



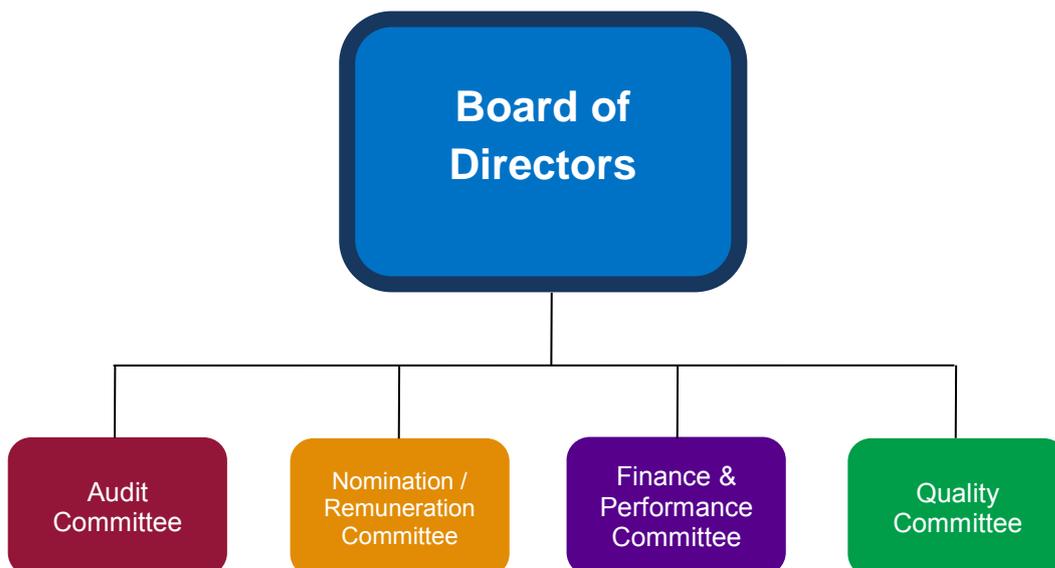
Board of Directors

Tuesday 30 May 2017

11:00am

(immediately after Audit Committee)

Boardroom, Sceptre Point, Sceptre Way,
Walton Summit, Preston, PR5 6AW



Meeting	Extraordinary Board of Directors Meeting
Location	Boardroom, Sceptre Point, Sceptre Way, Walton Summit, Preston, PR5 6AW
Date	Tuesday 30 May 2017
Time	11.00am (immediately after Audit Committee)

FORMAL BOARD (PART TWO)

Reference	Item	Lead	Action	Enc.	FOIA Exempt
TB 060/17	Welcome and opening comments	Chair		Verbal	
TB 061/17	Apologies for absence and confirmation of quoracy	Chair		Verbal	
TB 062/17	Declarations of Interest	Chair		Verbal	
SCRUTINY & ASSURANCE					
TB 063/17	Audit Committee Chairs Report	Committee Chair	Noting	Paper & Verbal	
TB 064/17	Annual Report & Accounts (inc Quality Account) 2016/17 sign off	Chief Executive & Audit Committee Chair	Decision	Paper	✓
TB 065/17	NHS Improvement Annual Declarations	Company Secretary	Decision	Paper	✓
TB 066/17	Fit and Proper Person Declaration	Chair	Decision	Paper	
TB 067/17	Date and time of next meeting Thursday 1 June 2017, 8.30am Board of Directors Meeting Boardroom, Sceptre Point	Chair	Noting	Verbal	

Declaration of Interest – Board of Directors

Date of Declaration	Surname	First Name	Job Title	Nature of Interest	Do you envisage a conflict of interest between outside employment and your NHS employment?	Nil Declaration
21/02/2017	Eva	David	Trust Chair	Employed by Union Learn as National Manager	Yes TUC funds learning in relation to apprenticeship and Trade Union representation.	
06/02/2017	Tierney-Moore	Heather	Chief Executive	<ol style="list-style-type: none"> 1. Director of Lancashire Sport Partnership 2. Trustee of Community Integrated Care 3. Macmillan Alumni Patron 4. Retained Consultant Glenview 5. Patron Breakthrough Mental Health Charity 	Yes Potential risk of CIC bidding to provide services in Lancashire that are also of interest to LCFT	
13/02/2017	Furlong	Gwynne	Non-Executive Director & SID	<ol style="list-style-type: none"> 1. NED - Prospect (GB) Ltd. (<i>Subsidiary of Riverside Housing Association</i>) 2. NED - Progress Housing Group 3. NED – Together Housing Group 4. CEO of Regain Sports Charity 5. Trustee of Chorley Youth Zone 	No	
13/02/2017	Ballard	Peter	Deputy Chair & Non-Executive Director	Chief Executive DSE Service	No	
29/03/2017	Dickinson	Louise	Non-Executive Director	<ol style="list-style-type: none"> 1. Director at Talegar Limited 2. Consultancy Services at Talegar Limited 3. Foundation Governor and Finance Chair at St.Vincent's Primary School 	No	
03/02/2017	Wilson	Isla	Non-Executive Director	<ol style="list-style-type: none"> 1. NED - Progress Housing Group 2. Shareholder – FSquared Ltd 3. Shareholder - Ruby Star Associates Ltd 4. Consultancy/Advisory Work – Ruby Star Associates 	No	

Declaration of Interest – Board of Directors

03/02/2017	Curtis	David	Non-Executive Director	<ol style="list-style-type: none"> 1. Director at Clinical and Corporate Governance Limited 2. Clinical Associate at MIAA (Advisory Section) 	No	
07/02/2017	Gregory	Bill	Chief Finance Officer	<ol style="list-style-type: none"> 1. Trustee of Healthcare Financial Management Association 2. Governor of Stockport College 3. Co-opted member of Lancaster University Financial and General Purpose Committee. 4. Director of Red Rose Corporate Services 	No	
25/01/2017	Possener	Julia	Non-Executive Director (Start date 01.02.2017)	<ol style="list-style-type: none"> 1. Sole director and shareholder of JC Possener Limited. Provides management consultancy services. No formal/informal contracts with the Trust nor any other NHS organisations/organisations providing services to the NHS. 2. Lay member of the Lancaster University Management School and Faculty of Arts and Social Science Ethics Committee. Although the Trust and LU have a working relationship and collaborate such matters do not fall usually within these Faculties. 3. My partner's sister is the owner of a domiciliary care business which does have contracts with The Trust. I am including this for the sake of completeness. Bluebird Lancaster and South Lakeland Ltd. I have no formal nor informal involvement in that business. 	<p>No No business with the Trust or other NHS organisation or organisations providing services to NHS No unrelated faculties or formal or informal business.</p>	
13/02/2017	Roach	Dee	Executive Director of Nursing & Quality			✓
06/02/2017	Marshall	Max	Medical Director			✓
06/02/2017	Moore	Sue	Chief Operating Officer			✓
07/02/2017	Gallagher	Damian	Director of HR			✓
06/02/2017	Winterson	Steve	Director of Strategic Partnership & Engagement			✓



Board of Directors

Agenda Item	TB 063/17	Date: 30/05/2017
Report Title	Audit Committee Chairs Report	
FOIA Exemption	No Exemption	
Prepared by	Mark Grimshaw, Assistant Company Secretary	
Presented by	Louise Dickinson, Chair of Audit Committee	
Action required	Noting	
Supporting Executive Director	Chief Executive	

PURPOSE OF THE REPORT:

Report purpose	To provide an outline of the activity undertaken by the Audit Committee, highlight assurance received and risks identified.
Strategic Objective(s) this work supports	To provide high quality services
Board Assurance Framework risk	N/A
CQC domain	Well-led

1.0 INTRODUCTION

This Chairs Report outlines the activity undertaken by the Board level Audit Committee on 18 May 2017.

2.0 BOARD ACTION

The Board of Directors is asked to note the content of the Chair's Report for assurance.



CHAIRS REPORT

CHAIRS REPORT OF:	Audit Committee
DATE OF MEETING:	18 May 2017

AGENDA ITEMS	DISCUSSION, ASSURANCE, RISK OR FURTHER ACTION
Report Of The Chief Finance Officer To Audit Committee & Draft Annual Accounts 2016/17	<p><u>Discussion & Assurance</u> Assurance was provided by the Chief Finance Officer in relation to the preparation of the accounts. The Committee received and discussed the report of the Chief Finance Officer on the Annual Accounts, noting that there had been no significant changes to the approach to accounts preparation or accounting policies and it was confirmed that the accounts are consistent with reports made to the Board and to NHSI throughout the year.</p> <p>A number of other minor points of clarity within the accounts were raised and appropriately challenged by Committee members. A final review will take place on 30 May.</p>
Draft Annual Report 2016/17 Amendments	<p><u>Discussion & Assurance</u> The Committee reviewed the detailed schedule of tracked changes made to the Annual Report since the version last reported on 25th April 2017. Assurance was provided relating to the process for developing the Annual Report.</p> <p>A discussion was held on how best to present data relating to complaints to ensure that it is as meaningful as possible. It has been agreed to explore this for the 2017/18 Quality Account with a particular focus on how to demonstrate the quality of resolution.</p> <p>The Committee felt that there might be an opportunity to ensure that the Annual Report fully reflects the work that has been undertaken over the year to involve staff as key stakeholders. Additional narrative may be included within the staff section if sufficient emphasis has not been included within the Quality Account.</p> <p>In terms of the process for sign off, a final version will be circulated for the meeting scheduled for the 30th May 2017. This will include an updated amendment log. The updated version will also include remuneration information which has been reviewed by the Board Nominations and Remuneration Committee.</p>
Draft Quality Account 2016/17 Amendments	<p><u>Discussion & Assurance</u> The Committee reviewed the detailed schedule of tracked changes made to the Quality Account since the version last reported on 25th April 2017.</p> <p>The Committee considered the feedback that had been provided by Healthwatch Lancashire and it was agreed to</p>

	<p>include a short statement in response noting that it was positive that the feedback provided reflected the work that was underway at the Trust.</p> <p>The Committee noted that the narrative around clinical audits had been strengthened within the updated Quality Account to provide an enhanced sense of balance. Both the External Auditor and Chair of the Quality Committee provided assurance that the content provided a fair and balanced view had been provided. The Quality Committee has undertaken to consider this issue more explicitly during the process for the 2017/18 Quality Account.</p> <p>A final version of the Quality Account will be made available for approval on 30th May 2017.</p>
<p>Draft Annual Governance Statement</p>	<p><u>Assurance</u> The Committee reviewed the detailed schedule of tracked changes made to the Annual Governance Statement since the version last reported on 25th April 2017.</p> <p>The Committee was informed that the development process to support the compilation of this year's statement had been further strengthened to ensure that any information being declared within the statement was supported by evidence based assurance that had been reported through to Board, Committees of the Board or Sub-committees of the Board.</p> <p>It was agreed that the Annual Governance Statement was comprehensive and that it was clear that a high degree of diligence had been applied to its development.</p> <p>A final version of the Annual Governance Statement will be made available for approval on 30th May 2017.</p>
<p>Draft Audit Opinion And Memorandum</p>	<p><u>Assurance</u> The External Auditor presented their draft memorandum and highlighted that in relation to the Financial Statements, subject to the outstanding work, they intended to issue an unqualified audit opinion on the accounts. In terms of the significant risks that had been identified, the findings were such that they would not lead to a negative opinion. Similarly, in relation to the value for money and audit certificate, based on the findings of their work, they have concluded that the Trust had adequate arrangements to secure economy, efficiency and effectiveness in its use of resources.</p> <p>For the Quality Account, the Committee was informed that the Trust has achieved a clean limited assurance opinion. There are some recommendations emerging with regards to the two mandatory indicators (CPA 7 day follow up and Crisis Resolution Home Treatment Gatekeeping). These relate to the timeliness of submitting data as it has been identified that on some occasions there has been late data entry. The External Auditor provided assurance that the implication of the late data entry has been marginal and the Board has not been misled at any point. The Executive Director of Nursing and Quality acknowledged that this was a reasonable recommendation and that it would be actioned.</p>

	<p>There is an additional recommendation relating to the visibility over NHS transaction flows. This is to ensure that the Trust appropriately codes expenditure to prevent it being grouped in the budget line marked as 'other' to a level that requires further analysis. It was highlighted that this will become an increasingly important issue as the STP develops and the web of transactions becomes increasingly complicated.</p>
<p>Internal Audit Reports</p>	<p><u>Assurance</u></p> <p>The reports that had received limited assurance (Absence Management & Lessons Learned) in the progress report considered on 25 April 2017 were deferred for further consideration due to time limitations.</p> <p><i>Absence Management</i></p> <p>The Committee was informed that whilst the audit had found elements of good practice, a rating of limited assurance had been provided due to a low compliance rate for Return to Work (RTW) interviews and utilising the 'trigger' points within the Absence Management Policy. The Director of HR noted that the recommendations had been accepted and that good progress had been made to increase compliance around both RTW interviews and the Absence Management Policy. The Committee was informed that RTW rates had increased and the sickness rate had decreased for 5 months in a row. This was supported through robust monitoring through both the Business Development and Delivery Committee and the Attendance Management Group.</p> <p><i>Lessons Learned</i></p> <p>It was explained that a rating of limited assurance had been provided as whilst the systems and processes were in place, they were not fully embedded at the time of the audit and therefore their effectiveness could not be tested resulting in a limited assurance opinion. It was highlighted that the Trust's approach to continuous improvement and hearing feedback had changed and more improvements had been made as a result of the feedback from the audit. It was noted that some thought was required in terms of the best time to undertake the follow up to the audit to assess these improvements.</p>
<p>Clinical Audit Protocol</p>	<p><u>Assurance & Further Assurance</u></p> <p>The Committee received the Clinical Audit protocol which had been reviewed to ensure that it was reflective of the current function of clinical audit within the Trust and that it included suggestions made by the Committee throughout 2016/17.</p> <p>The Committee identified an issue relating to how the roles and responsibilities are defined within the protocol, particularly the roles of the Audit Committee and the Quality Committee respectively. Further work has been commissioned on this and the outcome will be reported to the July meeting.</p>

	<p>Additionally, a discussion was held regarding the most effective way to drive improvements where the results when re-audited have identified a continuing quality gap. It was noted that a further re-audit was not always the best intervention. The Executive Director of Nursing & Quality and the Head of Clinical Audit are working together to explore how best to align quality and continuous improvement with audit activity. It was suggested that once this work was completed, the protocol could be updated to reflect it. The outcome will be reported to the July meeting.</p>
<p>Risk Management: Supporting Directorate Information</p>	<p><u>Assurance</u></p> <p>Assurance was provided on the robust risk management processes across the Chief Finance Officer's (CFO) portfolio. This encompasses:</p> <ul style="list-style-type: none"> • Finance • Health Informatics • Property Services • Strategy and Transformation (Strategy and Business Planning; Transformation Advisory Service)
<p>External Audit Sector Update</p>	<p><u>Assurance</u></p> <p>Assurance was provided that the Trust has procured a system to implement Patient-level information costing standards (PLICS). The first services will go live on the system in the Autumn and it was noted that this will supplement management reporting. This will be captured as part of the Value for Money work.</p> <p>Assurance was also provided that the Trust has robust systems in place to recover costs from non-UK patients. It was highlighted that this may become a more significant challenge once the UK leaves the European Union.</p>
<p>Any Other Business</p>	<p><u>Discussion & Assurance</u></p> <p>The Chair highlighted that it was positive that the Trust had not been affected by the recent NHS cyber-attack. The work undertaken to seek assurance and track progress was noted. The Committee commended the work that had been undertaken by Trust staff.</p> <p>It was noted that Lancashire had been particularly susceptible to attack due to the system being well networked but also as a result of some organisations not having adequate infrastructure and cyber-security. There will be an opportunity to learn lessons about how such an incident can have system wide implications due to the growing interdependencies between organisations. The challenge will be how to retain the level of networks whilst mitigating the risks this could present. The Committee was informed that a specific report on cyber-security has been commissioned for the next Infrastructure sub-committee.</p>



Board of Directors

Agenda Item	TB 066/17	Date: 30/05/2017
Report Title	Fit and Proper Person Declaration	
FOIA Exemption	No Exemption	
Prepared by	Mark Grimshaw, Assistant Company Secretary	
Presented by	David Eva, Trust Chair	
Action required	Noting	
Supporting Executive Director	Company Secretary	

PURPOSE OF THE REPORT:

Report purpose	To provide the Board with a statement of compliance for the Fit and Proper Person regulation.
Strategic Objective(s) this work supports	To provide high quality services
Board Assurance Framework risk	1.1 If we do not meet regulatory standards for quality and safety we will not be fit for purpose as a care provider.
CQC domain	Well-led

1.0 INTRODUCTION

The Care Quality Commission's registration requirements include the need for the Trust to be able to demonstrate that all Board members are of good character and meet the CQC's fit and proper person's regulation.

The Chair is ultimately responsible for discharging the requirements placed on the Trust to ensure that all Directors meet the fitness test and do not meet any of the "unfit" criteria.

Chair's statement:

I have reviewed the evidence to support the self-declarations of all voting and non-voting members of the Lancashire Care NHS Foundation Trust Board and confirm that after reasonable inquiry, all of the voting and non-voting members of the Board of Lancashire Care NHS Foundation Trust meet the Fit and Proper Person Regulation.

2.0 BOARD ACTION

The Board of Directors is asked to note the Chair's statement of compliance for the Fit and Proper Person regulation.