MINUTES OF THE TRUST BOARD

8th October 2015

Hunter boardrooms, 2nd Floor, Hunter Wing, St. George's Hospital

Present:	Mr Christopher Smallwood	Chair
	Mr Miles Scott	Chief Executive
	Mike Rappolt	Non-Executive Director
	Mr Peter Jenkinson	Director of Corporate Affairs
	Professor Simon Mackenzie	Medical Director
	Mr Eric Munro	Director of Estates and Facilities
	Ms Stella Pantelides	Non-Executive Director
	Mr Martin Wilson	Director of Improvement and Delivery
	Mr Rob Elek	Director of Strategy
	Ms Sarah Wilton	Non-Executive Director
	Professor Peter Kopelman	Non-Executive Director
	Andrew Burn	Turnaround Director
	Dr Judith Hulf	Non-Executive Director
	Mrs Kate Leach	Non-Executive Director
	Mr Steve Bolam	Chief Financial Officer
	Mrs Wendy Brewer	Director of Workforce
	Ms Hazel Tonge	Deputy Chief Nurse
	Ms Paula Vasco-Knight	Interim Chief Operating Officer
In attendance:		
Apologies:	Professor Jennie Hall	Chief Nurse

15.10.13 Chair's opening remarks

The chairman welcomed Paula Vasco-Knight, interim chief operating officer, to her first meeting.

He also welcomed governors and other members of the public to the meeting. He reminded all present that this was a meeting of the Board in public rather than a public meeting. However members of the public present would be given the opportunity to raise questions at the end of the meeting.

15.10.14 Declarations of interest

No interests relating to agenda items were disclosed.

15.10.15 Minutes of the previous meeting

The minutes of the meeting held on 3rd September were accepted as an accurate record, subject to agreed amendments: actions regarding confirmation of a date for a report on medical records to be brought (15.09.06 on the matters arising schedule) and adding in explicit timescales in the performance report to be added to the matters arising schedule. **P Jenkinson Nov 2015**

15.10.16 Schedule of Matters Arising

The board received and noted the schedule of matters arising, noting updates given on the schedule.

15.09.06 – well led domain / heat map – the board noted that the action to provide assurance that the complaints commentary is already embedded in all pre-operative services would be completed at the next meeting. **J Hall Nov 2015**

15.06.08 – outpatient strategy – the board noted that this would now be brought to the board in December. Mr Elek explained the delay from the original date of October, as additional work was required to complete the review. **R Elek Dec 2015**

15.09.10 – Revalidation and appraisal – the board noted that proposals would be presented to the executive management team on 26th October and the outcome of those discussions would be brought back to the next meeting. **S Mackenzie Nov 2015**

Call centre performance – the board noted that an update on call centre performance would be presented to the next finance and performance committee. He provided a brief summary of current performance for the board – currently average waiting times were one minute, longest wait of 11 minutes and an abandonment rate of 20%. The board noted the improvement but stressed the need for further improvement and for it then to be sustained. The board agreed that it would receive further assurance from the finance and performance committee regarding the improvement trajectory. **M Wilson Nov 2015**

15.10.17 Chief executive's report

Mr Scott presented his report, highlighting key points including the commencement of the seasonal flu vaccination programme.

Mr Smallwood asked for more detail regarding the commissioners' investment in capacity. Mr Scott reported that the commissioners had already invested £8m in 2015/16 through the contract and the trust was not therefore expecting any additional winter funding. However the trust remained under significant capacity pressures so the system resilience group was looking for further opportunities across the health system, including community services. He advised that the opportunity to create additional capacity was now constrained.

The board noted that there had been no adverse impact from the trust's decision not to continue with the bid for Merton community services. Merton commissioners were pleased with the trust's focus on developing services at the Nelson.

Mrs Leach asked whether any further consideration had been given to the role of GPs in the emergency department. Mr Wilson confirmed that this had been picked up as part of the joint investigation with commissioners. The trust had also asked for additional slots in GP clinics for the ED navigators to book into, and for those slots to be later in the day, which the commissioners were minded to support.

Mr Smallwood asked what themes were coming out of the listening into action conversations with community services staff, which could be acted on to reduce staff turnover. Mr Scott cited the Doddington contract as an example of action taken, with the contract being changed to provide additional support. Mrs Brewer advised that key messages from the conversations were about communication and engagement with community staff, and management of the community adult health services. She felt that community services were very engaged but needed supporting.

Mrs Pantelides asked about the process for succession planning for the chairman and non-executive involvement in that process. Mr Scott advised that the appointment would be made by the Council of Governors and that proposals relating to the process would be presented at the next Council meeting on 27th October. These proposals included the composition of the appointment panel and

stakeholder involvement in the process. The intention would be to appoint the new chairman before Christmas so that he / she could be involved in the appointment of new non-executive directors in January. The process and timescales would be confirmed following agreement with the Council. **M Scott Nov 2015**

15.10.18 South west London acute provider collaborative (APC) and vanguard bids – update

The board received and noted the update presented by Mr Elek. Mr Elek explained the APC process and reported that informal feedback on the output from the APC was very positive. The application for 'vanguard' status for this programme had been unsuccessful, however the whole health economy was now engaged in these strategic discussions. There was a recognition that system change was difficult and central support was forthcoming, although it was not certain what this would look like.

The board noted that the bid for 'vanguard' status in partnership with Marsden and Imperial to establish an accountable care network for cancer was successful and that clinical engagement in this partnership would be confirmed as part of the project planning.

The board welcomed the progress being made through the APC but noted the concerns that system change had been attempted several times in different guises. Mrs Wilton asked what assurance was available that this would be more successful. Mr Elek opined that partners were more engaged and supportive and that the process was more robust this time. He advised that timescales were still to be confirmed and would be constrained by resources available. The board acknowledged the risk of unsuccessful outcomes from the programme; it acknowledged that the programme governance would help control this risk but felt that the programme would need the authority derived from NHS England and Monitor to ensure success. Mr Elek stressed the importance of aligning the trust and healthcare system strategies.

The board endorsed the direction of travel outlined in the paper and noted the importance of the trust showing leadership in the system in supporting the delivery of the programme objectives.

15.10.19 Quality and performance report

The board received and noted the monthly quality and performance report.

Performance

The board received and noted the monthly performance report, noting that the trust was failing to achieve the standard in four areas: the RTT performance had deteriorated over the month, A&E performance was currently at 92% which was the second best performance amongst London trauma centres and fourth best out of seven trusts in south west London, and cancer standards with two of the nine cancer standards having been missed and having deteriorated further in month.

The board reviewed the causes of the breaches in each case and the controls being implemented to improve performance.

RTT

Mrs Wilton asked for confirmation that that appropriate quality controls were in place for the use of private sector capacity, and that the patients being redirected

to the private sector would be covered by the service level agreements established when quality controls in the private sector were first raised by the board. Mr Wilson reported that discussions were ongoing but he advised the board that this arrangement would involve patients being referred directly from commissioners to the private sector and therefore patients would not be patients of the trust. It was agreed that the arrangements would be confirmed via the quality and risk committee.

M Wilson Nov 2015

Cancer

Mr Wilson assured the board that an improvement in performance could be expected in the next month, with the implementation of recovery pans in each tumour group as presented to the last finance and performance committee.

Mr Rappolt asked for an update on the implementation of an integrated cancer system. Mr Wilson reported that the trust's Chief Information Officer was leading on a project across the system to implement an integrated system; this would take a few months so other system workarounds were being implemented in the meantime.

Prof Kopelman highlighted the performance against the 14 day standard and benchmark information which showed that other trusts were achieving the standard. He asked whether opportunities should be explored from operating as a hospital chain. Mr Wilson agreed that the system for 14 week waits needed to be reviewed, but advised that Wandsworth was experiencing higher than average referrals. The trust would not want to deter referrals so therefore there was a need to consider the capacity in outpatient clinics or identify capacity elsewhere. This would be considered as part of the development of the 'vanguard' cancer network.

Diagnostic waits

Mr Wilson reminded the board of previous issues, and reported that improvements had been made resulting in performance under the 1% target.

Mrs Wilton asked how many of the 'blocked' beds would be freed up once the Recovery at Home service was up and running. Mr Wilson advised that the service would only pick up patients who were not yet fit for discharge so would probably not affect the number of beds used by patients fit for discharge. The board agreed that as part of the reporting on the Recovery at Home pilot, the impact on ED performance should be monitored.

A&E

The board noted with concern the continued failure to meet the standard, with winter pressures still to materialise. MR Wilson assured the board that he expected the trust to maintain the current 92% performance for the rest of the financial year. He reminded the board of the risk forecasting presented to the last meeting and being developed, which included various scenarios and the impact on performance.

J Hall Nov 2015

Mr Rappolt asked for an update on the flow programme. The board agreed that there would be an update to the next board meeting, as planned, to include the key performance indicators and the dashboard being developed. Mr Wilson advised the board that the capacity planning work had assumed as a base case that the length of stay would remained at current levels and that the worst case would be that the trust returned to levels of the previous year. However the board agreed that the trust was already in the downside scenario and that it was a case

of mitigating a risk which had already materialised. This would be pursued through iteration of the risk forecasting work being led by Mr Wilson.

Quality report

Prof Hall presented the quality part of the report, summarising key messages with each section of the report.

Effectiveness domain

The board noted the continuing work in mortality to strengthen reporting and investigation. Mrs Wilton asked whether the increase in SHMI was a cause for concern, and asked for confirmation that actions arising from the cardiology alert had been actioned. Prof Mackenzie confirmed that Dr Kennea was picking up the outstanding action regarding data reporting with the clinical academic group but all other actions were complete. He advised the board that the trust's SHMI remained below average, but that the trend needed to be monitored and that factors driving the upward movement needed to be identified and addressed. Assurance regarding this would be reported to the quality and risk committee.

S Mackenzie Nov 2015

Safety domain

The board noted the continuing increase in serious incidents being reported and the increasing number of overdue investigations, noting that this was due to increasing pressure on management and clinical capacity. The board also noted that organisational responsibility for the MRSA bacteraemia case reported in August would be decided by arbitration.

The board noted the concerns regarding current levels of safeguarding training, and the actions being implemented to address those concerns. It was noted that the training database had been improved to ensure accurate capture of training being delivered and additional training resource was now available. Divisions would be held to account for achievement of compliance through the fortnightly MAST monitoring meeting. Mrs Brewer added that the recommendation from the recent internal audit review of mandatory training were also being implemented. These would be monitored through the audit committee.

Patient experience domain

The board noted the continued level of performance in responding to complaints, noting the management capacity constraint and the impact on priorities such as responding to complaints. The board acknowledged the need to agree priorities and to demonstrate leadership with divisions in delivering those priorities. It was agreed that the executive management team would agree what those priorities are and share with the board a considered approach to the capacity to deliver them.

M Scott Nov 2015

15.10.20

Report from the quality and risk committee

Mrs Wilton presented a report from the previous quality and risk committee meeting, summarising key points of discussion. She highlighted the discussion and actions agreed regarding the governance arrangements for the 'Recovery at Home' programme and noted the additional assurance the committee would be receiving by receiving copies of quality inspection reports.

The board noted that the next seminar session would be focusing a 'deep dive' review of the risk regarding CQC compliance and the lessons learnt from the recent inspection of Cambridge University Hospitals Foundation Trust.

15.10.21 Finance report (month 5)

Mr Bolam presented the financial performance report for month 5, highlighting overall in-month performance and year to date performance, and the key drivers for underperformance: underperformance in outpatients, unidentified cost saving programmes, prior year issues and fines and penalties levied by commissioners. The board noted a continued improvement in the underlying position but continued underperformance against the year to date budget. The board noted a stabilisation in pay and non-pay expenditure but fluctuations in income which was driving the deficit variance. Mrs Leach stressed the need to increase income, particularly in outpatient activity. The board noted an improved CIP position, with agreed plans in place for £38m, albeit with risks to achievement. It was noted that delivery of the CIPs would be vital for the year-end position.

The board noted the approval by the board in the reserved part of the meeting for additional working capital facility until January 2016. However the board noted the need for continued monitoring of the cash position and continued focus on implementation of controls to reduce expenditure.

The board noted the key risk arising from the allocation of contingency reserves which would increase the deficit by £7m.

Mrs Wilton asked whether there was anything arising from the performance review and the reforecasting process to suggest that the medicine and cardiovascular division could address their forecast and current variance. Mr Bolam explained the purpose of the reforecasting process and the challenge sessions which made up a part of the process, and the role of the turnaround board. He confirmed that the division had agreed a list of actions through both these processes, including income recovery and addressing underreporting issues. However he advised that there was no one significant scheme to address the gap but a number of individual issues which could amount to something significant. The board agreed that the finance and performance committee should scrutinise the plans from the medicine and cardiovascular division and the children, women and diagnostic division. It also noted the importance of linking all the various governance processes to ensure duplication and maximise effectiveness.

S Bolam Nov 2015

The board agreed that the debtor weeks should be included in the finance report.

The board noted the current underspend on capital. Mr Munro advised that two large bed capacity schemes in AMW had been delayed due to delays in obtaining PFI approval which had led to the underspend.

Report from the finance and performance committee

The board noted the report from the finance and performance committee, including a summary of key discussions and decisions. The committee had noted concern regarding the development of CIPs for 2016/17, but acknowledged that the focus was beginning to shift towards this. There was also concern about the progress made to date on the five year plan. The committee had agreed the need for assurance regarding the process to identify some of the 'big ticket' opportunities

Mr Bolam gave an explanation of the trust reforecasting programme (TRP). This programme of work was beginning to provide visibility of the full-year effect of CIPs which would then feed into 2016/17. This would need to be picked up as part of the proposals for KPMG support post-October.

The board discussed and noted the process to support the TRP, including the role of non-executives in the challenge sessions. It was agreed that the overview of the programme outputs to date would be shared at the board strategy session on 29th October. **R Elek Nov 2015**

15.10.22 Workforce report (month 5)

The board received and noted the monthly workforce performance report, noting key points: turnover remained flat but high, although the level was comparable to peer benchmarks; detailed bank and agency usage; compliance levels for MAST; and appraisal rates which were deteriorating due to management constraints at an organisational level despite some good improvement made by specific services. The board noted the importance of appraisal in reducing turnover.

Mrs Wilton highlighted a sudden increase in agency costs despite greater controls being applied. The board noted that this may, in part, be due to the improved identification of expenditure on management consultancy and interim management as it was now shown as a pay cost. The board noted the necessary increase in interims in the corporate services in order to support the turnaround, but also noted an increase in medicine division due delays in recruitment driving a vacancy factor.

The board also noted that the process to reconcile the electronic staff record (ESR) and financial systems was still not completed, due to increased complexity, number of changes required and a lack of capacity to manage the reconciliation. The board noted the risk of lack of data quality while this project was incomplete and therefore asked for confirmation of a sustainable reconciliation process and timescale to be agreed through the workforce committee. **W Brewer Nov 2015**

Report from the workforce committee

The board received and noted the report from the previous workforce committee, noting in particular the role of the committee in considering the output from the establishment review and the ongoing initiatives being launched by divisions to tackle recruitment and retention. The committee had noted that the establishment review had been prioritised over the recruitment and retention initiatives, and noted concern regarding the lack of transformational impact on recruitment and retention, but that focus would return to that subject.

Mrs Leach raised concern about the lack of progress being made in the branding and communications exercise to support nurse recruitment.

The committee had also considered the 'top 100 leaders' development programme, had endorsed the approach and had recommended strong chief executive ownership.

The committee had noted the recently published national guidance on agency nursing spend and the current controls and targets, with the trust target of 10% of current expenditure on qualified nurses. There was a requirement for monthly reporting to Monitor. The committee had acknowledged concern regarding the impact on nursing levels during winter, but had welcomed the trust working with Monitor as a pilot site to reduce demand on agency.

The board noted the enclosed paper on bank and agency usage.

Mrs Leach highlighted an increase of 90 whole-time equivalents in the last 12 **W Brewer**

months which were not attributable to business cases or a rationale, and asked what the trust response would be to such increases in headcount. **Nov 2015**

15.10.23 Risk and compliance report

The board received and noted the risk report, noting in particular the most significant risks on the corporate risk report as recommended by the quality and risk committee and noting the process for 'deep dive' reviews of key risks and their controls and assurances being conducted by the quality and risk committee.

The board noted the assurances received regarding the actions being taken in responses to concerns raised by the HSE and HTA regarding the mortuary. It noted that orders had been placed to provide the capacity and that Mr Munro was liaising with the HTA.

15.10.24 Report from the audit committee

The board received and noted the report from the previous meeting of the audit committee. The board noted the concerns raised regarding the follow up and closure of audit recommendations and noted that action had been agreed to address these issues.

The board also noted the lack of assurance provided by the internal audit review of diagnostic follow-up procedures, with a lack of standard operating procedures. Mr Rappolt advised the board as to the risk to patient safety and the link to recent serious incidents.

The board also noted the committee's concerns regarding the high level of standing financial instruction waivers being used.

Mr Rappolt reported that there would be an extraordinary meeting of the committee later that month with both internal and external auditors, in order to review the findings and lessons learnt from the independent accounting review completed by PwC. Following that meeting a revised audit plan for the remainder of 2015/16 would be presented to the board. **M Rappolt Nov 2015**

Mr Rappolt also gave the board an update on the ongoing tendering exercise for the internal audit function.

15.10.25 Trust seal

The board noted that the trust seal had been used on three occasions during the reporting period, relating to transfer of property and capital development schemes.

15.10.26 Questions from the public

Ms Ingram referred to the tender waivers reported by the audit committee and asked how much the specific waiver for hospitality at Cannivarro house was worth. It was agreed that the figure would be confirmed.

Mr Poloniecki tabled a written question regarding consultant activity and the weekly consultant activity report, raising concerns about the quality of the data in that report. Mr Scott agreed to provide a written response. **M Scott Nov 2015**

15.10.27 Any other business

There was no other business.

15.10.28 Date of the next meeting

The next meeting of the Trust Board will be held on 5th November 2015.