

# Minutes

# Trust Board

**Minutes of the meeting Trust Board of St George's University Hospitals NHS Foundation Trust, held on Thursday 7 April 2016 in Richmond & Barnes Rooms, Queen Mary's Hospital commencing at 10am and concluding at 12.45.**

## PRESENT

Sir David Henshaw	DH	Chairman
Mike Rappolt	MR	Deputy Chair, Non-Executive Director
Sarah Wilton	SW	Non-Executive Director
Kate Leach	KL	Non-Executive Director
Stella Pantelides	SP	Non-Executive Director
Prof Jenny Higham	JMH	Non-Executive Director
Jennie Hall	JH	Chief Nurse
Simon Mackenzie	SM	Medical Director
Iain Lynam	IL	Chief Finance Officer
Wendy Brewer	WB	Director of Workforce
Martin Wilson	MW	Director of Transformation
Rob Elek	RE	Director of Strategy
Paula Vasco-Knight	PVK	Chief Operating Officer
Anna Anderson	AA	Director of Financial Performance & Planning
Richard Hancock	RH	Director of Estates and Facilities
Lisa Pickering	LP	Divisional Chair, Medicine and Cardiology
Alison Benincasa	AB	Divisional Chair, Community Services
Andy Rhodes	AR	Divisional Chair, Women and Children
Luke Edwards	LE	Head of Governance

## Observing

Nigel Carr	Observer
Yvonne Langley	Governor, Public
Mia Bayles	Governor, Public
Hilary Harland	Governor, Public
Philip Jones	Governor, Appointed
Ian Stone	Member of the Public
Brian Dillon	Governor, Appointed
Doulla Manolas	Governor, Public
David Kirk	Governor, Public
Barbara Bohanna	Member of the Public
Ann Bohanna	Member of the Public

Agenda Item	Action
<p><b>1. Welcome and Apologies</b></p> <p>The Chair welcomed everyone to the meeting. Apologies were received from Miles Scott.</p>	
<p><b>2. Declarations of Interest</b></p> <p>There were none.</p>	
<p><b>3. Minutes</b></p> <p>The Board considered the minutes of the last meeting held on 3 March</p> <p><b>Resolved</b> that the Board: approved the minutes as an accurate record.</p>	
<p><b>4. Key Issues</b></p> <p>The Chair requested that the Board use this agenda item in future to identify and reflect on key emerging issues.</p>	
<p><b>5. Matters Arising</b></p> <p>The Board noted the update and confirmed that the Outpatients Recovery Plan Update was scheduled to come to the Board in May. A formal report was requested Call Centre Performance.</p>	<p>PVK May 16</p>
<p><b>6. Chief Executives Report</b></p> <p>The Board noted the Report in the Chief Executive's absence.</p>	
<p><b>BUSINESS PLANNING 2016/17</b></p>	
<p><b>7. Business Planning Process</b></p> <p>The Board noted that the trust had now agreed a four week extension from the original deadline of 11 April for submission of the annual plan and APR templates. The additional time would ensure that a solid set of numbers can be provided against the control total of £17.2m deficit with any potential additional funding for infrastructure and IT recovery agreed separately. SLAs have not yet been agreed across the system and this would also need to be resolved. The Board requested that IL produce a clear approvals plan with sufficient scope for appropriate scope for challenge and reflection from Non-Executives and received assurance that activity and workforce were built into the planning process. IL confirmed that final numbers would be presented to the Finance and Performance Committee in April and that he would liaise with MR to agree how to engage the Audit Committee.</p> <p>DH asked the secretariat to arrange Extraordinary Board Away Day in mid-April to enable the Board to get a grip on the full range of challenges facing the trust.</p>	<p>IL April 16</p> <p>LE April 16</p>
<p><b>8. Corporate Objectives</b></p> <p>DH asked that this item was deferred for substantive discussion at the</p>	

planned away day and that further work was undertaken in advance of that session. The Board noted that we should be seeking to agree a small number of objectives and tracking their delivery. The communication plan needed significant development and re-working and should be withdrawn from the agenda.

## 9 Financial Planning

As budgets would not be agreed at the start of the financial year IL sought the Board's approval to agree spending in line with 2/12 of the revenue and capital budget against the £17.2 deficit control total in the first two months of the year. This was necessary to ensure the trust is not acting ultra vires and in breach of its SFIs. He confirmed that this included 1% provision for contingency and that the Board would have to opportunity to fully test the underpinning assumptions including, for example, the assumed asset sales.

**Resolved** that the Board: approved expenditure in April and May as proposed.

## 10 Key Trajectories

PVK provided the Board with an overview of the current performance and key trajectories for cancer, RTT and ED. These were submitted on 18 March to NHSE-London and NHSI for scrutiny and approval. The trust is performing positively against a number of indicators but challenges remain with the ED 4 hour target, RTT, Cancer waiting time targets and cancelled operations by the hospital for non-clinical reasons.

Cancer: the trust was non-compliant against four cancer targets in January and had a comprehensive recovery plan in place. Three of these had been recovered in February although the expectation was that March would be challenging because of the Christmas impact. The expectation was that the trust would be sustainably hitting all seven standards from April. She confirmed to the Board that missing the standards had not given rise to patient safety concerns and robust processes were in place to hit the key milestones.

RTT: performance has improved and is now at 90% compared to a target of 92%. A detailed piece of work had been undertaken to improve operational performance and a recovery plan is under development. However a technical review has identified that there is a concern with the robustness of the underlying data and a number of patients have been incorrectly not included within the pathway. An initial risk assessment has been completed and a clinical risk assessment will now be undertaken.

ED: The trust continues to implement its unplanned care recovery programme which encompasses the flow programme and the outputs on the One Version of the Truth work. The trajectory assumes 95% compliance can be achieved from February 2017. This is dependent on support from primary care providers, better management of frequent attenders and reducing the number of walk in patients who could be treated elsewhere

The Board received assurance that the assumptions built into the recovery

planning on staffing had been captured in the planning process and had involved divisions. It was also noted that Cardiac and ENT were not currently hitting the trajectory and that this needed to be discussed with commissioners. The future position of the Nelson contract was noted as a key issue that would also need to be discussed as part of the strategy away day.

**Resolved** that the Board:

- (i) Noted the content of the report
- (ii) Asked that PVK submit a written report to the Board on RTT patients as soon as the analysis has been completed.
- (iii) Ensure that progress on delivering the trajectories is monitored through 2016/17

PVK  
April 16

## 11 Communications Plan

This item was deferred to the away day and not discussed.

## PATIENT SAFETY, QUALITY AND PERFORMANCE

## 12 Performance and Quality Report

JH introduced the report and summarised the key findings in each of the quality domains. The overall position for February remains consistent with the previous two quarters with some moderate improvements across a number of indicators.

The Board discussed the impact of the patients of the recent junior doctors strike and received assurance that there had been no impact on quality and the reliance on senior decision makers had improved discharge and flow decisions. However 400 of 2400 planned outpatient appointments had been cancelled. The impact on RTT performance had been quantified and weekend and evening clinics had been put in place. The Board noted the requirement for robust plans for the next strike particularly given that emergency cover would not be provided between 8am – 5pm.

The Board also received assurance that the work on complaints would focus on lessons learned and that the Ward that had been placed in special measures had responded well and had showing early signs of improved performance. JH confirmed that this was the only Ward in special measures however a number of risk areas were being carefully monitored.

The Board noted the RTT access policy and the future requirement to approve this policy.

## 13 Workforce and Performance Report

WB introduced the workforce and performance report and highlighted that the workforce position remained challenging with staff turnover increasing after two months of reduction. There had been a marginal decrease in the vacancy factor and the trust benchmarks reasonably for sickness absence against other trusts. The recruitment campaign for 125 nurses in the Philippines had been successful and the first staff would be expected in early summer. The Board noted the deep dive review into management of agency staffing which was being supported by Monitor. WB agreed to

provide clarification around the 35% vacancy factor reported for the SWLP.

WB  
April 16

The Board considered the report on workforce and staff experience action plan. WB highlighted the feedback meeting with staff on 30<sup>th</sup> April which indicated the need for fundamental shift in staff engagement with increased autonomy, clearer channels of communication, improvement management skills and freeing up time. The Board agreed that it was important to identify 2 or 3 immediate priorities for action while taking forward the broader programme of work in parallel. DH asked that a clear plan was developed to deliver a radical shift in staff engagement for this to be discussed in the strategy session. Proposals for immediate the critical priorities should be circulated to the Board close of play Monday. This should be developed with Kate Leach and other NED colleagues as appropriate.

WB  
11/04/16

The Board noted the position on the Agency Expenditure Ceiling in 2015/16 and that the 2016/17 ceiling of £23m would be challenging for the trust to deliver against. WB also noted that the price caps were acting the level out prices as well reducing higher costs.

WB then updated the Board on the SWL Staff Bank Project and sought approval from the Board to the principle of the approach and to take forward further work. This was agreed however a number of reservations were expressed around the unintended consequences and risks of this approach and the likelihood of it delivering the expected benefits. WB reassured the Board that these issues would fully considered and set out before a final decision is sought.

**Resolved** that the Board:

- (i) Noted the contents of the reports
- (ii) Agreed to further work being undertaken as proposed for the SWL Staff Bank
- (iii) Asked that the final business for the SWL staff Bank addresses identifies and responds to the concerns identified.

#### 14 Workforce and Education Committee Report

There were no key issues arising from the Committee.

#### 15 Quality and Risk Committee

SW drew the Board's attention to two key issues from the Committee. The first was the concerns around diagnostic follow-up, following a number of Sis arising from such shortfalls. This issue had also been identified in two recent Audit Reports. QRC is not assured that controls are secure in all areas and has requested a full update for the next Board. The second was limited assurance around health, safety and fire and the limited assurance that matters of concern identified in the 2014/15 Annual Report and from other sources have been addressed. RH confirmed that this was high on his priority list for 2016/17.

**16 Update on Renal**

The Board received the report. RH outlined the progress that had been made and noted that he had appointed a project manager to focus on the initial 'make good' work. A detailed report had been commissioned and received from Stewart's Associates. This had identified the very significant scale of the problems in the Knightsbridge wing including the ability to control temperatures and the significant costs associated with resolving these problems. The medium to long term renal redevelopment plans would be considered as part of a broader estates plan and a number of options had been identified. The Board would receive an estates plan at the May meeting.

RH  
May 16

**Resolved** that the Board noted the contents of the report

**FINANCE AND PERFORMANCE****17 Finance Report – Month 11**

AA introduced the report. In February the Trust had a deficit of £0.6m compared to a plan of £2.1m. The plan was lower than plans for recent months as a capital to revenue transfer of £3.6m was expected this month. Cumulatively the Trust had a deficit of £49.4m which was £2.9 better than expected. As reported in previous months, the main reason for this positive position is £4.6m of underspending on pay budgets largely because the pace of recruitment had been slower than planned. These underspends have been partially offset by continuing underperformance on SLA income and higher than expected SLA penalties. £37m of CIPs have been achieved to date. The underlying deficit fluctuates between £3-5m per month due to variances in the income levels.

The cash balance at the end of February was £13.4m, £10.4m more than in the original plan. In addition, use of the working capital facility was £13.5m lower than expected so overall the cash position was £23.9m better than plan. Since the end of the month, positive progress has been made in securing payment from NHSE for over performance on its contract and that dialogue is on-going. Capital spend is continuing to be slowed down as part of the overall cash management plan and to date spend has been £27.1m, £19.6m less than the revised plan. The year end outturn is still expected to improve to a £54m deficit, £2m better than the revised plan. AA agreed to provide KL with assurance that we were not carrying significant debts into 2016/17.

The Board noted that an impairments review was being undertaken and the preparatory work was currently underway. This would return to the Finance and Performance Committee and Audit Committee for a final decision in May.

**18 Finance and Performance Committee**

SW outlined the key messages. These included: commending the EMT for achievement of the CIP savings, while noting that a number of these were non recurrent; ensuring that the 2016/17 budgets reflected the TRP process; and the urgent need to ensure that budget holders to be determined and to have clear and agreed budgets in place.

The Board noted the key messages and emphasised the need to ensure that where commissioners were not funding services rapid decisions would need to be made to change capacity and that accurate cash flowing forecasting and adequate loan facilities would continue to be critical. The Board asked for assurance that the key assumptions underpinning the 2016/17 budget, including for example a significant reliance on asset sales, would be fully tested and the implications understood. This would need approval from the Finance and Performance and Audit Committees prior to sign off by the Board in May. IL agreed to develop an approvals plan and discuss this in more detail at the Board away day.

IL  
May 16

## GOVERNANCE AND RISK

### 19. Risk and Compliance Report

JH introduced the report. Seven new risks had been added to the corporate risk register including non-adherence with FOI policy, policies and procedures being out of date, workforce engagement and the transformation programme. A revised timeline for implementing the risk management strategy has been agreed by QRC who will receive quarterly progress updates. The trust will also undergo a full announced inspection by CQC on 21<sup>st</sup> – 23<sup>rd</sup> June 2016. The second formal data return is required on 19<sup>th</sup> April which will include a self-assessment against the key lines of enquiry. The CQC Annual Update to Statement of Purpose is also required and JH confirmed to the Board that no changes to activities or locations have been made.

The Board noted that there are a number of long standing risks where the levels had not been reduced and asked for more assurance that the Corporate Risk Register was connected to the Divisional Risk Register. DH expressed his unhappiness with the trust's current approach to risk, in particular the lack of a Board Assurance Framework, and felt that this was a weak link in the chain. Greater NED involvement and challenge was required to create a climate of positive management.

**Resolved** that the Board:

- (i) Noted the contents of the report
- (ii) Asked that further work is undertaken to strengthen the approach to risk and that proposals are reflected in the May update
- (iii) Approved the CQC Statement of Purpose

### 20. PWC Recommendations

IL introduced the report in MS's absence. The majority of actions had been completed and 11 of remained open. The completed actions are generally simple. The outstanding actions are generally softer and involve a judgement as to whether the action has been completed to a satisfactory level.

**Resolved** that the Board: noted the report and agreed that the Finance and Performance Committee will receive a report in May.

### 21. Annual Audit Report

**Resolved** that: the Board approved the report.

**22. Annual Audit Plan**

**Resolved** that: the Board agreed the plan.

**23. Report from the Audit Committee**

MR thanked the two Governors who have become members of the Audit Committee for the last meeting and summarised the key messages for the Board as detailed in his report. The report contained two recommendations for future action including:

- That diagnostic follow up tests is a significant risk and a report on progress is scheduled for Board with regular progress reports to the QRC thereafter; and
- The Medical Director be tasked with producing regular performance figures and an action plan on discharge summaries, based on the Audit Report recommendations, and be tasked with reporting back on progress to the F&P Committee on a regular basis

SM tbc

SM tbc

MR concluded by welcoming our new Internal Auditors TIAA and thanking London Audit Consortium, and their lead Auditor, Lindsay Thatcher for their service to the trust.

**Resolved** that: the Board noted the report and agreed the recommendations.

**24. Use of the Trust Seal**

The seal was used 3 times:

- Noon Bicknell Lease
- Deed of Assignment for Intellectual Property – Mitral Valve Project, Brecker-Saba Atraumatic Cardiac Pacing Lead
- Deed of Assignment for Intellectual Property – Mitral Valve Project, Replacement Heart Valve

**Resolved** that: the Board noted the use of the Trust Seal.

**25. Questions from the Public**

No questions were tabled.

**26. Points of Reflection**

DH asked that the secretariat review the arrangements for future Board meetings and in particular ensure that microphones are available.

**27. Date of next meeting**

The next scheduled meeting of the Board to be held in public will be 5<sup>th</sup> May 2016.