

**MINUTES OF A MEETING OF THE NHS IMPROVEMENT BOARD MEETING
HELD ON THURSDAY 22 MARCH 2018 AT 13.00 AT WELLINGTON HOUSE,
133-155 WATERLOO ROAD, LONDON SE18UG – SUBJECT TO APPROVAL AT
THE MEETING OF THE BOARD ON 24 MAY 2018**

Present:

Baroness Dido Harding, Chair
Lord Patrick Carter, Non-Executive Director
Ian Dalton, Chief Executive
Richard Douglas, Non-Executive Director
Sarah Harkness, Non-Executive Director
Stephen Hay, Executive Director of Regulation/Deputy Chief Executive
Ruth May, Executive Director of Nursing
Kathy McLean, Executive Medical Director/Chief Operating Officer
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. Apologies for absence had been received from Professor Dame Glynis Breakwell (Non-Executive Director and Senior Independent Director), Lord Ara Darzi (Non-Executive Director) and David Roberts (Associate Non-Executive Director).
- 1.2. There were no request to unstar any of the starred items on the Board agenda, and all those present confirmed they were content with the meeting being filmed.

2. Minutes and matters arising from the meeting held on Wednesday, 24 January 2018 (BM/18/13)

- 2.1. The minutes from the meeting held on Wednesday 24 January 2018 were approved and matters arising were noted.

3. Chair's report (BM/18/14)

- 3.1. The Chair introduced her report by thanking all staff working in the NHS and at NHS Improvement for their continued hard work and dedication over the winter period.

- 3.2. She emphasised the important lessons to be learned from the Kirkup Review into Liverpool Community Health Trust, which would be taken very seriously by NHS Improvement.

4. Chief Executive's report (BM/18/15)

- 4.1. The Chief Executive added his thanks to NHS staff who had been working tirelessly throughout the winter period. The NHS has experienced significant increases in demand over the period as a result of the cold weather and the 'flu epidemic.
- 4.2. The Board noted that the Chief Executive had given evidence to the Public Accounts Committee following the NAO's recent report into Sustainability and Transformation in the NHS and also to the Health Select Committee on Integrated Care.
- 4.3. An overview was provided of the work currently ongoing on the organisational design of NHS Improvement. The two significant workstreams, an internal organisational design programme and a joint working programme with NHS England, were discussed.
- 4.4. The Chief Executive stated that, like the Chair, he took the findings of the Kirkup Review into Liverpool Community Health Trust extremely seriously and the recommendations would be discussed in detail by the Board.
- 4.5. A discussion took place on the joint planning exercise which was currently ongoing with NHS providers and commissioners. The Board noted that given that two-year plans and contracts were in place, the planning process for 2018/19 was characterised as a refresh of plans already prepared. The incentives currently in place for providers to improve financial performance were discussed and the Board commented that a new approach for the financial year 2019/20 would be required to ensure appropriate incentives for long term improvement. It was requested that a discussion on this topic would be added to the forward plan for the Board. The Board should also be provided, in correspondence, with a timetable for the strategic programme of work on financial incentives.

ACTION: EO/JD

- 4.6. The Board discussed changes since the last meeting to the number of providers in Special Measures. It was noted that Princess Alexandra Hospital NHS Trust had come out of Special Measures for quality and the Board congratulated the teams working on this turnaround. The Board also noted that Barking, Havering and Redbridge University Hospitals NHS Trust had been placed into Special Measures for financial reasons. A discussion took place on how to improve NHS Improvement's ability to identify early warning signals for declining financial performance and the Board noted this would be added to the Audit and Risk Assurance Committee workplan.

ACTION: RD

5. Statement of Intention: Patient Voice (BM/18/17)

- 5.1. The Executive Director of Nursing introduced the paper which asked the Board to approve a statement of intent to embed the patient and public voice (PPV) as business as usual across all directorates through a coherent, strategic approach to PPV design and delivery.
- 5.2. The Board welcomed the paper and highlighted the importance of committing to embedding PPV in all areas of business. The Board urged the team to ensure that the plans would be executed in a way that was meaningful, with bureaucracy to be avoided where possible. Consideration was given to the way in which there could be PVV involvement in areas such as operational productivity, finance and regulation. It was noted that support would be provided to each directorate with the implementation of the proposals. Strengthening the links with the 'front line' of the NHS was likely to be motivational for staff in these directorates as well as important for NHS Improvement.
- 5.3. The Chair commented that one of the best ways to embed PPV is for staff to serve at the front line themselves. Plans for all NHS Improvement staff to be able to volunteer for the NHS to celebrate the 70th birthday of the NHS were discussed.

RESOLVED:

- 5.4. The Board resolved to embed the patient and public voice (PPV) as business as usual across all directorates through a coherent, strategic approach to PPV design and delivery.

6. Response to recommendations made in the Independent review into Liverpool Community Health NHS Trust (BM/18/18)

- 6.1. The Chief Executive introduced the report which set out NHS Improvement's response to the recommendations in the Kirkup report into issues at Liverpool Community Health NHS Trust. The Board noted that separately from this report, an independent investigator had been asked to look into the circumstances under which roles were found or facilitated for individuals identified in Dr Kirkup's report as bearing some responsibility for the issues at the Trust. This investigation had not yet been completed.
- 6.2. An overview was provided of the recommendations in the Kirkup report and the actions which NHS Improvement would take as a result. It was agreed that a number of matters would be brought back to the Board in May 2018 including the results of a review of NHS Improvement's role in relation to board appointments. Also in May 2018, the Board would be presented with proposals for an ambitious talent management and professional development offer for the provider sector. Further proposals for joint working with NHS England would also be brought to the Board in May 2018.

ACTION: ID

- 6.3. Detailed consideration was given to a number of other aspects of the report including the approach taken by NHS Improvement to assessing the risk of challenging financial targets set for individual trusts. The importance of gathering soft intelligence regarding potential quality issues was emphasised. The Board also highlighted the importance of working closely with other bodies locally and nationally to ensure sharing of intelligence and the handover of information in the case of transactions or reconfigurations.
- 6.4. Comparisons were made with previous failings at and reviews of Mid Staffordshire NHS Foundation Trust and University Hospitals of Morecambe Bay NHS Foundation Trust. The Board emphasised the importance of ensuring learning was embedded. Given the importance of leadership and culture, a focus on Human Resources leadership was required.

RESOLVED:

- 6.5. The Board concluded that NHS Improvement accepted responsibility for the findings in the Kirkup report, took these very seriously and would make a number of significant changes as a result. A report with an update on the actions taken would be presented to the Board in May 2018.

ACTION: ID

7. Early debrief on winter period (BM/18/16)

- 7.1. The National Urgent and Emergency Care Director attended the meeting for consideration this item.
- 7.2. The Board was provided with an overview of performance of NHS providers' emergency departments in February and March 2018. It was noted that there had been significant issues associated with a continued 'flu epidemic, an outbreak of norovirus and continued cold weather. Although performance against the A&E target had suffered as a result, more people in emergency departments had been seen within four hours compared to the same period last year. The Board noted that good progress had been made in increasing the use of the 111 helpline and increasing the percentage of calls which received clinical input. Progress had also been made on freeing up bed capacity by addressing delayed transfers of care where possible.
- 7.3. Work had now started on planning for the next winter. Lessons from this winter would be incorporated in the plan and there would be a focus on joint capacity planning with NHS England and commissioners, length of stay opportunities and streaming those arriving at emergency departments towards General Practitioners where appropriate. A full report would be presented once all the analysis of this winter is complete.
- 7.4. A discussion took place on the targeted support which had been offered to the most challenged trusts. While this support had not in all cases translated into

improved performance, it had cases been a useful diagnostic exercise and the changes which were required ahead of next winter had been identified.

- 7.5. The nurse vacancy level was discussed and the Board received an outline of the nursing retention programme which was being put in place. The impact of the pay award was considered and it was noted that work was ongoing to reduce sickness absence. The focus on persuading agency staff to become bank or substantive staff members continued.
- 7.6. The Board requested a working session to be shown what excellence looked like in the running of an emergency department. It was agreed that this would be a useful topic for a future board teach in.

ACTION: DH/JD

8. Questions and comments from the public

- 8.1. A member of the public thanked NHS Improvement for embedding the patient and public voice in the work of the organisation. He highlighted the importance of consistent leadership, and of making the involvement of patients and the public real. Thanks were given to Sarah Harkness, Non-Executive Director and to the Executive Director of Nursing for listening to members of the community. It was noted that referring specifically to the NHS Constitution in Board papers where applicable could be useful going forward and this suggestion was welcomed by the Board.
- 8.2. A member of the public commented on the importance of measuring staff engagement and morale as a soft intelligence measure for risk in NHS providers. It was suggested that regular polls of staff would be conducted, and that technology could play an enabling role. The Board undertook to take this suggestion into consideration.

9. Chief Executive's report (oral item)

- 9.1. The Chief Executive indicated that the key topics raised in his report were due to be discussed as standalone items in the rest of the agenda.
- 9.2. A brief discussion took place on the approach to overseeing operational performance in Integrated Care Systems, and it was confirmed that individual organisation-level plans would continue to be important to ensure clarity about responsibilities and for tracking in-year performance.

10. Update on sector performance (BM/18/22(P))

- 10.1. The Chief Financial Officer presented a report setting out key data on financial and operational performance for month 10 and provided an overview of the progress made in the planning process. An oral overview of month 11 data was also provided

- 10.2. It was noted that as a result of the prolonged period of winter weather and ‘flu, the increase in elective care volumes which normally occurred at this time of the year had not yet happened. The associated lack of income growth had had an impact on the financial performance reported by providers. A discussion took place on other factors which could impact the final reported position at the end of the financial year 2017/18 including the timing of various disposals and the position in relation to the Sustainability and Transformation Fund.
- 10.3. The Board received an update on contract challenges and noted that the fact that, in many cases, the 2017/18 numbers had not yet been agreed with commissioners had a follow on impact on the planning process. The NHS Improvement finance team was working with providers to ensure any outstanding disputes were resolved as soon as possible.
- 10.4. A discussion took place on the forecast outturn position for 2017/18 and the level of risk in the forecasts was considered. The importance of ensuring that 2018/19 plans were based on realistic activity assumptions was highlighted. The importance of bearing in mind patients, waiting lists and the impact on patients of delays to treatment was emphasised. The Board requested a session in May 2018 to discuss activity and capacity based plans for the year ahead in detail.

ACTION: DH/EO

11. NHS Improvement business planning 2018/19, risk workshop and directorate budget allocations (BM/18/23(P))

- 11.1. Ben Dyson, Executive Director of Strategy attended the meeting for consideration of this item.
- 11.2. The Executive Director of Strategy introduced the paper, which sought the Board’s agreement to interim proposals for the 2018/19 work programme supporting NHS Improvement’s two-year 2017/19. It was noted that the work programme presented was subject to change pending the outcome of the organisational design work currently ongoing.
- 11.3. A discussion took place on the number of priorities NHS Improvement had accumulated since its inception and the importance of prioritising these appropriately was highlighted.
- 11.4. Consideration was given to the budget allocations set out in the accompanying paper and it was noted that these would be refreshed at Q1 stage when more progress had been made on organisational design and the business plan.

RESOLVED:

- 11.5. The Board resolved to agree the work programme and budget allocations as set out in the papers.

11.6. With regard to the proposed risk workshop, the Board noted that as a result of the work currently ongoing on organisational design, the business plan and joint working with NHS England, it would be more appropriate to have a risk workshop early in the new financial year.

EO/JD

12. Progress on delivering joint working between NHS England and NHS Improvement (BM/18/24(P))

12.1. Ben Dyson, Executive Director of Strategy, and Emily Lawson, NHS England attended the meeting for consideration of this item.

12.2. The Executive Director of Strategy introduced the paper which provided an update on the work to strengthen and build on joint working between NHS England and NHS Improvement and proposed next steps. It was noted that, if agreed by the Board, the proposals would be shared with staff on Tuesday 27 March.

12.3. Consideration was given to the importance of mindset and language when approaching the joint working programme. The intention of the programme was to deliver more value than the sum of the two organisation's current parts. The Board discussed the possibility that the skill mix of the two organisations might need to change. The importance of incorporating lessons learned from the bringing together of a number of organisations as NHS Improvement was emphasised. Further proposals would be brought to the Board in May 2018.

ACTION: BD/EL

RESOLVED:

12.4. The Board resolved to agree the proposals set out in the paper.

13. Any other business

13.1. The Board noted that quantitative board effectiveness survey would be circulated shortly.

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