

DRAFT MINUTES OF A MEETING OF THE NHS IMPROVEMENT BOARD HELD ON THURSDAY 26 MAY 2016 AT 13.00 AT WELLINGTON HOUSE, 133-155 WATERLOO ROAD, LONDON SE18UG – SUBJECT TO APPROVAL AT THE MEETING OF THE BOARD ON 28 JULY 2016

Present:

Ed Smith, Chairman
Bob Alexander, Executive Director of Resources / Deputy Chief Executive
Dame Glynis Breakwell, Non-Executive Director
Laura Carstensen, 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 Sir Peter Carr (Non-Executive Director). As Sir Peter was standing down from the Board on 31 May 2016, the Chairman thanked him on behalf of the Board for his valuable contributions to NHS Improvement, and his years of service as former Chairman of the NHS Trust Development Authority.
- 1.2 The Board noted that this was the last of NHS Improvement's monthly Board meetings, and that the Board would now move to meeting bi-monthly. The next formal meeting of the Board was scheduled for 28 July 2016. On 30 June 2016, and every other month thereafter, there would be Board development sessions. The first of these would focus on how to deliver improvement for the NHS.
- 1.3 There were no declarations of interest.

2 Minutes and matters arising from the meeting held on Tuesday 28 April 2016 (BM/16/52)

- 2.1 The minutes of the meeting held on Thursday 28 April 2016 were approved, and matters arising were noted. It was noted that the paper on capital expenditure delays and reductions, referred to on page 4 of the action log, would come to the Board on 28 July 2016.

3 Chief Executive's report (oral item)

- 3.1 The Chief Executive provided an overview of the financial and operational performance for the sector in the fourth quarter of 2015/16. The Board noted that although the results were disappointing, significant progress had been made by NHS providers in the second half of 2015/16. It was also noted that NHS providers had faced significant demand pressures.
- 3.2 The challenges for 2016/17 were discussed. The Board emphasised the importance of developing a better understanding of the sources of the demand pressures, particularly in emergency departments. A paper would come back to the Board on 28 July 2016 bringing together available evidence on this subject. It was requested that evidence on the impact of delayed discharges was also presented in this paper, and that regional as well as national evidence was considered. The paper should also consider how behavioural insights could play a role in improving flow through emergency departments.

ACTION: BA

- 3.3 The Chief Executive provided an update on the progress made in establishing NHS Improvement. The Board noted that it had been necessary over the past months for the senior management team to spend a significant amount of time on external engagement. Over the coming months, there would be an increased focus on implementing NHS Improvement's operating model.

4 Q4 sector performance (BM/16/53)

- 4.1 The Executive Director of Resources introduced the paper, which set out financial and operational performance of the NHS provider sector for the fourth quarter of 2015/16.
- 4.2 The Board noted the significant amount of savings that had been delivered by NHS providers in the past year, and emphasised the importance of supporting NHS providers to enable them to continue to deliver savings of this size.
- 4.3 The Board discussed the nature and appropriateness of the role which fines had played in the 2015/16 financial outturn. It was noted that discussions were ongoing with NHS England on this subject, and that there was a joint desire to work more collaboratively in this area, and with a shared common purpose.

- 4.4 The impact of the agency cost controls which were imposed part way through 2015/16 was discussed. It was noted that these controls had generally been considered helpful by NHS providers. The Executive Director of Nursing emphasised the importance of maintaining the ability for NHS providers to breach the price caps to ensure patient safety continued to be protected.
- 4.5 The Board discussed the efficiency savings and productivity improvements achieved by the NHS in 2015/16. It was noted that there were differences in estimates depending on calculation method. The Board requested a paper on this subject, setting out clearly what had been achieved in the past year.

ACTION: BA

5 Corporate Report (BM/16/54)

- 5.1 The Board noted the report, which provided an overview of the three meetings of Board committees which had taken place in the past month.
- 5.2 The Chair of the Audit and Risk Assurance Committee updated the Board on the process to develop a strategic risk register for NHS Improvement.
- 5.3 The Chair of the Nominations and Remuneration Committee noted that protocols for this Committee were being revised to bring them in line with the Committee's Terms of Reference.
- 5.4 The Chair of the Appointments and Remuneration Committee indicated that this Committee would bring a paper to the Board for its meeting on 28 July 2016, setting out proposed arrangements for supporting chairs and non-executive directors of NHS trusts.
- 5.5 The Board confirmed it was content with the proposals contained in the confidential annex to this report.

6 Report of the Faculty of Improvement (BM/16/55)

- 6.1 The Executive Director of Improvement joined the meeting for this item.
- 6.2 The Executive Director of Improvement introduced the paper, which provided a summary of the Improvement Faculty's purpose, membership and activity to date.
- 6.3 The Board noted the main objectives of the Improvement Faculty, which were to build the capability and environment for improvement, to support training and education in improvement methodologies and to undertake and enable research and development.

- 6.4 The Board emphasised the importance of improvement being driven by the NHS itself with appropriate help and support, and not developed and/or imposed centrally. The role of external consultants was discussed, and the value of NHS Improvement's Consultancy Approval Panel was noted.
- 6.5 The Board noted that the subject of enabling improvement would be discussed again at the Board development session on 30 June 2016.

7 Junior doctors' industrial action: Impact assessment (BM/16/56)

- 7.1 The Executive Medical Director introduced the report, which had been considered by the Board at its meeting on 28 April 2016, and updated to incorporate the impact of the full withdrawal of labour on 26 and 27 April 2016.
- 7.2 The Board noted that learning points from the periods of industrial action were being brought together by NHS providers, to help improve hospital flow going forwards.

8 Questions and comments from the public (oral item)

- 8.1 A member of the public asked the Board a question with regard to NHS Improvement's whistleblowing and complaints policy. It was agreed that the Executive Director of Nursing would respond in detail outside of the Board meeting, and that NHS Improvement's whistleblowing policy would be discussed at a future Board meeting.

ACTION: RM

- 8.2 A member of the public asked the Board a question regarding the tension between the desire for providers and commissioners to work together, and the policy on fines. The Chief Executive confirmed that discussions were ongoing with NHS England on this subject. The Chair confirmed that a paper on Sustainability and Transformation Plans would come to the public session of the Board on 28 July 2016.

ACTION: BA

9 Private session – resolution (oral item)

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

10 Chief Executive's update (oral item)

- 10.1 The Chief Executive provided an overview of plans currently being considered to help providers improve financial and operational performance in 2016/17.
- 10.2 Board members discussed the interaction between the need to continue making financial savings and safe staffing guidelines. The importance of ensuring appropriate safeguards for patient safety was emphasised.
- 10.3 The opportunities and challenges associated with service reconfiguration were discussed, and the likely need for reconfiguration to ensure safe care could continue to be provided was noted.

11 Chairman's report (BM/16/57(P))

- 11.1 The Board approved the appointment of Dr Kathy McLean as the Responsible Office for Medical Appraisal and Revalidation, and as the Caldicott Guardian, for NHS Improvement.
- 11.2 The Chairman thanked Adrian Masters on behalf of the Board for his valuable contributions at Monitor and NHS Improvement, and welcomed Ben Dyson as the new Executive Director of Strategy.

12 Q4 risk and performance report (BM/16/58(P))

- 12.1 Jason Moody, Risk and Performance Manager, joined for this item.
- 12.2 The Board noted the report, which provided a risk and performance management update for the fourth quarter of 2015/16. The Board noted that an integrated approach would be used going forward, and that a new strategic risk register would be developed for NHS Improvement. The Board commented that the format of a 'heat map' was useful, and requested that this approach be used going forward.

ACTION: BA

13 Long term partnership between Sherwood Forest Hospitals NHS Foundation Trust and Nottingham University Hospitals NHS Trust (BM/16/59(P))

- 13.1 Mark Shires, Senior Transformation and Turnaround Director, joined for this item.
- 13.2 The Executive Director of Regulation introduced the report, concerning a proposed long term partnership between Sherwood Forest Hospitals NHS Foundation Trust and Nottingham University Hospitals NHS Trust.

- 13.3 The Board expressed some concerns and highlighted a number of risks associated with bringing these two organisations together. The interaction with the Care Quality Commission (CQC) process was noted.
- 13.4 The Board requested that, if the partnership was to proceed, a detailed plan would be developed to minimise the risks identified. Board members offered to work together with executive colleagues on the proposed transaction.
- 13.5 The Board approved the provision of backfill funding by the Department of Health associated with peer improvement support provided by Nottingham University Hospitals NHS Trust.

14 Business plan (BM/16/60(P))

- 14.1 Adrian Masters (Executive Director of Strategy) and Lisa Keslake (Policy Director) joined for this item.
- 14.2 The Board noted the report which set out the proposed Business Plan for NHS Improvement for 2016/17. This Business Plan had been discussed by the Board at its meeting on 28 April 2016, and was now being presented for final approval.
- 14.3 The Board requested changes to the Business Plan to emphasise NHS Improvement's ambition in relation to patient safety, and to ensure the importance of working together with partners outside of the health system was reflected. Authority to approve the final version of the Business Plan was delegated to the Chief Executive.

15 NHS Improvement oversight framework (BM/16/61(P))

- 15.1 Adrian Masters (Executive Director of Strategy) and Catherine McDonald (Policy Director) joined for this item.
- 15.2 The Policy Director introduced the report, which set out NHS Improvement's proposed oversight framework. The importance of having a joined up approach to oversight with the CQC was emphasised. The Board also highlighted the importance of developing clear rewards for good performance, for example, in the form of reduced regulatory burdens.
- 15.3 The Board noted that the oversight framework would be published for consultation in June 2016. A paper would come back to the Board meeting on 28 July 2016 setting out final proposals for the oversight framework. A resource plan would be developed to support these proposals.

ACTION: CM

16 Implementation of Carter Review (oral item)

- 16.1 The Board noted steps taken to date with regard to the implementation of the Carter Review. The Board emphasised the importance of moving quickly on this matter.

17 Sustainability and Transformation Plans (BM/16/62(P))

- 17.1 Nick Ville, Policy Director, joined for this item.
- 17.2 The Executive Director of Resources introduced the report, which provided an overview of the process followed to date with regard to the development of Sustainability and Transformation Plans.
- 17.3 The Board noted several examples of Sustainability and Transformation Plans being developed in different parts of the country.

18 Approval of the award of the contract for the delivery of the Costing Assurance Programme (BM/16/64(P))

- 18.1 Monique Duffy-Brogan, Pricing Director, joined for this item.
- 18.2 The Board noted the report, which recommended the appointment of Ernst & Young as the supplier for the delivery of the Costing Assurance Programme for a three to five year period.
- 18.3 The Board approved the appointment of Ernst & Young. It was requested that further work would be done to examine the optimal frequency of costing audits. If it were deemed appropriate to reduce the frequency of audits, the possibility of amending the contract with the supplier should be examined.

ACTION: MDB

19 Any other business

- 19.1 There was no other business.

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