

DRAFT MINUTES OF A MEETING OF THE NHS IMPROVEMENT BOARD HELD ON THURSDAY 28 JULY 2016 AT 13.00 AT WELLINGTON HOUSE, 133-155 WATERLOO ROAD, LONDON SE18UG – SUBJECT TO APPROVAL AT THE MEETING OF THE BOARD ON 29 SEPTEMBER 2016

Present:

Ed Smith, Chairman
Dame Glynis Breakwell, Non-Executive Director
Laura Carstensen, Non-Executive Director
Lord Patrick Carter, 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
Elizabeth O'Mahony, Director of Finance (deputising for Bob Alexander, Executive Director of Resources/Deputy Chief Executive)
Caroline Thomson, Non-Executive Director

In attendance:

Jessica Dahlstrom, Head of Governance
Kate Moore, General Counsel

1 Welcome and apologies (oral item)

- 1.1 The Board paid tribute to Kate Granger, who through her “mynameis” campaign lobbied for a more compassionate NHS and who had died on 23 July 2016. The importance of ensuring all patients in the NHS are treated with respect and dignity was emphasised.
- 1.2 Apologies for absence had been received from Lord Ara Darzi (Non-Executive Director), Sigurd Reinton (Non-Executive Director) and Bob Alexander (Executive Director of Resources/Deputy Chief Executive).
- 1.3 There were no declarations of interest.

2 Minutes and matters arising from the meetings held on Thursday 26 May and Thursday 30 June 2016 (BM/16/65)

- 2.1 The minutes of the meetings held on Thursday 26 May 2016 and Thursday 30 June 2016 were approved, and matters arising were noted.

- 2.2 The Chair requested that representatives from NHS England and the Care Quality Commission would be invited to attend NHS Improvement Board and committee meetings on a regular basis.

ACTION: JD

- 2.3 The savings achieved as a result of the Board's challenges around the Costing Assurance Programme were noted, and the Board thanked the Director of Pricing for the work on this.

3 Chief Executive's report (oral item)

- 3.1 The Chief Executive provided an update on the financial position of the NHS, and the financial reset moment which had taken place on 21 July 2016. The Chief Executive highlighted the importance of safeguarding quality while seeking to achieve financial savings, and of ensuring boards of providers remained responsible for the performance of the organisations which they led.
- 3.2 The Board noted that discussions between NHS Improvement and NHS England with regard to Sustainability and Transformation Plans (STPs) would take place on Friday 29 July 2016. The aim of these discussions was to identify, for each STP area, the priority areas to focus on.
- 3.3 The Board highlighted the importance of seeking clinical input into all decisions around staffing levels, both at NHS Improvement and in provider organisations.
- 3.4 The Chair drew the Board's attention to agenda item 8, "Ensuring NHS Improvement's objectives are delivered", which was starred and therefore not for discussion at this meeting, but which provided a good overview of NHS Improvement's objectives and progress made to date.

4 Performance of the NHS provider sector at 31 May 2016 (BM/16/66)

- 4.1 The Board noted that the report focused on operational performance for the first two months of 2016/17. Financial information would be published once the Q1 results were available. These results were expected on 18 August 2016, and would be circulated to the Board in correspondence for review ahead of publication.

ACTION: EO'M

- 4.2 The Director of Finance presented the key findings set out in the report. The Board discussed the increase in demand for emergency services and the implications for performance against the A&E target. The increase in trolley waits was also noted.
- 4.3 The importance of establishing realistic improvement trajectories was emphasised. With regard to the presentation of information in the paper, the

Board requested more focus on underlying trends, and indicated that breaking the information down between NHS trusts and NHS foundation trusts was no longer required.

- 4.4 The Board requested a paper setting out the underlying drivers for performance against ambulance targets, to be presented at the Board meeting on 29 September 2016.

ACTION: BA

- 4.5 The Board noted that the planned deficit for the sector for 2016/17 was £580 million, and that 24 providers had not yet agreed their control totals. The importance of ensuring a consistent level of stretch for all providers was emphasised.

5 Update on Sustainability and Transformation Plans (BM/16/67)

- 5.1 The Chief Executive introduced the paper, which provided an update on the process for the development of STPs. It was noted that there was significant variation in progress made in different parts of the country.
- 5.2 The importance of ensuring that mental health provision was reflected appropriately in each STP was emphasised. The Board indicated that the STP process should also be regarded as an opportunity to consider health inequalities and issues around access to healthcare.
- 5.3 The Board considered the relationship between the indicators of performance discussed under the previous agenda item and the STPs that had been developed. The delivery mechanisms for improving performance were discussed, and the importance of resolving leadership issues was highlighted. The Board noted the role that data analytics could play in identifying solutions.
- 5.4 The Board requested that a progress update on STPs would be brought back to the next meeting of the Board. A separate session would also be organised for interested Board members to go through a selection of STPs in more detail.

ACTION: BA / JD

6 Improvement report (BM/16/68)

- 6.1 Adam Sewell-Jones, Executive Director of Improvement, joined the meeting for this item.
- 6.2 The Executive Director of Improvement introduced the report, which provided an overview of improvement activities ongoing across the organisation. It was noted that the launch event held on 14 July 2016 had been successful and positive feedback had been received from participants.

6.3 The Board discussed ways in which the online Improvement Directorate could be expanded to become an online portal for NHS providers to share experiences and learning, and to enable colleagues from across the NHS to get in touch with each other.

6.4 The importance of resolving any regulatory issues that prevented Vanguard organisations making progress was emphasised, and a paper on this subject would come back to the Board.

ACTION: BD

6.5 Further to the Board development session on 30 June 2016, at which behavioural insights were discussed, the Board encouraged the Executive team to continue to make use of behavioural insights analysis and advice where appropriate.

7 Corporate report (BM/16/70)

7.1 The Board noted the report, which provided an overview of committee activity which had taken place since the last meeting of the Board on 26 May 2016.

7.2 The Chair of the Audit and Risk Assurance Committee provided an overview of progress made on risk management, and suggested this should be added to the list of topics for future Board development sessions.

ACTION: JD

7.3 The Chair of the Appointments and Remuneration Committee informed the Board that this committee would be renamed the Provider Leadership Committee, to reflect its strategic role and to avoid confusion with the internal Nominations and Remuneration Committee.

8 Questions and comments from the public (oral item)

8.1 A member of the public asked the Board to explain how public engagement would be ensured as part of the STP process. The Chief Executive provided assurance that genuine consultation was very important, and that all STP areas had been asked to ensure this formed part of their plans.

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 the Board with further background on the financial reset process, and again emphasised the importance of safeguarding the quality of NHS services. It was noted that NHS providers were required to conduct quality impact assessments of any changes proposed. The Executive Medical Director was leading ten 'deep dives' into the quality impact assessment processes conducted by providers to provide assurance for the NHS Improvement Board that these were robust.
- 10.2 The importance of developing an overview of services across the country which were considered unsustainable or fragile was emphasised. The Board noted NHS Improvement's role in supporting NHS providers in identifying solutions for such services.
- 10.3 The Board discussed the financial outlook for 2016/17 and considered the range of metrics available to assess financial performance and efficiency. The importance of a detailed analysis of Q1 data was emphasised, and the Board requested that a teleconference would be organised for the week commencing 22 August to discuss the Q1 results. The Board also requested that a paper would be presented at the next Board meeting on the risks contained in the financial plan for 2016/17, and in the forecast deficit of £580 million in particular.

ACTION: EO / JD

11 2016/17 budget allocations (BM/16/71(P))

- 11.1 The Board noted the paper, which set out proposed initial budget allocations for NHS Improvement for 2016/17.

RESOLVED:

- 11.2 The Board resolved to approve the budget allocations, and to delegate authority to the Executive Committee for in-year budget adjustments.

12 Chairman's report (BM/16/72(P))

- 12.1 The Chairman introduced the report, which provided an overview of recent stakeholder activity. The Board discussed stakeholder engagement more generally, and asked to be provided with a weekly update of recent news and stakeholder engagement events, as well as a forward look of events and activity planned for the near future.

ACTION: HB

The Board discussed the implications of the recent referendum decision that Britain leave the European Union for NHS Improvement and the NHS, and emphasised the importance of mobilising efforts to influence the debate. A paper on this subject would come back to the Board.

ACTION: JM

RESOLVED:

The Board approved the appointment of the Executive members of the Board.

13 Operational plans 2016/17: financial position (BM/16/73(P))

- 13.1 The Board noted the report, which provided an overview of the current financial position. An update on the process for ensuring control totals were agreed was provided.
- 13.2 The degree of risk in the plans was noted, and the Board would be provided with regular updates on this risk, most immediately as part of the analysis of the Q1 results due in August 2016.
- 13.3 The Board was provided with an update on the Financial Special Measures work.

14 2017/18 planning round (oral item)

- 14.1 The Director of Finance provided an oral update, and set out an accelerated timetable for the 2017/18 planning round. The Board noted that planning would commence in September 2016 with the aim of agreeing contracts by January 2017. It was also noted that this planning round would cover two years.
- 14.2 The Board requested that a flow chart setting out the 2017/18 planning process would be presented at the Board meeting on 29 September 2016.

ACTION: EO

15 Drivers of emergency department performance against the four hour standard (BM/16/74(P))

- 15.1 Chris Walters, Chief Economist, and Paul Devenish, Senior Economist, joined for this item.
- 15.2 The Board welcomed the paper, which set out analysis of the drivers of emergency department performance. It was noted that the paper provided explanations for performance at an aggregate level, but that with the data available it would also be possible to analyse drivers of performance at the level of individual organisations.
- 15.3 The Board emphasised the value of analysis of this kind, and the importance of taking a coordinated approach with other ALBs to ensure such analysis was not duplicated across ALBs. The Board also noted that data analytics would be discussed at the Board development session on 22 September 2016.

RESOLVED:

- 15.4 The Board resolved to made this Board paper available on NHS Improvement's external website.

16 Productivity (BM/16/75(P))

- 16.1 The Board noted the report, which was starred and therefore not for discussion.

RESOLVED:

- 16.2 The Board resolved to made this Board paper available on NHS Improvement's external website.

17 Capital update 2016/17 (BM/16/76(P))

- 17.1 The Director of Finance introduced the paper, which set out the position in relation to capital expenditure for 2016/17. It was noted that there were significant risks associated with the target expenditure of £2.729 billion.
- 17.2 The Board noted the processes which were being put in place in relation to approval of individual capital expenditure proposals, and other mitigations which were currently being considered. It was noted, however, that NHS Improvement did not have the ability to control capital expenditure of NHS foundation trusts.

RESOLVED:

- 17.3 The Board resolved that NHS Improvement could not assume responsibility for the delivery of CDEL capital expenditure within a £2.729 billion target.

18 New care models update (BM/16/77(P))

- 18.1 Ben Dyson, Executive Director of Strategy, joined for this item.
- 18.2 The Executive Director of Strategy introduced the item, which set out progress made and upcoming decision points in relation to new care models. The Board discussed the creation of a single assessment process for commissioners and providers who were proposing integrated models of care. Licensing issues around non-NHS providers providing NHS care were also discussed.
- 18.3 The Board emphasised the importance of supporting providers in overcoming technical issues hampering progress for new care models. The Board requested a briefing on new care models for interested Non-Executive

Directors, and welcomed the proposal that this could be combined with an information session for senior leaders of vanguard organisations. The Board also requested an update on new care model for the next Board meeting.

ACTION: BD

19 Challenged providers (BM/16/78(P))

- 19.1 The Board noted the report, which provided an update on challenged providers.
- 19.2 The Board welcomed the format of the report, and requested that going forward, any changes in the annexes would be highlighted to enable the Board to identify these with ease.

20 Long-term partnership between Sherwood Forest Hospitals NHS Foundation Trust and Nottingham University Hospitals NHS Trust (BM/16/79(P))

- 20.1 The Board noted the report, and noted that two of the Non-Executive Directors had provided advice to the Executive Team in relation to this transaction.
- 20.2 The Board advised that it remained concerned about the risks of bringing these two organisations together, and requested that these risks would be mitigated to the extent possible.

21 Acquisition of Manchester Mental Health and Social Care NHS Trust (BM/16/80(P))

- 21.1 Warren Brown, Portfolio Director, joined for this item.
- 21.2 The Board noted the paper, which recommended that Greater Manchester West Mental Health NHS Foundation Trust was approved as the preferred acquirer organisation for Manchester Mental Health and Social Care NHS Trust.

RESOLVED:

- 21.3 The Board resolved to approve Greater Manchester West Mental Health NHS Foundation Trust as the preferred acquirer organisation for Manchester Mental Health and Social Care NHS Trust.

22 Royal National Orthopaedic Hospital NHS Trust FBC (BM/16/81(P))

- 22.1 Andrew Hines, Acting Executive Regional Managing Director (London), joined for this item.

22.2 The Board noted the paper, which recommended approval of the Royal National Orthopaedic Hospital NHS Trust's Full Business Case (FBC) for a new inpatient ward block.

RESOLVED:

22.3 The Board resolved to approve the Royal National Orthopaedic Hospital NHS Trust's Full Business Case (FBC) for a new inpatient ward block.

23 Supporting the chair and non-executive director community (BM/16/82(P))

23.1 The Board noted the paper, which set out how NHS Improvement would ensure that its specific obligations in relation to the NHS trust chair and non-executive directors were met. The role of individual Non-Executive Directors of NHS Improvement was discussed.

23.2 The Board discussed the time commitment involved, and the risk of conflicts of interest arising. A revised paper would be presented to the Board following further discussions between Non-Executive Directors.

ACTION: CT

24 NHS Improvement's approach to whistle-blowing (BM/16/83(P))

24.1 The Executive Director of Nursing introduced the report, which set of NHS Improvement's approach to whistleblowing. The Board was content with the proposed approach, and requested that it would be communicated clearly to internal and external stakeholders and the public.

RESOLVED:

24.2 The Board resolved to approve the approach to whistleblowing.

25 Any other business

25.1 There was no other business.

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