referral for Cancer standards were failed. CO advised that urgent Cancer surgery continued to take place at the Spire Regency Hospital in Macclesfield and all patients not being seen within expected time limits were being reviewed and monitored. CO noted that the Trust's operating theatres would initially only be running at 50% of previous capacity as the main operating theatre suite was still separated into two areas for Covid-19.

9.2.2

CO reported that the 4-hour transit time standard was 98.27% in April with half the number of attendances in April 20 vs April 19. The majority of this decline was for minor injuries and paediatrics, not resus activity. ED had now started to see an increase of attendances, although levels were still not back to pre-Covid levels.

9.2.3

CO advised that delayed discharges had reduced significantly although there were now issues with those testing positive as they could not be discharged back to care homes until they tested negative which could take some time. CO noted the spike in April of 7-day readmissions but explained that a cohort of patients had been discharged to Elmhurst Intermediate Care during the ward reconfigurations and they had then been brought back. CO reassured the Board that this target would return to expected levels in May.

9.2.4

CO reported that elective length of stay increased significantly in April due to the stopping of activity as the number of elective patients dropped, but it was expected that this number was an anomaly that would be readdressed as elective work returned to normal levels.

9.2.5

CO noted that the reduction in planned activity had led to a deterioration in the Referral to Treatment measure to 79.14%, against a target of 92%; there had also been seven 52-week breaches in April which was highly unusual. The six-week diagnostic waiting time measure was at 65.18% against a target of 1%. This would improve as more elective activity was restarted and outpatient activity was increased.

9.2.6

CO reported a significant increase in maternity bookings and deliveries in April which was due to the transfer of patients from East Cheshire NHS Trust, as well as bookings from One to One Midwives. CO noted that the Trust was particularly seeing bookings from the Holmes Chapel area.

9.3

Finance Report

9.3.1

RF advised that due to Covid-19 with all the ward moves, staffing incentive payments and reductions in non NHS income the standard finance report for month one of the financial year had not been produced

as it would have had limited value for the Board with numerous variances against the original budget. A detailed report had however been produced for PAF Committee to explain the month 1 position. Going forward a report would be provided to future Board meetings. RF reminded the Board that Cost Improvement Programmes (CIP) had been suspended and the Use of Resources rating was not being reported.

9.3.2 RF reminded the Board that the arrangements for the first four months of the year, put in place in response to the Covid-19 pandemic, were for a block arrangement with commissioners as calculated by NHSIE. This calculation was based upon the time period November 2019 to January 2020 with, if required, the facility for a further top-up payment to be issued by NHSI/E to ensure that the Trust would breakeven for the first four months of the year. RF added that, although no official guidance had been received, the Chief Financial Officer of NHSIE had indicated that these arrangements would continue until 31 October 2020. Therefore, there would be no local contracting between the CCG and providers during this time.

9.3.3 RF advised that the Trust had received a letter in regard to financial reporting and approval processes for the next phase of Covid-19 from 1 May 2020 as elective care was re-introduced. There would be a move from an expenditure-led approach to bring the organisation back to more of a financial control regime; HM Treasury was looking for certainty on NHS spending for 2020/21 and therefore there would likely be agreed financial limits for providers.

9.3.4 RF advised that there were now set areas for reimbursed expenditure and specified areas where expenditure would expect to be stopped from 1 May 2020, unless there were a second wave of Covid-19. This was received mid-May and so applied retrospectively to the Trust. The Trust was working to ensure that there was a return to the culture of financial control and could fully justify changes in expenditure patterns.

9.3.5 RF reported that the Trust posted a deficit of £1.745m in the month of April, based on the NHS Improvement (NHSI) plan and therefore an accrual to this value was included within the financial ledger to support a break-even position. RF advised there were three areas in particular that had produced this shortfall and the basis of the Trust applying for a further top up payment:

- £500k loss of income due to reduced footfall and non contracted activity including car parking, catering, road traffic accidents (RTA) etc.
- £500k holiday accrual for month 1 as staff had not been able to take all their annual leave and would likely be allowed to carry it forward. National discussions were taking place and it was likely that NHSI would want to treat this as a separate accounting issue rather than a cash issue
- £700k of costs due to the top up calculation being calculated in a period when a number of one-off benefits had been received in the Trusts financial position and thus suppressed the normal run

rates of the Trust. In addition to the errors in the calculation there had been some service changes which had not been taken into consideration. These included the impact of BMI healthcare staff transferring to the Trust (under normal circumstances would have been offset by additional elective work income), the impact of the laundry out-sourcing, which commenced in January after the block contract calculation period and additional Public Dividend Capital had also been received for the A&E modular build which has resulted in additional depreciation costs.

Resolved: The Board noted the performance and finance report.

10 **Transformation and People (TAP) Chair's Assurance Report - 7 May 2020 (d)**
10:50

10.1 LB summarised the items of assurance provided in the Chair's report which included:

- The 'Silver' response to Covid-19 and the scale of what that had involved, with 15 workstreams in place, dealing with what was a significant work and logistical challenge, for example over 26 ward moves took place
- Workforce challenges under Covid-19 and the actions taken by the Trust, for example, a virtual Schwartz Round, good engagement with Trade Union representatives and the plan to leave some wellbeing initiatives in place which had had a high impact and low cost

10.2 Key issues and risks identified were:

- International recruitment remained paused
- Mandatory training and workforce data were a priority and TAP would be reviewing how to increase the use of online platforms

10.3 HB added that since TAP met the Trust had decided to start international recruitment again and efforts were being made to get the 20 nurses in cohort 4 to the UK and a further cohort was to be recruited.

10.4 LB noted the following items were also discussed:

- A significant increase in applications received for the Trust's registered nurse apprenticeship programme. The Trust was, therefore, attempting to expand beyond the 20 places available for September 2020
- The use of technology as an enabler for changing working practices.

10.5 AV asked for an update on the Electronic Patient Record (EPR), as a decision had been expected at the end of May. AF confirmed that the decision date had been deferred to June. LP asked how the Silver response to Covid-19 would feed into the new transformation strategy and how this would be correlated to the newly agreed strategic objectives. JS replied that BAF risk 1 picked up the importance of capturing lessons learnt and the transformation team and Quality Improvement Faculty were

developing this which would be reported to Board and feed into all the Board Committees.

11 Workforce Report - April 2020 (d)

10:55

11.1

HB noted that sickness absence had peaked at 6.77% in April, with 2% of this due to Covid-19 related absence. Sickness rates in the North West have been the highest in England. However, the accuracy of reporting data remained a concern which was being looked in to. In Cheshire and Merseyside, the Trust was not an outlier JS noted that the Trust figures were the lowest of District General Hospitals in the north west.

11.2

HB advised that appraisal figures had dropped in April and explained that there were always a higher number of appraisals due in March, so it would have been a challenging month. The medical workforce appraisals had been suspended however, managers had understood that all appraisals had been suspended and so the message now was to pick up these appraisals virtually where possible. The new approach to appraisals (Motiv8 pilot) was being tested with some teams with the intention of rolling this out quickly.

11.3

HB reported that mandatory training had been reviewed at both Executive Workforce Assurance Group (EWAG) and at TAP. There had been an expectation that training rates would improve in April as many staff had the opportunity to catch up where clinical work had been stopped. However, there was a lag between completion and the data being uploaded as this was a manual process; the indicators were that this would improve in May. HB advised that all mandatory training was now online, on one platform, apart from some face to face training required for particular clinical skills. HB noted that national guidance had changed in regard to the requirement for the frequency of some training, but the Trust had decided to remain with current arrangements.

11.4

HB advised that staff turnover remained low, but this figure masked some hot spots and the new metric reports would focus on starters and leavers which would be more useful. DD asked if there had been much uptake of retired clinicians to return to work and HB answered that it had been minimal with less than five accepting roles, which was reflective of national uptake. It had proved difficult to appoint retired staff as many applicants had not wanted to take up Covid-19 roles. HB reported that there had been much more success with bringing nursing and medical students in early as they had proved very useful.

11.5

HB reported that agency spend had reduced in April for nursing and midwifery as more bank staff were used than agency. DD asked if the Trust was preparing for a spike of dental work, given that accessing dentists had been challenging during Covid-19 for many people. ML agreed that the Trust was likely to see an increase in demand for those severe cases that required hospital treatment.

12 Audit Committee Chair's Assurance Report

11:05

LP noted there had been two Audit Committee meetings in May in order to complete year-end business for 2019/20 and to receive, review and challenge sources of assurance.

12.1 11 May 2020 (d)

12.1. LP noted that this meeting had been focused on two key items. The first was the opinion of the internal auditor, Mersey Internal Audit Agency (MIAA). There had been 25 recommendations made throughout the year, none of which were critical and two were high risk. Good progress had been noted on these two risks which were in regard to agency staff and recruitment processes. LP noted that the overall opinion was one of substantial assurance which was the second highest rating of five. LP commented that this was a good achievement and congratulated the Trust for achieving this.

12.1.2 LP reported that the second key item was the Annual Governance Statement which was prepared by JS as the Accounting Officer of the Trust. This was a statement on measures of internal control and provided a good level of assurance about what was happening in the Trust. LP noted, with approval, that this was not simply a description of controls, but also included judgements on how these controls were applied in 2019/20. It was therefore a robust statement and the Committee was content to recommend it to the Board for approval.

12.2 21 May 2020 (extraordinary) (d)

12.2.1 LP presented the report of the Audit Committee meeting which had focused on the draft opinion of the external auditors on the year-end position. This report was likely to give a clean bill of health to the veracity of the financial statements. The auditors had been stepped down from work on the Quality Report for 2019/20 due to Covid-19 and were not required to give an opinion but, as the work was sufficiently advanced, they had commented that they had no findings in relation to either the design of processes for recording the 4-hour transit time measure or to incomplete processes for the 18 week Referral to Treatment target, and this should be noted with approval.

12.2.2 LP advised that there had been some discussion over the likely issuing of an 'except for' qualified opinion for value for money (VFM) and some concerns over the going concern statement. RF explained that the wording in the 'going concern' statement in the public sector covers whether services were sustainable as well as financial viability. This was a national issue, as a guarantee of working capital loan facility would normally be set out in planning guidance. As this has been suspended, it was not clear what access to guarantees of emergency capital facilities from the Department of Health and Social Care would be available for

those Trusts who were in a deficit position. Wording was being developed nationally and discussed with the National Audit Office (NAO) and NHSI today to resolve this issue which was common to many Trusts.

- 12.2.3 RF advised that, unusually, the auditors had considered issuing the Trust with an 'except for' qualified opinion on the findings of their Value for Money (VFM) work. RF explained that VFM covers three aspects:
- 12.2.4
- i. Does the Trust have informed decision making - *no concerns and no comment made*
 - ii. Partnership arrangements - *no issues raised*
 - iii. Sustainable resources deployed i.e. the risks to the organisation achieving sustainability. This was the area of concern leading to a qualified opinion.
- 12.2.5 RF noted that the VFM conclusion predated austerity. The way that NHS Trusts were now expected to work in systems to find a solution to sustainability took longer to achieve. The NAO were planning to change the definition for VFM for public bodies in the future.
- 12.2.6 RF advised that there were three levels of qualified opinion for the VFM and the 'except for' was the least stringent of the three as two of the tests were passed. RF explained that auditors were asked to identify for the public where there were significant risks to an organisation being able to achieve a sustainable financial position. Historically, the Trust had always delivered to financial targets; however, at the time the Covid-19 pandemic broke, the Trust had a number of issues still to be resolved including the forecast of a £15m deficit, the signing of the contract with the CCG and finalising proposed system-wide saving solutions.
- 12.2.7 The auditors had acknowledged that it would have expected the Trust to have resolved many of these issues and that the assessment was outdated compared to the systems' work being encouraged. This position was not unique to Mid Cheshire and would be applicable to a significant majority of regional organisations this year as nearly all NHS systems and non-specialist providers would have an underlying deficit and due to planning being suspended would not have approved long term plans.
- 12.2.8 RF noted that the auditors had advised that they would aim to ensure consistency across providers. RF advised that the Trust had asked that some of this context was included in the final opinion, but the auditors had replied that the wording for the opinion was prescribed and was about the Trust as a statutory body; however, the context was supplied in the IS260 form provided to the Trust.
- 12.2.9 DD commented that he would have liked to have seen some minor change to narrative that removed the ambiguity of why the opinion would be qualified but he was content that the Board had discussed this in some detail and would therefore be happy to endorse and accept the report.
- 12.2.10 LP observed that he was confident, from his experience, that all had been

done to try and resolve this satisfactorily; the Audit Committee had reviewed this draft opinion and cross-referenced it with RF to gain assurance. RF had clearly explained the rationale behind this and the auditors had been challenged to explain their opinions. This had enabled the Committee to recommend that the Annual Report & Accounts was approved by the Board. LP proposed that, although the final wording was still pending with some minor amends to be made, the Board should accept the recommendation to approve the Annual Report & Accounts and agreed that JC as acting Chair and LP as Chair of the Audit Committee would approve the final wording from the auditors. JC added that he had withdrawn from attending both these Audit Committee meetings as he was aware that as Acting Chair he would be required to approve the final document.

- 12.2.11 RF advised that LP had written to the Lead Governor to advise her of the change to the process and explain the context of the auditor's opinion. LP added that he wished to ensure that there were no surprises for Governors and as they were responsible for appointing the external auditors, he wanted to appraise them of their work. JC agreed that it was important that they were kept informed in the absence of meetings and it was positive to see the plans for JS to brief Governors. CK confirmed that the briefing would go to Governors following this meeting and KB indicated that she was content with this process.

Resolved: The Board noted the report of the Audit Committee Chair.

12.3 Annual Report & Accounts 2019/20 (d)

11:10

- 12.3.1 JC confirmed that, following discussion under the previous item, the Annual Report & Accounts should now be approved if all members were in agreement, subject to the finalisation of wording with external auditors.

- 12.3.2 AV noted the comments from the external auditors at the meeting about the help, responsiveness and transparency from the finance team during this process. LP added his thanks, on behalf of the Audit Committee, to everyone associated with the production of the Annual Report which was written in the interest of the Trust and the patients.

- 12.3.3 **Action: The final version of the Annual Report & Accounts including the final opinion of the external auditors to be approved by JC and LP via Chair's Action (RF)**

13 Board Assurance Framework 2019/20 Q4 (d)

11:20

- 13.1 ML presented the BAF noting the changes to escalations:

- P1. Fully engaging with all strategic partners to create sustainable healthcare services). Risk moved from 6 to 15 to reflect the closer partnership working across the Cheshire system recovery plan

- E1. Full compliance with the Provider Licence. Decreased from 15 to 10 which was a significant reduction based largely on the Trust delivering a financial surplus for the year. RF noted that this was the financial risk for 2019/20 and the financial risk for this year i.e. 2020/21, would be included on the new BAF
- T2a. To deliver the IT Strategy. Reduced from 15 to 12 based on the movement of the EPR business case through the national processes.

Resolved: The Board noted the report.

14

Organisational Risk Register 2019/20 Q4 (d)

11:25

14.1

ML advised that this was the final report of 2019/20 and two new risks had been included which were:

14.2

- DC1070 - a reduction in the number of staff at the Pathology site at Macclesfield Hospital was scored with a inherent risk score of 16, but with controls and systems in place to support the staff, the residual risk rating was now 12
- TW0028, a set of related risks associated with Covid-19, as discussed at last month's Board meeting has been included.

14.3

JS commented that further work would be done on the organisational risk register to assess how risks were reviewed and treated and how risks were scored. The alignment of the BAF and organisational risk register would move towards becoming more automated in due course.

Resolved: The Board noted the report.

15

Use of the Trust Seal (d)

11:30

CK advised that this report was brought to the Board in line with Standing Orders to report the use of the Trust Seal on a quarterly basis. CK added that this would be reviewed as part of the review of the Corporate Governance Handbook in the coming months.

Resolved: The Board noted the report.

16.1

Any Other Business (v)

16.1.1

Volunteering Week

CO advised the Board that it was national volunteering week and noted the significant contribution of volunteers to the Trust which had been exemplified by work during Covid-19 and the positive impact of volunteers across clinical and non-clinical areas.

16.1.2

Chris Oliver

JC noted that this was the last Board meeting for CO and thanked him for his hard work at the Trust and wished him every success in his new role.

DD echoed these views and added that, in his three years at the Trust, CO had transformed and professionalised many of the areas he had been involved with, both internally and externally. JS added his thanks, stating that having a Chief Operating Officer (COO) that he had the utmost confidence in was critical and this had been well-demonstrated through the Covid-19 response. Every day, CO and his teams had led the silver meetings and made good decisions. CO had been an outstanding COO and this deserved huge thanks.

16.1.3 CO replied that this had been his second time working at the Trust and it had been enjoyable. He had learnt so much as a person and as a Director and thanked all his Board colleagues for their support and help.

16.1.4 **Clive Mosby**

RF advised that Mr Clive Mosby, Head of Supplies retired on 12 June after 43 years in the NHS. JC asked that the Board's best wishes were conveyed to him.

17
11:45 **Items for the Risk Register/Changes to the Board Assurance Framework (BAF) (v)**

JC noted that this item had been covered in previous discussions and there was nothing further to be added.

18
11:50 **Key Messages from the Board - to agree (v)**

18.1 JC commented that the meeting today had been much more focused on assurance which was thanks to CK's impact in her first two months. This was reflected in changes to the agenda as well as the Chair's assurance reports.

18.2 JC added the approval of the Annual Report & Accounts as a key outcome of the meeting.

The Board is asked to resolve that in accordance with Section 1(2) of the Public Bodies (Admission to Meetings) Act 1960, representatives of the 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 prejudiced to the public interest.

Minutes of the Board of Directors held in Private

Date	Monday, 1 June 2020
Time	9:30am
Location	Virtual - via Microsoft Teams
Chair	John Church, Acting Chair (JC)
Members	<p>James Sumner, Chief Executive (JS) Heather Barnett, Director of Workforce and OD (HB) Trevor Brocklebank, Non-Executive Director (TB) Lorraine Butcher, Non-Executive Director (LB) Russ Favager, Deputy Chief Executive & Director of Finance (RF) Murray Luckas, Medical Director (ML) Lesley Massey, Non-Executive Director (LM) Chris Oliver, Chief Operating Officer (CO) Les Philpott, Non-Executive Director (LP) Julie Tunney, Director of Nursing and Quality (JT) Andy Vernon, Non-Executive Director (AV) Dennis Dunn, Chairman (DD)</p>
In Attendance	<p>Amy Freeman, Chief Information Officer (AF) Denise Frodsham, Director of Strategic Partnerships (DF) Caroline Keating, Company Secretary (CK) Katherine Birch, Lead Governor (KB) (<i>from item 9.2</i>) Katharine Dowson, Head of Corporate Governance (KD)</p>
20	Welcome & Apologies (v)
21	Declarations of Interest (v)
12:07	
21.1	No further interests were noted.
22	Draft Minutes of the Last Meeting (d)
12:10	
22.1	The minutes were approved.
22.2	The Deputy Chair noted that there was one open action which would be addressed on the agenda and could therefore be closed.

- 23 Chief Executive's Update (v)**
- 23.1 JS updated the Board on a number of areas.
- 23.2 **Elective Restart**
JS reported on the work that he had been leading on behalf of NHSIE, in regard to the restart of elective work consistently across Cheshire & Merseyside. The focus was now on long term recovery and what resource was required to achieve this. JS observed that the backlog would take a long time to recover from as capacity for future Covid-19 waves needed to be maintained, theatre efficiency was lower because of the number of PPE changes and cleaning required and social distancing needed to be maintained.
- 23.3 LP asked how the Non-Executive Directors could support the Executive during this challenge and move to different ways of working. JS replied that the Board must adapt to reviewing things from a risk perspective as there could be some difficult choices to make.
- 23.4 LB asked how Covid-19 would impact on winter planning and JS replied that the model being built would start with a build-up of the system and then factor in assumptions, such as winter, antibody testing and the impact on the populations if elective work was delayed. DD commented that while this was a sobering picture, this might enable discussions about more funding for the NHS and different ways of working across systems.
- 23.5 **Item deleted under Section 36 of the Freedom of Information Act.**
- 23.6
- 23.7 **Estates Update**
JS updated the Board on Trust plans to address the risks relating to concrete roof planks throughout the Trust.
- 23.8 **Paragraph deleted under Section 36 of the Freedom of Information Act.**

Resolved: The Board noted the additional updates to the Chief Executive's Report.
- 24 Cheshire Medical Imaging (CMI) Limited Liability Partnership (LLP) (d)**
- 12:28
- 24.1 **Item deleted under Section 36 of the Freedom of Information Act.**
- 24.2 **Resolved:** The Board noted the update.
- 25 Memorandum of Understanding (MoU) - Cheshire East ICP (d)**
- 25.1 DF reminded the Board that the MoU was a development of the existing MoU for CCICP, with the additional incorporation of three new partners,

ECT, Cheshire East Council and Vernova, the representative organisation for GPs in East Cheshire. DF emphasised that the Board should be aware that this MoU would confirm the Trust as the host organisation for the Cheshire East ICP. She explained that, as new contracts were awarded to the ICP, the Trust would be the legal owner and would sub-contract services to providers. The Board would oversee the governance of this.

25.2 DF highlighted the initial areas for the ICP would be children's services, respiratory, mental health and cardiovascular. Care would be delivered across Cheshire East, as it was through CCICP, by local care communities serving their populations. DF outlined the ICP Board membership which would include JS as the Trust representative, with RF as the deputy. DF reminded the Board that she would be the ICP Director and would be on the ICP Board in this capacity and report to JS and to the Chair of the ICP.

25.3 DF advised that most of the feedback on the MoU to date had been from ECT who were new to the partnership. **Sentences removed under Section 36 of the Freedom of Information Act.**

25.4 JS added that he would advise Board in July of the outcome of discussions with partners.

25.5 JS suggested that the principal aim was to reach agreement that the new ICP would be hosted by the Trust. This would not result in the Trust becoming the provider of existing contracts but would only apply to future contracts. JS advised that he would be attending ECT Board this week to answer questions about the MoU.

25.6 AV replied that he was content with the MoU but queried the capacity to deliver this. DF advised that there was already a base infrastructure in CCICP ready to evolve, and IT was also preparing to roll out systems across East Cheshire community providers. JS added that the host would receive the commissioning budgets and DF advised she would also be working with primary care and mental health to bid and pull together any available funds.

Resolved: The Board approved the MoU, noting that the outstanding matter would be delegated to the Chief Executive to be approved.

26 Any Other Business (v)

26.1 DD thanked JC on behalf of the Board for his stewardship as acting Chairman of the Board, commenting that he had provided calm in a crisis which had been invaluable; DD added his thanks from a personal view as well. JS also added his thanks for the support and help provided over the last two months.

26.2 JS thanked the Executive team, noting that while managing the impact of

a global pandemic the Trust had still reviewed its objectives and BAF for 2020/21 and was looking ahead to the future. TB observed that the Trust was continuing to develop with a new Integrated Performance Report in train, international recruitment restarting and progress being made on the ICP. This was a significant achievement when it would have been acceptable for the Trust just to focus on Covid-19.

Resolved: The items of further business were noted.

27
12:58

Items for the Risk Register/Changes to the Board Assurance Framework (v)

27.1

JC stated that there was nothing further to be identified for inclusion, although the risks identified by JS in relation to partnership working had been noted.

28
13:03

Key Messages from the Board & Meeting Review (v)

28.1

JC summarised that it had been a positive meeting focusing on the major challenge of getting elective work back up and running with some exciting developments on the horizon, including the ICP.

29

Time, Date and Place of Next Meeting

Monday, 6 July 2020

A handwritten signature in black ink, appearing to be 'John Church', written over a horizontal line.

Signed:

John Church, Deputy Chair

Date: 17 July 2020

