

**MINUTES OF A MEETING OF THE NHS IMPROVEMENT BOARD MEETING
HELD ON THURSDAY 20 JULY 2017 AT 10.30 AT WELLINGTON HOUSE, 133-
155 WATERLOO ROAD, LONDON SE18UG – SUBJECT TO APPROVAL AT THE
MEETING OF THE BOARD ON 28 SEPTEMBER 2017**

Present:

Ed Smith, Chairman
Bob Alexander, Executive Director of Resources/Deputy Chief Executive
Professor Dame Glynis Breakwell, Non-Executive Director (Senior Independent 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
Kathy McLean, Executive Medical Director
Sigurd Reinton, Non-Executive Director
Caroline Thomson, Non-Executive Director (from agenda item 4.2)

In attendance:

Aidan McCormack, Head of Organisational Development (agenda item 6)
Sofia Bernsand, Deputy Head of Governance
Jacqueline McKenna, Director of Nursing – Professional Leadership (agenda item 9)
Kate Moore, General Counsel
Will Smart, Chief Information Officer for Health and Social Care (agenda item 16)
Eva Beazley, The Leadership Gallery

1. Welcome and apologies (oral item)

1.1. Apologies for absence had been received from and Lord Ara Darzi (Non-Executive Director) and Ruth May (Executive Director of Nursing).

1.2. There were no declarations of interest.

2. Minutes and matters arising from the meeting held on Thursday, 25 May 2017 (BM/17/49(P))

2.1. The minutes from the meeting held on Thursday, 25 May 2017 were approved and matters arising were noted.

3. Opening remarks (oral item)

- 3.1. The Chairman noted that this was his last Board meeting. He thanked Board members and colleagues for their enormous contribution to NHS Improvement and welcomed Richard Douglas, who following the conclusion of the Board meeting, would take over as the Interim Chair.

4. Chief Executive's report (BM/17/50(P))

- 4.1. The Chief Executive thanked the Chairman for his effective leadership, his invaluable personal support and his dedication and commitment to NHS Improvement.
- 4.2. The Board discussed the difficulties associated with the winter planning process and emphasised the urgency of addressing these and assigning funds needed to support the increase in demand during winter before the start of the autumn. It was also noted that additional bed capacity funding would need to be settled with NHS England and the Department of Health as a matter of priority.
- 4.3. The Board discussed the proposal to divide the South region into two sub-regions. The plan was for the pilot to commence in September with a single Regional Director providing leadership in each sub-region by assuming both NHS Improvement's and NHS England's responsibilities.
- 4.4. The Board noted the challenges associated with creating structures not supported or envisaged by legislation for two very different organisations. The cultural and behavioural changes that would need to take place in both organisations in order for this new leadership model and these new work arrangements to succeed were highlighted. The Board also emphasised the importance of establishing effective operating and governance structures, clear accountabilities as well as implementing an appropriate HR framework.
- 4.5. The Board expressed concern about the proposal and requested that a plan outlining the rationale and architecture of the new leadership model, including processes, accountabilities, governance structure, cultural and behavioural challenges, be presented at the next meeting. The need to understand how this new model would support NHS Improvement's objectives and therefore improve matters for the sector was emphasised. Following further discussion, the Board considered that any support for the proposed model could only follow the development and presentation of a plan accommodating all relevant issues to the Board at its meeting in September.

ACTION: JMCK, AE

- 4.6. The Interim Chairman noted that his priorities for the next three months were: new CEO recruit process; winter preparedness; provider finances; joint-working with NHS England and; incident management.

5. Chairman's report (BM/17/51(P))

- 5.1. The Board noted the paper.

6. NHS Improvement's values and behaviours (BM/17/52(P))

- 6.1. Aidan McCormack, Head of Organisational Development, attended the meeting for this item.
- 6.2. The Board noted the paper which set out the proposed values and behaviours for NHS Improvement. The Board welcomed the values and the thorough process undertaken to develop them.
- 6.3. The Board discussed the challenges associated with embedding the values throughout the organisation, and requested that consideration be given to more regular pulse surveys of staff to gauge adoption.

RESOLVED:

- 6.4. The Board approved the proposed values and behaviours, subject to consideration being given to how to measure progress and demonstrate adoption to stakeholders. The Board also requested that regular updates on implementation be given to the Internal Operations Committee, the Executive Committee and to the Board.

ACTION: AMcM

7. NHS Improvement's approach to patient safety strategy (BM/17/53(P))

- 7.1. The Executive Medical Director provided a brief introduction to NHS Improvement's approach to patient safety.
- 7.2. The Board discussed the paper and noted the need for the publication to articulate more clearly how patient safety would be achieved.
- 7.3. Consideration was given to how lessons were learnt from incidents and the process for escalating daily reported safety issues to senior management, including NHS Improvement's and NHS England's boards. The need to clarify NHS Improvement's and other Arm's Length Bodies' individual responsibilities in safety issues and safety issue data collection reporting was emphasised.

ACTION: KMcL

- 7.4. The Board emphasised the importance of reporting in a practical way that focused on timely and useable data using new technologies.

8. Proposal to establish a Quality Committee (BM/17/54(P))

- 8.1. The Executive Medical Director introduced the proposal to establish a Quality Board Committee.

- 8.2. The Board welcomed the proposal and considered the proposed membership. The benefit of having the Chief Executives of NHS England and NHS Improvement attending the meetings as well as a representative from the Care Quality Commission was considered.

RESOLVED:

- 8.3. The Board approved the proposal for a Board Quality Committee, subject to consideration being given to the size of the Committee and requested that the final terms of reference be circulated for approval in correspondence.

ACTION: KMcL

9. National ambition to reduce healthcare acquired Gram-negative Bloodstream infections by 50% by March 2021 (BM/17/55(P))

- 9.1. Jacqueline McKenna, Director of Nursing – Professional Leadership, attended the meeting for this item and briefed the Board on the background to the programme.
- 9.2. The Board noted that the responsibility for reducing health care associated Gram-negative bloodstream infections by 50% in the next four years now rested with NHS Improvement, led by the Executive Director of Nursing. Successful delivery would require a system wide approach with close collaboration and working with a range of partners. It was noted that the four year delivery plan would be available in the autumn.
- 9.3. The Board emphasised the importance of establishing what could realistically be achieved and requested that an update be provided at the November meeting. This update would include Public Health England's rationale for a 50% reduction and as well as an overview of the resources required to achieve this.

ACTION: RM

10. Month 2 sector performance report (BM/17/56(P))

- 10.1. The Board noted the performance report for the NHS provider sectors month ended 31 May 2017.
- 10.2. The Executive Director of Resources/Deputy Chief Executive provided a summary of the key findings in the report. The Board noted that, despite a fall in A&E attendances during April and May, operational performance continued to be challenging, largely due to bed capacity constraints and transfer of care delays. The Board emphasised the critical importance of the improvement programmes delivering and would return to this at the September meeting. The increase in the overall waiting list for elective treatment was noted with concern.
- 10.3. The Board discussed the year to date and forecast financial performance for 2017/18 and noted that 27 providers had not yet accepted their control total.

The challenges faced by other providers in delivering the agreed financial control total were also drawn to the Board's attention.

- 10.4. The Board noted that in order to deliver the agreed plan expenditure growth would need to be lower than last year and asked for this to be included in future reports. The Board expressed concern about the impact of financial pressures on capital investment and asked for this to be considered as a substantive issue at a future meeting.

ACTION: BA

11. Sustainability and Transformation Partnerships (BM/17/57(P))

- 11.1. The Executive Director of Resources/Deputy Chief Executive provided an update on progress that would need to take place in order to further develop Sustainability and Transformation Partnerships (STPs) and accelerate progress in relation to Accountable Care Organisations.

- 11.2. The Board requested that a further update be given in due course.

ACTION: BA

12. Deregulation and data de-duplication (BM/17/58(P))

- 12.1. The Executive Director of Resources/Deputy CEO introduced the report, which provided an update on NHS Improvement's efforts to address regulatory burden and data regulation.

- 12.2. The Board noted the paper and emphasised the importance of this agenda and requested regular progress updates.

ACTION: BA

13. Compliance of NHS Improvement Financial Publications with UK Statistics Authority Code of Practice for Official Statistics (BM/17/59(P))

- 13.1. The Executive Director of Resources/Deputy CEO introduced the paper, the purpose of which was to outline options in relation to the publication of financial performance data.

- 13.2. The Board considered the options outlined in the paper. The benefits of a pre-announced publication schedule were considered, although it was noted that this did not necessarily require inclusion as "national statistics".

RESOLVED:

- 13.3. The Board approved the proposal for a pre-announced publication schedule and requested that the Chief Executive and the Executive Director of Resources/Deputy CEO prepared a timetable for approval by the Board.

ACTION: JMCK, BA

14. Challenged providers (BM/17/60(P))

- 14.1. The Board noted the paper and discussed the increase in the number of providers in or facing Special Measures. It was noted that one of the challenges facing some of the larger providers in Financial Special Measures was the late implementation of large cost improvements projects, which had highlighted the need to embed efficiency programmes earlier in the process.
- 14.2. The Board emphasised the importance of keeping the number of providers subject to Special Measures at a manageable level. The need to review the process once the new Chairman and Chief Executive have been appointed was also noted.

ACTION: SH

15. Progress of the Financial Improvement Programme (BM/17/45(P))

- 15.1. The Board noted the report which provided an overview of the programme and returns identified to date.

16. Technology and cybersecurity (BM/17/62(P))

- 16.1. Will Smart, Chief Information Officer for Health and Social Care, attended for this item.
- 16.2. An update on work undertaken with other arm's length bodies since the ransomware attack on 12 May to define a system response to mitigate the risk and impact of future cyber incidents was provided.
- 16.3. It was noted that the immediate response implementation plan developed by the Department of Health had identified the need to use arm's length bodies to ensure that the data security standards were implemented. NHS Improvement's responsibilities included, among other commitments, the introduction of a requirement for boards of NHS foundation trusts, NHS trusts and independent providers to submit an annual assurance statement.
- 16.4. The importance of ensuring NHS Improvement could fulfil its commitments was emphasised and the Board requested that a plan be developed, which would include resource allocations and joint working arrangements, and presented at the Board meeting on 28 September 2017.

ACTION: WS

17. Board effectiveness (oral item)

- 17.1. Eva Beazley, Director of The Leadership Gallery, provided a summary of her reflection of the Board's performance against the Board Effectiveness Framework since its inauguration in 2016.

17.2. The Senior Independent Director thanked the Director of The Leadership Gallery for her contribution to the Board and the Executive Team and noted the importance of reviewing the expertise and experience of those Board members remaining to determine the skills needed of new Board members.

18. Any other business

18.1. The Chairman thanked Caroline Thomson, who was stepping down from the Board at the end of August and, for her contribution to the Board and the Committees and wished her every success in her new role.

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