

**DRAFT MINUTES OF A MEETING OF THE NHS IMPROVEMENT BOARD
MEETING HELD ON THURSDAY 25 MAY 2017 AT 13.00 AT WELLINGTON
HOUSE, 133-155 WATERLOO ROAD, LONDON SE18UG – SUBJECT TO
APPROVAL AT THE MEETING OF THE BOARD ON 20 JULY 2017**

Present:

Ed Smith, Chairman
Bob Alexander, Executive Director of Resources/Deputy Chief Executive
Professor Dame Glynis Breakwell, Non-Executive Director
Laura Carstensen, 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
Adam Sewell-Jones, Executive Director of Improvement (until item 11)

1 Welcome and apologies (oral item)

- 1.1 Apologies for absence had been received from Lord Patrick Carter (Non-Executive Director) and Lord Ara Darzi (Non-Executive Director).
- 1.2 There were no declarations of interest.

2 Minutes and matters arising from the meeting held on Thursday 30 March 2017 (BM/17/34)

- 2.1 The minutes from the meeting held on Thursday 30 March 2017 were approved and matters arising were noted.

3 Chief Executive's report (oral item)

- 3.1.1 The Chief Executive thanked NHS colleagues for their heroic response to the attack which took place in Manchester on 22 May 2017 and the cyberattack which took place on 12 May 2017.

- 3.1.2 The Board was provided with an overview of the lessons learned from the winter review conducted by NHS England and NHS Improvement. Mechanisms for sharing lessons learned and best practice were discussed.

4 Update on joint working with the CQC on the well-led framework (BM/17/35)

- 4.1 The Executive Director of Improvement introduced the paper, which provided an overview of progress made on joint working between NHS Improvement and the Care Quality Commission (CQC). It was noted that the results of a joint consultation on the well-led framework would be published after the Purdah period had concluded.
- 4.2 The Board noted the progress which had been made on joint working between the two organisations at all levels. Details of the implementation of the well-led framework were discussed, including the resource intensity of the operational implementation. Clarification was provided on the extent to which conflicts of interests would need to be managed and the approach to encouraging peer reviews as part of the implementation of the well-led framework was noted.

5 The 2017/18 priorities for NHS Improvement against the national strategic framework 'Developing People, Improving Care' (BM/17/36)

- 5.1 The Executive Director of Improvement provided an overview of progress that had been made against the national strategic framework 'Developing People, Improving Care' and outlined the priorities for 2017/18.
- 5.2 The importance of creating a climate in which capable leaders could flourish was highlighted. The success of the improvement hub was discussed and the Board considered mechanisms which could be used to measure improvement.
- 5.3 The intention to re-energise the implementation of the national strategic framework across other Arm's Length Bodies in autumn 2017 was noted. The Board commented that regional chairs meetings attended by NHS Improvement Non-Executive Directors could be useful in this context.
- 5.4 The Board emphasised the importance of ensuring that 'People strategy' was close to the top of board agendas across the NHS. Talent management for nursing was regarded as an important component of this work programme, to be conducted jointly with NHS England.
- 5.5 Some feedback was provided on the number of action points contained within the paper, and the Board recommended a focus on a maximum of five key actions.

6 Questions and comments from the public (oral item)

- 6.1 A member of the public asked a question regarding the timing of the publication of Q4 results for NHS providers. The Chairman emphasised NHS Improvement's commitment to publishing key routine publications in a timely manner and explained the restrictions which applied during the Purdah period. He added that the Q4 results demonstrated an outstanding achievement by providers and committed to publishing the results as soon as possible after the general election.
- 6.2 A question was asked regarding the accountability for responding to cyberattacks. Members of the Board praised the response from colleagues across the NHS to the cyberattacks and outlined the lessons learned exercise which was currently ongoing. Some gaps had been uncovered as part of this, and colleagues in the Arm's Length Bodies (ALBs) were working together to address these. It was noted that a public discussion on preparing the response to crises such as these would be held by the Board at a future date.

ACTION: ES/SR/JD

7 Private session – resolution (oral item)

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

8 Chairman's report (BM/17/39(P))

- 8.1 The Chairman provided an overview of events and site visits which had taken place since the last meeting of the Board.
- 8.2 It was noted that the Board development session which the Board had held in April 2017 had covered both quality and operational productivity. Work was currently ongoing on revising Board reporting on quality and the possibility of creating a new committee of the Board focused on quality was being explored. It was suggested that two Non-Executive Directors would be involved in this committee.

9 Chief Executive's report (BM/17/40(P))

- 9.1 The Chief Executive provided a detailed overview of the lessons learned from the cyberattack which took place on 12 May 2017, with particular regard to the roles of the different ALBs and their interaction. The Board also discussed joined working between ALBs more broadly and consideration was given to the jointly appointed posts with NHS England and the reporting mechanisms for those posts.
- 9.2 A discussion took place on the next steps in relation to Sustainability and Transformation Partnerships (STPs). The importance of earned autonomy

was highlighted and the Board emphasised NHS Improvement's role in setting the agenda in this regard. The role of Academic Health Science Centres was also discussed.

10 Winter review and Emergency Department performance (BM/17/41(P))

- 10.1 Pauline Philip, National Urgent and Emergency Care Director, joined the Board for consideration of this item.
- 10.2 The National Urgent and Emergency Care Director introduced the paper which set out the results of the winter review. An overview was provided of emergency department performance during the winter of 2016/17 and of key actions required to prepare for the winter of 2017/18.
- 10.3 The Board discussed the interaction between demand for services and capacity available and considered ways in which additional capacity could be made available to cope with winter demand. The implications for the NHS workforce were discussed and the importance of finding different, smarter ways of working was highlighted. The role of community services was considered and the Board discussed the impact which seven day services would have on NHS performance during the winter period.
- 10.4 A discussion took place on the management of demand and prioritisation. The importance of providing alternatives to A&E was noted and the Board discussed the approach to prioritisation of patients who had arrived at A&E departments.
- 10.5 The Board noted that any winter money that would be made available to help manage the winter of 2017/18 would need to be made available by July 2017 at the latest in order to allow NHS providers to invest it and commence their preparations. Other key factors in the successful management of the winter of 2017/18 were considered and included setting out clear core expectations for providers, addressing any sustainability issues as quickly as possible and ensuring systematic access to primary care throughout the winter period.
- 10.6 It was noted that the National Urgent and Emergency Care Director would report to the Board again in July, focusing particularly on the core workstreams of managing demand, prioritising patients, managing capacity, interactions with social care and leadership and management issues.

ACTION: PP

11 Q4 sector performance report (BM/17/42(P))

- 11.1 The Executive Director of Resources/Deputy CEO introduced the report, which provided an overview of operational and financial performance of NHS providers in Q4 of 2016/17.

- 11.2 The Board noted the information on the financial outturn, which was still subject to change as the auditing process was ongoing. The hard work which had gone into the achievement of the results was commended. The Board thanked NHS Improvement's Director of Finance for her contribution.
- 11.3 The Board discussed the current underlying run rate positions and the implications for 2017/18. The growth of operating expenditure relative to activity growth was discussed and the Board noted the importance of delivery of cost improvement programmes.
- 11.4 Consideration was given to the operational performance of the NHS in the same period. The increase in waiting lists was discussed and the challenges, from a quality and a financial perspective, associated with waiting lists were considered.
- 11.5 The Board noted that the sector performance report would be expanded in future to include further detail on quality of care, including in mental health services, and on infection control.

12 NHS Improvement 2017/19 Business Plan and remit letter (BM/17/43(P))

- 12.1 The Executive Director of Resources/Deputy CEO introduced the paper, which included in its annexes a draft NHS Improvement 2017/19 Business Plan and a draft remit letter from the Department of Health (DH).
- 12.2 It was noted that, although the priorities for 2017/19 had been described clearly, there were difficulties associated with predicting a range for the 2017/18 financial outturn. There were a number of assumptions which would impact the outturn, including activity growth and funding being made available to address winter challenges.
- 12.3 A detailed discussion took place on the risks associated with the 2017/18 financial plans and the appropriate approach to managing these risks. The Board provided advice to the Executive Directors on how the assumptions and risks discussed should be reflected in the forecast outturn range and in correspondence with DH.

13 NHS Improvement Risk and Performance (BM/17/44(P))

- 13.1 The Board noted the paper which provided an overview of NHS Improvement's risk register and performance indicators for 2016/17. It was noted that engagement across the organisation in the risk identification and management process had increased.
- 13.2 The Chairman of the Audit and Risk Assurance Committee provided an overview of the deep-dives conducted by this committee into key areas of risk.

14 Draft Monitor and NHS Trust Development Authority annual report and accounts (BM/17/45(P))

- 14.1 The Board noted the draft Monitor and NHS Trust Development Authority (TDA) annual report and accounts. It was noted that these would be presented to the Audit and Risk Assurance Committee for approval at the start of July 2017, and that the Board was invited to comment at this stage on the form and tone of the documents.
- 14.2 The review process which the documents had undergone was noted and some comments were provided in relation to the infographic included at the start of the report.

15 Proposed Merger of Central Manchester University Hospitals NHS Foundation Trust and University Hospital of South Manchester NHS Foundation Trust – Strategic Rationale and Competition Advice (BM/17/46(P))

- 15.1 Catherine Davies, Director of Competition and Miranda Carter, Director of M&A and New Organisational Models joined the Board for consideration of this item.
- 15.2 The Director of M&A and New Organisational Models introduced the paper, which provided an overview of the strategic rationale for the proposed transaction. The processes which would be followed internally by NHS Improvement were noted, and it was noted that NHS Improvement would provide advice to the Competition and Markets Authority (CMA) in relation to this transaction.
- 15.3 Consideration was given to the strategic rationale for the transaction and to the patient benefits which would be achieved. The importance of comparing these with a counterfactual scenario in which the merger did not take place was emphasised. The Board commented that while the benefits case was persuasive, further work should be done to demonstrate how these benefits would be achieved. Consideration was given to mechanisms which could be put in place to ensure benefits were delivered not just by the current management team but on an ongoing basis in the future. The importance of succession planning was highlighted.
- 15.4 The Board discussed clinical engagement with the proposed merger and noted that the majority of clinicians were either very or broadly supportive of the transaction.
- 15.5 Subject to the comments made above, the Board expressed its support for the strategic rationale of the transaction.

16 Provider policy and new care models (BM/17/48(P))

- 16.1 Miranda Carter, Director of M&A and New Organisational Models joined the Board for consideration of this item.
- 16.2 The Board noted the paper, and expressed its support for the recommendations.

17 Technology and cybersecurity update (oral item)

- 17.1 Peter Sinden, Chief Digital Officer, Keith McNeil, Chief Clinical Information Officer for NHS Improvement and NHS England and Noel Gordon, Chairman of NHS Digital joined the meeting for consideration of this item.
- 17.2 The Chairman of NHS Digital provided an overview of the cyberattack which took place on 12 May 2017. The importance of ALBs working together closely to prevent or manage any future attacks was emphasised.
- 17.3 An action plan containing several key workstreams was discussed. The key workstreams included provision of clear guidance to the sector, the development of a risk appetite definition, the development of a shutdown protocol, whole system testing and the identification of systematically important institutions.
- 17.4 Consideration was given to the Paperless 2020 programme, its key workstreams and its governance structure. The links between this programme and the preparation for winter were discussed.
- 17.5 The Board thanked the Chief Digital Officer for his hard work, and noted that a further update on technology and cybersecurity would be presented at the Board meeting in July 2017.

ACTION: PS

18 Any other business

- 18.1 The Chairman thanked Laura Carstensen, who was leaving at the end of June 2017, for her contributions as a Non-Executive Director of NHS Improvement.

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