

MINUTES OF THE TRUST BOARD

Public 25th June 2015

H2.5 Board Room, 2nd Floor, Hunter Wing, St George's Hospital

Present:	Mr Christopher Smallwood	Chair
	Mr Miles Scott	Chief Executive
	Mr Steve Bolam	Chief Financial Officer
	Mrs Wendy Brewer	Director of Workforce
	Professor Jennie Hall	Chief Nurse / DIPC
	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
	(For item 15.06.09 only)	
	Dr Judith Hulf	Non-Executive Director
	Mrs Kate Leach	Non-Executive Director
	Andrew Burn	Turnaround Director
	Mr Mike Rappolt	Non-Executive Director

In attendance: Ian Elliott, PwC

Apologies:

15.06.01 Minutes of the previous meeting

The chairman 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.

15.06.02 Declarations of interest

No interests relating to agenda items were disclosed.

15.06.03 Minutes of the previous meeting

The minutes of the meeting held on 28th May were accepted as an accurate record, subject to amendments: it was noted that Jane Ellison, MP, was not a member of the cabinet as minuted.

The board noted the concerns raised by Mrs Leach regarding never events and confirmed that the assurance on action being taken was through the quality and risk committee scrutiny; however details could be shared with other board members should they want it. It was noted that the quality triangulation would be included in the board development session in September.

15.06.04 Schedule of Matters Arising

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

The board noted that the action on the Ghana partnership had been completed

P Jenkinson

and therefore the action removed.

July 15

It also noted that the workforce session would be arranged for the next month, with a follow up to May's session but also including the Council of Governors and staff experience.

W Brewer / P
Jenkinson
July 15

The board noted that the workforce recruitment target would be confirmed by September 2015. Ms Hall confirmed there is a Workforce plan in hand with actual numbers to be confirmed.

J Hall
Sep 15

The chairman asked what impact the recent announcement that immigrant nurses would have to return home would have on recruitment and retention. Mrs Brewer advised that the proposals were subject to consultation. The trust, like many other providers, would submit a strong response to this consultation but that tens rather than hundreds of staff would be affected.

Mrs Brewer also outlined the process to prepare for any new national controls or rules relating to agency staff

15.06.05 Chief executive's report

Mr Scott presented his report, highlighting key points. He reported that a preferred candidate had been identified for the appointment of a new principal of St. George's University of London, to be confirmed at the university's council meeting in July. He also reported that the trust was participating in a pilot project with the immigration service, piloting new methods to identify overseas patients and entitlement to treatment. It was also noted that the Department of Health and the Border Agency had entered into an agreement regarding commissioner payments for overseas patients which would reduce the risk to the trust of unfunded patients. It was agreed that an update on the pilot would be brought back to the board in three months.

S Bolam
Sep 15

Mr Scott reported that the partnership with GSTT and KCL for the development of genomic medicine was now up and running, and that Dr Francis Emslie had been appointed to the national clinical reference group for genetics.

Mr Scott welcomed the forthcoming visit to the trust by Wendy Reid, which would provide an opportunity to demonstrate the work being done in relation to education by the trust and university, and to discuss opportunities to expand and develop new roles. He also welcomed the award of trainer of the year to Dr Jonathan Round and Dr Helen Witheroe.

Mr Scott also highlighted the update from project Search. The project, providing work placements for students with learning disabilities, was now in its third year, and the trust was proud that it had employed a number of students from the project and the impact that those appointments had had on the areas where they worked.

The board also noted other achievements or celebrations, including the award of an OBE for Mr Sharma, for his contribution to reconstructive neurology, and the 100th anniversary of the Queen Mary's Hospital in Roehampton.

Mr Scott also reported on progress of the ongoing Monitor investigation, with its conclusion expected to be by the end of July in which Monitor would determine whether the trust had been in breach of its licence and any enforcement action to be taken. To inform the investigation, PwC were currently carrying out an

independent accounting review. The trust had already taken action to recover the financial position, appointing a turnaround director and additional support from KPMG to support in the delivery of the trust's recovery plan.

Mr Rappolt noted the visit by the Secretary of State to the Nelson and asked whether there was any feedback from the visit. Mr Scott advised that the visit was focused on primary rather than secondary care, as he was delivering a speech about GPs and seven day primary care services.

Mrs Leach asked whether there was any security risk arising from the joint initiative with the immigration service. Mr Bolam advised that the Home Office staff were merely supporting trust staff in carrying out their normal function and there was therefore no greater risk.

15.05.06 Quality and performance report

Performance

Mr Bolam presented the performance report for month 2, highlighting a deterioration in the trust rating to a 4 in Monitor's risk assessment framework. This was due to a failure to meet the two week cancer standard, as well as the continued failure to meet the A&E and RTT waiting time standards. He reminded the board that the A&E and RTT standards were subject to a joint investigation by the trust and commissioners, with the report and recommendations due to be published at the end of July. A review of the cancer standards, including an analysis of the causes for the deterioration in performance and remedial actions, would be completed the following week at a cancer performance meeting. This cancer review would also include a review of performance against the 62 day cancer standard, to provide assurance regarding the sustainability of meeting that standard.

Mr Bolam reminded the board that the trust's governance rating remained as 'under review' while Monitor's investigation continued. However scrutiny of the trust's operational performance would remain with the business-as-usual tripartite meetings.

Mr Bolam reported that the issues relating to diagnostic waits had been reviewed in detail at the finance and performance committee.

Mr Rappolt was concerned that the issues of non-compliance with A&E and RTT standards had persisted for some time and asked for a trajectory for improvement as an output of the joint investigation. Mr Bolam confirmed that this would be an output of the investigation. Many of the improvements required were dependent on additional capacity and would therefore not be resolved in the short-term. It was expected that the A&E trajectory would be presented at the next meeting, but that RTT would need to be confirmed; this was because the approach to improving RTT had not yet been agreed with commissioners, with affordability issues still outstanding. The board noted with concern the lack of an agreed plan but accepted that a trajectory would be produced as soon as possible.

Prof Kopelman asked for an update on the implementation of the trust's discharge improvement programme. Ms Hall reported that sustained improvement had been seen in the first phase of improvement project, including pre-11.00 discharges. The trust was currently validating the impact on short-stay beds in reducing length of stay in the second phase and the focus was now, in the third phase, on elective flow as well as stroke and critical care. Ms Hall advised that since April the main

reason for A&E breaches had no longer been bed capacity. It was agreed that a more detailed briefing of the discharge programme would be provided in September.

**J Hall
September 15**

Mrs Pantelides asked whether the commissioners' insistence on adherence to chronological booking of patients had an adverse impact on performance. Mr Bolam advised that the commissioners rightly challenged the trust's prioritisation of patients on the waiting list and understood the impact on performance. An agreed approach would make up part of the joint investigation recommendations.

Mrs Leach suggested that the data should be compared with the same period in the previous year as well as a month on month trend, as that would eliminate any seasonal variance.

**S Bolam
September 15**

Quality report

Ms Hall presented the quality section of the report and highlighted the introduction of a weekly oversight of quality metrics by a quality scrutiny group, in order to provide a rounded view of quality across the organisation.

Effectiveness domain

Ms Hall reported that a review of the Dr Foster signal regarding cardiology had concluded that the data reflected the complexity of the service provided rather than any quality issues. Work was also ongoing to establish expectations regarding compliance with the WHO safer surgery checklist.

Ms Wilton raised concern regarding the level of exceptions in practice versus the trust policy, as shown in the recent consent audit. Ms Hall advised that the greatest concern was the quality of documentation and that there was no evidence of adverse impact on patients from inappropriate consent being taken.

Mrs Leach noted that the quality inspection programme did not include mealtimes. However it was noted that nutrition audits were carried out regularly and that nutritional assessment was part of the ward heat map.

Safety domain

Ms Hall acknowledged previously raised concerns by the board regarding rising numbers of serious incidents and continuing incidence of never events. The board noted the reporting of another never event, relating to a retained object following a procedure carried out in 2009. Ms Hall however highlighted that performance against infection control targets was on track.

Mr Smallwood asked whether the rise in serious incidents could be linked with financial or workforce pressures. Ms Hall advised that serious incidents were caused by a variety of causes, including workforce issues. The root causes for every serious incident are identified and appropriate actions agreed.

The board noted that the VTE assessment would be simplified for the next report.

**J Hall
July 15**

Patient experience domain

Ms Hall reported that use of the Friends and Family Test (FFT) would continue despite the removal of CQUINs and reported that the themes from the FFT questionnaires were being triangulated with complaints data. She also highlighted the complaints rates and performance in responding, highlighting that the rate of complaints remained steady compared with the previous month.

The board discussed an individual case recently reported in the media, with Ms Hall explaining the incident and complaint and any learning from it. Mr Rappolt asked for assurance that there were no other complaints where the response was significantly delayed. Ms Hall assured the board that examples of this kind of delay in responding were rare and that a lot of progress had been made over the last year in reducing the 'tail' of delayed responses; she agreed to provide the board with the data relating to this 'tail'.

J Hall
July 15

Mrs Pantelides asked whether offender healthcare should be in special measures, based on workforce and quality concerns in that service, including medication incidents. Ms Hall confirmed that a process was underway to provide support to the division, including specific actions to improve quality. This process had been underway for the past three months and progress would be reported to the quality and risk committee.

J Hall
July 15

Well-led domain

Ms Hall reported that current NICE guidance was extant and therefore the trust was continuing to measure against that guidance. The board noted that the figure for the safe staffing return was being reviewed.

Ms Wilton highlighted that the heat map returns from divisions were good apart from Children's and Women's division. Ms Hall confirmed that metrics were being developed and trends were being identified and any specific areas of concern would be picked up with the respective division.

Report from the quality and risk committee

Ms Wilton gave an oral report from the quality and risk committee seminar held the previous day. The seminar had focused on a 'deep dive' review of the five capacity risks on the corporate risk register, including bed and workforce capacity. The review challenged the description, evaluation, controls and assurances for each risk. The revised risks would be reported through the next formal quality and risk committee and then to the board.

The seminar had also received presentations from two divisions, medicine and surgery, focusing on quality issues such as external assurances, risks and quality improvements. The surgery division had reported progress in sterile services and consultant ward rounds, identified risks regarding notes availability and use of IT systems. The medicine division also identified notes availability as a risk as well as workforce and power supply in the A&E department. The committee received assurance regarding the controls in place to reduce these risks, and mitigations should they materialise.

15.06.07 Divisional presentation – children's and women's division

The board welcomed Dr Andy Rhodes, divisional chair, and Sofia Colas, divisional director of operations, to the meeting. They gave a presentation covering quality, service developments and achievements, risks and plans for 2015/16. They also identified areas where they sought additional corporate support, including implementation different business models for outpatients and diagnostics, and progress in delivering business cases such as the GICU, 5th floor and the children's and women's hospital. Dr Rhodes confirmed that there were plans in place to deliver these challenges, including capital schemes for maternity, MRI and mortuary. The board also noted the development of a strategy for critical care.

Mr Smallwood referred to the ongoing service line review exercise and asked

whether the division had any feel for its output. Dr Rhodes advised that some services made some profit and some not. The first services to be reviewed would be women's services and opportunities would be identified at sub-specialty level. Mr Rappolt asked for more details on the IT issues referred to. Dr Rhodes explained that while there had been a big improvement in IT systems and infrastructure over the past two years, that improvement had been slow and some opportunities to make changes in business processes to support the IT deployment had been missed.

Mrs Pantelides asked whether delays in business cases created a risk of losing good clinicians. Dr Rhodes confirmed that there was a risk of losing good will and clinical engagement, but opined that this could be mitigated by ensuring that communication with them over progress was clear and transparent.

Mrs Wilton asked what level of clinical engagement there was in meeting the CIP challenge. Mrs Colas confirmed that the senior divisional management team, including clinical leaders, were engaged in the savings programme and that the division had worked hard to ensure an understanding of the challenge at ward level.

Prof Kopelman asked whether implementing a CIP to reduce nursing levels in critical care was wise in the long-term. Dr Rhodes confirmed that there were sufficient staff to cover the required levels and the service was recruiting to turnover to ensure a full complement of staff.

15.06.08 Outpatient strategy

Mr Elek presented the summary of the development programme for the outpatient strategy, including the objectives of the strategy and the various workstreams looking at short-term and long-term objectives. The board also noted the patient involvement in this development programme. The host division, children's and women's, endorsed the approach and agreed the urgent need to review how outpatient services were delivered.

It was agreed that the draft strategy would be presented to the board in July.

**R Elek
July 15**

Mr Rappolt identified the key challenge as reconciling the demand for outpatient services against the under-utilisation of outpatient locations outside of the hospital. Mrs Colas agreed that there was a capacity shortfall at St. George's and reported that the division were looking at extending clinic times to help meet the demand. But longer-term solutions, including better use of other locations, were also being explored.

The board also acknowledged that progress was being made in addressing other outpatient issues, such as the call-centre and availability of notes in clinic, but also noted that a common feature of complaints was still about how patients navigated their care pathway, including patient letters and booking appointments. Mr Rappolt suggested that the patient experience survey results for outpatients should be presented to the board.

**J Hall
TBC**

15.06.09 Finance report

Mr Bolam presented the finance report for month 2 and gave a summary of performance against plan. He also gave an update on budget setting, confirming that this would be complete for month 3. The board noted that the trust was £0.62m adverse to plan for the month and that, although the cash position was ahead of plan this was supported by including the LEEF loan and working capital

loan.

Mr Scott advised the board that the key issue in month 2 was pay costs, with more progress needed to control pay.

Mrs Wilton noted that £2.4m of the adverse position was due to costs from 2014/15 being carried forward and asked whether there was likely to be more to surface. Mrs Bolam was confident that there would not be more as it was now in the third month of the year and it was safe to assume that all non-pay invoices would have been received.

The board reviewed income against plan. Mrs Leach highlighted that the outpatient income was down. Mr Bolam confirmed that income was adverse to plan but was favourable in year on year comparison. Mrs Pantelides noted that the elective plan for 2015/16 was lower than the 2014/15 plan, but Mr Bolam advised that this would need reviewing.

The board reviewed pay costs, noting that temporary pay expenditure was down but that overall pay costs were still adverse to plan. Mr Bolam explained that unallocated CIPs were a key driver behind this; he advised that the trust was getting a grip on pay costs and there was a downward trend in cost, but that this was not currently enough to mitigate the non-delivery of CIPs.

The board reviewed non-pay costs, noting the upward trend in costs and particularly in costs of premises. Mr Bolam explained that the trust had taken on more premises which led to an actual increase in costs. He also reported that work was ongoing, with KPMG's support, to establish better controls in procurement and to improve transparency in drug costs.

Mrs Pantelides asked whether the trust had underestimated the activity at the Nelson. Mr Elek advised that there had been issues with mobilising activity against commissioner expectations, but that there was also a need for clinical services to want to use the location and for job planning to allow them to use it which the divisions were now addressing.

Mr Scott agreed that the trust now had a better idea of where the underperformance issues lay in terms of outpatient activity; activity was up against plan and up against year on year comparison, but there was a need to focus on the underperformance against plan at the Nelson.

The board discussed the need for additional financial support. Mr Bolam confirmed that based on the current budget, £52m of financial support would be required. The trust would confirm the position regarding the existing £25m working capital facility and would confirm the draw down against that in the next few days. He advised that the trust would need to confirm the rest of the facility in August as the new facility would be needed in September.

Report from the finance and performance committee

Mr Smallwood gave a summary of discussions at the last finance and performance committee meeting:

- Update on turnaround plans: Mr Burn had reported progress in the KPMG support in each of the four workstreams – grip, build, grow and systems. The committee had stressed the importance of both short-term and long-term actions and agreed that the balance of effort needed to be across both these areas. The committee would be monitoring the delivery of both short-term

action on CIPs and the longer-term service review.

- Budget setting: the committee had received and considered a number of pressures which would adversely affect the previously agreed budget of £46.2m deficit. The committee received assurances that mitigations had been identified to offset these pressures and therefore the budget remained the same, however the committee noted that the downside risks outlined indicated a worst case of £75m deficit. Detailed budgets were now being set on this basis, with budget holders being asked to sign off budgets for month 3. Budget holders would then be held to account for delivery against these budgets. The committee had considered the risks and the mitigations, including the fact that the KPMG support should provide some upside benefit and possible benefits from the service line review project materialising in this year.

The committee had noted that the budget would need to be reviewed again, with a view to re-setting the budget at the end of September. It was agreed that this process would need to be transparent, with involvement of Monitor, so that the revised budget was realistic and agreed by all parties. The committee had also noted that the revised budget should be tested by the board to establish that the assumptions on which they were based were sufficiently robust.

- Month 2 financial performance: the committee had reviewed the financial performance for month 2, as reported to the board. The committee had discussed proposals for further reductions to the capital programme in order to further improve liquidity, with the committee receiving assurance that the risk implications of this had been considered to be acceptable. The committee had reviewed the cash position, noting actions being taken by the trust to improve cash flow forecasting and liquidity which could strengthen the cash position by around £10-15m.
- Financial management action plan: the committee received and considered a draft financial management action plan, covering a series of key areas including budget setting, ownership, information flows, reporting, forecasting and systems. Work on this action plan would continue through the summer with a view to having revised systems in place from September, in order to deliver the revised budget.
- Borrowing forecasts: the committee had discussed the trust's borrowing capacity, informed by an explanation from Mr Bolam of how borrowing limits were calculated and the trust's headroom for additional borrowing. The committee had also noted the need for Interim Support Funding (ISF), with £52.2m ISF identified in the 2015/16 plan which included the £25m working capital facility. The maturity and repayment terms of this finance facility would be determined in connection with the recovery plan to be agreed with Monitor.

The board referred back to the divisional presentation and the business cases they wanted to progress, noting that in these circumstances the funding for them was not guaranteed.

15.06.10 Workforce report (month 2)

Mrs Brewer presented the month 2 workforce report and highlighted key issues, including ongoing work to reconcile HR and finance systems, developing workforce requirements for the year in line with budget setting and the resultant development of a workforce plan and weekly tracker to monitor delivery against.

The budget noted continued concern regarding the turnover rate, albeit a stabilised position. It was noted that this was not unique to the trust but a real issue for the trust. Mrs Brewer referred to the intelligence from exit interviews and reported that divisions would be presenting their plans to improve retention at the next workforce committee meeting.

The board reviewed agency usage, noting a reduction in the use of agency staff and an increased fill rate through the staff bank. It noted the work being done to better understand the reasons for use of temporary staffing. Mr Smallwood asked how sustainable this reduction in agency staff was. Mrs Brewer opined that it was probably a mixed picture, with some risks in some areas; it was also noted that the reduction may be reflective of recent reductions in activity so may not reflect a long-term reduction. Mr Scott repeated his assertion that pay costs were a key driver of the overall financial performance. He suggested that more analysis of pay costs, both temporary and substantive, would be needed as well as forecast pay costs. This would be a key focus of the turnaround plan, with increased grip on pay costs.

The board agreed that the board's assurance on the effect of the turnaround measures on pay costs would be provided through the workforce committee.

15.06.11 Planning performance agreement (PPA)

Mr Munro presented a paper to the board, explaining the purpose of a PPA – a legally binding agreement between Wandsworth Council and the trust regarding the delivery of the planning agreement timescales. He explained to the board what was involved in this process and sought approval by the board, subject to further negotiation of costs. He advised the board that this PPA covered the securing of outline planning consent for any capital developments included in the Development Control Plan (DCP) and therefore should be secured prior to working up the DCP schemes in more detail.

The board considered the proposed agreement, in the light of the current financial position and the current position regarding the DCP, and schemes within the DCP such as the private patients unit and renal unit development. It was noted that although the DCP itself had not yet been approved by the board, the known elements of the DCP, such as the private patients unit, the renal unit and Maybury street car park made up around 70-80% of the cost of this PPA. This was due to the traffic and transport assessment required for the car park and private patient unit.

The board noted that the cost of the PPA, currently £160,000, was included in the capital programme but was not reflected in the respective business cases.

The board accepted the case for securing this agreement at this stage, in order to avoid any delay in the critical path for the private patient unit development and other capital projects, and accepted that the cost would be incurred in subsequent planning applications if not included in the agreement now. The board therefore approved the trust entering into the proposed agreement.

**E Munro
July 15**

15.06.12 Annual health and safety report

The board received and noted the annual health and safety report. The board noted in particular the increased reporting of incidence of aggression and violence against staff and received assurance that specialist training was now available for staff in response to this.

15.06.13 Annual fire safety report

The board received and noted the annual fire safety report.

Mr Rappolt reminded the board of the challenge presented by the audit committee regarding the appointment of fire safety wardens, with only 200 appointed to date versus the target of 850, and the request for an explanation of the target of 850. Mr Scott confirmed that he and Mr Munro would pick up the appointment of fire wardens with divisions. The board agreed the need to validate the target number of 850. Mr Munro agreed to confirm the rationale for this target.

**M Scott / E Munro
July 15**

15.06.14 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 that the controls for the most significant risks had been picked up in discussions through the agenda.

15.06.15 Board governance statements

Mr Jenkinson presented and explained the remaining annual governance statements that the board was required to submit to Monitor, following submission of the first two the previous month.

The board discussed in particular the statement 4(d) regarding financial systems, concluding that it could not confirm that it was satisfied that the trust had effective financial decision-making, management and control systems, given the current financial position and the ongoing Monitor investigation. The board therefore agreed that it should declare non-compliant against this standard and should add explanation to include the work the trust was doing with support from KPMG to strengthen financial systems and also that the board would consider and implement recommendations from PwC's independent accounting review.

**P Jenkinson
June 15**

15.06.16 Questions from the public

The chairman invited comments or questions from the public, noting that the governors would also have the opportunity to question the non-executive directors at a meeting of governors and non-executive directors following the board meeting.

Hazel Ingram reflected on the discussion about outpatients and issues with patient correspondence, and advised the board that in her experience many of the 'did not attends' in outpatient clinics were down to poor administrative systems which led to patients not receiving their appointment letter.

Thomas Saltiel pointed out that board papers were late being published on the trust website and contained duplicate papers. Mr Jenkinson agreed to ensure that papers were published on time.

Gail Adams referred to the discussions regarding fire safety wardens and opined that there could never be too many wardens. She advised that health and safety indicators should be incorporated into the heat map view.

15.06.17 Any other business

There was no other business.

15.06.18 Date of the next meeting

The next meeting of the Trust Board will be held on 30th July 2015 at 9.00am.

