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| **Document:** | **Minutes FINAL& APPROVED** |
| **Meeting:** | **Board of Directors (session in public)****Thursday 1 March 2018, 10.00 – 13.00, Boardroom, Blond McIndoe Research Centre, QVH RH19 3DZ** |
| **Present:** | Beryl Hobson, (BH) | Trust Chair (voting) |
|  | Ginny Colwell (GC) | Non-Executive Director (voting) |
|  | Kevin Gould (KG) | Non-Executive Director (voting) |
|  | Steve Jenkin (SJ) | Chief Executive (voting) |
|  | Sharon Jones (SLJ) | Director of Operations |
|  | Michelle Miles (MM) | Director of Finance and performance (voting) |
|  | Gary Needle (GN) | Non-Executive Director (voting) |
|  | Geraldine Opreshko (GO) | Director of Workforce and organisational development |
|  | Ed Pickles (EP) | Medical Director (voting) |
|  | Clare Pirie (CP) | Director of Communications and Corporate Affairs |
|  | Jo Thomas (JMT) | Director of Nursing (voting) |
|  | John Thornton (JT) | Non-Executive Director (voting) |
| **In attendance:** | Hilary Saunders (HS) | Deputy Company Secretary (minutes) |
|  | John Belsey (JEB) | Lead Governor |
|  | Andi Heaton (AH) | FTSU Guardian [items 34-39] |
| **Public gallery:** | Two, including one public governor and one member of staff |
| Welcome |
| **34-18** | **Welcome, apologies and declarations of interest**The Chair opened the meeting and welcomed MM to her first meeting as Director of Finance. Under Declarations of Interest, SLJ asked the Board to note that her spouse was currently employed by Astra Zeneca on a temporary contract.There were no apologies.JEB asked the Board to note that at its meeting on 15 January, the Council of Governors had appointed BH for a second three-year term as chair, with effect from 01 April 2018. |
| **Standing items** |
| **35-18** | **Patient story**JMT explained that on this occasion it had not been possible to identify a patient for this session. However, as part of overall patient experience feedback, she felt it appropriate to draw to the Board’s attention the diligence of those QVH staff who had gone the extra mile to ensure safety and continuity of care for patients during the recent inclement weather. BH asked that the Board’s thanks be conveyed to the many staff involved. |
| **36-18** | **Draft minutes of the meeting session held in public on 4 January 2018**The minutes of the meeting held on 4 January were **APPROVED** as a correct record. |
| **37-18** | **Matters arising and actions pending**The Board received and approved the current record of matters arising and actions pending. |
| **38-18** | **Chief executive’s report (including BAF overview)**SJ presented his regular update focusing on Trust issues and also the wider sector and national issues. Those areas of the report to which he drew particular attention included:* A welcome to MM to QVH as Director of Finance and performance. SJ also thanked Jason McIntyre who had taken on the Acting Director of Finance role for a number of months prior to Michelle’s start date;
* SLJ had decided to take early retirement after 35 years in the NHS and would leave QVH next month. SJ noted that SLJ had overseen steady growth in activity during her three years at QVH and expressed his gratitude for her leadership during this time. Interviews for her replacement were already scheduled; in the meantime, Mark Henry had joined us as Interim Director of Service Improvement;
* The excellent work undertaken by the Communications team achieving positive regional and national media coverage;
* Dr Emma Worrell, principal MaxFacs prosthetist had been awarded the Rising Star Award at the National Institute for Health Research Clinical Research Network Kent, Surrey and Sussex Awards;
* As required by the regulator, QVH had undertaken an external ‘well led’ review of its governance. The Board had received the initial findings of the review process in February; the final report would be available later this month;
* SJ expressed his gratitude to the League of Friends which had agreed to fund the purchase of a CT (Computerised Tomography) scanner. This would enable swift diagnosis and improve patient experience. Commissioners had expressed their support and it was hoped that this should be in place by the summer;
* With regard to the BAF overview, SJ drew particular attention to the following:
	+ The KSO 4 Financial Sustainability current risk rating which in January had been increased to 20. Whilst the Trust was now currently forecasting to achieve plan by the end of the financial year, there were still risks, not least of which was the impact of the current inclement weather;
	+ Workforce challenges remained a concern, and the KSO5 BAF risk rating had been adjusted accordingly;
* Proposals are being considered for all accountable officers to form part of the executive team for the Sussex and East Surrey sustainability and transformation partnership (STP), and meet monthly. Concern remained with regard to the current STP financial deficit;
* Key headlines from the NHS Improvement Q3 publication of providers finance and performance included:
	+ That a significant number of patients had attended A&E in December, compared to 2016;
	+ The provider sector was forecasting a deficit of £931 million by the end of 2017/18, (£435 million worse than originally predicted);
	+ NHSI workforce data showed the scale of the workforce challenge facing providers. Whilst QVH continued to explore creative solutions, these vacancies would continue to impact on provider performance.

The Board sought and received clarification in respect of the following:* Due to the timings of the Finance and performance committee this week, the revised BAF risk rating was not reflected in this board report;
* Data indicated that QVH was an outlier regarding the current vacancy levels. However, JMT noted that most vacancies were shown as a total percentage, and could give a misleading picture if comparing QVH to larger acute trusts. JMT agreed to check the feasibility of providing a more accurate representation (with the proviso that other trusts would be willing to share a breakdown of their vacancies) **[Action: JMT]**
* The Board expressed concern with regard to the current financial deficit within the Sussex and East Surrey STP and cautioned against short-term solutions approach, urging QVH instead to advocate a more strategic approach. BH agreed to circulate new STP governance proposals once they were available **[Action: BH]**

There were no further comments and the Board **NOTED** the contents of the update. |
| **39-18** | **Freedom to speak up (FTSU) update**AH had provided a written update on FTSU Guardian role activity since her last briefing in November 2017, and providing an overview of plans and ideas for the next stage. She opened by thanking the Board for approving the increase in hours for this role (from half to one full day per week) and asked members if they had any questions regarding the latest update. These were as follows: * A request for future reporting to include comparative data in order to identify any trends;
* Confirmation that the increase in hours for the FTSU role now enabled AH to respond to concerns within 24 hours;
* Assurance of a high rate of staff awareness of this role, which had been communicated through all internal communication channels. SJ noted that the representative of the national guardian’s office had been impressed by AH’s high visibility within the Trust, during a recent visit;
* The Board queried whether any there had been any tangible changes resulting from the 10 ‘speak ups’ recorded within the report. AH explained that her role was not to investigate but to bring concerns to the attention of those who could. However, feedback obtained through anonymous surveys indicated that whilst staff had previously not felt heard, they were now much more familiar with the idea of speaking up.
* Since her last update to the Board, AH reported that there had been no resistance from those managers she approached to discuss potential issues;

There were no further queries and the Chair thanked AH for her update, the contents of which were **NOTED** by the Board. |
| **Key strategic objective 1: outstanding patient experience** |
| **40-18** | **Board Assurance Framework (BAF)**JMT presented the latest BAF for KSO1. This reiterated concerns with vacancies within theatres and critical care, but these now also included Canadian Wing. Data was triangulated to ensure maintenance of a good patient experience, but JMT noted that it was now much harder to recruit and retain staff to C-Wing than previously.Given the current situation, the Board sought confirmation that the residual risk rating of 9 remained appropriate. JMT gave assurance that the BAF was reviewed on a monthly basis by the Executive Management Team, and that the current rating was still deemed to be correct.The Board went on to discuss the status of the long term strategy for the Trust’s paediatric burns inpatient service. Members of the executive provided the following updates:* A meeting to progress the Memorandum of Understanding with Brighton had been postponed but plans were in place to arrange a series of monthly meetings.
* It was anticipated that a Darzi Fellow would join QVH in April; this appointment help us progress the strategy, (together with the support of a programme manager);
* the Trust could clearly demonstrate that it had made every effort to progress and maintain channels of communication but progress has been limited;
* Increasing focus on the compliance of Brighton’s major trauma centre would likely accelerate progress, with EP noting that a shift in emphasis was already apparent.

In the meantime, the Board was reminded that paediatric inpatient burns services at QVH continued to be commissioned and were still deemed to be safe (with agreed derogation against certain defined standards). There were no concerns regarding paediatric transfers, and mitigation was in place for identified risks.EP agreed to provide regular updates on progress through his Medical Director report with effect from May. **[Action: EP]**There were no further questions and the Board **NOTED** the content of the KSO1 BAF. |
| **41-18** | **Corporate risk register (CRR)**JMT presented the latest CRR, asking the Board to note key changes from the previous report which included:* The addition of five new corporate risks, (although noting that the risk relating to the Apprenticeship Levy Impact would now be removed);
* Four risks had been reviewed and re-scored, and
* One risk had been closed.

The Board sought and received assurance in respect of the following:* MM and EP were working together to address the issue relating to ID 1096 (inappropriate storage facilities for special gases);
* Additional clarification would be provided with regard to the residual risk rating. (KG would clarify with the Head of Risk Management at the next Audit committee meeting).
* With regard to ID 1095 (inability to provide full pharmacy services due to vacancies), JMT explained that due to the departure of a senior pharmacist the Head of Pharmacy had raised this as an issue, but that mitigations were in place and recruitment underway to fill current vacancies. She went on to assure the Board that in the context of a national focus on medical prescribing errors, QVH was able to demonstrate good reporting on and learning from errors, through the quality and safety report.

There were no further questions and the Board **NOTED** the contents of the latest CRR. |
| **42-18** | **Quality and governance assurance report**GC presented her assurance report, highlighting the progress of a number of internal investigations. The RCA for the Never Event, (relating to wrong side block) had been submitted to the CCG, and was awaiting sign off.The Board sought assurance in respect of the latest Infection control quarterly report, where recent audits, following introduction of new standards for cleanliness, had resulted in low scores. JMT explained that the expectations of the recently appointed Head of Facilities were more ambitious those held previously and it was anticipated that improvements in scores would be seen in the next report.There were no further questions and the Board **NOTED** the contents of the assurance report. |
| **43-18** | **Quality and safety report**JMT presented the latest Quality and Safety report which covered the safe staffing, workforce and patient experience reports. She continued by asking the Board to agreed the following three Quality Report (QR) priorities for 2018/19:1. Patient Safety: measurement of compliance with the WHO surgical safety checklist
2. Clinical Effectiveness: increased theatre productivity
3. Patient experience: improved clinician communication and customer care expectations

The Board sought clarification as to how the Clinical Effectiveness and Patient Experience priorities would be measured. JMT concurred that these were ambitious projects with a broad scope, and noted that there had already been much discussion on how best to measure progress. Work was currently underway on developing baseline metrics with a trajectory of quarterly improvement, which would ensure that intended benefits could be realised and evidenced. JMT assured the Board that progress against achievement of the QR priorities would be monitored by the Quality and Governance Committee on a quarterly basis, ensuring oversight and scrutiny around delivery.After due consideration, the Board **AGREED** the three Quality Report priorities for 2018/19, with the proviso that appropriate metrics would be developed to accurately assess progress.JMT went on to request the Board consider a proposal for changes in future Patient Experience reporting. This would comprise a refined version of the full report showing headline metrics, the details of which would continue to be reported to the Quality and governance committee. The new format would also include *‘you said, we did….’* examples which would evidence learning. JMT assured the Board that it would still have sight of the full report via the Q&GC reporting mechanism, however, it was hoped that the new streamlined version would better protect patient confidentiality. The Board agreed to trial the new format from May 2018, and re-evaluate in September 2018. **[Action: JMT]**There were no further questions and the Board **NOTED** the contents of the update.  |
| **Key strategic objective 2: world-class clinical services** |
| **44-18** | **Board Assurance Framework**EP presented the latest BAF for KSO2. Whilst no changes had been made to either current or residual risk ratings, he asked the Board to note the addition of:* Culture of safe and collaborative practice (*rationale for current score*), and
* Detailed partnership agreement with acute hospital (*gaps in controls and assurances*).

There were no further questions and the Board **NOTED** the contents of the latest KSO2 update  |
| **45-18** | **Medical Director’s report**EP presented the latest Medical Director report to the Board. Highlights included:* Exception reporting by junior doctors of disrupted educational opportunities appeared better utilised since the rotation of junior doctors in February;
* The excellent performance of the Clinical Research department in recruiting patients to national portfolio studies in 2017/18 had been recognised. The Trust’s funding allocation from the Kent, Surrey, Sussex Clinical Research Network would be increased by around 15% in recognition of this. The Board proposed that members of the Clinical Research department should be invited to attend a future Board seminar **[Action: EP].**
* As reported previously, three new substantive consultant appointments had been made in anaesthetics. Whilst one appointment was already in post, EP cautioned that anaesthetic consultant staffing would be challenging until the remaining two appointments joined the Trust in the Spring;
* Ken Sim, Consultant Anaesthetist, would be retiring in April. EP noted that in his 22 year consultant career Ken had held various leadership roles at QVH and he would be missed for his wealth of experience, wisdom and wit. The Board thanked him for his considerable contribution to the Trust.
* Mark Pickford would shortly step down as Clinical Director for Plastic Surgery, and EP acknowledged his leadership over the last four years. Martin Jones had been appointed as his successor, with EP noting that Martin was a well respected colleague, whose skills would be particularly welcome as we continued to improve training for our junior doctors. The Board sought and received assurance with regard to the Clinical Director recruitment process, with SJ underlining the requirement for candidates to demonstrate a clear understanding of the breadth of the role.
* SJ also reminded the Board that EP was due to start the King’s Fund Senior Clinical Leaders Programme this month, and noted the programme’s aims resonated strongly with our current internal and regional challenges. SJ reminded the Board that this was also a clear demonstration of the Trust’s determination to invest in clinical staff.

There were no further questions and the Board **NOTED** the contents of the Medical Director’s report. |
| **Key strategic objectives 3 and 4: operational excellence and financial sustainability** |
| **46-18** | **Board Assurance Framework**SLJ reported that the current risk rating remained at 20, with the residual risk rating at 15. Additional controls and assurance to mitigate risk included:* The approval of additional validator funding;
* The business manager for spoke sites and access was now in post and would focus support on Appointments, Outpatients and access services. In addition, new Performance and Access & cancer data managers had now been recruited (as the Board was aware, both posts had been vacant for some time);
* QVH had arranged for some patients to be treated by Horder Healthcare in order to ensure timely treatment, further work on this was planned.

The BAF had been discussed in detail at the Finance and performance committee (F&PC) meeting earlier in the week. The Board also noted that the forthcoming change in Operations Director could impact on the current position.MM advised that she had not made any changes to the KSO4 BAF on this occasion. The residual risk rating had been discussed at F&PC in detail, but MM confirmed she intended to maintain a watching brief at present. In the meantime, she advised that next steps would focus on structure and systems, with a view to introducing enhanced cost control in the new financial year.There were no further questions and the Board **NOTED** the contents of KSO3 and KSO4 BAF updates. . |
| **47-18** | **Financial and operational performance assurance report**Given the tight reporting deadlines this month, it had not been possible for JT to include written assurance within the Board papers. He had, however, prepared a report the contents of which would be circulated with the draft Board minutes. In the meantime, he asked the Board to note the following:* Operational performance: The 18W RTT target had further deteriorated and was unlikely to improve quickly, particularly as theatre nurse vacancies are increasing month on month. A long discussion had taken place at F&PC at which assurance was sought that causes were understood and actions being taken. Actions included recruitment of theatre staff; outsourcing of work to Horder Healthcare, and recognition of the need to be more selective in respect of the type of work we accepted in future. The Trust had also been offered support from NHSI to review its processes. Given the concerns expressed by CCGs regarding performance, the Committee had also agreed to share action plans with them. In the meantime, the Committee would be provided with updated trajectories for the expected improvement in the position.
* Workforce: The Committee had agreed that the main workforce issue remained turnover of staff in key roles, (particularly theatres) coupled with difficulties in recruiting, which impacted all aspects of performance. GO had been asked to provide progress updates against the recruitment and retention plan, to give assurance as to when the Trust could hope to return to more acceptable levels of staff.
* Finance: Financial performance in January was below plan. It was still hoped that the Trust could meet its control total but the impacts of the current bad weather was not known at this stage. Concern had been raised regarding an overspend in clinical supplies (£524k), despite clinical income being significantly below plan. Expenditure would be tightly monitored and a stock audit undertaken at year end.
* Business planning: The Committee had considered the timetable for the planning process and the progress to date. Last year QVH had agreed a two year plan which had helped formulate this year’s control total. Although this seemed relatively modest, it would require a Cost Improvement and Productivity Programme (CIPP) of 5% which would be very challenging. At present the intention was for the Trust to accept the 2018/19 control total target.

BH commended the 2018/19 business planning paper. There were no further comments or questions and the Board **NOTED** the contents of the F&PC assurance update. |
| **48-18** | **Operational performance**The main elements of the operational performance report had already been discussed throughout today’s meeting, however the Board sought additional clarification of the following:* The governance in place for patients whose treatment had been outsourced by the Trust to Horder Healthcare. SLJ confirmed that whilst the activity belonged to QVH, Horder would be accountable for any patient experience concerns. The executive team were confident of the strong working relationships between QVH and Horder staff, and felt that any potential issues would be managed appropriately;
* The concerns with the increasing number of theatre nursing vacancies was stressed and the impact on the 18wk RTT target; SLJ went on to describe how addressing the problems within MaxFacs would have a positive impact on remaining services;
* Implementation of new Standard Operating Procedures should address difficulties experienced within Appointments. However, SLJ cautioned that this was a transformational programme and would require engagement by all staff affected by the changes. A draft set would be ready by 31 March and these would then be piloted for 4-6 weeks with final amendments made following the pilot period.
* Concern was raised that in order to achieve the 18 RTT Open Pathway Target, Plastics performance might see improvements to the detriment of MaxFacs. SLJ conceded that both services required theatre time, but explained that they also both required nursing and anaesthetic support. The Board debated the likelihood of introducing a third session (evening working). In terms of managing costs it would be more beneficial to extend the working day rather than opt for 7-day services; however, it was acknowledged that regardless of enthusiasm, it was not feasible to build this into the current round of job planning and the current level of theatre nursing vacancies also means this is not currently possible.
* SJ noted that NHSI did not anticipate any 52-week breaches beyond 31 March. With this in mind, he requested revised trajectories be prepared for the next Finance and performance committee meeting and asked that these should set out worst case/good case/best case scenarios. **[Action: SLJ]**

There were no further comments and the Board **NOTED** the contents of operational performance update. |
| **49-18** | **Financial performance**MM provided an overview of the financial performance of the Trust, key points of which included:* Summary position: The Trust delivered a deficit of £72k in month, which was £258k below plan. The year to date (YTD) surplus had now decreased to £1,261k, (£235k behind plan). MM explained that removing the Sustainability Transformation Funding (STF) would give a clearer picture (£68k variance to plan). She went on to report:
	+ Pay expenditure was overspent by £83k; this had decreased the YTD underspend by £602k.
	+ As reported under item 47-18, clinical supplies had overspent by £524k;
	+ Financing was underspent by £238k (due to depreciation);
	+ The Finance use of resources rating remained at 2;
* CIPP: Next year’s focus would be on cost reduction, rather than dependency on income (as in previous years), and the Trust was continuing to explore additional opportunities in preparation for next year’s Cost Improvement and Productivity Programme (CIPP);
* Capital: The full year forecast was £3.15m which was below plan due to unused contingency. MM assured the Board that efforts were being made to ensure an earlier lead in time to next year’s capital programme;
* Creditors: There had been a slight increase due to a number of the invoices on the ledger awaiting authorisation.
* Debtors: There had been a 3% increase in the Debtors balance. MM agreed to report back to F&PC how much of this was historic **[Action: MM]**
* Cash: MM stated that she was less concerned about the creditor/debtor position give current liquidity and debt service rations, and noted that cash balances were forecast to remain above or in line with plan for the remainder of this financial year.

MM concluded by reiterating that the Trust was forecasting to achieve plan by the end of the year. However, this was subject to the following:* Successful resolution of the recently highlighted issue relating to Post Graduate Medical Education income;
* No further deterioration of clinical income performance;
* Successful delivery of:
	+ CQUINs in line with year to date performance;
	+ CIPP delivery in line with forecast
	+ Sustainability and Transformation Funding
	+ Planned interventions

The Board went on to discuss several aspects of the report, seeking additional clarification in respect of the following:* Given the substantial underperformance by the Plastics business unit this year, assurance was sought that the incoming clinical director would be given appropriate support. MM confirmed she was comparing data from the first half of the year against the second half to identify how income had been impacted by sickness absence within plastics. She would report her findings back to the Board in due course **[Action: MM]**
* Given that in principle the Trust planned to accept its 2018/19 control total, how certain was it of its demand and capacity levels? MM reminded the Board that the deadline for the final submission was 30 April. Whilst there was still much work to do, data on activity, workforce and finance would be triangulated to ascertain the feasibility of achieving the control total in time for the deadline. Again, Board members were reminded of their invitation to join in with discussions at forthcoming F&PC meetings;
* Given that next year’s CIPP target of 5% was very ambitious, on which areas would the Trust focus to achieve this? MM advised that these currently included procurement; contract review, establishment figures and back office function.
* The differentiation between ‘agency cap’ and ‘agency ceiling’, which had separate impacts. It was also agreed that the Trust should focus on agency savings for corporate rather than frontline staff.

There were no further comments and the Board **NOTED** the contents of financial update. |
| **50-18** | **Delegation of authority**In order to meet the requirements of the 2018/19 business planning timetable, the Board considered a proposal for the Finance and performance committee to have delegated authority to approve the Trust’s submission of its annual plan to the regulator. After due consideration, the Board **APPROVED** the proposal, noting that, as in previous years, all members of the Board would be invited to attend the F&PC meeting on Monday 23rd April to participate in discussions if required. |
| **Key strategic objective 5: organisational excellence** |
| **51-18** | **Board Assurance Framework**GO asked the Board to note that although this was not shown correctly on the current BAF, the KSO5 current risk rating had increased from 16 to 20 as a result of the likelihood of having insufficient substantive staff in theatres to support productivity and meet the Trust’s RTT targets. (GO also asked the Board to note that the date on the current BAF should be February 2018 and not December 2017)There were no further comments and the Board **NOTED** the contents of KSO5 BAF update. |
| **52-18** | **Workforce monthly report**GO presented the latest workforce update, asking the Board to note in particular the following:* Whilst data indicated that sickness had decreased, with a reduction in both long and short term sickness, GO felt these figures appeared low, given anecdotal reports of sickness in December. Workforce teams were checking to ensure all sickness and absence episodes had been correctly recorded;
* Bank usage had increased. GO suggested this could be as a result of the new pay incentives which had come into effect recently, but also noted that changes in recording these shifts on ‘Healthroster’ could also explain the increase.

GO went on to describe a consultation which was being led by Health Education England (HEE), entitled ‘Facing the Facts, Shaping the Future’. This was a draft health and social care workforce strategy for England outlining why the NHS required a strategy and suggesting actions which might increase capacity and capability. (An overview was attached as an appendix).There were no further comments and the Board **NOTED** the contents of latest Workforce update. |
| **Board governance** |
| **53-18** | **Nomination and remuneration committee**The Board **NOTED** the contents of the Chair’s report on the recent Nomination and remuneration meeting. |
| **Any other business** |
| **54-18** | As referenced in the Chief Executive’s earlier update, SLJ had recently announced she would be retiring in April after 35 year’s service in the NHS. The Chair noted that this would be SLJ’s last public board meeting and thanked her for everything she had achieved for QVH in her three years as operations director, whilst wishing her all the best in her retirement. |

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Chair …………………………………………………. Date ………………………