

**DRAFT MINUTES OF A MEETING OF THE NHS IMPROVEMENT BOARD HELD ON THURSDAY 29 SEPTEMBER 2016 AT 13.00 AT WELLINGTON HOUSE, 133-155 WATERLOO ROAD, LONDON SE18UG – SUBJECT TO APPROVAL AT THE MEETING OF THE BOARD ON 24 NOVEMBER 2016**

**Present:**

Ed Smith, Chairman  
Bob Alexander, Executive Director of Resources/Deputy Chief Executive  
Dame Glynis Breakwell, Non-Executive Director  
Lord Patrick Carter, Non-Executive Director  
Lord Ara Darzi, Non-Executive Director  
Richard Douglas, Non-Executive Director  
Sarah Harkness, Non-Executive Director  
Stephen Hay, Executive Director of Regulation/Deputy Chief Executive  
Jim Mackey, Chief Executive  
Ruth May, Executive Director of Nursing  
Kathy McLean, Executive Medical Director  
Sigurd Reinton, Non-Executive Director  
Caroline Thomson, Non-Executive Director

**In attendance:**

Jessica Dahlstrom, Head of Governance  
Kate Moore, General Counsel

**1 Welcome and apologies (oral item)**

- 1.1 Apologies for absence had been received from Laura Carstensen (Non-Executive Director).
- 1.2 There were no declarations of interest.

**2 Minutes and matters arising from the meeting held on Thursday 28 July 2016 (BM/16/84)**

- 2.1 The minutes of the meeting held on Thursday 28 July 2016 were approved, and matters arising were noted.
- 2.2 It was noted that the approach to risk management would be discussed by the Board in December 2016, and that a paper on NHS Improvement's approach to supporting non-executive directors of NHS providers would come to the Board in November 2016.

### **3 Chief Executive's report (oral item)**

- 3.1 The Chief Executive provided an overview of key developments since the last meeting of the Board on 28 July 2016. It was noted that significant progress had been made in the shaping of NHS Improvement and that staff had been actively and positively engaged in this.
- 3.2 An update was provided on the planning process for NHS providers and it was noted that, for the first time, two-year plans were being developed and were scheduled to be agreed between providers and commissions before Christmas 2016. The importance of obtaining the best value for money within the budget available to the NHS was emphasised.

### **4 Update on Sustainability and Transformation Plans (BM/16/85)**

- 4.1 The Board noted the paper, which provided an overview of the current status of Sustainability and Transformation Plans (STPs). There was a discussion on progress made compared with expectations, and of the work still outstanding to achieve the required transformation. It was noted that, while all STP areas had been responsive, plans in some areas were more developed than in others, and in the case of a small number of challenging areas it remained difficult to predict the end state of the plans.
- 4.2 The Board emphasised the importance of local ownership of the plans, and the need to prioritise capital investment was discussed. It was noted that NHS Improvement and NHS England were working together closely to provide support at a regional level, and that engagement with local authorities had been excellent. The importance of maintaining those relationships over time and at all levels was highlighted.

### **5 Operational planning 2017/18 – 2018/19 (BM/16/86)**

- 5.1 The Executive Director of Resources/Deputy CEO provided an overview of the operational planning process, and outlined lessons which had been learned from the 2016/17 planning process. The importance of speed, pragmatism and discipline in decision-making as part of the planning process was highlighted. It was noted that the timetable for delivery of plans was challenging, and the Board thanked colleagues in the service and in the regional teams of NHS Improvement for their efforts in delivering plans on time.
- 5.2 The interaction between demand and capacity planning was discussed, and the importance of accurate demand forecasting was emphasised. Several safeguards had been put in place to help achieve this, which included joined-up and agreed activity planning between NHS Improvement and NHS

England, joint regional assessment of plans and a demand and capacity training programme which was being provided to colleagues in the service.

- 5.3 It was noted that the consultation on the National Tariff was due to commence in mid October 2016, and that the Board would be provided with an overview of the final proposals in December 2016.

## **6 NHS Improvement's Single Oversight Framework (BM/16/87)**

- 6.1 Ben Dyson, Executive Director of Strategy, and Catherine McDonald, Policy Director, joined the meeting for this item.
- 6.2 The Executive Director of Strategy provided an overview of key changes which had been made to the Single Oversight Framework after consultation on the initial proposals. It was noted that feedback received had been broadly positive, with emphasis on the need to give autonomy to high performing providers, the need to work closely with the Care Quality Commission (CQC) and the importance of clarifying the support which NHS Improvement would offer to providers.
- 6.3 The Board discussed the proposed removal of some of the quality indicators which had been included in the initial proposals. It was noted that this change had been made to ensure closer alignment with the CQC, and that the data concerned would still be received and reviewed by NHS Improvement staff. It was noted that the aim was to achieve full alignment with the CQC on such indicators in the longer term.

### **RESOLVED:**

- 6.4 The Board resolved to approve the Single Oversight Framework, noting that it would become operational from 1 October 2016.

## **7 New care models update: NHS Improvement's role in establishing and overseeing ACOs (BM/16/88)**

- 7.1 Ben Dyson, Executive Director of Strategy, attended the meeting for this item.
- 7.2 The Board considered the paper, which outlined progress made on the development of new care models. The work which NHS Improvement was doing to support vanguards within the new care model programme was considered, and the interaction with STPs and the planning and contracting process was discussed.
- 7.3 The Board highlighted the importance of moving towards a coordinated approach to interventions by all oversight bodies. The need to ensure such interventions were based on a shared set of data was noted.

- 7.4 The difference between Vanguard and other organisations or regions in the NHS testing new care models was discussed. It was noted that the vanguards received targeted support from the relevant Arm's Length Bodies, which included a joint assurance process to ensure changes could be made at an appropriate pace. The Board welcomed the paper and the work being done to support new care models.

## **8 Operational Productivity Directorate (BM/16/89)**

- 8.1 Jeremy Marlow, Executive Director of Operational Productivity, attended the meeting for this item.
- 8.2 The Executive Director of Operational Productivity introduced the paper, which provided an overview of the key recommendations set out in the Carter Review, and progress made to date on the implementation of those recommendations. It was noted that pathology, corporate services and procurement had been identified as key areas of priority, and the Operational Productivity directorate had to date focused its efforts on making progress in those areas.
- 8.3 The interaction between the work of the Operational Productivity directorate and other parts of NHS Improvement was discussed. The Board noted that there were close links, and that over time the work of the Operational Productivity directorate would be fully integrated with all other directorates. It was noted that this would be discussed in greater detail at the Board development session in October 2016.
- 8.4 The importance of working closely with clinical and nursing staff when identifying opportunities for productivity improvements was emphasised.

## **9 Improvement report (BM/16/91)**

- 9.1 The Board noted the report, which described progress made on developing the improvement support which NHS Improvement could offer to the service. The Board noted the work on the well-led framework which was being completed jointly with the CQC, and the work on digital outpatients where private partners had made a valuable contribution.
- 9.2 The Board thanked the team who had worked on the National Strategic Framework on Leadership Development and Improvement, which was considered a welcome and high quality document.

## **10 Questions and comments from the public (oral item)**

- 10.1 The Chair invited comments and questions from the public, reminding those present that only questions on matters on the agenda for the public session of the Board would be answered.

- 10.2 A member of the public asked a question about performance issues at Southern Health, and the accountability of national bodies in relation to this organisation. The Chair observed that Southern Health was not on the agenda, though proposed a meeting with himself, the Chief Executive and Medical Director with the member of the public to discuss the matter in more detail.
- 10.3 A member of the public raised a number of concerns in relation to whistleblowing, and it was noted that specific cases would not be discussed in the public session of the Board meeting.
- 10.4 A further query was raised in relation to Southern Health, and a member of the public invited the Chief Executive to respond to recent correspondence, which the Chief Executive agreed to do.
- 10.5 A member of the public asked a question regarding regional working with other Arm's Length Bodies, and asked for his thanks to the Chief Executive for the work he was doing to be recorded. It was noted that NHS Improvement was working closely with regional colleagues in NHS England and Public Health England.

## **11 Private session – resolution (oral item)**

- 11.1 The Chair moved a resolution in order to move into private session to consider private items of business.

## **12 Chief Executive's report (BM/16/93(P))**

- 12.1 The Chief Executive provided a further update on recent activities, including an overview of matters discussed during his recent meeting with the Prime Minister, and an update on progress made in those trusts that had been placed into Financial Special Measures. It was noted that the Q2 results for the NHS provider sector would be available in mid November 2016.
- 12.2 The Board discussed its role in balancing the requirements to deliver an improved financial position while ensuring patient safety was maintained. The role that reconfiguration could play in this regard was discussed, and it was noted that while many of the proposed reconfigurations would have a beneficial impact on the safety and quality of the service to patients, financial savings were often more difficult to achieve. The importance of ensuring local and political support for necessary reconfigurations was emphasised, and the need for clinical involvement was highlighted.

### **13 Chairman's report (BM/16/94(P))**

- 13.1 The Board noted the content of the Chairman's report, and considered the proposed appointments of Dame Glynis Breakwell as the Senior Independent Director of NHS Improvement, and of Caroline Thomson as Deputy Chair.

#### **RESOLVED:**

- 13.2 The Board resolved to appoint Dame Glynis Breakwell as the Senior Independent Director of NHS Improvement. The Board also expressed its support for the appointment of Caroline Thomson as Deputy Chair.

### **14 Performance of the NHS provider sector (BM/16/95(P))**

- 14.1 The Executive Director of Resources/Deputy CEO provided an overview of financial performance to date in 2016/17.
- 14.2 The role which Cost Improvement Programmes played in delivering the plan for the financial year was noted, and the importance of recovering any slippage was emphasised.
- 14.3 The Board noted the plans to realise additional savings that had been made to date by those trusts that had been placed into Financial Special Measures.

### **15 The early identification of quality and safety risks associated with fragile and unsustainable services (BM/16/96(P))**

- 15.1 The Executive Medical Director presented the report, which provided an overview of metrics which could be used to identify quality and safety risks. The interaction between these metrics and the Single Oversight Framework was discussed.
- 15.2 The Board welcomed the analysis, and emphasised the importance of sharing it with the CQC. It was noted that there were plans to include mortality data in the analysis, and there was a suggestion of working with the NHS Litigation Authority as another source of valuable data highlighting quality or safety concerns.

### **16 Challenged providers report (BM/16/98(P))**

- 16.1 The Executive Director of Regulation/Deputy CEO provided an update on progress to date in relation to those providers currently in Financial Special Measures. An update on the Financial Improvement Programme was also provided, and the combined potential for realising savings was discussed.

- 16.2 The Executive Medical Director provided an update on progress in relation to trusts in Quality Special Measures. It was noted that there were several providers currently at risk of being placed into Quality Special Measures.

## **17 Preparation for Winter 2016/17 (BM/16/99(P))**

- 17.1 Lyn Simpson, Executive Regional Managing Director (North) joined the meeting for this item.
- 17.2 The Executive Regional Managing Director (North) introduced the paper, which provided an overview of preparation currently ongoing ahead of the winter.
- 17.3 The challenges associated with current Emergency Department performance were noted, and a number of preparation initiatives were outlined. These included the setting up of winter rooms, the development of a joint escalation process with NHS England, a campaign to offer 'flu vaccinations to NHS staff and a process of obtaining assurance around primary care provision during the winter period.
- 17.4 The Board discussed the risks associated with primary and social care availability, and noted that these were being managed through local delivery boards. It was also noted that clinical advice was being obtained with regard to any pacing of elective services to ensure sufficient capacity for emergency treatment.

## **18 National Strategic Framework on Leadership Development and Improvement (BM/16/100(P))**

- 18.1 Adam Sewell-Jones, Executive Director of Improvement, joined the meeting for this item.
- 18.2 The Board noted the paper, which provided an overview of the history and development of the National Strategic Framework on Leadership Development and Improvement (the Framework). It was noted that the Framework would be reviewed by the Chief Executives of all the Arm's Length Bodies involved in the Five Year Forward View in October.
- 18.3 The Board welcomed the Framework, which was considered to be a move in the right direction, setting out the links between quality of care provided by the service and the culture within organisations providing NHS services. The challenges around ensuring sufficient leadership capacity and competencies were discussed, and the importance of supporting leaders in the service was highlighted, particularly in the context of making difficult decisions, for example, around service reconfiguration.

## **19 Assurance and Risk Management Framework (BM/16/101(P))**

- 19.1 The Board noted and supported the paper, which set out the Assurance and Risk Management Framework for NHS Improvement. It was noted that further work was outstanding on the strategic risk register of the organisation, and an invitation was extended to Non-Executive Directors of the Board to attend the next meeting of the Audit and Risk Assurance Committee where the matter of NHS Improvement's risk appetite would be discussed.

**ACTION: JD**

- 19.2 It was noted that the strategic risk register would be brought back to the Board later in 2016.

### **19.3 Board effectiveness (BM/16/103(P))**

- 19.4 Board members noted that the Board would meet on 27 October to discuss the Board effectiveness framework.

## **20 Any other business**

- 20.1 There was no other business.

**Close**