

NHS England

Minutes of the Board meeting part ii held on 6 November 2014

Present

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

Apologies

- Lord Victor Adebawale – Non-Executive Director

In attendance

- Mr Jon Schick – Head of Governance and Board Secretary
- Mr Tom Easterling – Director of the Chair and Chief Executive's Office

Item	
1	Declarations of interest in matters on the agenda
	There were no declarations of interest in matters on the agenda.
2	Minutes of the previous meeting
	The minutes of the meeting held on 19 September 2014 were accepted as an accurate record. There were no matters arising.
3	Draft planning guidance and allocations
	Ian Dodge outlined proposals to improve alignment of guidance, documentation and financial and activity assumptions across the commissioning and provider system.

	<p>Resulting plans would need to be realistic and deliverable, and would require work to consider how they mapped against assumptions already made within Better Care Fund plans. They would need to set out steps to begin implementation of the Five Year Forward View; guidance would include specifics for the upcoming contracting round, proposals under consideration including:</p> <ul style="list-style-type: none"> • Increased focus on consistent application of contract sanctions and penalties for core constitution standards; • CQUIN to include new national schemes to tackle sepsis and acute kidney disease, replacing two previous indicators which would now be embedded within the core contract (Safety Thermometer and Friends and Family Test). <p>Paul Baumann described work being undertaken on financial scenarios, building on two year allocations announced in 2013. Pricing decisions were due to be made during November, subject to final agreement with Monitor. In addition, DH were planning their response to the Five Year Forward View, which was expected over coming weeks and anticipated to place focus on actions for 2015/16.</p> <p>Board members would be involved in the run up to their next meeting, and in particular during the period between the anticipated Autumn Budget Statement and the 17 December; it was acknowledged that the Budget Statement had the potential to impact upon timing (and content) of the planning guidance.</p> <p>The Board noted the update.</p>
4	<p>New drugs for Hepatitis C</p>
	<p>Sir Bruce Keogh introduced the paper and described the significant financial pressures that may be faced by the NHS following the introduction of new drugs to treat Hepatitis C over the coming year. The Board discussed possible actions to manage these pressures and agreed the importance of continuing conversations with NICE and with the DH.</p> <p>The recommendations in the paper were endorsed and it was agreed that there should be a future discussion about how the organisation could plan for and respond to the development of other anticipated new drugs.</p>
5	<p>Organisational review</p>
	<p>Karen Wheeler introduced an update on the Organisational Alignment and Capability (OAC) programme, which was currently focussing on restructuring necessary to achieve required cost reductions. Progress with the programme was on track. Equality impact assessment work was underway, with good information available on staff affected by change and more work being undertaken on the baseline for comparison.</p> <p>The Board's attention was drawn to the work to scope Phase Three of the programme and the requirements for programme funded staff who would be</p>

	<p>impacted by change. In addition, the Board considered arrangements to review organisations involved in the improvement and leadership of the wider NHS, including Academic Health Science Networks, Strategic Clinical Networks and Clinical Senates, as well as the NHS Leadership Academy and NHS Improving Quality. An update was provided on joint work with DH and partner organisations on patient safety, revalidation and informatics delivery functions, anticipated for future transfer from NHS England. The Board support the need for accelerated progress on these transfers.</p> <p>The importance of operating style, values and behaviours was underlined, with proposals being developed by the executive team before bringing to a future Board. In some areas, the need for improved capabilities had also been identified and built into the design of the new structure – for example to strengthen the information and analytical function.</p> <p>The Board considered the actions in place to mitigate risks associated with the restructure, and noted the potential for an impact upon the feedback received through the current staff barometer exercise.</p> <p>Considerable focus was being placed on ensuring there was capacity to manage future delivery, in particular with development and implementation of new structures within Commissioning Operations. It was also acknowledged that further changes were likely to be required, in particular to ensure the organisation had the right capacity to deliver the Five Year Forward View. In that regard, the Board outlined the outcomes it required from restructuring:</p> <ul style="list-style-type: none"> • Identification and establishment of the required capacity, informed by an understanding of workforce efficiency and benchmarking; • Ensuring this was organised and deployed effectively and with aligned behaviours; • Making sure structures were affordable and sustainable; • Clarity across the organisation about any historic work that would no longer be undertaken by NHS England. <p>With these outcomes in mind, a number of Non-Executives offered to provide input and comment on the current proposals over the coming days, so that once consultation had concluded, final proposals for implementation could be developed rapidly.</p> <p>The Board noted the update.</p>
6	<p>Assurance 2015/16</p>
	<p>Dame Barbara Hakin described the need for a new assurance process, moving on from the existing system largely structured around initial CCG authorisation requirements. She fed back from recent discussions at the CCG Assurance and Development Committee and explained proposals for earned autonomy for consistently high-performing CCGs, enabling greater support for those facing greater challenges.</p> <p>The need for processes related to CCGs considered to be in “special measures” was described, the Board noting the requirement but emphasising this needed to take place within a framework of encouraging autonomy and</p>

	<p>leadership, and celebrating delivery of successful outcomes.</p> <p>In discussion the Board agreed the suggested approach of being more permissive and hands'-off where possible, intervening in a small number of cases where required. The assurance process could also incorporate best practice from other sectors and businesses, such as the inclusion of clear rights and obligations, which needed to be understood by all.</p> <p>The Board noted the proposals.</p>
7	Finance and Investment Committee (outline business case)
	The Board confirmed its approval for the Health and Justice Information Services Residential (Phase 1) Outline Business Case, endorsing the recommendation received from the Finance and Investment Committee.
8	Any other business
	It was agreed that the Publication Scheme would be amended to reflect that minutes and papers from the meetings in Part ii would in future be published (subject to appropriate redaction where required) after a period of 12 months.
Date of next meeting	17 December 2014 NHS Southside, London