NHS England

Minutes of the Board meeting held in public on 8 November 2013

Present

- Professor Sir Malcolm Grant (chair)
- Sir David Nicholson – Chief Executive
- Lord Victor Adebowale – Non-Executive Director
- Ms Margaret Casely-Hayford – Non-Executive Director
- Mr Ciaran Devane – Non-Executive Director
- Mr Ed Smith – Non-Executive Director
- Mr Paul Baumann – Chief Financial Officer
- Ms Jane Cummings – Chief Nursing Officer
- Sir Bruce Keogh – National Medical Director
- Dame Barbara Hakin – Interim Chief Operating Officer/Deputy Chief Executive
- Mr Tim Kelsey – National Director: Patients and Information
- Ms Jo-Anne Wass – National Director: HR and Organisational Development

Apologies

- Dame Moira Gibb – Non-Executive Director
- Mr Naguib Kheraj – Non-Executive Director
- Mr Bill McCarthy – National Director: Policy
- Ms Rosamond Roughton – Interim National Director: Commissioning Development

In attendance

- Mr Jon Schick – Head of Governance and Board Secretary

The Chair welcomed everyone, especially members of the public and explained the Board's commitment to operating openly and transparently in an arena of complex decision making. He described the early shaping work undertaken by the Board in development sessions in order for detailed papers to then be brought for discussion in public; for example this month, there had been a discussion regarding direct commissioning services particularly focussing on offender health, Armed Forces and Health and Justice. The Board had also held discussions about how mental health services and parity of esteem would be key to future health care.

Item	
1	**Declarations of interest in matters on the agenda**
	No member declared an interest in the items to be discussed.
2	**Minutes of the previous meeting**
	The minutes of the meeting held on 13 September 2013 were accepted as an accurate record.

	Matters arising – Chief Executive appointment The Chair confirmed that Simon Stephens had been appointed as Chief Executive to succeed to Sir David Nicholson in April 2014. Members were advised that the appointment had been made by the Non-Executive Directors, with the approval of the Secretary of State. The Board would be working with Mr Stephens to ensure a smooth transition.
3	**Chief Executive report**
	Sir David Nicholson presented a report highlighting the significant events which had taken place since the last Board meeting. In particular he drew the Board's attention to the following: Strategy Sir David emphasised the unique position created to develop the medium to long term strategy for the NHS, working with partner organisations across health and social care. The Board noted the strategy would be under- pinned by a series of local plans detailing how services would be developed to improve health outcomes for the local population, together with national initiatives, which in combination would remain within the financial envelope. Following the Call to Action event held in Birmingham on 7 October 2013, the Board noted that a second event - the 'NHS Futures Summit' - would be delivered in partnership with Monitor and the NHS Trust Development Authority. In response to questions from members, Sir David confirmed this summit would bring together national leaders and thinkers from within the NHS and external agencies to consider how the provider sector would need to change in response to shifts in commissioning intentions driven by both the Call to Action and wider NHS Strategy programme. The Board were advised that NHS England were developing a significant piece of quantitative and qualitative modelling work which would demonstrate for three types of typical CCG what the challenges and opportunities could look like. Sir David also drew attention to the strategy for urgent and emergency care which would be published later in the month. NHS England Mandate refresh It had been hoped that the Mandate would be published by 8 November; however this would now take a few days longer; it was hoped that the process would be streamlined in the future. **The Board received and thanked the CE for his report.**
	Patient insight
4	**Patient and Public Voice** Tim Kelsey presented the update to the Board drawing attention to the following areas:

Citizen's Assembly

The Board recognised the new approach to patient and public engagement through the Citizen's Assembly. Mr Kelsey explained that NHS England, in collaboration with Involve, Public-I and the Democratic Society, hosted two development days building on previous work to shape and refine the concept, in particular the approach to digital by default as the mechanism for the public to hold us to account.

It was noted that the development days had been live streamed with over 700 individual connections to the live web cast, and had generated over seven million Twitter impressions.

Mr Kelsey took the opportunity to thank everyone for their participation and confirmed the Assembly would be formally launched at the NHS Expo 2014.

In response to comments from members:

- It was acknowledged that actions needed to be taken to ensure the Assembly was inclusive and reached those outside the IT loop and normal discourse
- It was agreed that it would also be imperative to ensure the Assembly changed behaviours within the NHS;
- It was agreed that the plans should be ambitious and involve people in the design of services in the future.

Ciaran Devane highlighted the need to ensure that the Citizen's Assembly and the Commissioning Assembly were aligned and working together.

Future of Health Conference

This conference had brought together more than a thousand experts to hear the views of the 'people's panel'. The event enabled senior health and care professionals to hear, first hand, from patients – particularly those with long term conditions – about the challenges they faced and support they required. The Board noted the experience described by Jackie Ashley, as a carer, and acknowledged her thanks to NHS England for hosting the event and providing a forum for patients and carers to be heard.

Publication of participation guidance

The Board noted that NHS England had published 'Transforming participation in health and care' to support the effective commissioning of services for individual and public participation. It was noted that the guidance would support the vision for public participation informed by insightful methods of listening to those who use and care about services.

In addition, Mr Kelsey briefed the Board on the Health Literacy Programme designed to enable disadvantaged people to take control of their health. To date 50,000 people had received training through the programme. A further update would be brought to a future meeting of the Board.

	Annual General Meeting (AGM) The AGM held in September 2013 had been used as an opportunity to put the principles of good public participation into practice. Prior to the meeting a series of workshops had been held to work in partnership with people to explore a number of areas of fundamental importance. It was noted that 400 people had attended the AGM; the event had reached an estimated 200,000 individual Twitter accounts. Mr Kelsey reported that NHS England would publicly feedback on progress in relation to the workshop themes at NHS Expo 2014. Sir David reflected that 400 people had attended the Values Summit in London; there had been a huge energy to engage and change, not just to deliver inspection and regulation. In addition the NHS Change Day had been launched as a grassroots movement to make a positive difference to the NHS. It was noted that 190,000 people had made online pledges of action in last year's event. **The Board noted the update.**
Actions	**Tim Kelsey to provide information regarding the Health Literacy Programme to a future Board meeting.**
5	**Care Connect**
	Tim Kelsey took Board members through the background to Care Connect, explaining this was a new service being rolled out by NHS England to drive public participation, transparency and service improvements in the NHS. Care Connect was a complementary addition to the existing forms of patient feedback. Patients and the public could determine the levels of privacy they require. If they chose to make their comments public, other people would be able to see what they have said, as well as the responses they received. It was noted that the system was being piloted in 17 hospitals in London and three in the North east. Further work was on-going to see if the same system could be used to capture complaints in real time. The Board received a presentation of the live website available through NHS Choices with particular reference to how organisations can respond to reported problems. Each reported problem could be shown on a map to give a visual representation of how many problems had been reported at an organisation at any one time. There could also be a link to the Friends and Family Test in the future. **The Board noted the update and thanked the team behind this exciting development.**
Actions	
	Clinical quality
6	**Update on preparation for winter 2013/14** Dame Barbara Hakin presented the update on preparations and plans in

	hand to meet winter pressures in 2013/14. The Board acknowledged that there had been significant media interest in this issue. It was noted that there was a focus of attention on A&E; whilst attendances had remained stable compared with the same period last year, patients would attend A&E when there were problems elsewhere in the system. The Board were advised that the four hour A&E standard was monitored on a weekly basis; Dame Barbara confirmed that improvements against the target had been seen over the last week. It was also noted that NHS England was working with Monitor and the NHS Trust Development Authority to focus attention to areas of most need and to provide additional financial support. The Board recognised that an efficient and effective NHS 111 service would be key in helping to manage winter pressures. It was noted that the service was showing high levels of patient satisfaction and meeting standards for answering and transferring calls. Whilst acknowledging these improvements, there was a continued need for vigilance over the winter period. The report provided an update on the transfer of NHS 111 providers. The Board were updated on the anticipated further transfers over the coming weeks, and Dame Barbara provided assurance about the robust oversight and sign-off process for such transfers. The Board were advised that a communications plan was being prepared, in conjunction with partner organisations, addressing information for the public to keep well over winter. In response to questions from members, Dame Barbara confirmed there would always be elements of local and national planning for winter; however local commissioners and providers would take more responsibility for plans in their own area in future. Specialised services would continue to be commissioned nationally. It was hoped that finances for winter planning would be secured at the beginning of the year in future but noted that this was against a context where there had always been additional funding available to support winter plans. Sir Bruce Keogh provided the Board with a brief update regarding the Urgent and Emergency Care review which would be published the following week. It was noted that the review would seek to provide better care, closer to home. The report would be shared on NHS Choices and in the wider media. **The Board noted and took assurance from the update.**
Actions	**Sir Bruce Keogh to bring information on the urgent and emergency care review to a future meeting of the Board**
	Board Committee feedback
7	**Audit Committee** Ed Smith presented the report of the Audit Committee held on 16 September 2013. It was noted that there were concerns surrounding the governance

	arrangements for the Informatics Services Commissioning Group (ISCG, in particular where accountability for delivery rested; this was being addressed with the DH and a report would be brought to a future Board meeting. The Board were advised of the risks associated with transfer of balances from the old to new system. It was noted that there was an on-going dialogue with the DH on this issue and that there may be a need for additional resources in the future to support its resolution. **Efficiency Controls Committee report** The Board noted the report of the six meetings of the Efficiency Controls Committee held in this period. **Finance and Investment Committee** The Board noted the update on committee activities for the period 3 September 2013 to 1 October 2013. **Commissioning Support Committee** Ms Margaret Casely-Hayford updated the Board on Committee activities. It was noted that the Committee had received a summary of performance information across CSUs, notably that 15 CSUs had won new business to the value of over £17m since June 2013. In addition, members noted that many CSUs were beginning to work together to explore potential partnerships to deliver greater efficiencies. The Board noted that a report regarding CSU autonomy would be brought to the December meeting for consideration. **New congenital heart disease review board task and finish group** Sir Malcolm Grant updated the Board on the progress of the new congenital heart and disease review task and finish group, which had met twice since the last meeting. Openness and transparency would be supported by reviewing the minutes of the group's meetings at the Board in public. Sir Malcolm highlighted the key decisions arising from the meeting held on 29 October 2013: • In view of the recommendation made by the Clinical Advisory Panel, the scope of the review should be the whole lifetime pathway of care for people with congenital heart disease. • The group agreed a policy on conflicts of interest which emphasised the importance of declaring not just financial interests but any other relevant considerations. • The Task and Finish Group agreed a set of formal objectives for the review The group had discussed the standards-based approach being taken by the review and considered a timeline (up to summer 2014) for the production and agreement of standards. The group thought this timeline was achievable but nonetheless very challenging.

	Authorisation and Assurance Committee Lord Victor Adebowale presented the report, highlighting the continued move from authorisation into assurance of CCGs.
Actions	**Bring back information regarding ISCG governance arrangements to a future Board meeting** **CSU autonomy report to be brought to the December meeting.**
	Performance and assurance
8	**Financial performance report** Paul Baumann presented the outcome of the detailed stocktake on the year to-date and the forecast financial position. The year to date surplus was almost on track, at £(32)m below plan, representing (0.07%) of year to date income. For the full year, the forecast was to exceed planned surplus by £62m or 0.06% of income. Nevertheless, the Board's attention was drawn to risks related to: • Overspend in hospital based upon higher than forecast activity through underlying growth or QIPP slippage; and • Potential adjustments for treasury accounting rules on provisions. The main mitigations described in the report included: • Drawdown of the remaining available surplus from prior years; • Savings in central programme costs; • Reserves and contingencies in local CCG positions; and • Small upsides on specialised commissioning convergence costs It was noted that in aggregate, the CCG financial position had improved and was broadly on track, although individual CCG financial health varied significantly. CCG positions were driven by a combination of activity pressures, finalisation on the impact of Specialised Commissioning adjustments and QIPP delivery. Individually: • 54 CCGs were ahead of plan, largely in the North and London areas; • 40 CCGs were behind plan, largely in the Midlands and East area; • 24 CCGs were currently forecasting a deficit and the remaining 13 were at risk of moving into a deficit position. As a result, there were 37 CCGs at risk of a deficit position at year end. Of those, 31 appeared to be receiving less in allocations that the formulae suggest they should have received. It was noted there would be a further discussion regarding allocations at the December meeting. Mr Baumann drew the Board's attention to the financial performance for direct commissioning, particularly with regard to specialised commissioning. It was noted that 10 Area Teams undertook specialised commissioning,

	currently with a forecast overspend of 2.6% against budget. This could be mitigated through some of the actions described above. However this growth and structural deficit would need to be addressed for 2014/15. Mr Baumann confirmed that other areas of direct commissioning were broadly on plan. The Board noted that the NHS England running costs had moved in line with plan in the second half of the year following phasing of appointments to the new organisation. **The Board noted the month six financial position, the identified risks and mitigating actions, and received assurance that there would be an anticipated surplus at year end.**
9	**Board assurance framework** The Board received and noted the board assurance framework.
10	**CCG and direct commissioning assurance processes** Dame Barbara Hakin presented the proposed CCG and direct commissioning assurance frameworks for approval by the Board. It was noted that there had been a significant period of engagement on CCG assurance, including with the direct commissioning units and key stakeholders, since the interim framework had been published in May 2013. It was noted that both frameworks were underpinned by six shared assurance domains that had been integral to the authorisation process. It was proposed that both assurance processes would be delivered through quarterly conversations which would be summative in nature and bespoke to each area. The conversations would be based on robust sources of national and local evidence. The Board acknowledged that this represented a move towards assurance rather than performance management of CCGs. In respect of direct commissioning, Dame Barbara reminded the Board the area teams had not been though the same benchmarking process and that NHS England were in the process of undertaking a baseline exercise of the current position. It was agreed that NHS England should be subject to the same rigour as the CCG assurance process. Further work was underway to consider how the outcome of the assurance process; the governance statement, balance scorecard and action plan, would be published. It was agreed that Health and Wellbeing Boards would be key to ensuring local information was made available. It was agreed that the timing of the publication should be organised to ensure that NHS England is able to prepare one consolidated, consistent statement. **The Board approved the assurance frameworks for publication**
Actions	**Ensure the timing of governance statements from CCGs is organised to enable the preparation of one consistent consolidated statement prepared by NHS England** **Ensure that NHS England's assurance of its own direct commissioning**

	is consistent with and parallel to the models adopted for CCGs
	Planning and strategy
11	**Outcome of the review of incentives, rewards and sanctions by NHS England** Paul Baumann updated the Board on the outcome of the review of incentives, rewards and sanctions between April and October 2013. The review identified the importance of outcomes, rewards and sanctions in enabling the transformation of care, but also recognised their limitations and wide spread variations in how they were applied in practice. The Board noted that the recommended changes were to be made in tandem with amendments to the pricing strategy and tariff for 2014/15. They noted that the proposals were intended to achieve stability in the system rather than deliver radical changes. Mr Baumann drew the Board's attention to the key messages within the report and in particular the proposals to ensure that mental health services received a stronger focus. Members acknowledged the intention to achieve stability in the system but sought assurance that there would be a move, through the Call to Action, to deliver longer term changes in the system. **The Board endorsed the approach set out in the report and delegated authority to the Executive team to finalise the NHS Standard Contract, CQUIN scheme and Quality Premium Scheme.**
Actions	
12	**Primary Care Support Services** Dame Barbara Hakin updated the Board on progress with the programme to deliver transformed Primary Care Support services (PCS). These services were delivered by approximately 1,800 staff working across 37 locations, delivering a range of critical functions for patients. The services were transferred through "lift and shift" to NHS England on 1 April 2013; no reduction in running costs was made during this transfer in order to ensure continuity of service. NHS England remained committed to identifying efficiency and administration cost reductions. Previous Board discussions had concluded there were significant risks attached to the original timetable of achieving savings by April 2014 and agreed to extend the period to a point where safe continuation of quality services could be managed. Dame Barbara drew the Board's attention to the initial regional options that had been developed, noting that London and the South had submitted a joint proposal, and sought Board approval for the commencement of a formal consultation process on these proposed regional changes. Jo-Anne Wass reiterated that this was a significant change management project and highlighted the potential impact on staff numbers in this service

	area. Ms Wass assured the Board of the plans to hold meaningful consultation with affected staff with the intention of mitigating against compulsory redundancies. It was noted that there would be three levels of consultation; national level with staff side representatives, regional level and conversations with individual members of staff. Board members acknowledged the scale of the project and highlighted the importance of ensuring the quality of the service during the period of consultation and transition; liaison with primary care professionals during this period would be essential. **The Board endorsed the direction of travel and agreed that a task and finish group would be established with a non-executive director would be appointed to provide oversight of the project.**
Actions	**Seek NED oversight of the work programme to redesign Primary care support services via establishment of a Task and Finish Group** **Report of outcome of consultation to be brought to January meeting**
	For information
13	**Report to the Board on use of the company seal** The Board noted the use of the Company seal between April and September 2013.
Actions	
14	**Any other business** No additional items of business were raised.
Date of next meeting	17 December 2013 – NHS Southside, 105 Victoria Street, London, SW1E 6QT