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| **Document:** | **Minutes : FINAL AND CONFIRMED** |
| **Meeting:** | **Board of Directors (session in public)****Thursday 3 November 2016, 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 |
|  | 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 |
|  | Richard Tyler (RT) | Chief Executive |
| **In attendance:** | Clare Pirie (CP) | Head of Communications and Corporate Affairs |
|  | Sharon Jones (SLJ) | Director of Operations |
|  | Geraldine Opreshko (GO) | Interim Director of Human Resources & Organisational Development |
|  | John Belsey (JEB) | Governor Representative |
|  | Hilary Saunders (HS) | Deputy Company Secretary (minutes) |
| **Public gallery** | Two members of the Council of Governors |
| Welcome |
| **174-16** | **Welcome, apologies and declarations of interest**The Chair opened the meeting and welcomed EP to his first Board meeting as medical director and JB as governor representative to the Board. She also welcomed Mr Colin Fry, joining the first part of the meeting to describe his experiences as a patient at QVH.There were no apologies and no new declarations of interest. |
| **Standing items** |
| **175-16** | **Draft minutes of the meeting sessions held in public on 1 September 2016 for approval**The minutes of the meeting held on 1 September were **APPROVED** as a correct record. |
| **176-16** | **Matters arising and actions pending**The Board received and **APPROVED** the current record of matters arising and actions pending,  |
| **177-16** | **Chief Executive’s report**RT presented his final Chief Executive report prior to his departure later this month. This was a break from his traditional report and focused on the future of the foundation trust model, and the health economy in general. Amongst many of the Trust’s achievements under RT’s tenure, the Chair highlighted our consistent achievement of surplus, despite continuing challenges, the ‘Good’ rating following last year’s CQC inspection and the recent ‘segment 1’ ranking, (under the new single oversight framework). BH was confident these achievements were due to the quality of RT’s leadership and concluded by thanking RT on behalf of the Board and the organisation. |
| **178-16** | **Corporate risk register (CRR)**The Corporate risk register was presented to provide high level assurance that quality, performance, finance and risk were being managed effectively within QVH. The Board sought and received assurance on the following:* Risk leads would now update their area of the CRR on a regular basis, regardless of any changes in the previous reporting period, which would enhance assurance on process;
* Risk ID 909 (industrial action by junior doctors) had now been de-escalated;
* The risk score for ID 849 (reputational risk caused when non-QVH patients arrive at main Outpatients for Phlebotomy services) had been reduced following a review by the Director of Nursing.
* Steps being taken to address concerns raised under ID 995 (Freedom of Information - potential of non-compliance with responses within the required timescale). CS explained that actions had been identified and implemented to improve the compliance processes. Performance was being monitored by the Information Governance Group.

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| **Key strategic objective 1: outstanding patient experience** |
| **179-16** | **Board assurance framework**JMT advised that the BAF for KSO1 had been refreshed. There were no significant changes at this stage, although this might change in the coming months.There were no questions and the Board **NOTED** the contents of the update.  |
| **180-16** | **Patient story**Mr Colin Fry explained that what he at first thought was a cold sore led to a full rhinectomy, meaning that he has an artificial nose. After two operations and radiotherapy at a different hospital he described the day that he came to QVH as the best day. He praised the QVH team for, without exception, making sure he fully understood the options and what would happen and for working together as a real team. He mentioned specific doctors, nurses, prosthetics experts and reception staff describing their skill, professionalism and understanding, their ability to make him feel at his ease, and the rapport he felt. Mr Fry described the operation he had at QVH and the excellent follow up treatment and showed members of the Board samples of the ‘stuck on’ nose he had for six months before he was ready for a more permanent prosthesis.He said that every part of QVH was spotlessly clean.The pace of the treatment had also impressed Mr Fry – he came in on a Sunday, had his operation on a Monday and went home on the Wednesday.Asked what we could have done better, Mr Fry said he could not think of anything.The Board thanked Mr Fry for taking the time to come in and to describe his experience.JMT said that we wanted to learn from patient stories but also celebrate our success. This was a profoundly positive experience built on a very negative personal starting point. For Mr Fry this was not just an episode of care but a real point of connection, and since then he has been speaking to pre-op patients about what to expect from surgery and fundraising for the charity HeadStart. |
| **181-16** | **Quality and governance assurance report**GC presented the regular quality and governance report. This provided information and assurance in respect of meetings and activities in September and October. Key points to note were: * One serious incident/never event reported where an injection was administered to the wrong finger. An RCA investigation was underway, which would include a human factors assessment, and
* NHS Protect: an updated action plan had been submitted to the Q & GC by CS. This now contained no red standards, which GC described as a testament to the work undertaken by both JMT and CS since the initial NHS Protect report came to the Board in May.

There were no further questions and the Board **NOTED** the contents of the update. |
| **182-16** | **Quality and safety**Following on from the previous Board meeting, JMT reported that there had been a further four cases of MRSA colonisation in September and October, with typing indicating that there had been transmission between the patients. Enhanced infection control measures remained in place, with additional training and surveillance by the infection control nurse being undertaken. JMT was assured that there had been good multidisciplinary engagement in the learning and actions required from the investigations.A year on from the CQC inspection, JMT was keen to encourage staff to reflect on progress of key recommendations.  She was confident the Trust could now demonstrate growth and improvement on clinical and governance processes through improved quality metrics.Progress had been made on the applicable national, local and specialist CQUINS, with the Trust meeting the milestones for Q2 submission of data.  A meeting had taken place with the CCG to review progress and payment of the schemes.  The Trust was awaiting formal feedback but anticipating full payment for Q2. JMT warned that it was too early to make any assumptions against achieving CQUIN milestones for Quarters 3 and 4, CS added that financial provision had been made to mitigate areas where it was not expected to fully meet remaining milestones but noted any additional achievements would boost this year’s financial position. Assurance was also provided in the following areas:* In respect of the fall in the scores in Outpatients for the Friends and Family Test (FFT) in August and September, assurance was provided that scoring had been skewed by the low number of responses during this period.  However, this situation would continue to be carefully monitored;
* The increase in potential safeguarding incidents reported was as a result of the work undertaken by safeguarding leads to raise awareness. Details were fed through from the strategic safeguarding group to the Quality and governance committee and were carefully reviewed;
* Whilst the number of vacant (WTE) posts within the nursing workforce was not insignificant, there was no evidence that this was currently impacting on other quality or patient experience indicators.  It would be unusual for an organisation to operate with a full establishment of staff at all times, as this would restrict flexibility to staff according to bed occupancy.  GO also reminded the Board that a number of areas in the Trust had consulted on restructures and different ways of working which meant a number of posts had specifically been left vacant/covered on a temporary basis until processes were concluded. Moreover, current figures did not reflect the use of overtime by substantive members of staff.  In the meantime, JMT described how vacancies were mapped and benchmarked against national specifications to provide assurance in respect of quality metrics.

There were no further questions and the Board **NOTED** the contents of the report. |
| **Key strategic objective 2: world class clinical services** |
| **183-16** | **Board assurance framework**EP presented the BAF for KSO2. He explained that as he had only just taken up the MD role, it would not have been appropriate to make any changes at this stage, but he would provide a detailed update in January.There were no further questions and the Board **NOTED** the latest update. |
| **184-16** | **Medical director’s report**The Board commended the content of the Medical Director’s report. During discussion EP highlighted the following:* In response to the CQC action plan, focus would continue on the leadership and staffing of the intensive care unit, and of the networking arrangements with other intensive care units (inextricably linked with those at BSUH);
* Despite the huge amount of work undertaken already, there was still more to do in respect of consultant job planning, and plans for the coming year were outlined;
* Although safe, the Trust was still unable to meet the new standards required under the seven day service initiative. Discussions were underway with NHS England on how to make the audits and aims more relevant to QVH practice and case mix, and how best to record activity;
* The Board was apprised of recent success in respect of the Trust’s hosting of exams for plastic surgery specialists from across the UK. This had required careful planning involving trainee surgeons, 40 examiners and 70 patients.

During a review of the report, the Board sought clarification in respect of:* Human Factors Training: This was continuing with the aim of enhancing clinical performance through an understanding of the effects of team work, tasks, equipment etc., and would be monitored through the Quality and governance committee. The Board was reminded that training in theatres was part of the local CQUINS for 2017/18;
* The medical devices maintenance and repair contract was significantly overspent YTD due to an inadequate medical devices inventory at the time of contract tendering. Lessons had been learnt and the Trust was meeting with the supplier to re-examine the contract, whilst at the same time exploring other options for provision.

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** |
| **185-16** | **Board assurance framework**KSO3SLJ advised that although the KSO3 BAF had been refreshed, there were no further changes to report since the last Board meeting. KSO4CS reported that the overall BAF rating of 20 remained the same as last time. However, surplus was in line with the plan, there had been no slippage on the Cost Improvement Programme and whilst the capital plan had slipped the Trust was still in train to deliver.  |
| **186-16** | **Financial and operational performance assurance report**JT presented an assurance report in respect of Finance and operational performance. Following concerns earlier in the year, diagnostic waits had improved significantly. Overall 18 week RTT performance was strong and JT felt the Trust was as much in control of this target as it could be, given the current health economy. JT went on to reiterate concerns regarding staff turnover. Recruitment into specialist areas was difficult, leading to agency usage above Trust targets. He noted that the Trust’s ability to attract and retain high quality staff remained a challenge. |
| **187-16** | **Operational performance**Following on from the KSO3 update, the Board went on to consider the Operational Performance report, seeking additional clarification in respect of:* The Trust’s achievement of 91% against the 92% 18-RTT open pathway target for August, which would enable the Trust to access the Sustainability and Transformation Fund.
* There was evidence that action taken to address issues within MaxFacs (as previously reported to the Board) were improving its position in terms of managing demand and capacity;
* A comparison of open pathway activity with that of 2014 showed that growth had almost doubled over the last two years. Whilst teams had worked hard to increase productivity they were still diligent in booking patients in chronological order and according to clinical urgency. In response to appeals for assurance on future activity, SLJ described how the open pathway was a true representation of activity, (which had increased by almost 100%). Whilst it was difficult to use this metric to quantify weighting, casemix was carefully monitored by the Finance and performance committee.
* Cancer standards data generally arrived too late to be included in the Board papers but this appeared to be positive. SLJ reminded the Board, however, that the Trust was still susceptible to shared breaches with other trusts;
* Assurance that the Trust would continue to develop its operational strategy; RT confirmed this would continue to include certain activity that could not currently be delivered by surrounding trusts;
* Assurance of the protocols employed in respect of cancelled operations.

There were no further comments and the Board **NOTED** the contents of the update. |
| **188-16** | **Financial performance**CS presented the Finance report which detailed the Trust’s financial performance for the 6 months to 30 September 2016. This report had previously been considered by the Finance and performance committee before being submitted to the Board. Highlights included:* Delivery of the control total as at the end of Q2, (70% of which related to Finance and 30% to Performance);
* The Trust delivered a surplus of £722k in month, £434k ahead of plan and in line with the forecast. The YTD surplus had increased to £1,184k which was on plan;
* The Trust achieved 100% of planned Cost Improvement Programme YTD, (ie. £1.3m savings against the YTD plan of £1.3m).
* The capital programme was £324k behind plan at the end of September, which included £255k in relation to Estates. CS explained that the principal development within Estates was the backlog maintenance programme; in this respect several business cases for works identified in the recent site-wide condition survey had now been approved, with work being initiated and planned for completion in 16/17;
* A number of other papers had been included in this month’s report including
	+ an overview of the NHS improvement guidance and timetable;
	+ an overview of the Sustainability and Transformation Fund for 2017/18 to 2018/19 and the QVH Control totals for 2017/18 to 2018/19, although these would be subject to change once the impact of the Clinical Negligence Scheme for Trusts was known. The Trust had been advised that the deadline for acknowledgement of the control total and associated conditions was 24 November. Any trusts not signing up by this date could forfeit eligibility to receive the Q1 STF in 2017/18 which would also impact the Trust’s Single Oversight Framework (SOF) rating.
	+ details of the Trust’s business planning approach for 2017/18 and 2018/19. CS explained that the timetable had been accelerated this year by three months. Although the terms of reference of the Finance and performance committee delegated authority for sign-off, she reminded the Board that all were invited to attend the next F&PC meeting on 21 November.

The Board considered the implications of the update and sought assurance in respect of the directive that performance against the Agency Ceiling would be a key part of the providers’ financial risk rating. RT reminded the Board that the Trust’s agreement to the current Control Total had included certain provisos, and whilst the QVH would continue to report on the agency spend, safe levels of staffing would not be compromised. The Board was unanimous that any attempts to manage agency spend should not compromise quality and patient safety, but noted it was crucial to continue improving recruitment.The Chair thanked CS for her report, the contents of which were **NOTED** by the Board. |
| **Key strategic objectives 5: organisational excellence** |
| **189-16** | **Board assurance framework**GO presented the latest KSO5 update, noting that for clarity, recent changes had been underscored. Whilst the threat of industrial action by junior doctors had receded, risks in relation to management competency of workforce planning, and staff retention in theatres and ward areas continued. On a positive note, the Trust had been successful in its funding bid for the in-house management and leadership development programme.There were no questions and the Board **NOTED** the contents of the update.  |
| **190-16** | **Workforce report**GO introduced the workforce report which provided the Board with a breakdown of key workforce indicators and information linked to performance. The Board was asked to note in particular that recruitment continued to present a challenge, with recent advertising to NHS Jobs being unsuccessful. Plans to expand the current recruitment team were underway, and new ways of recruiting, including the use of social media, under consideration. After deliberation, the Board sought and received assurance in respect of:* The staff campaign for the flu vaccine - which was going well;
* The current staff survey - the executive team was hopeful of a strong response rate which would provide meaningful feedback on any staff concerns.

There was concern in relation to the fall in compliance with Statutory and Mandatory training and annual appraisals. The executive team described initiatives in place to address some of these concerns, including training on the appraisal process and the leadership development and wellbeing programmes, and went on to describe some of the operational difficulties which could impact on timely delivery of appraisals. Whilst acknowledging these issues, the NEDs stressed the importance of appraisals in the retention and development of staff, and looked forward to seeing an improvement in the statistics.There were no further questions and the Board **NOTED** the contents of the update. |
| **191-16** | **Equality and diversity annual report**GO reminded the Board that the Trust was required, as part of the Equality Delivery System 2 (EDS2), to publish an annual equality and diversity report, which was designed to ensure a diverse and representative workforce. GO assured the Board that, although this report was dated 2015, it reflected the same ethnicity, and current demography of the Trust.GO asked the Board to be aware that a significant percentage of staff were aged over 50, after which staff could choose when to retire, which could create difficulties for the organisation under certain circumstances, (eg. in the case of a single handed service). As QVH was a small trust, it was acknowledged that it might be easier to identify certain staff within groups, and care would be taken to anonymise details where appropriate.There were no further questions and the Board **NOTED** the contents of the update. |
| **Board governance** |
| **192-16** | **Audit committee assurance report**As Committee Chair, LP presented an update on the most recent meeting. This included a description of the process undertaken in re-appointing KPMG as the Trust’s external auditors.Whilst acknowledging attempts to mitigate the risk of ‘threat of familiarity’ following the re-appointment of KPMG, JEB sought assurance that changes in KPMG personnel also related to the Partner, not just its senior management team. CS agreed to investigate and report back **[Action: CS]**There were no further questions and the Board **NOTED** the contents of the update. |
| **193-16** | **QVH Charity assurance report**As Chair of the committee, LP had prepared a report on the recent QVH Charity committee meeting. He reiterated the need to build the Charity’s income flows, and noted that any proposals arising from the strategy which could result in additional costs should be agreed within the normal budget setting process for 2017/18. During discussions, it was agreed that the deadline for submission of the funding strategy to the Charity Committee would be postponed to March 2017.There were no questions and the Board **NOTED** the contents of the update. |
| **194-16** | **Nomination and remuneration committee**The Chair reported that the Committee had convened on Friday 30 September to agree the appointment of the new Chief Executive, (subsequently approved by the Council of Governors) and also to approve the appointment of the new Medical Director. |
| **195-16** | **Annual seal report**To comply with Section 8 of the Trust’s Standing Orders, the Board received and **NOTED** a report of all sealings made since the last annual report in November 2015. |
| **196-16** | **Draft agenda for January 2017 business meeting**The draft agenda for January 2017 was reviewed and its contents **NOTED** by the Board.JMT also asked the Board to note her advance apologies and that her Deputy would be representing her instead.  |
| **Any other business** |
| **197-16** | There was none |
| **Observations and feedback** |
| **198-16** | **Feedback from key events and other engagement with staff and stakeholders**The Chair reported that the previous day she had attended the unveiling of the Guinea Pig memorial at the national arboretum in Staffordshire, and commended CP for the quality of media coverage generated for the Trust.RT noted that following his imminent departure, his involvement in the Local Workforce Action Board for the STP, and the KSS Leadership Development Programme was set to continue; he was therefore hopeful that his contact with QVH might remain.  |
| **199-16** | **Questions from members of the public**There were none. |

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