

**MINUTES OF A MEETING IN COMMON OF THE BOARDS OF NHS ENGLAND AND
NHS IMPROVEMENT HELD ON THURSDAY 30 JANUARY 2020 AT 09.00 AT
SKIPTON HOUSE, 80 LONDON ROAD, LONDON SE1 6LH**

Members:

NHS Improvement

Baroness Dido Harding	Chair
Sir David Behan	Associate Non-Executive Director
Lord Patrick Carter	Non-Executive Director
Lord Ara Darzi	Non-Executive Director
Ian Dodge	National Director for Strategy & Innovation
Richard Douglas	Vice Chair
Dr Tim Ferris	Non-Executive Director (by telephone)
Julian Kelly	Chief Financial Officer
Wol Kolade	Non-Executive Director
Emily Lawson	National Director of Transformation and Corporate Development
Ruth May	Chief Nursing Officer
Professor Stephen Powis	National Medical Director
Amanda Pritchard	Chief Executive Officer and Chief Operating Officer

NHS England

Lord David Prior	Chair
Simon Stevens	NHS CEO
Ian Dodge	National Director for Strategy & Innovation
Julian Kelly	Chief Financial Officer
Emily Lawson	National Director of Transformation and Corporate Development
Ruth May	Chief Nursing Officer
Michelle Mitchell	Non-Executive Member
Professor Stephen Powis	National Medical Director
Professor Sir Munir Pirmohamed	Non-Executive Member
Amanda Pritchard	Chief Operating Officer
David Roberts	Vice Chair
Joanne Shaw	Non-Executive Member

In attendance:

Jessica Dahlstrom	Head of Governance
Michael Mire	Non-Executive Director, Department of Health and Social Care

1. Welcome and apologies

- 1.1. Apologies for absence had been received from Noel Gordon (Non-Executive Director) and Sir Andrew Morris (Non-Executive Director).

2. Declarations of interest

- 2.1. The Boards noted that the items related wholly owned subsidiaries, Frimley Health NHS Foundation Trust and the Supply Chain Company Limited would be considered by NHS Improvement Board members only. Items related to prioritisation of discretionary investment in specialised services in the 2020/21



financial year, and specialised cardiac respiratory and cancer services would be considered by NHS England Board members only. The Chief Operating Officer would not participate in the discussion or decision making on the item related to specialized cardiac respiratory and cancer services due to a conflict of interest with her substantive post as Chief Executive Officer at Guys' and St Thomas' Hospital NHS Foundation Trust.

- 2.2. The Boards also noted that Richard Douglas had been appointed as Chair Designate of the South-East London Integrated Care System. As he was a member of the NHS Improvement Board he would also not participate in the discussion on specialized cardiac respiratory and cancer services.

3. Minutes and matters arising from the meeting held on 28 November 2019 (BM/20/01(Pr))

- 3.1. Keith Willett, Strategic Commander and Medical Director for Acute Care and Emergency Preparedness, joined the meeting for consideration of this item.
- 3.2. The minutes from the meeting held on 28 November 2019 were approved and matters arising were noted.
- 3.3. The Boards received an update on the coronavirus outbreak in China. The rate at which the virus was spreading in China was noted and consideration was given to the severity of the virus. The Strategic Commander outlined the plans in place to contain the virus should cases be confirmed in the UK. A discussion took place on home testing and the potential handling of the first cases.

4. Performance: Mid-year joint mandate assurance report, performance report and winter operations (BM/20/02(Pr))

- 4.1. The Boards received the Government's mid-year assessment of NHS England's and NHS Improvement's performance against the 2019/20 Accountability Framework. It showed that 86% of commitments were green or amber/green. In addition, a report setting out performance against the Long Term Plan (LTP) and a detailed overview of winter operations were presented.
- 4.2. The National Director for Strategy & Innovation provided an overview of the mid-year assessment results and outlined plans to link performance monitoring more closely to the delivery of the LTP going forward. The process for the drafting of the next mandate was noted.
- 4.3. The Boards discussed the fact that the delivery of some LTP outcomes was dependent on external risk factors and consideration was given to how this could be managed. The importance of robust reporting processes was highlighted, and these should be streamlined to enable a continued focus on delivery. The integrated performance report was discussed, and it was noted that this report was still a work in progress. The links between this report and the corporate performance dashboards were noted.
- 4.4. The Boards received an overview of performance in mental health and welcomed progress made in this area. There was a focus on delivering improved services for

people with learning disabilities. An update was provided on the financial position and the Chief Financial Officer set out the latest data available in relation to month 9. Performance was currently on track and financial risks would continue to be managed.

- 4.5. The Boards discussed winter performance. Staff were providing more care currently than this time last year and transformation work had progressed and would continue to be an area of focus ahead of next winter. The shortcomings of the four-hour A&E target in measuring urgent and emergency care performance were noted.
- 4.6. Consideration was given to flow through emergency departments and the improvements that had been made were outlined. The increased offer of same day emergency care had had a positive impact, and improvements would be made to the configuration of emergency departments. Capital bids had been submitted to support this work. Board members highlighted the importance of progressing this work to ensure improvements would be made in advance of next winter.
- 4.7. An update was provided on the work ongoing to ensure patients could access pharmacies to receive care where appropriate and it was noted that the supply of these services would be expanded. The initiatives to increase access to primary care were also outlined and it was noted that close links were being put in place between care homes and local Primary Care Networks. The Boards received an update on the internal organisational redesign which had aligned regional resource more closely to the delivery of LTP targets.
- 4.8. At a future Board meeting, there would also be an update on work on longer-term initiatives to transform the delivery of primary and community care in the context of LTP targets. This would include work programmes on moderating demand growth.
ACTION: AP
- 4.9. A discussion took place on ambulance performance. Work was ongoing to examine the categorisation of cases to ensure this was appropriate. Board members requested that more data on outcomes should be included in the report and more resources should be dedicated to measuring outcomes. This was being progressed including work on time critical intervals associated with emergency care targets.
ACTION: SP, AP
- 4.10. The Boards discussed the financial position and noted that there were some investments which it had not been possible to make in 2019/20 to enable financial balance to be delivered. The Joint Financial Advisory Group would continue to review these matters..
ACTION: JK, JD

5. 2020/21 priorities, and operational and financial planning (BM/20/03(Pr))

- 5.1. Consideration was given to the draft NHS Operational Planning and Contracting Guidance 2020/21, which would be submitted for approval to publish in the public Board meeting. The Chief Executive Officer provided an overview of changes made to the most recent draft.

- 5.2. Board members considered the guidance that could be given to the service in the context of the uncertainty that still existed. Further clarity on capital was required from Government but it would not be appropriate to delay the publication of guidance until this matter had been resolved.
- 5.3. A discussion took place on system planning and the concept of 'system by default' was outlined. Some systems were more mature than others. The importance of clear working relationships, processes and governance at system level was highlighted. An overview was provided of the support to be offered to systems who were not as far progressed.
- 5.4. The Boards noted the aspects of the guidance related to bed capacity and occupancy and discussed the implications for winter readiness next year and for the financial plans. Capacity normally made available seasonally for the winter period should remain open throughout the summer for elective care. Board members discussed the waiting list ambitions and mechanisms to deliver them in detail, including inpatient vs. outpatient surgery. Consideration was given to the opportunities provided by ambulatory surgery centres.
- 5.5. The role of the independent sector in provision of elective care was considered and the contracting models which had been tried in the past were discussed. There were advantages and disadvantages of national contracting and approaching the issue at local system level was likely to be the most appropriate solution. Choices would need to be made evident to patients at this level. The diagnostics review being conducted by Sir Mike Richards was discussed and its recommendations, once available, would be incorporated in work in this area.
- 5.6. A paper would be prepared on future models of surgery to be presented to the Board in due course.

ACTION: AP

- 5.7. The Boards thanked the teams for their work in this area, which had brought the two organisations together to produce guidance for the entire system.

6. Wholly owned subsidiaries: policy approach and proposal by Frimley Health NHS Foundation Trust (BM/20/04(Pr))

- 6.1. Miranda Carter (Director of Provider Development) attended the meeting for consideration of this item, which was an item for the NHS Improvement Board only. NHS England Board members would not participate in the discussion or decision making on this item.
- 6.2. In December 2019, the NHS Executive Group considered proposals to update the transaction guidance for trusts forming or changing subsidiaries and the Provider Oversight Committee (POC) considered a specific case relating to Frimley Health NHS Foundation Trust (Frimley). Given the policy issues raised, the Boards were asked to agree the policy approach to several material issues, to enable NHS Improvement to confirm the proposed changes to the updated guidance on subsidiaries.

- 6.3. The Boards discussed the recommendations outlined in the paper and emphasised the importance of real savings being identified as part of wholly owned subsidiary proposals. The role and responsibilities of the Accounting Officer of the relevant organisation(s) was considered. Wholly owned subsidiary plans should only be pursued if there was a rationale that excluded VAT benefits and organisations should be asked explicitly to confirm that this is the case. There should also be explicit confirmation that any decisions made were consistent with Managing Public Money and would result in more engaged and committed staff.
- 6.4. A discussion took place on wholly owned subsidiaries competing for private sector contracts and it was noted that while this be appropriate occasionally, this was not the core purpose of these subsidiaries. Board members also noted the interaction with Agenda for Change and the options open to the NHS as an employer to offer more flexible remuneration packages.

RESOLVED:

- 6.5. The NHS Improvement Board resolved to approve the proposed risk rating of amber for the Frimley Health NHS Foundation Trust transaction. Regarding the policy approach, further work should be done to ensure the responsibilities of the local trust Accounting Officer were clarified, and this would be brought back to the NHS Improvement Board.

ACTION: AP, MC

7. Transfer of ownership of Supply Chain Company Limited to NHS Improvement (BM/20/05(Pr))

- 7.1. Miranda Carter (Director of Provider Development) attended the meeting for consideration of this item, which was an item for the NHS Improvement Board only. NHS England Board members would not participate in the discussion or decision making on this item.
- 7.2. The NHS Improvement Board received a paper providing a recommendation to approve NHS Improvement taking ownership of the centralised procurement company, Supply Chain Company Limited (SCCL) from the Department of Health and Social Care (DHSC).
- 7.3. It was noted that the team would continue to address the key outstanding areas of work described in the paper and an update would be provided to the Audit and Risk Assurance Committee (ARAC) once these issues had been satisfactorily addressed. Proposals on internal governance of SCCL would be shared with the governance team, to feed into the overall review of governance and committees.
- 7.4. Board members highlighted the need for active shareholder involvement going forward. A discussion took place on the effectiveness of buying groups vs. mandated buying.

RESOLVED:

- 7.5. The NHS Improvement Board resolved to approve the proposals set out in the paper and resolved to delegate to ARAC and the National Director of

Transformation and Corporate Development the approval and signing of the various documents necessary to enact the change in ownership, on behalf of NHS Improvement.

8. Learning processes for NHS England and NHS Improvement (BM/20/06(Pr))

- 8.1. A paper was presented which set out the roles and responsibilities across the system for quality, safety and learning. The paper also described the role NHS England and NHS Improvement had taken in investigation, review and quality surveillance, and the work that was underway to ensure the new operating model had a focus on quality, safety and learning.
- 8.2. Although the landscape was still complex, some simplification had been facilitated by the coming together of NHS England and NHS Improvement. The importance of dedicating resources to addressing recommendations as well as to investigating issues was highlighted. A discussion took place on how to ensure learning was embedded in the system.
- 8.3. Consideration was given to NHS England and NHS Improvement's accountability for quality and to the governance framework supporting this. The adjustments required to the architecture were discussed and Board members considered the role of clinical audits in improving quality and patient safety. Maternity services should be investigated in detail by the Quality and Innovation Committee with a report on recommendations for poorly performing services to come back to the Board.

ACTION: SP, RM, JD

9. Recommendations for prioritisation of discretionary investment in specialised services in the 2020/21 financial year (BM/20/07(Pr))

- 9.1. John Stewart (National Director Specialised Commissioning) and James Palmer (Medical Director Specialised Commissioning) attended the meeting for consideration of this item.
- 9.2. The NHS England Board considered a paper which provided assurance from the Specialised Commissioning Health & Justice (SCHJ) Strategy and Policy Group that the bi-annual prioritisation process overseen by the Clinical Priorities Advisory Group (CPAG) has been completed to the published methods. The NHS England Board was asked to agree the level of discretionary investment at the first of two decision making rounds for 2020/2021 and confirm which new treatments would be routinely commissioned.
- 9.3. The Board noted that this was not a cost-effectiveness assessment but a process to determine the relative priority of the items to be commissioned. Health inequalities had been considered as part of the policy recommendations.

RESOLVED:

- 9.4. The NHS England Board resolved to agree the level of discretionary investment at the first of two decision making rounds for 2020/2021 and confirm the new treatments which would be routinely commissioned, as set out in the paper.

10. Any other business

10.1. The Chief Financial Officer provided an overview of proposed changes to the capital approvals process and informed the Boards that a paper setting out details would be circulated in correspondence.

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