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| **Document:** | | **Minutes FINAL & CONFIRMED** | |
| **Meeting:** | | **Board of Directors (session in public)**  **Thursday 2 March 2017, 10.00 – 13.00, The Cranston Suite, East Court, East Grinstead RH19 3LT** | |
| **Present:** | | Beryl Hobson, (BH) | Trust Chair |
|  | | Ginny Colwell (GC) | Non-Executive Director |
|  | | Steve Jenkin (SJ) | Chief Executive |
|  | | Ed Pickles (EP) | Medical Director |
|  | | Lester Porter (LP) | Senior Independent Director |
|  | | Clare Stafford (CS) | Director of Finance and Performance |
|  | | Jo Thomas (JMT) | Director of Nursing |
|  | | John Thornton (JT) | Non-Executive Director |
| **In attendance:** | | John Belsey (JEB) | Governor Representative |
|  | | Geraldine Opreshko (GO) | Director of Human Resources & Organisational Development |
|  | | Clare Pirie (CP) | Head of Communications and Corporate Affairs |
|  | | Hilary Saunders (HS) | Deputy Company Secretary (minutes) |
|  | | Paula Smith (PS) | Business unit manager |
| **Apologies:** | | Sharon Jones (SLJ) | Director of Operations |
| **Public gallery** | | One member of the public, the Deputy Director of HR, and the RCN Officer for Sussex | |
| Welcome | | | |
| **33-17** | **Welcome, apologies and declarations of interest**  The Chair opened the meeting and introduced PS who was representing SJ today. She went on to welcome those in the public gallery.  Apologies were noted as above. There were no new declarations of interest. | | |
| **Standing items** | | | |
| **34-17** | **Draft minutes of the meeting sessions held in public on 5 January 2017 for approval**  The following amendments were noted:   * Item 20-17: the report should read APPROVED by the Board; * Item 22-17: the word ‘volunteers’ to be changed to ‘voluntary applicants’   Following these changes, the minutes of the meeting held on 5 January were **APPROVED** as a correct record. | | |
| **35-17** | **Matters arising and actions pending**  The Board received and **APPROVED** the current record of matters arising and actions pending, | | |
| **36-17** | **Chief Executive’s report**  SJ opened by paying tribute to Sandy Saunders, one of QVH’s original ‘guinea pigs’ who had died in recent days. His sentiments were endorsed by all members of the Board.  SJ reported that the BAF overview was unchanged since the last Board meeting. As it was the last month in the financial year, SJ had felt it appropriate to review some of the Trust’s achievements over the last twelve months which included innovation and the QVH national profile, financial stewardship and the Trust’s delivery of outstanding care. Although it had been a good year for the organisation on the whole, SJ warned that the uncertainty surrounding the worsening financial position of the NHS and the focus on the STP agenda would present challenges and it was incumbent on the Board to remain committed to strong financial stewardship and to supporting the workforce.  SJ reported that at a recent Public Accounts Committee hearing, Simon Stevens of NHS England had confirmed that several sustainability and transformation plans (STPs) were likely to become accountable care organisations (ACOs) which would essentially end the purchaser-provider split in those areas. Although the Sussex and East Surrey STP (of which QVH was a part) was lagging behind, SJ felt encouraged that consultants had now been appointed to support the clinical strategy.  At the same Public Accounts Committee hearing, Simon Stevens had also set out his priorities as including cancer, mental health and improvement in primary care; streamlining of governance and changes to the urgent and emergency care system, and big-ticket nationally co-ordinated efficiency programmes  There had been some encouraging news in relation to vanguards and STPs would be used as a vehicle to accelerate this progress.  In response to a question from the Chair, SJ expressed his main concern as CEO as our stretched workforce whose current commitment and goodwill was not inexhaustible and should not be taken for granted.  There were no further questions and the Board **NOTED** the update. | | |
| **Key strategic objective 1: outstanding patient experience** | | | |
| **37-17** | **Board Assurance Framework**  JMT reported there were no significant changes to the BAF, although this now formally noted the current vacancy rate in critical care. | | |
| **38-17** | **Corporate Risk Register**  JMT presented the latest corporate risk register, reporting that four new risks had been added to the CRR since the last board meeting; this took the total number on the register to 38.  The Board went on to seek clarification in respect of the following:   * Assurance of the steps that had been taken to mitigate health and safety and information governance concerns in respect patient health records, following the repatriation of the heath records department to the QVH site. The project should be completed by the end of March; * Work undertaken to mitigate risk in respect of IT network outage (ID 1003). Critical areas had been identified and an electrical upgrade was scheduled for w/c 3 April; * The final design for a solution to inadequate ventilation in the decontamination room (ID 1017) was out to tender; * Whilst it would not be possible to adjust the design of the theatre doors (ID 934) work had been undertaken to address the outstanding issues; * The frequency of the CRR being reviewed by EMT, Clinical Cabinet (monthly) and Quality and Governance committee and Audit Committee (quarterly); * An explanation of the format of the register and of its links to individual departmental risk registers.   JMT concluded by advising the Board that the new Head of Risk & Patient Safety Champion, Karen Carter-Woods was due to start work at the Trust next week.  There were no further questions and the Board **NOTED** the contents of the update. | | |
| **39-17** | **Quality and governance assurance report**  GC presented the regular quality and governance report. This provided information and assurance in respect of Q&GC meetings and activities in January and February. Highlights included:   * CQUINS payments; Quarter 3 was predominantly on track with the exception of the musculoskeletal contract (MSK) reporting, (with a risk of £15k); * There had been another case of hospital acquired C.Diff., resulting in QVH breaching its target. The recently appointed Infection Control nurse had attended Q&GC and provided assurance in respect of actions being taken; * A Root Cause Analysis (RCA) report concerning a serious incident had been presented at committee. The Board went on to consider whether in fact all RCA reports should be presented routinely at Board meetings. On further reflection, it was agreed this would not be necessary as all Board members already received Q&GC papers in full; however, if at any stage the Committee did not feel assured, it would escalate concerns to the Board in the usual way.   There were no further questions and the Board **NOTED** the contents of the update. | | |
| **40-17** | **Quality and safety**  JMT presented the regular Quality and Safety report which included updated quality information and assurance on the quality of care at QVH. She asked the Board to note that the Nursing Workforce section should read M10 (not M11).  The report was taken as read, and the Board was asked to note the challenges that the executive management team was working to address. JMT reported that the Trust was on track to achieve its CQUIN milestones, with the exception of the MSK target (as reported under 39-17). There had been no Serious Incidents since the last Board meeting in January  The Board considered the report in detail and commented as follows:   * The initial results of the inpatient survey were gratifying. The full report would be presented to the Board at its meeting in May. At some stage in the future, JMT would invite Picker to QVH to present a more in-depth analysis of the survey findings; * Assurance that whilst it was easier to identify governors to join the Compliance in Practice inspections, there was always an appropriate complement of clinical staff at each inspection;; * The high level of sickness currently recorded in Peanut had been as a result of combined long and short term sickness which had distorted the figures; however, the Board was assured that this sickness was not stress-related; * The Facilities team were working in conjunction with the Infection Control team to address compliance issues; * The increased number of paediatric safeguarding cases was as a result of increased awareness and so seen as a positive indicator; * The slight decline in Compliance in Practice scores related to Information Governance (IG) and the Patient Administration System (PAS). An action plan was being drawn up by the Trust’s IG lead to address areas of underperformance in these areas; * Changes in Outpatient mapping were welcomed and it was hoped these might improve current ‘Did Not Attend’ (DNA) rates; * Additional clarification was provided in respect of work undertaken to implement national antimicrobial stewardship recommendations. * The Board was reminded of the protocols surrounding the management of patient complaints. It also expressed regret that there was a high risk of more complaints regarding the management of offsite appointments; however, however, allocation of space by spoke sites means that QVH currently has little ability to run additional clinics to address waiting times.   There were no further questions and the Board **NOTED** the contents of the report. | | |
| **41-17** | **Infection Control annual report**  JMT presented the annual report which provided assurance to the Board of the effective Infection Prevention and Control arrangements in place for all patients, staff and visitors. The report had previously been reviewed by the Quality and Governance committee. JMT explained that its submission to the Board had been delayed this year due to delays in appointing to the senior Infection Control nurse role; the normal schedule would now resume for 2017/18.  JMT noted that there was further work to be done, in particular in relation to antimicrobial prescribing. The biggest challenge would be the focus on implementing fundamental standards for every patient.  The Board sought clarification in respect of:   * The reporting of infected and colonised MRSA patients. JMT advised that data reporting would be enhanced in future; * Targets: these were low for all organisations with most reporting breaches; however, QVH compared well against other similar trusts. Comparators would be included in future reports for additional assurance; * The risks in relation to water management, which had now been updated or closed.   There were no further questions and the Board **NOTED** the contents of the review. | | |
| **Key strategic objective 2: world class clinical services** | | | |
| **42-17** | **Board assurance framework**  EP reported that the current BAF had been updated to reflect changes in respect of policy (Learning, candour and accountability) and Competition (STP collaboration). The NHSI meeting discussing how trusts should respond to the CQC ‘Learning, Candour and Accountability’ report had been postponed until 21st March. EP and GC intended to attend, and future compliance would be assured via the Quality and Governance committee.  EP closed by reminding the Board of the risks in relation to job planning. These should eventually be aligned to appraisals and revalidation.    There were no further questions and the Board **NOTED** the latest update. | | |
| **43-17** | **Medical director’s report**  EP presented his regular MD update, highlighting the following:   * The work of the Saving Faces audit. This was extremely complex and required collaboration between QVH Clinical Audit, Information and Cancer teams, as well as head and neck cancer teams from Kent, Surrey and Sussex. Although this was one of the few national audit programmes of relevance to the QVH specialist work, there could be resource implications for the Trust’s ongoing participation; * As previously reported under item 40-17, EP reiterated that work continued on implementation of the national antimicrobial stewardship recommendations, with the Trust’s plans progressing well. Issues around antimicrobial prescribing had been identified and raised with relevant clinical directors. * As part of the Sussex and East Surrey STP, the Trust had approved a business plan for the transfer of maxillofacial services from East Sussex Hospitals Trust (ESHT) to QVH. Two MaxFacs surgeons from ESHT would start operating at QVH from April, with both elective and trauma work transferring. Further work from Brighton and Sussex Hospital Trust (BSUHT) was currently under consideration. * A draft partnership agreement between BSUHT and QVH for specialist services provision, (including paediatric burns), was being developed. It was recognised that Western Sussex Hospitals NHSFT would now have a role to play in the final agreement as it was assuming responsibility for managing BSUHT from April. The Board emphasised the importance of monitoring the development of this agreement, particularly in respect of Paediatric burns. * Job plans for two new plastic surgery consultant posts (for skin and breast work) had been approved by the Royal College of Surgeons, although CS reminded the Board that the Trust’s business case was still to be authorised. * An evening lecture entitled ‘A brief history of plastic surgery – how did it come to this?’ which had taken place recently on site had received excellent feedback. It was hoped that more events like this could be held in the future.   There were no further questions and the Board **NOTED** the contents of the report. | | |
| **44-17** | **New junior doctors’ contract and exception reporting**  EP reminded the Board that the new junior doctors’ contract had come into effect in August 2016. The first cohort of doctors employed by the Trust on the new contract had started in plastic surgery on 1 February. (There would be a staged introduction across other groups of doctors between now and September, as doctors in training rotated into the trust). The new contract put strict controls around maximum working time; where working patterns were not compliant, junior doctors were required to report these to their supervisor, who would in turn provide an exception report to the Guardian of Safe Working, (GOSW). This role was currently undertaken by Consultant John Boorman.  EP proposed that exception reporting be presented quarterly to the Quality and governance committee (and onto the Board as necessary). An annual summary report would also be submitted to Q&GC, (and Board as part of the Medical Director report). Proposed reporting templates had been included as part of today’s paper. The Board concurred with this proposal, and the Board’s work programme would be updated accordingly.  The Board discussed the implications of the report at length. Particular concerns included:   * That the new contract had been designed to separate safety from pay, but would have a significant impact on the pay of part-time workers, and/or those on maternity leave. This issue was still to be addressed nationally. However, the Trust would continue to encourage doctors to report non-compliance. * Confirmation that whilst most work schedules were currently compliant, the system could come under pressure with the introduction of different rotas (eg maxillofacial doctors). JMT assured the Board that the Deputy Director of Nursing was working closely with site practitioners to ensure safety was paramount. * Recognition of the need to ensure parity with the way in which both Trust and deanery appointments were managed; * Recognition of the need for succession planning for the GOSW role in the near future.   There were no further questions and the Board **NOTED** the contents of the report. | | |
| **Key strategic objectives 3 and 4: operational excellence and financial sustainability** | | | |
| **45-17** | **Board assurance framework**  KSO3  PS advised the Board that although the KSO3 BAF had been refreshed, the scores remained the same, with no material changes.  KSO4  CS reported that the KSO4 BAF had been presented at the recent F&PC where a detailed discussion had taken place. The BAF had been amended to reflect these discussions. | | |
| **46-16** | **Financial and operational performance assurance report**  In JT’s absence, BH had chaired the most recent F&PC meeting and so presented the latest assurance report as follows:   * In light of the Month 10 figures, there was a probability that the Trust would be unable to meet its year-end financial target if the underlying deterioration continued; * In view of concerns about the impact of change in case mix on the Trust’s cost base, a ‘Wards and Outpatients’ review is being undertaken. The Committee had previously received a verbal update from JMT and a further report would be given to the April F&P committee; * In view of the financial performance of the MIU, F&PC had asked for a paper for discussion; further work was required to understand more about the usage of the service and the increase in local A&E attendance. SJ reported that additional data had been requested to ascertain if patients from East Grinstead were travelling to the A & E at SASH, instead of QVH MIU. He reminded the Board of Simon Stevens’ priority to address current issues in urgent and emergency care system prior to next winter.   There were no further comments and the Board **NOTED** the contents of the update. | | |
| **47-17** | **Operational performance**  Following on from the KSO3 update, PS went on to highlight the following:   * In MO10 (January) and after validation, the Trust achieved a final RTT18 of 91.63%. This was still down by 35 patients, but better than December demonstrating that recovery plans in MaxFax were taking effect: * There were challenges with specialist tertiary skin services and the Trust was working with partners to deliver increased capacity; * Challenges with the 62-day cancer target continued, with the main issue continuing to be shared breaches. The Trust would continue to work with spokes to help reduce pathways * Following the successful tender for West Kent dermatology, the Sussex Community Dermatology Service would go live on 3 April. The biggest challenge would be managing 2-week wait; a hub would manage and create appointments. * As described under item 43-17, MaxFax work will transfer from ESHT to QVH from 3 April 2017; the additional consultants and junior doctors would help to stabilise rotas. * Sentinel node biopsies in melanoma would begin in April/May, (these were already carried out in breast surgery and head and neck); * A hub and spoke sleep service was due to start in April in Bognor Regis. The Board raised concerns regarding current staff challenges within the Sleep Disorder Unit but was assured that a good response had been received to the recent recruitment campaign, and * The Theatre productivity group was now well established, currently generating four separate workstreams.   The Board went on to consider aspects of the update, including:   * The recent water leak and heating issue, which had led to cancellations equating to about £28k in lost income (a £34k loss in total); CS advised that this had been due to the age of the site and warned that little could be done to mitigate against a recurrence, the likelihood of which was high; * Recognition that increases in activity reported today had been anticipated as part of the Cost Improvement Programme; * That it was unlikely that the Trust would be able to recover its 18-week position before the year-end from the current position of 91.8% year-to-date. * Additional clarification regarding the case to convert Theatre 3 back to an elective theatre and to use it flexibly should trauma volumes warrant this.   There were no further comments and the Board **NOTED** the contents of the update. | | |
| **48-17** | **Financial performance**  The Board was reminded that the Finance report had been scrutinised in depth by both the Executive Management Team and the recent Finance and Performance Committee prior to today’s meeting.  CS presented the report and highlighted the following:   * The position in month was an actual deficit of £76k against a plan of £250k surplus; this was £328k behind plan and £134k worse than forecast; * A key driver was deterioration in non-elective work of £170k, and MIU and ITU performance of £30k.  This was in addition to the impact of the mains water leak (as reported under item 47-17) and a coding adjustment in MO9 of £45k.  However, the position had been slightly mitigated by pay and non-pay; * Agency usage was currently running 31% above the ceiling.  CS explained that whilst the agency cap remained in place, certain roles were critical and so had to be filled.  JMT added that payments over cap were likely to continue due to the specialist requirements such as paediatrics and theatres skills.  The Board agreed that safety would always take priority over agency cap; * As a result of the current financial position, the Sustainability and Transformation Fund had not been achieved; however, there was may be chance to recover this, depending on the year-end position; * The most likely case scenario was that the Trust would miss its internal target by a narrow margin. Delivering the plan was the best-case scenario but this had to be driven by activity as there were no other financial measures to put in place; * The Single Oversight Framework finance and use of resources score was 2, (the second highest rating achievable); * The CIP programme was ahead of plan; * The cash position was positive-  but buoyed by delayed capital payments; * The capital programme was 18% behind plan.  Achievement was still largely dependent on completing the revised Estates programme which could be jeopardised by bad weather. Progress was being closely monitored. Whilst there had been an appeal by the regulator for trusts to put a halt on capital spend this year, the Board agreed that health and safety risks posed by failure to address backlog maintenance issue could not warrant this. * The interim audit had now concluded.  KPMG had not raised any material issues.   The Board sought and received assurance in respect of the following:   * CS confirmed that the current plan was based on previous year’s activity – adjusted for known changes, the impact of cost improvement and productivity programmes and seasonality * That the principle issue was in respect of income, not costs.  CS confirmed that the current plan was based on previous year’s activity - adjusted for seasonality - but that there had been deterioration over and above current trends.  The 2017/18 plan had been submitted earlier than in previous years and there was no opportunity to revise it; * The Trust was continuing to undertake analysis on activity, particularly at spoke sites and in ITU. Post- surgery discussions took place to ensure all activity was accurately recorded by coders. It was also recognised that over time, complex, specialist surgery becomes routine; * Further work was required in corporate areas to ensure appropriate staffing ratios;  QVH was currently an outlier because it was a small organisation; * Any additional financial measures to support the current position were now exhausted.  Other Trusts and CCGs were also under serious financial constraints.  CS noted that commissioners had approached the Trust to agree year end deals but explained that we could not accept any proposal when reliant on additional activity to achieve our plan.   There were no further questions.  The Chair thanked CS for her report, the contents of which were **NOTED** by the Board. | | |
| **Key strategic objectives 5: organisational excellence** | | | |
| **49-17** | **Board assurance framework**  GO advised that although the KSO5 BAF had been refreshed, scores remained the same, with no material changes.  There were no further questions and the Board **NOTED** the contents of the update. | | |
| **50-17** | **Workforce report**  GO introduced the workforce report providing the Board with a breakdown of key workforce indicators and information linked to performance. The report was taken as read, but GO drew the Board’s attention in particular to the following:   * More leavers were recorded in January due to the departure of trainee doctors (a new cohort started in February); however, turnover figures were still higher than optimum. * Recruitment in theatres remained difficult; GO went on to describe the various methods which the Trust was employing to attract new recruits to the organisation. A cost benefit analysis was being undertaken in respect of overseas recruitment. SJ suggested the Trust’s recruitment process could be reviewed in an effort to reduce the current timeline and was advised that a new tracking system had been introduced recently which should reduce the timeline by approximately two weeks. * The Trust was starting the year in a better position than last year in respect of temporary workforce; however, the impact of IR35 and off-payroll was not yet understood; * Sickness figures remained low, although GO was assured these were being correctly recorded. EP queried the percentage of sickness attributed to anxiety, stress and depression and was assured that individual business units already received detailed reports. * A new contract for occupational health services had come into force (through Surrey and Sussex Healthcare); * Statutory and mandatory training rates had increased to 87% although appraisal rates had decreased to 78.7% (partly as a result of long term sickness and maternity leave); * National apprenticeship week would be running from 6-10 March. GO provided an overview of the apprentice levy,.   There were no further questions and the Board **NOTED** the contents of the update. | | |
| **Board governance** | | | |
| **51-17** | **Charitable Fund Corporate Trustee**  BH reported on the recent meeting of the Charitable Fund Corporate Trustee. There were no further comments and the Board **NOTED** the contents of the update. | | |
| **52-17** | **Nomination and remuneration committee**  The Board **NOTED** the contents of the report on the recent Nomination and remuneration committee. The Chair asked GO to circulate to the Board the NHSI Bulletin containing the latest guidance to Senior Appointments in the NHS **[Action: GO]** | | |
| **53-17** | **Committee terms of reference**  The Board reviewed and **APPROVED** the latest version of the terms of reference for the Finance and performance committee and Nomination and remuneration committee. | | |
| **54-17** | **Draft agenda for May 2017 business meeting**  The draft agenda for May 2017 was reviewed and its contents **NOTED** by the Board. The Board would be notified of the venue for the meeting in due course. | | |
| **Any other business** | | | |
| **55-17** | There was none | | |
| **Observations and feedback** | | | |
| **56-17** | **Feedback from key events and other engagement with staff and stakeholders**  BH asked the Board to note that she had agreed to chair the STP Chairs’ oversight group. | | |
| **57-17** | **Questions from members of the public**  There were none. | | |

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