

**MINUTES OF A MEETING OF THE NHS IMPROVEMENT BOARD MEETING  
HELD ON THURSDAY 30 NOVEMBER 2017 AT 12.00 AT WELLINGTON HOUSE,  
133-155 WATERLOO ROAD, LONDON SE18UG – SUBJECT TO APPROVAL AT  
THE MEETING OF THE BOARD ON 25 JANUARY 2018**

**Present:**

Baroness Dido Harding, Chair  
Lord Patrick Carter, Non-Executive Director  
Lord Ara Darzi, Non-Executive Director  
Richard Douglas, 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 and Chief Operating Officer  
Sigurd Reinton, Non-Executive Director

**In attendance:**

Jessica Dahlstrom, Head of Governance  
Elizabeth O'Mahony, Chief Financial Officer  
Simon Rogers, Senior Legal Director

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

- 1.1. Apologies for absence had been received from Bob Alexander (Executive Director of Resources/Deputy Chief Executive), Professor Dame Glynis Breakwell (Non-Executive Director (Senior Independent Director)) and Sarah Harkness (Non-Executive Director).
- 1.2. The Board noted that Jim Mackey and Bob Alexander were leaving the NHS Improvement Board and the Chair thanked Jim Mackey for his contributions as Chief Executive of NHS Improvement. She also thanked Bob Alexander for his contributions as Executive Director of Resources/Deputy CEO.
- 1.3. The Chair declared that she was married to the MP for Weston-super-Mare, and requested that she would not be involved in any decisions or discussions related to the NHS providers and the Sustainability and Transformation Partnership in that region. The Chief Executive reminded the Board of his position as Chief Executive of Northumbria Healthcare NHS Foundation Trust.
- 1.4. There were no request to unstar any of the starred items on the Board agenda.

**2. Minutes and matters arising from the meeting held on Thursday, 28 September 2017 and the briefing held on Monday, 13 November 2017 (BM/17/83)**

- 2.1. The minutes from the meeting held on Thursday 28 September 2017 and the briefing held on Monday 13 November 2017 were approved.
- 2.2. The Board ratified the Chair's decision, using emergency powers, to approve NHS Improvement's participation in a judicial review claim made against NHS England. The claim related to the payment provisions of the draft Accountable Care Organisation contract published by NHS England in August this year, and emergency powers had been used to facilitate meeting the 23 November deadline set by the court for responses.

### **3. Chair's report (BM/17/84)**

- 3.1. The Chair introduced the report, which constituted the first NHS Improvement Chair's report published as a public Board paper. The Chair emphasised the importance of maintaining transparency in Board matters where possible.
- 3.2. An overview was provided of the key areas covered in the report. These included an overview of the visits and meetings conducted by the Chair. The Chair commented on the many examples of brilliance shown to her during visits to providers, and highlighted the importance of sharing best practice across the NHS.
- 3.3. The Chair welcomed Ian Dalton as the new Chief Executive of NHS Improvement.
- 3.4. A discussion took place on collaborative working among Arm's Length Bodies and between NHS Improvement and NHS England in particular. The Board noted that a joint project would be conducted by the two organisations to examine how their work and resources could be aligned more closely. Board members emphasised the importance of clear communication and welcomed the idea of scheduling some joint board sessions in the near future.
- 3.5. The challenges associated with conducting organisational re-design while continuing to deliver a challenging day to day workload were discussed and the Board noted that a small group of staff would be ring-fenced to work on developing these proposals.

### **4. Chief Executive's report (BM/17/85)**

- 4.1. The Chief Executive introduced his report and outlined the efforts which had gone into winter preparation. It was noted that the NHS was running at close to capacity and that this could present issues during the winter period. Work was also ongoing on ensuring financial plans were achieved to the extent possible particularly in light of the decline in financial performance which had affected the NHS in the third quarter of 2016/17.
- 4.2. An update was provided on the Autumn Statement and the implications for the NHS. The difficulties associated with receiving additional winter funding very

close to the start of the winter period were noted and the Board discussed ways in which the additional funds could best be used.

- 4.3. The approach to provider support and oversight was discussed and the importance of returning to a more sustainable phase of 'earned autonomy' in due course was highlighted.
- 4.4. The Chief Executive thanked NHS Improvement colleagues for their support during his time in post, and the Board thanked the Chief Executive for his hard work.

## **5. Q2 sector performance (BM/17/86)**

- 5.1. The Chief Financial Officer introduced the paper which set out the Q2 sector performance results. The paper had already been published and positive feedback had been received from key stakeholders about the presentation of the information in the paper and the increased level of transparency. The paper included a section on winter planning for the first time.
- 5.2. The Board noted the significant demand and capacity pressures which affected NHS providers and despite this the sector succeeded in seeing more patients within the four-hour target for A&E than the same period last year whilst the sector continued to increase productivity levels. The focus on reducing agency spend continued to have a positive impact and it was anticipated that targets in this area would be met or exceeded.
- 5.3. The Board noted that whilst the extra Winter funding was welcome, the performance and capacity baselines for some providers was more fragile than this time last year. It was acknowledged that providers had already spent money to manage winter and therefore some of the winter funding would be used to cover some costs already incurred.
- 5.4. A discussion took place on the governance process for the approval and reporting of financial plans of individual providers. The Board noted that a robust process was in place for the approval of provider plans and that there was a protocol to be followed for providers who wished to change their forecasts in-year. In relation to financial grip going forward, the Board received assurance that an early warning system had been put in place to enable NHS Improvement to identify signs of distress.
- 5.5. The Board praised the team for putting together a comprehensive paper and noted that further information would be added to future iterations of the report particularly in the area of workforce.
- 5.6. The Board discussed the revenue growth which had been allocated to the NHS and queried the proportion of this revenue growth flowing to NHS providers. It was noted that significant revenue growth had been experienced outside of the acute sector in areas such as continuing health care (CHC)

5.7. The Chief Financial Officer gave an overview of the level of risk the sector was currently managing and confirmed that Quarter 3 would be a critical point in which to consider the sectors ability to respond and next steps.

5.8. An update was provided on cancer waiting times and the Board received assurance that this was a key area of focus for NHS Improvement and significant efforts were being made to improve performance in this area.

## **6. Update on winter 2017/18 (BM/17/87)**

6.1. Pauline Philip, National Urgent and Emergency Care Director, attended the meeting for consideration of this item.

6.2. The National Urgent and Emergency Care Director provided an overview of current performance against the A&E target and of plans in place to manage performance through the winter period.

6.3. The Board noted the importance of ensuring work on the transformation of Urgent and Emergency Care was not stopped during the winter period. An overview was provided of progress made in increasing the proportion of 111 calls which received clinical input and on developing new standards for ambulance trusts. The impact of these developments on A&E departments was discussed, and the Board received an update on the interaction between 111 and 999 call processes.

6.4. The Board was provided with an overview of the operational steps which had been taken to help prepare for winter. It was noted that these included local escalation plans, a permanent winter director in each region and a national winter room which was operational 24 hours per day, for seven days per week. The Board also noted efforts to reduce the burden of information requests from providers. Instead, the focus was on providing useful information, for example from Public Health England, to providers.

6.5. The two key areas of concern ahead of winter were noted. These were the possible impact of a 'flu epidemic, and the current level of bed capacity and bed occupancy. The Board noted that the update of the 'flu vaccination, both among NHS staff and among the general public, was higher than last year. On capacity, the Board noted that the availability of nursing staff was one of the key constraints faced by the NHS.

6.6. The possible impact of winter pressures on elective care was discussed and the importance of any delays or cancellations taking place in a planned way was highlighted.

6.7. The importance of allocating the extra funding received as soon as possible was emphasised. It was noted that many providers already had plans in place to expand capacity for winter and some had proceeded at risk in the anticipation of winter funding being made available.

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

7.1. There were no questions from the public.

## **8. National Guardian Office report (BM/17/91(P))**

8.1. Dr. Henrietta Hughes (National Guardian), Gavin Rogers (Communications and Engagement Manager at the Office of the National Guardian) and Maria Robson (Head of Trust Resourcing) attended the meeting for consideration of this item.

8.2. The National Guardian introduced her report, which set out the programme of work and the achievements to date of the Office of the National Guardian. The Board noted the ambition to establish the NHS as a global leader in the development of a 'speaking up' culture. It was noted that all NHS providers now had Freedom to Speak Up Guardians in place.

8.3. Consideration was given to the role of the Freedom to Speak Up Guardians and the interaction between the work of the Office of the National Guardian and the Care Quality Commission (CQC). The Board noted the annual report of the Office of the National Guardian and the correlation between a positive 'speaking up' culture and good CQC inspection results. It was noted that specific guidance for CQC inspectors on the Freedom to Speak Up programme was being developed.

8.4. The Board noted the future work programme for the Office of the National Guardian which included continuing to conduct case reviews as well as establishing a quality assurance mechanism for Freedom to Speak Up Guardians. Ways of measuring the effectiveness of the programme were discussed and the importance of strong leadership was highlighted. It was noted that Freedom to Speak Up Guardians were encouraged to network with other relevant professionals within the NHS, including the guardians of safe working hours appointed to protect junior doctors.

8.5. The NHS Improvement Board thanked the National Guardian for her hard work and offered its assistance to ensure the importance of the programme and the Freedom to Speak Up Guardians was understood by NHS providers. The National Guardian thanked colleagues at NHS Improvement for all the assistance which had already been provided.

## **9. Chair and Chief Executive's report (oral item)**

9.1. The Chair introduced the item which focused on the short-term financial position of the NHS, the handover from old to new Chief Executive, and joint working with NHS England.

9.2. In relation to the short-term financial position of the NHS, a detailed discussion took place on the implications of the Autumn Statement. The need to deploy

the extra funding made available quickly and to maximum benefit was highlighted. The Board noted that while some of the funding was specifically earmarked to invest in additional winter capacity, there were also funds which could be made available to challenged providers subject to certain conditions being met.

- 9.3. The Board was provided with an overview of discussions ongoing with NHS England, the Department of Health and HM Treasury on this subject. It was requested that the Joint Finance Committee, on which both NHS England and NHS Improvement were represented, would be used as the mechanism for agreeing a joint position on the additional funding. A meeting of the Joint Finance Committee should be scheduled as a matter of urgency, and where necessary business should be conducted in correspondence.

**ACTION: RD/JD**

- 9.4. The Board noted the handover arrangements which had been put in place for Jim Mackey and Ian Dalton, particularly with regard to overseeing the winter period.
- 9.5. With regard to joint working with NHS England, the Board discussed in more detail the project which would be undertaken to examine how the work and resources of NHS Improvement and NHS England could be aligned more closely. The importance of freeing providers from any unnecessary bureaucracy was emphasised.

## **10. Sustainability and Transformation Partnerships and Accountable Care Organisations (BM/17/92(P))**

- 10.1. Ben Dyson, Executive Director of Strategy, attended the meeting for consideration of this item.
- 10.2. The Executive Director of Strategy provided an overview of the key elements needed to establish a clear road map for Sustainability and Transformation Partnerships (STPs) and Accountable Care Systems (ACSs). The importance of a clear definition of a desirable 'steady state' model was highlighted, and the Board noted the requirement for a clear operating model to provide oversight and support. There was also a need to support those STPs which were struggling, and the national level implications for NHS Improvement and NHS England would need to be considered.
- 10.3. A discussion took place on ACSs and their definition. The Board considered that broad agreement on the direction of travel was required before decisions could be made on the national level implications for NHS Improvement and NHS England. Next steps to achieve this should include establishing areas of agreement and clearly setting out any differences.
- 10.4. Consideration was given to the legislative framework which was not currently set up to support the ACS model. The importance of safeguarding a minimum level of patient choice to protect quality was highlighted. The Board commented

that clinical leadership and the approach to using data were likely to be of more importance to the success of the ACO approach than structural change.

**11. Progress update on cybersecurity and Paperless 2020 (BM/17/93(P))**

11.1. Jeremy Marlow (Executive Director of Operational Productivity) and Will Smart (Chief Information Officer) attended the meeting for this item.

11.2. The Chief Information Officer provided an overview of the National Audit Office report on the recent cybersecurity attack which affected the NHS. It was noted that the Chief Information Officer was also developing his own report on this matter.

11.3. The key lessons learned from the recent cyberattack were outlined and the implications for providers were noted. At a national level, it was important that responsibilities were clearly assigned and communication with local organisations was consistent. For providers, the importance of incorporating cybersecurity in business continuity plans was emphasised.

11.4. The Board noted that the recommendations from the Caldicott Report remained the right ones and that one of the key messages in the Chief Information Officer's report would be to reinforce those recommendations. The report would also recommend the appointment of Chief Security Officers. The Chief Information Officer's report would be circulated to the Board in draft form once it was available.

**ACTION: WS/JD**

11.5. A discussion took place on cybersecurity as captured in NHS Improvement's risk register and the Board indicated this risk should be escalated until appropriate mitigations were in place.

**ACTION: JM/BD**

11.6. Information governance issues associated with the joint working arrangements with NHS England were noted and would be discussed at executive level.

11.7. The Board discussed the Paperless 2020 programme. It was noted that there was not sufficient funding for the programme, and that this situation had been exacerbated by the requirement to fund cybersecurity investment from the Paperless 2020 programme budget. The Chief Information Officer and the Executive Director of Operational Productivity would write a letter on this subject to the Department of Health. It was noted that the new Chief Clinical Information Officer, who was due to be appointed in December, would be invited to the Board in January to present an update on the matters above.

**ACTION: WS/JM**

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

12.1. The Board noted that a Board Strategy Day would take place in February 2018.

**13. Any other business**

13.1. There was no other business.

**Close**