MINUTES OF THE TRUST BOARD

30th July 2015

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

Present:	Mr Christopher Smallwood	Chair
	Mr Miles Scott	Chief Executive
	Mrs Wendy Brewer	Director of Workforce
	Professor Jennie Hall	Chief Nurse
	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
	Dr Judith Hulf	Non-Executive Director
	Andrew Burn	Turnaround Director
In attendance:	Simon Milligan	Deputy Director of Finance
Apologies:	Mr Mike Rappolt	Non-Executive Director
	Mrs Kate Leach	Non-Executive Director
	Mr Steve Bolam	Chief Financial Officer

15.07.15 Chair's opening remarks

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.

The chairman advised those present of the decision reached in the reserved meeting to amend the board meeting cycle, which would mean that future board meetings would be held one week later than currently.

15.07.16 Declarations of interest

No interests relating to agenda items were disclosed.

15.07.17 Minutes of the previous meeting

The minutes of the meeting held on 25th June were accepted as an accurate record, subject to amendments: it was noted that the outpatient strategy update should be in October and not July as minuted.

15.07.18 Schedule of Matters Arising

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

15.07.19 Chief executive's report

Mr Scott presented his report, highlighting key points.

Mr Scott highlighted the announcement made by Monitor regarding the conclusion and outcome of their investigation. Monitor had concluded that the trust had been in breach of its licence and had accepted a series of voluntary

undertakings from the trust, including the development and delivery of a one year, two year and five year recovery plan. Action would therefore be required over the autumn to develop the five year plan to return the trust to a sustainable financial and operational balance. Monitor had also placed additional conditions on the trust's licence, including Monitor scrutiny of trust plans and agreement to any changes in governance and management structures required to deliver the plan. Mr Scott reported that there would be a number of staff and stakeholder briefings and communication over the next week.

Mr Scott highlighted some key appointments, including: Professor Higham as the new principal for St. George's University, due to take up her post in November; Dr Lisa Pickering as new divisional chair for the medicine and cardiovascular division, with effect from September; and Dr Stephen Brecker as chief of the newly established cardiology clinical academic group, with effect from September.

Mr Scott highlighted developments in community services, acknowledging the board decision not to proceed with a bid for the Merton community services due to the level of uncertainty and financial risks which meant that the trust could not submit a compliant bid or accept the risks inherent in a compliant bid. Instead the trust would take forward the collaboration with the GP federation in other ways. Mr Scott welcomed the extension to the contract for Community Adult Health Services (CAHS) in Wandsworth, which was a vote of confidence in the trust's community services and a statement of intent regarding the importance of community services to the trust.

Mr Smallwood referred to the Friends and Family Test results for staff satisfaction and agreed to defer discussion until a workshop with governors following the board meeting.

15.05.16 Quality and performance report

Performance

Mr Wilson presented the performance report for month 3, highlighting key points. He highlighted improved performance in RTT over the past month and improvements in the A&E waiting time performance, although the trust was still not meeting the standard. He also highlighted concerns regarding performance against the cancer standards, with breaches against four of the standards. A more detailed paper regarding this had been discussed at the finance and performance committee meeting the previous day, but in summary the breast symptomatic standard breaches had been driven by increased demand and capacity constraints as well as weaknesses in process. Mr Wilson reported that a weekly performance review meeting had been established with the divisions to identify and address issues. Mr Wilson reported improved performance in diagnostic waits and that the trust was now close to achieving the standards, but further improvement was required as well as investment in diagnostic equipment.

Mrs Pantelides repeated her previous concerns regarding cancer performance, pointing out an increased number of breaches despite a decreased level of activity. She reflected that one factor was annual leave and asked whether that could be managed better to provide a more consistent service. Mr Wilson confirmed that this was included in the improvement plan, including better planning around bank holidays and distribution of clinics around the week to ameliorate the impact of bank holidays.

Mrs Pantelides asked whether the trust was learning from other networked cancer

services. Mr Wilson confirmed that the trust was learning from better performing trusts and would be participating in the London-wide initiative to improve cancer services.

Quality report

Prof Hall presented the quality section of the report and highlighted a similar picture as that of previous months, with a key focus on numbers of serious incidents amongst other indicators and the development of quality assurance processes including a re-launch of the quality inspection programme.

Effectiveness domain
Prof Hall Highlighted current mortality data and the results of a recent PRISM survey which included avoidable mortality, the findings of which were currently being analysed and would be presented in more detail in the next month's report. She also highlighted the results of recent clinical audits, including the quality of patient records; the findings of this audit were being followed up with individual specialties.

Safety domain
Prof Hall acknowledged previously raised concerns by the board regarding rising numbers of serious incidents and continuing incidence of never events. Themes continued to be identified and actions followed up through the patient safety committee.

Mrs Pantelides identified an increase in deaths in custody reported as serious incidents. Prof Mackenzie advised that this matched the national picture, with numbers being driven by the requirement to automatically report some deaths as serious incidents.

Mr Smallwood asked whether the increasing numbers of serious incidents being reported was an indication of overall decline in quality. Prof Mackenzie opined that it was one of many good indicators of quality but it alone did not indicate an overall decline in quality standards; each serious incident needed to be investigated on its own merit.

Patient experience domain
Prof Hall responded to a query from the previous meeting regarding complaints responses, by confirming that no complaints were outstanding past the timescales agreed with the complainant and therefore assured the board that there wasn't a lengthy 'tail' of complaints. She also highlighted continued improvement in divisional performance in complaint responses.

Well-led domain
Prof Hall presented the safe staffing report, explaining the process for calculating safe staffing ratios and reporting. Dr Hulf suggested that staff skill-mix should also be taken into account as well as numbers. Prof Hall agreed, in particular in the case of temporary staffing.

The board also noted the heat map, with Prof Hall providing an explanation of the escalation process which would lead to intervention where and when necessary.

Report from the quality and risk committee
Mrs Wilton gave a verbal report from the last quality and risk committee meeting. She reported that the key focus of discussion had been on quality governance, in

the context of financial pressures and turnaround, with the committee noting the current quality assurance mechanisms and agreeing that a revised framework would be presented to the committee at a future meeting. The committee had also agreed for quality inspection reports to be presented to the committee.

The committee had considered the proposed process for ensuring follow-up of diagnostic tests, provided by Prof Mackenzie in response to previous serious incidents. The revised process would now include consultant accountability for follow-up of diagnostic tests. Prof Maceknzie had also updated the committee on standards being developed for daily consultant ward rounds.

The committee had received an update on medical record availability in clinic, noting improvement to 96% against the target of 98%.

The committee had considered the healthcare aspects of the HMIP inspection of HMP Wandsworth and noted the action plan developed to address weaknesses identified.

The committee had also received the clinical audit plan and agreed the need to link that audit plan with the board assurance framework. The committee had considered the current resourcing in the audit team and endorsed the need to fill current vacancies in the team.

The committee had also considered the findings of investigation into Dr Foster mortality outliers, receiving assurance that no safety issues had been identified but noting data quality issues which were being addressed.

15.07.17 Joint investigation findings / final report – RTT and A&E

Mr Wilson presented the final reports from the two joint investigations, a joint approach including the trust and commissioners from Wandsworth and Merton clinical commissioning groups to identify actions needed by all parties to ensure sustainable achievement of waiting time standards.

Mr Wilson advised that the reports were being presented to the board to provide assurance regarding the actions being taken to address compliance issues in both standards, but also to highlight risks to future compliance with the standards and the financial impact.

The board considered both reports.

<u>A&E findings</u>

The investigation had found the counting of breaches by the trust to be very open and acknowledged that recommendations from previous external reviews had been implemented, but found opportunities to go further such as the use of GP navigators in A&E.

The investigation had also acknowledged capacity issues, with occupancy rates currently at 97%. It was noted that the trust aimed to reduce this to 90%, but a target had been set for 2015/16 at 94%. The trust had invested in patient flow schemes to support the reduction of occupancy rates.

The investigation had concluded with an acknowledgement that the trust would not sustainably achieve the waiting time standard throughout the year.

<u>RTT findings</u>

The investigation had acknowledged the capacity issues and recognised the need to review the care pathway. It concluded that significant investment in capacity would be required to achieve sustainable delivery of the standard and reduce the current waiting list.

The board noted the actions and follow-up, to be monitored internally within the trusts and via the tripartite meetings with commissioners and regulators. It was noted that all parties had signed off the investigation reports.

Mrs Pantelides welcomed the collaborative approach but noted that financial penalties would be applied if the trust failed to deliver and therefore the risk remained with the trust. Mr Wilson advised that the introduction of potential penalties in the report was disappointing but was within the terms of the contract; however the penalties referred to were only 40% of the level they could have been set at and the commissioners had signed up to actions they must deliver in order to ensure the delivery of the standards, therefore they could not levy penalties where they had not delivered their required actions. He opined that as the commissioners had invested in the patient flow programmes there would be exhaustive discussions through contract meetings before any penalty would be levied.

Mr Wilson assured the board that the actions in the reports were deliverable, although there were always risks in the capacity being available.

Prof Kopelman asked what work was being done regarding length of stay and repatriation of patients. Mr Wilson updated the board on work being done with partners on appropriate repatriation of patients. It was agreed that an update on the flow programme, including discharge processes, would be presented to the board in October. **J Hall October 15**

The board noted Mr Rappolt's questions. Mr Wilson confirmed that the action plan included specific actions for the commissioners. It was not possible to determine the impact of individual actions, but it was agreed that progress against the action plan would be updated on a weekly basis and monitored monthly by the finance and performance committee. **M Wilson Monthly**

15.07.18 Finance report (month 3)

Mr Milligan presented the financial performance report for month 3, highlighting that the overall in-month performance had improved when compared with performance in the previous month, but that the year to date position remained adverse to plan.

Mr Rappolt highlighted that the main variance contributing to overspending against the plan was in unallocated CIPs. He asked whether, if the £38m CIPs were fully achieved, the trust would be back on track. Mr Milligan confirmed that, in his opinion, that would be the case – the trust could achieve the £46m deficit budget. However there were significant risks to achieving the full CIP target, based on the current risk rating of CIP schemes.

Mrs Pantelides highlighted statements within the medicine and cardiovascular division section, referring to safe staffing requirements impacting on division's ability to deliver the CIP targets. Mr Milligan confirmed that the staffing review had been completed in 2014/15 and divisional budgets had been increased to allow them to increase staffing where necessary; however this budget had then been reduced through the budget setting process. This position was being addressed

as a specific part of the £12m additional funding now being made available to divisional budgets. Mr Smallwood opined that the commentary referred to the divisions needing to use temporary staff to meet the increased staffing level required, as they had not been able to recruit substantive staff to meet those required levels. Mr Milligan confirmed that the application of the central reserves had been reflected in specific areas within divisional budgets.

Report from the finance and performance committee

Mr Smallwood gave an oral report from the finance and performance committee meeting held the previous day.

The committee had discussed interim budget and financial management, including budget management arrangements between now and the point at which the trust's budget for 2015/16 was reset. The committee agreed to recommend to the board that the £46.2m deficit budget should be reaffirmed, but that over this interim period, between now and the end of October, the divisions would be managed against agreed variances in line with the budget discussions which had now been concluded.

The committee had also reviewed operational performance, focusing on A&E, RTT and cancer where standards were not being met. Mr Wilson had reported on actions agreed with commissioners following conclusion of the joint investigation, as presented to the board at this meeting. The committee had agreed that progress against those plans should be monitored regularly by the committee. The committee had noted that the RTT performance would remain difficult as delivery of the standard on a sustainable basis would require an increase in elective activity beyond the trust's current capacity, or the commissioners' affordability. The committee had received and considered a detailed action plan to improve performance against the cancer standards and had recommended more numbers and trajectory to be added to the plan so that the committee could track progress.

The committee reviewed current financial performance and cash management, with significant concern raised about the continued slippage against plan, with income behind plan, expenditure remaining too high and CIPs falling significantly short of plan. Particular concern had been raised around pay, with temporary staff costs in June up by £0.5m compared with the previous month. Prof Hall had undertaken to provide a more detailed explanation of this to the committee. The committee had reinforced the importance of holding divisions and corporate departments rigorously to the budgets just agreed, with run-rate measures keeping the trust on track until CIP performance could be improved, a point fully recognised by the executive.

The committee received assurance that the application to Monitor and the ITFF for additional working capital of £48.7m would be successful and that cash was therefore unlikely to be a problem in 2015/16 even if a downside case were to materialise.

15.07.19 Workforce report (month 3)

Mrs Brewer presented the monthly workforce performance report and highlighted key points. She reported that work was progressing on the vacancy rate with support from KPMG, with completion due in August. Staff turnover would be the subject of a joint discussion with governors at a session following this meeting, including consideration of feedback on staff experience. The workforce committee had received and considered plans developed by each division to address staff

turnover – those plans would be further developed and brought back to the committee for further consideration.

Mrs Brewer presented an analysis of temporary staffing costs, showing an increase in costs of around £1m compared with the same period in the previous year. The board noted that actual activity had also increased, but not at the same rate as the increase in cost. Mrs Brewer advised that the costs also included non-clinical temporary staffing which previously had not gone through the payroll system. More details would be presented at the next board meeting. Mrs Pantelides advised caution over the financial budget of £46.2m, which had been set based on projected 8% use of temporary staff as informed by 2014/15 outturn; if the temporary staff costs continued over that level then that would pose a risk to achieving the agreed budget.

W Brewer September 15

Mrs Wilton asked about career development and internal promotion opportunities for staff. Mrs Brewer confirmed that internal promotion was being made simpler.

The board noted a question from Mr Rappolt, asking for assurance that performance management had been built into the appraisal system. Mrs Brewer confirmed that this was the case. A new appraisal system was being developed and implemented, with a leadership group of budget holders who would go through an interim appraisal. Then trust was also reviewing the pay scale for senior management. Mrs Brewer advised that appraisal rates were currently being compromised by time constraints and other pressures, but the re-launch of the appraisal process would enable a revision of the compliance rates.

Report from the workforce committee

Mrs Pantelides presented a report from the previous meeting of the workforce committee, reporting that the focus of the meeting had been on the family and friends survey feedback from staff, providing valuable feedback on staff experience and a leading indicator of increased turnover.

15.07.20 Monitor return – quarter 1 performance

Mr Jenkinson presented the proposed governance statements to be declared in the in-year performance submission for quarter 1 with the recommendation that, as with the previous quarter's submission, in the light of evidence reviewed by the board in the performance reports at this meeting, that the trust should declare non-compliance with the finance statement and the first governance statement and compliance with the second governance statement.

The board considered the statements in the context of the current performance as presented in previous reports and agreed with the recommended statements, but agreed that cancer performance should also be added to the existing statements regarding A&E and RTT where the board was declaring that it could not be satisfied that plans in place are sufficient to ensure ongoing compliance with all existing targets. It was agreed that Mr Wilson would provide supporting statement to be included.

Subject to this addition, the board approved the submission of the quarterly return. Mr Jenkinson would confirm submission to Monitor.

P Jenkinson July 15

15.07.21 Monitoring corporate objectives – quarter 1 review

Mr Elek presented the summary of achievement against the corporate objectives, including a forecast and critical path for the year. Mr Elek advised that the overall delivery of the annual plan was rated as red due to the current risks and

performance in finance, operations and workforce. The current forecast was the same for quarter 2.

Mr Smallwood queried the status of the bed capacity plan. Mr Elek agreed to circulate the planned and actual capacity developments and to link those to length of stay assumptions. **R Elek / M Wilson September 15**

15.07.22 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.

The board noted a query from the finance and performance committee regarding the current status of the working capital risk, proposing a reduction in the likelihood of the risk as Monitor had agreed financial support for the trust's working capital. The board discussed the concept of risk proximity in this context, as short-term working capital had been secured but that longer-term the risk remained high and might increase depending on the outcome of the budget revision. The board therefore agreed to reduce the likelihood of the risk but would review again after the budget reset process.

15.07.23 Report from the research board

Dr Hulf presented a report from the research board, and highlighted continued issues with the Joint Research and Enterprise Office (JREO) identified in a recent audit. She therefore raised the risk that the JREO was still not functioning adequately to support research in the trust, but reported that new appointments had been made and would be in post soon. The audit report would be considered in more detail at the audit committee in September.

15.06.xx Questions from the public

The chairman invited comments or questions from the public, noting that the board members and governors would be meeting following the board meeting.

Gail Adams asked whether the appraisal system would include 360 degree appraisal as there was evidence that this approach enhanced awareness and behaviour. Mrs Brewer advised that board member appraisal would include such, but for other staff there would be some sort of feedback mechanism as implementation of full 360 degree appraisals for all staff in management roles would be prohibitively expensive.

15.06.xx Any other business

There was no other business.

15.06.xx Date of the next meeting

The next meeting of the Trust Board will be held on 3rd September 2015.