

**MINUTES OF A MEETING OF THE NHS IMPROVEMENT BOARD MEETING  
HELD ON THURSDAY 28 SEPTEMBER 2017 AT 13.00 AT WELLINGTON  
HOUSE, 133-155 WATERLOO ROAD, LONDON SE18UG – SUBJECT TO  
APPROVAL AT THE MEETING OF THE BOARD ON 24 NOVEMBER 2017**

**Present:**

Richard Douglas, Interim 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  
Lord Ara Darzi, 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

**In attendance:**

Jessica Dahlstrom, Head of Governance  
Kate Moore, General Counsel  
Elizabeth O'Mahony, Chief Financial Officer

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

- 1.1. No apologies for absence had been received.
- 1.2. There were no declarations of interest.

**2. Minutes and matters arising from the meeting held on Thursday, 20 July 2017 (BM/17/67)**

- 2.1. The minutes from the meeting held on Thursday, 20 July 2017 were approved and matters arising were noted. The Board noted that the first meeting of the Quality Committee would take place in October 2017.

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

- 3.1. The Chief Executive provided an overview of key developments over the past two months focusing in particular on winter preparation. The Board noted that there had been positive engagement with the service and that NHS staff were working hard to prepare for winter.

- 3.2. It was noted that this was the Chief Executive's last NHS Improvement Board meeting. He thanked colleagues and NHS staff for their help during his two years at NHS Improvement. The Interim Chairman thanked the Chief Executive for his hard work and significant contribution to the set up and establishment of NHS Improvement.

#### **4. Quality report (BM/17/68)**

- 4.1. The Executive Medical Director introduced the report, which provided an overview on NHS Improvement's work in the area of quality. It was noted that in spite of long term activity pressures, quality and outcomes in many areas had been maintained or improved. There had also been major safety improvements in the NHS.
- 4.2. The Board considered NHS Improvement's role in relation to quality and noted NHS Improvement's membership of the National Quality Board. The aspects of quality included in the Single Oversight Framework were discussed and the interaction with the work of the Care Quality Commission (CQC) was noted.
- 4.3. An overview was provided of a recent presentation by NHS Improvement's Executive Director of Nursing and Executive Medical Director and the Board noted that leadership, staff engagement and quality improvement had been identified as key factors in ensuring the continuous delivery of high quality care.
- 4.4. A discussion took place on NHS Improvement's role regarding patient safety in the primary care sector. The need for a clear definition of a safety incident in a primary care context was highlighted and the Board commented that NHS Improvement should work with the primary care profession to progress this. It was requested that a member of the patient safety team would be asked to give a presentation at a future Board meeting.

**ACTION: KMcL, RM, JD**

- 4.5. Consideration was given to the measurement of quality improvement and it was noted that a dashboard had been developed and would be discussed by the new Quality Committee before being brought back to the Board.

**ACTION: KMcL, RM**

- 4.6. The Board emphasised the importance of learning from international experience and of keeping the metrics used in the dashboard under review as the ability to measure quality improvement developed over time. The importance of identifying early warning signals for wider quality issues was also discussed.
- 4.7. A discussion took place on digitalisation and the suggestion of creating a 'model hospital for quality', giving providers access to live quality and safety data, was considered. It was noted that NHS Improvement would have to work with NHS Digital on such proposals and that there were information governance issues which would need to be addressed.

4.8. It was noted that the CQC's annual State of Care report provided an overview of progress made in relation to quality of care over time.

## **5. Operational productivity programme (BM/17/69)**

5.1. Jeremy Marlow, Executive Director of Operational Productivity, attended the meeting for consideration of this item.

5.2. The Executive Director of Operational Productivity presented the paper, which provided an overview of the operational productivity programme. The programme, which had initially been focused on acute providers, had been expanded to include providers of mental health, community and ambulance services.

5.3. An overview was provided of the operating model used to embed the operational productivity programme within NHS Improvement and in the service. It was noted that there were regional teams of operational productivity experts working alongside NHS Improvement's other regional staff.

5.4. Consideration was given to the key risks associated with the operational productivity programme and the Board noted that these were lack of focus among senior NHS staff given the crowded agenda for NHS trust boards and lack of funding available for investment to enable future savings. It was noted that the first risk was being managed through engaging with staff at different levels of provider organisations, whilst funding sources were being explored to manage the second risk.

5.5. The Board noted that good progress had been made by some providers and highlighted the importance of supporting those organisations which did not have the capacity to make the required changes. A discussion took place on ensuring that savings identified through the operational productivity programme were not double-counted as CIP savings and the Board received assurance that the focus of the programme was on measuring reductions in actual expenditure so the double-counting risk was low.

5.6. The importance of joining up NHS Improvement's overall support offer to NHS providers was emphasised.

## **6. Questions and comments from the public**

6.1. A member of the public asked a question about whistleblowers and commented on the fact that the recently launched whistleblower support scheme did not guarantee employment to whistleblowers. The Chair undertook to reflect on this matter with the Board.

6.2. A member of the public asked a question regarding the recent Chief Executive departures in light of A&E performance. The Chief Executive commented that NHS Improvement did not wish to see unnecessary departures and was

working to support providers to improve A&E performance. It was noted, however, that performance properly remained under close scrutiny and that accordingly, no guarantees could be provided that similar action would not be taken in the future.

- 6.3. A member of the public thanked the Chief Executive and one of NHS Improvement's Non-Executive Directors for their efforts, commenting particularly on their effective engagement with local patients and other stakeholders. A question was asked regarding the involvement of Healthwatch in NHS Improvement's approach to quality and the importance of incorporating the patient perspective was emphasised.

## **7. Chairman's report (BM/17/72(P))**

- 7.1. The Chairman provided an overview of his recent activities which had included meeting staff in different parts of NHS Improvement. He complimented the hard work which was ongoing across the organisation.
- 7.2. A brief overview was provided of the preparations ongoing for the winter period and the Board noted that this would be discussed in more depth later in the meeting. It was noted that progress had been made on joint working with other Arm's Length Bodies and that the first meeting of the Joint Finance Committee, with representation from NHS England and NHS Improvement, had taken place.

## **8. Chief Executive's report (BM/17/73(P))**

- 8.1. The Chief Executive provided an overview of winter preparation focusing in particular on the challenges associated with reducing bed occupancy. The need to focus all efforts on winter preparation was highlighted and the importance of providers and commissioners working together on this was emphasised. A discussion took place on escalation plans and the flexibility which would be required from trusts in situations of high demand, particularly regarding staffing models for escalation wards. The need to ensure trust boards were involved in escalation decisions and associated staffing implications was highlighted.
- 8.2. The Board noted that a helpful discussion was ongoing nationally on workforce issues and the need to increase workforce supply.
- 8.3. An overview was provided of the communications plan associated with the winter period and it was noted that, like the winter plan itself, the communications plan had been developed jointly by NHS England and NHS Improvement.

## **9. Sector performance for the period to 31 July 2017 (BM/17/74(P))**

- 9.1. The Chief Financial Officer provided an overview of the financial results for the period to 31 July 2017 (month 4) and confirmed that whilst the sector continued to broadly achieve its financial objectives and the forecast had not changed since Quarter 1, the year-to-date position had deteriorated. The overview also included an early indication of the key operational and financial themes emerging at month 5.
- 9.2. The Board noted the extreme operational pressure on the NHS, including the number of elective patients waiting for treatment which continues to rise and reached 3.66 million in July, the increase in occupancy linked to the 2.7% increase in emergency admissions and the lack of progress in reducing delayed discharges. The Board was also briefed on the impact of a number of serious incidents including the terrorist attacks in Manchester and London, the Grenfell tower fire and the cybersecurity attack.
- 9.3. The Board noted the key factors impacting financial performance including pay pressures despite a continued reduction in agency spend and the fact that providers planned to increase levels of elective care in month 4 but this has not happened partly because of ongoing pressure on bed capacity and a number of serious destabilising events.
- 9.4. There was a discussion on the distribution and number of block contracts that NHS providers had entered into. The impact of higher than forecast non-elective / emergency activity which was often paid for at a marginal rate and had reduced capacity for elective activity was also discussed.

## **10. Update on winter resilience preparation 2017/18 (BM/17/75(P))**

- 10.1. Pauline Philips, National Urgent and Emergency Care Director, attended the meeting for consideration of this item.
- 10.2. The National Urgent and Emergency Care Director provided an update on the winter plan and current performance against the plan. It was noted that delayed transfers of care were a major factor in preventing bed occupancy levels from being reduced. Service transformation, which should not be halted as its long term benefits were important, was unlikely to have a significant positive impact this winter.
- 10.3. The Board noted that providers had been placed into four categories for the purpose of the winter plan, and that NHS England and NHS Improvement had agreed an approach in relation to each category of provider. The final winter plan would be agreed by 23 October 2017.
- 10.4. A discussion took place on measures available to free up beds and the interaction with social care provision was discussed. The importance of working closely with clinicians was emphasised and the Board considered

ways in which clinicians in all specialties could be asked to assist their trusts through the winter period.

- 10.5. The possible impact of 'flu was considered and the importance of planning for the eventuality of a major outbreak was highlighted.
- 10.6. The Board noted the importance of setting out clear guidance on patient safety and acceptable standards of patient care during busy periods.

## **11. Update on incident management and emergency preparedness (BM/17/76(P))**

- 11.1. Jeremy Marlow, Executive Director of Operational Productivity, attended the meeting for consideration of this item.
- 11.2. The Executive Director of Operational Productivity introduced the paper, which set out key aspects of the internal incident management plan as well as NHS Improvement's role in supporting the emergency preparedness of NHS providers. An overview of the approach to out of hours duty arrangements was also provided.
- 11.3. Consideration was given to preparedness across the NHS for cybersecurity attacks and the Board noted that the Technology and Data Assurance Committee had received a full report on this subject. A paper would be presented to the November Board meeting on cybersecurity and on digital strategy more widely.

**ACTION: BA / PS**

## **12. Collaboration and joint working with NHS England (BM/17/77(P))**

- 12.1. Ben Dyson, Executive Director of Strategy and Anne Eden, Executive Regional Managing Director (South) attended the meeting for consideration of this item.
- 12.2. The Board received a paper on collaboration and joint working with NHS England in response to its request at the meeting of the Board on 20 July 2017. The Executive Director of Strategy outlined the key issues addressed in the paper, which included an overview of governance and accountability arrangements as well as a strategic overview of the implications of the joint working proposals.
- 12.3. The general principles underpinning the joint working proposals were considered and it was noted that there were areas where collaboration was appropriate and helpful for the NHS, while there were also areas where it would be appropriate for NHS England and NHS Improvement to continue to have distinctive roles. The implications for NHS Improvement's values and behaviours were noted and the need to be clear on accountability was highlighted.

- 12.4. The Board expressed its support for the general principles outlined in the paper whilst expressing caution regarding the risk of diluting NHS Improvement's ways of working and values. This risk would need to be carefully monitored.
- 12.5. A discussion took place on the proposals for joint working in the South region and the Board expressed the view that review and evaluation of the new arrangements was of high importance and the fact that the arrangements were being tested and evaluated should be made very clear.
- 12.6. The approach to review and evaluation was discussed and it was noted that the Board would receive quarterly updates and that at each update, a decision would be taken to continue with testing, to cease the arrangements, or to put the arrangements on a substantive basis and/or extend the approach to other regions.

**ACTION: BD/AE**

- 12.7. The Board also requested that work would commence jointly with NHS England to consider more openly and proactively options for future collaboration and joint working.

**ACTION: BD/AE**

- 12.8. A discussion took place on proposals regarding joint Regional Nurse posts for NHS England and NHS Improvement and the Board expressed its support for the proposals outlined in the paper.

**RESOLVED:**

- 12.9. The Board resolved to approve the proposals set out in the paper subject to comments set out in paragraphs 12.4 to 12.7 above.

**13. Business cases**

**i. Mersey Care NHS Trust MSU FBC (BM/17/78(P)i)**

- 13.1. Jonathan Stephens, Operational Regional Director of Finance, attended the meeting for consideration of this item.
- 13.2. The Board considered the Final Business Case for the Mersey Care NHS Trust Medium Secure Unit. The Operational Regional Director of Finance provided an overview of the proposal and noted that the proposal had full support from local commissioners.
- 13.3. The Board noted the approvals which had been obtained to date and the timetable for completion of the project going forward.

**RESOLVED:**

13.4. The Board resolved to approve the Final Business Case for the Mersey Care NHS Trust Medium Secure Unit.

**ii. Shaping a Healthier Future SOC programme (BM/17/78(P)ii)**

13.5. Steve Russell, Executive Regional Managing Director (London) attended the meeting for consideration of this item.

13.6. The Board considered the Strategic Outline Case for the Shaping a Healthier Future programme. The Executive Regional Managing Director provided an overview of the background and the conditions which were being proposed as part of the approval. The Board noted the key challenges faced by the North West London sector and noted that changes to primary care services and acute services were needed. It was noted that NHS England had approved the Implementation Business Case for the primary care hub component of the programme, but that the Strategic Outline Case relied on the impact of the primary care hubs and additional significant reductions in emergency admissions.

13.7. The assumptions underlying the Strategic Outline Case were discussed with particular reference to the planned total reduction in emergency admissions, which was considered to be very ambitious without sufficient underpinning evidence. Consideration was given to the process which would be followed after NHS Improvement Board approval and the costs which would be incurred in the development of the Outline Business Case.

13.8. The Board considered that it was not possible to approve the Strategic Outline Case on the basis of the assumed reduction in emergency admissions because the evidence that underpinned how this would be achieved was not clear in the Strategic Outline Case and agreed that further work was required to develop this before the Strategic Outline Case could be brought back to the Board for approval. Several Non-Executive Directors offered to work with executive colleagues in an advisory capacity as the next Board paper was being developed.

**ACTION: SR**

**RESOLVED:**

13.9. The Board resolved not to approve the Strategic Outline Case for the Shaping a Healthier Future programme in its current form, and agreed that further work should be undertaken to reflect a more realistic reduction in emergency admissions.

**14. Board effectiveness (oral item)**

14.1. The Chair updated the Board on interim executive leadership arrangements in the event there was a delay in the appointment of a new substantive CEO to



replace Jim Mackey who was shortly to return to his former position as CEO of Northumbria Healthcare NHS Foundation Trust on the completion of his two year secondment to NHS Improvement.

**15. Any other business**

- 15.1. The Board was updated on progress being made on the Five Year Forward View Paperless 2020 programme, which presented a real opportunity of transforming health and social care. The Board acknowledged the importance of completing information governance training and noted the benefits of provider boards having a digital champion.

**Close**