

NHS England
DRAFT Minutes of the Board Meeting held in Public
28 May 2015 at 10:30
Room 403/404

Present:

Professor Sir Malcolm Grant	Chairman
Simon Stevens	Chief Executive
Ed Smith	Non-Executive Director and Deputy Chairman
Professor Sir John Burn	Non-Executive Director
Margaret Casely-Hayford	Non-Executive Director
Dame Moira Gibb	Non-Executive Director
Noel Gordon	Non-Executive Director
Ciaran Devane	Non-Executive Director
David Roberts	Non-Executive Director
Paul Baumann	Chief Financial Officer
Jane Cummings	Chief Nursing Officer
Sir Bruce Keogh	National Medical Director
Ian Dodge	National Director: Commissioning Strategy
Dame Barbara Hakin	National Director: Commissioning Operations
Tim Kelsey	National Director for Patients and Information
Karen Wheeler	National Director: Transformation and Corporate Operations

Apologies:

Lord Victor Adebawale	Non-Executive Director
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In Attendance:

Karen Baker	Chief Executive – Isle of Wight NHS Trust
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Secretariat:

Fiona Barr	Head of Corporate Governance and Board Secretary
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1.0	Welcome and Introduction
1.1	The Chairman, Sir Malcolm Grant, welcomed everyone to the meeting and reminded members of the public and press that the Board was meeting in public, rather than holding a public meeting, following which it would continue in closed session due to the confidential nature of the business to be transacted.
1.2	Two items which would be discussed in the closed meeting of the Board were the 2014-15 Annual Report & Accounts (a parliamentary document which could not be made public in advance of being laid before Parliament) and the report of the recent Strategic HR and Remuneration Committee. The Chairman highlighted that the Chief Executive's (CEO) salary had been discussed at that meeting. The CEO had chosen to waive 10% of his 2015-16 salary, worth £20k, as he had in 2014-15, which was a selfless act that the Chairman wished to record in public.
1.3	Apologies were recorded as above and there were no declarations of interest made.
2.0	Minutes of the Previous Meeting
2.1	The minutes of the meeting held on 26.03.15 were accepted as an accurate record save the reference to Dame Moira Gibb in minute 1.1 which would be amended before signature. There were no matters arising.
3.0	Chief Executive's Report
3.1	The CEO opened the report by reflecting on NHS England's achievements in 2014-15. In its second year of operation and despite tough demand pressures and

	<p>funding constraints, the more disciplined approach to commissioning oversight, efficiency realisation and internal cost control meant that NHS England delivered a balanced budget across the commissioning system. It had cut the running costs of the system by over a third in two years, improved the fairness of the clinical commissioning groups' (CCG) allocations, decentralised power to local commissioners, taken action to improve outcomes in key priorities such as cancer, mental health, learning disabilities and diabetes and taken steps to improve workforce equality and leadership capability in the NHS. The NHS and NHS England were thanked for their achievements in 2014-15.</p>
3.2	<p>The annual commissioning round was nearing conclusion and a 2-3% increase in CCG-funded elective and emergency activity was expected when compared with 2014-15 levels; this was greater than the figures set out in the CCGs' initial activity plans.</p>
3.3	<p>Concerted action was being taken by Monitor, the NHS Trust Development Authority (TDA) and the Department of Health (DH) to manage projected provider overspends (£822m in 2014-15). This was mainly due to the escalating costs of temporary staff and a package of measures, to convert temporary staff into permanent positions and clamp down on the charge rates for temporary staff, would be put in place.</p>
3.4	<p>NHS England's Business Plan for 2015-16 was published shortly after the Board meeting in March 2015 and set out ten clear goals for the year ahead, progress against which would be reported in future Board meetings.</p>
3.5	<p>The Chairman thanked the CEO for his update and the Board received the report.</p>
4.0	Transforming Care Update
4.1	<p>Jane Cummings, the Chief Nursing Officer, set out the progress made and future action on the Transforming Care for People with Learning Disabilities programme, advising that over 1400 Care & Treatment Reviews (CTR) had been completed to date and over the last 12 months, 30% of patients had been discharged into the community and around 13% had been transferred to more suitable in-patient settings. In some cases, although a CTR indicated that a patient did not need to remain in hospital, discharge had not been possible for a number of reasons including when a patient was subject to a Ministry of Justice (MoJ) order and discharge had to be endorsed by the MoJ or there was lack of agreement on a future plan.</p>
4.2	<p>Conducting the CTR programme had highlighted a number of barriers to discharge and weaknesses in community care, especially for patients with certain conditions. To strengthen these community services and give a clearer national view on what in-patient capacity was (and was not) needed, a new service model and framework would be devised with the Local Government Association (LGA) and the Association of Directors of Adult Social Services (ADASS) and other stakeholders. The model, to be launched in July 2015, would set out principles, standards and outcomes for services and describe person-centred support that minimises the use of in-patient services and allows people to remain as close to home as possible. It would also provide a consistent framework to be used across England.</p>
4.3	<p>The Board discussed the importance of the Transforming Care programme and the factors which would be critical to success, including:</p> <ol style="list-style-type: none"> i. Better understanding of what patients and carers need ii. Better use of information technology to track outcomes for individual patients iii. More flexible use of financial and workforce resources to better meet patient and carer need – for example for adaptations to housing iv. Greater use of personalised budgets and the CEO invited the Board to look at www.cpstrust.co.uk to see a personal testimony of how empowering personalised budgets could be for individuals.
4.4	<p>The Chairman confirmed that the Transforming Care programme had the Board's full support; it was a difficult and complex area which was addressing many years of embedded culture and behaviour in the NHS. He welcomed continued reports on progress.</p>

5.0	New Care Models Programme - Update
5.1	Ian Dodge, the National Director: Commissioning Strategy, explained that the New Care Models (NCM) team had carried out two day visits to each of the 29 selected Vanguard sites to understand progress and identify what support they required.
5.2	The energy and enthusiasm for change was palpable at the Vanguard sites and next steps included: <ul style="list-style-type: none"> i. Developing a Memorandum of Understanding with each site, setting out the scope of work and delivery plan for each Vanguard ii. Devising a National Support Programme to support NMC over the next two years.
5.3	Also to be launched that week (w.c. 25.06.15) was a new approach to acute care collaboration which supported recommendations of the <i>Dalton Review: Options for Providers of NHS Care</i> . Interested acute providers would be invited to participate in a fourth wave of Vanguards to explore new strategic options for hospital sector in addition to Primary and Acute Sector (PACS) model.
5.4	The Chairman invited Karen Baker, the Chief Executive of the Isle of Wight NHS Trust, to present to the Board an overview of the <i>My Life, a Full Life</i> Vanguard initiative which had developed a single system of health and social care on the Isle of Wight based on: <ul style="list-style-type: none"> i. Prevention ii. Health and Well-being iii. Self care iv. Experience-based co-design v. Engaged communities.
5.5	The Board asked Karen Baker a number of questions during and following the presentation and discussed the importance of the replicability of the Vanguard projects. It noted the importance of designing a package of support which harnessed the energy for change clearly demonstrable at a local level. The Board also reflected the challenges of trying to simplify an overall health and care system which was complex and not easily adaptive to change.
5.6	The Board looked forward to hearing about the National Support Programme at the July 2015 Board meeting and thanked Karen Baker for her attendance.
ACTION PB.28.05.15/13	Board to receive a briefing on the National Support Programme for the Vanguard sites at its meeting on 23.07.15. LEAD: Ian Dodge, National Director: Commissioning Strategy
6.0	The Health and Social Care Information Centre (Establishment of Information Systems for NHS Services: collection and Analysis of Primary Care Data) Directions 2015
6.1	The Chairman opened the item advising the Board that a letter had been received from Med Confidential about the Directions being proposed in the report and that on behalf of the Board, and following the meeting and the Board's discussions, he would respond to Med Confidential on the points raised.
6.2	Tim Kelsey, the National Director for Patients and Information, explained the importance of the care.data programme to make overall improvements to patient care. By linking primary and secondary data sources, there would be much swifter identification of conditions, such as cancer, leading to quicker diagnosis and treatment for patients - leading to benefits for individual patients as well as wider patient groups. The richer source of patient data would enable greater research and put the NHS at the cutting edge of science.
6.3	The Government had proposed an opt-out to enable patients to opt out of their data being used for any purpose other than their direct care. It was critical that patients and the public had a clear understanding that patient data held at GP practices could be used for purposes beyond their direct health care, and what the benefits of that would be, so that they could make an informed choice about how their data was handled in the future.
6.4	The care.data programme was subject to a phased implementation with a first

	pathfinder stage involving four CCGs. The progress of the pathfinder stage would be carefully monitored and evaluated before further stages commenced. The National Data Guardian, Dame Fiona Caldicott, would be involved in reviewing the pathfinder stage to ensure she was satisfied with the way in which patient data was being extracted, managed and used.
6.5	The scope of the Directions was limited to the pathfinder stage and further Directions would be required should the scope of data collection be extended, eg beyond the pathfinders or to a wider range of data.
6.6	In principle, the Board approved the Directions as presented though final approval was delegated to the CEO and Chairman following full consideration of the letter received from Med Confidential.
7.0	Consolidated 2014/15 Year-end Finance Report
7.1	Paul Baumann, the Chief Financial Officer, confirmed to the Board that the accounts for NHS England and the CCGs had been delivered in full and on time and that the year-end audit was progressing well. The financial outturn for the year was in line with the organisation's forecast position: NHS England had met all the financial objectives set out in the Mandate and operating plans for 2014-15. Paul Baumann put on record his appreciation for the teams in the Commissioning Support Units, CCGs and NHS England and their hard work and professionalism in securing this result and running smooth and efficient year end processes to record it.
7.2	Some caveats to positive performance in 2014-15 were reported: NHS England had benefited from £400m of prior year surpluses, there had been slower spending against the £156m set aside for Continuing Healthcare claims and also a £151m underspend on NHS England running and programme costs in anticipation of reductions in 2015-2016.
7.3	Financial grip was tighter than in 2013-14 though it remained difficult for spending on specialised commissioning to remain within allocation (but action had been taken to address this). Nineteen CCGs were in a cumulative deficit position totalling £307m. Recovery plans had been agreed with each and their operating plans for 2015-16 had received particular scrutiny in consideration of their financial position. Significant variation in financial performance between providers of different size had been noted during 2014-15 and this would be closely monitored in 2015-16.
7.4	The Chair of the Audit & Risk Assurance Committee (ARAC), Ed Smith, commended Paul Baumann and the financial teams for achieving the financial position noting that it required both resilience and a constant focus on new and emerging issues.
7.5	The Board concurred that a good set of results had been delivered but challenging times lay ahead.
8.0	The 2015/16 Planning and Contracting Round
8.1	The Chairman invited both the Chief Financial Officer, Paul Baumann, and the National Director: Commissioning Operations, Dame Barbara Hakin, to present this item. Paul Baumann set the scene by explaining that it had been a difficult planning and contracting round with more extended timescales than usual due to tariff changes and significant and operational challenges for both commissioners and providers carrying over from 2014-15 into 2015-16. The plans submitted by CCGs and direct commissioning teams had been subject to rigorous review by regional and national teams, working in close collaboration with Monitor and the TDA, and most organisations now had approved plans in place and could move into delivery.
8.2	The paper set out the detailed assurance process which had been used to ensure that more realistic activity forecasts had been put forward than in 2014-15. The focus for 2015-16 had been to achieve a better balance between ambition and pragmatism, especially in relation to opportunities arising from the Better Care Fund (BCF) and the need to maintain sufficient capacity to meet rising demand, sustain the service and deliver the standards for patients enshrined in the NHS

	Constitution. Elective and emergency admissions growth was expected to be 2-3% overall.
8.3	Dame Barbara Hakin reminded the Board that operational funding for resilience and winter pressures had been included in baseline funding for 2015-16, unlike in previous years. More work would be completed on resilience plans over the summer; the focus was moving from buying beds and capacity to securing better outcomes.
8.4	The plans had been constructed on the £101bn allocation agreed in December 2015 including 1.6% real terms growth in addition to access to £579m of prior year surpluses, of which £179m was an underspend relating to 2014/15, agreed with the DH to manage financial challenges in the wider health sector. Not yet incorporated in the plans was the additional £250m per annum investment in Mental Health announced earlier in the year. The plans did reflect the intentions outlined in December 2015 to accelerate the pace of movement towards target allocations, focusing particularly on those CCGs receiving significantly less than their need.
8.5	The Chief Financial Officer explained how the plans had been risk assessed and the net risk had been estimated at £160m, which was higher than the £126m net risk for 2014-15; this did not include specific expenses managed centrally. The Board was advised that all risks would be closely managed and steps taken to prevent new risks from materialising.
8.6	The Board welcomed the progress made on the 2015-16 planning and contracting round and the assurances provided on CCG plans. It reflected that the NHS was operating in challenging environment with increasing demands for services and that the commissioning system needed to become one which was based on outcome, not output, and which worked with local populations to deliver the right level of service. The Board took assurance from the report.
9.0	Reports from Board Committees
9.1	The reports from the Investment Committee on 30.03.15 and 11.05.15, the Commissioning Committee on 25.03.15 and the ARAC on 06.05.15 were taken as read. The Board approved changes to the Investment Committee's Terms of Reference and NHS England's Scheme of Delegation in relation to assurance of and decision-making for service reconfiguration.
10.0	Any Other Business
10.1	There were no items of any other business and at 13:10, the Board resolved to exclude representatives of the media and members of the public from the remainder of the meeting due to the confidential nature of the business to be transacted.
Date of Next Meeting: Thursday 23 July 2015, Southside, London	

Agreed as an accurate record of the meeting	
Date:	
Signature:	
Name:	Sir Malcolm Grant
Title:	NHS England Chairman