

Document:	Minutes FINAL & APPROVED	
Meeting:	Board of Directors (session in public) 30 January 2014, 13:00 – 16:00, Council Chamber, East Court, College Lane, East Grinstead, West Sussex RH19 3LT	
Present:	Peter Griffiths (PAG)	Chairman
	Jeremy Beech (JB)	Non-Executive Director and SID
	Ginny Colwell (GC)	Non-Executive Director
	Steve Fenlon (SF)	Medical Director
	Richard Hathaway (RH)	Director of Finance & Commerce
	Amanda Parker (AP)	Director of Nursing & Quality
	Lester Porter (LP)	Non-Executive Director
	John Thornton (JT)	Non-Executive Director
	Richard Tyler (RT)	Chief Executive
	Shena Winning (SW)	Non-Executive Director
In attendance	Graeme Armitage (GA)	Head of HR & Workforce Development
	Jane Morris (JM)	Directorate Manager: Clinical Specialities [item 009-14]
	Lois Howell (LH)	Interim Head of Corporate Affairs
	Hilary Saunders (HS)	Deputy Company Secretary (minutes)
Apologies:	Brian Goode (BG)	Governor Representative
Public gallery:	1 member of the public	

WELCOME

001-14	<p>Welcome, apologies and declarations of interest</p> <p>The Chairman opened the meeting and welcome LH who had joined the trust as Interim Head of Corporate Affairs in KD's absence. In addition to providing support to the Corporate Affairs team, LH would be undertaking a review of current corporate governance arrangements.</p> <p>In addition, the Chairman welcomed one member of the public who was attending in his capacity as Healthwatch representative.</p> <p>Apologies had been received from Brian Goode.</p> <p>The Chairman sought to clarify current practice in respect of Declarations of Interest. After discussion, the board agreed that in future it would not be necessary for an individual to reiterate existing declarations at each meeting. In the event of a conflict of interest, the individual concerned should be at liberty to participate in the debate but precluded from voting; equally should other members of the board deem it appropriate, the individual may be requested to leave the room. The existing policy would be amended as appropriate [Action: LH]</p> <p>SW declared that she had recently been appointed as Strategic Advisor to the South London Commissioning Support Unit.</p>
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STANDING ITEMS

002-14	<p>Draft minutes of the meeting sessions held in public on 28 November 2013 and in private on 19 December 2013 for approval</p> <ul style="list-style-type: none"> • Item 254-13 SF asked that the minutes be changed to reflect this as his action. • Item 262-13 JB asked that the wording be amended to '<i>JB asked the meeting to note that when the</i>
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	<p><i>current KSOs were introduced the first draft disregarded the board assurance framework; it would be important therefore take this into account.'</i></p> <p>Subject to these two amendments, the minutes were APPROVED as a correct record.</p>
003-14	<p>Summary of the workshop session held in private on 19 December 2013</p> <p>The Chairman provided a brief update into the discussions undertaken at the workshop in December which had focused on business planning, performance management and an update on the QVH 2020 initiative.</p> <p>The board NOTED the update</p>
004-14	<p>Matters Arising & Actions Pending</p> <p>The trust had received correspondence confirming an extension of the Princess Royal's patronage for a further three years, a copy of which had been included in the board papers.</p> <p>The Matters Arising log was reviewed and updated. The Chairman requested that deadlines be amended where appropriate to provide a defined delivery date rather than stating 'ASAP' or 'pending'.</p> <p>The board NOTED the contents of the update</p>
005-14	<p>Update from the Chief Executive</p> <p>RT provided an update on the following:</p> <ul style="list-style-type: none"> • The trust had experienced a power outage on the previous Sunday, whereby the main generator had failed, (after initial start-up). It was noted that the new theatres were on a separate grid and had it been deemed necessary, patients could have been transferred across. RT was pleased to report that the incident had been handled well on the day but he would be developing an action plan with SF and AP; this would be submitted to the board next month. [Action: RT] • During the last four months of 2013, the trust had been undertaking major head and neck cases on behalf of BSUH; however the specialist commissioning group had confirmed they would not support this in the longer term; whilst disappointing, RT advised that the trust was continuing to explore other opportunities in Kent. • A new clinical research support network had recently been established at Surrey University (Guildford); RT was engaging at CEO level to investigate potential opportunities. <p>The board NOTED the contents of the update</p>
006-14	<p>Update from the Medical Director</p> <p>SF asked the board to note the following:</p> <ul style="list-style-type: none"> • Consent Levels: Current levels of consent were 52% against the 2013-14 target of 75%; SF believed it unlikely the trust would achieve its target but work was continuing to address the problem. AP noted that there had been sustained improvement in the MaxFacs and Corneo directorates, although Plastics were still falling behind. The Chairman suggested that one of the plastics consultants could attend a board meeting to explain the difficulties the directorate was experiencing in respect of achieving optimum target. [Action: SF] Despite some setbacks, SF felt it was a worthwhile achievement; in addition to it being a CQC outcome, this was a quality measure

demonstrating better process.

The board **NOTED** the contents of the update

- Revalidation: currently the board received quarterly revalidation updates. SF advised there was little to report since the last update, other than to note that appraisal levels were good and therefore asked the board to consider amending the reporting cycle from quarterly to annually, in line with national trends.

The board **AGREED** to this proposal, (providing exception reporting continued in the interim). SF reminded the board of the considerable amount of administrative support (currently provided by HR) necessary to achieve this objective.

The board **NOTED** the contents of the update

- Outcomes: the first meeting of the board outcomes group (led by LP, RT and SF) had now taken place with discussion focusing on ToRs and objectives. The three key strands under consideration were Safety, Efficiency and Effectiveness. Although the group was assured the organisation already held appropriate data, it was clear additional resources would be required to extract and collate this. LP concurred and noted that whilst scoping work was continuing at present, resources would be required within the next two months to ensure success. Early indications suggested project management support of two days per week would be necessary.

The Chairman reminded the board that clinical outcomes were a strategic priority upon which the future of the hospital was dependant; he believed it was therefore incumbent upon the board to agree to support this.

The Board concurred and **APPROVED** the necessary funding for project management support.

SAFETY & QUALITY

007-14 Quality & Risk Exception Report: December 2013 (monthly update)

AP presented the Q & R exception report highlighting the following:

- A root-cause analysis had been undertaken following the transmission of drug resistant Acinetobacter within Burns; the outbreak was now closed with inspection report actions complete;
- The number of recorded pressure ulcers was higher than usual this month; AP was reviewing reporting mechanisms to ensure these were more constructive;
- Although it appeared from data that the number of theatre lists preceded by a safety briefing had dropped, AP assured the board that the issue lay with the documenting of the process rather than the process itself, and was confident pre-list sessions were firmly embedded;
- A higher than normal level of prescribing errors had been recorded, (although none of these had resulted in harm to patients and had been identified by pharmacy staff in advance);
- No serious incidents were reported in December, although two amber incidents were currently under investigation and the board would be updated in February, **[Action: AP]**;
- There were no changes to the current risk report; SW asked if the trust's current financial predicament had been added to the register. AP agreed to check and report back **[Action: AP]**
- The number of patient complaints was higher than usual; the board requested that in

	<p>future, reporting was limited to final outcomes as the complaint was closed;</p> <ul style="list-style-type: none"> • Friends & Family test scores for the Sleep Disorder Centre continued to be lower than previous months; • There was an improvement in consent levels prior to elective surgery, currently at 60%. <p>The board NOTED the contents of the update</p>
BUSINESS PERFORMANCE & DELIVERY	
<p>008-14</p>	<p>Workforce Performance Report: December 2013 (monthly update)</p> <p>GA advised that January's report had been revised to focus on exceptions and actions to address underperformance; in addition, the new report included a RAG rating to better identify areas of concern.</p> <p>Highlights in this month's report were as follows:</p> <ul style="list-style-type: none"> • Rolling staff turnover remained high but this was not anticipated as a continuing trend; more work would be done in respect of data taken from exit interviews; • Vacancy figures were down as a consequence of tighter controls; • Pay for December rose as a result of a number of one-off payments; however, this was now the subject of close scrutiny and tighter controls were in place; • Sickness absence has remained above target since the beginning of the year; stress and anxiety appeared to be the main cause and in an effort to address this, HR best practice sessions had been scheduled through the final quarter of the year with further support being given to managers to guide them through effective use of the Sickness Absence policy; • PDR rates had improved slightly. A new scheme implemented this month enabled reporting against a compliance figure based on the number of appraisals due in the month. (Figures for January showed monthly compliance at 82%); • There were improvements to the reporting of statutory and mandatory training indicating that the action plan was starting to have a sustainable impact on performance; GC queried the disparity between Child Protection Levels 1 and 2 but was assured by GA that this related to an under reporting on the actual position. The Chairman asked when the trust would be in a position to apply sanctions to those who remained non-compliant; GA was hopeful this should be possible in the new financial year. <p>The board NOTED the contents of the report</p>
<p>009-14</p>	<p>Operational Performance Report: December 2013 (monthly update)</p> <p>JM joined the meeting at 13:50 to provide the board with an update in respect of performance. Key points included:</p> <ul style="list-style-type: none"> • A drop in demand in the form of referrals, and the number of patients waiting for a new outpatient appointment, had fallen again in December; • Whilst the trust met most cancer targets in November with an overall better corporate performance, it failed the first definitive 62-day target; this would have a knock-on effect of Monitor's risk rating from green to amber/green; • Corporate aggregate targets were all achieved for December however, speciality level plastic targets for both inpatient and outpatient pathways were missed. An RTT18 exception report had been attached for review; contributing factors were due to the combined effects of pressure points within MaxFacs, Sleep Studies and Plastics. MaxFacs had experience capacity issues further compounded by delays in the Kent referral system, (an issue which the trust had raised with commissioners). • Since 18 January, extra Saturday sessions have been running to help reduce backlog;

	<p>these are scheduled to continue until 31 March 2014. Further review of demand and capacity is being undertaken as part of business planning.</p> <p>SW asked how staffing lists were being managed in theatres; JM advised that staffing was being improved, not through WTE but through flexibility. SW observed that with the implementation of the new theatres, utilisation of the whole dynamic of clinical areas would need to be managed.</p> <p>The Chairman asked what plans were in place for managing capacity and was advised by JM that part of the capacity and demand review would include assessing complexity of cases to establish if additional resources required. There was also a potential to use former Theatre 8 as a dedicated local day care theatre which would enable more complex surgery to be carried out in the new theatres</p> <p>The Chairman noted that whilst outpatient activity was increasing, the overall trust follow up ratio was lower than last year and he asked what could be done to reverse this trend. RT observed that with different clinical practices and different skill sets amongst junior staff it was difficult to identify one single solution. There was a balance to be achieved between new outpatient appointments and follow ups which could have a consequential impact on commissioners.</p> <p>JM estimated that figures for January appeared to be much improved on December's and was hopeful of a better outlook next month..</p> <p>The Chairman thanked JM for her update and, despite the downbeat message, observed the importance of keeping the board apprised with accurate information. The board NOTED the contents of the report and endorsed the action being taken therein.</p>
<p>010-14</p>	<p>Market Report: January 2014 (monthly update)</p> <p>RT provided the monthly update on market developments the highlights of which included:</p> <ul style="list-style-type: none"> • NHS England Specialised Services Engagement: The Trust has made a written submission to NHS England as part of the initial scope of the engagement. There would be a further local event in February at which QVH would be represented by members of the senior management team. • Sussex MSK Tender: RT reported that the trust remained in talks with potential prime providers of MSK services across the East and Mid Sussex patches, both of which are in an active phase of procurement. <p>The board NOTED the contents of the report.</p>
<p>011-14</p>	<p>Financial performance report: December 2013 (monthly update)</p> <p>RH reported that performance had been disappointing in both November and December YTD the financial position was £645k below plan at a surplus of £1,221k. (Income included additional CQUIN for Q2 and Q3, based on the assumption that targets would be met in Q3). Key causes for the current situation included:</p> <ul style="list-style-type: none"> • Significantly greater costs than anticipated incurred to deliver the activity plan, as a result of the high cost of covering vacancies and sickness; • The non pay budget had been reduced this year in anticipation of cost improvements, however, to date there had been a failure to define the full benefits; • Non-pay inflation was up YoY by 3%; (a focus of business planning for 2014-15); • In addition it was noted that the majority of non-pay variance sits within the clinical support services with only £454k attributed to clinical;

	<p>RH noted a number of actions now in place to drive through additional work. There was also a much tighter grip on discretionary spend, in an effort to end the year as close as possible to plan. However, he conceded that achieving the surplus of £2.5m would be challenging.</p> <p>SW asked RH to clarify the position in respect of the Financial Risk Rating; RH reported that whilst this had reduced to 4 under the former system, the new Continuity of Service Risk Rating for the trust was a 4, being the top rating.</p> <p>The Chairman expressed his disappointment at the current position; but noted that the trust was now in recovery mode and hoped to get as close as possible to achieving plan for year-end. A sub-group of the board (comprising PAG, RT, RH, SW and JT) would continue to meet to monitor the current position. He also suggested there were lessons to be learned in order for the trust to avoid a similar predicament next year.</p> <p>Finally, the Chairman closed by noting the importance of keeping governors apprised of the situation, via the Governor Steering Group and through the Lead Governor for Audit, Chris Orman. In addition, the Council of Governors would be fully briefed at its meeting in March.</p> <p>The board NOTED the contents of the report and update.</p>
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GOVERNANCE

012-14	<p>Monitor Declaration: Q3 2013/14</p> <p>RH reminded the board that it was required to submit its Q3 Monitoring Return by the end of January; a paper confirming the trust's Q3 Monitor Governance and Finance declarations had been circulated prior to the meeting.</p> <p>RH explained that as the trust had not achieved all key quality and performance targets as the 18 Week admitted pathway target had not been met in November and a failure in one month would count against the trust in respect of its Governance rating. As a result this would reduce to "Amber / Green". However, he assured the board that action plans were in place to address the 18 week position supporting a "Confirmed" Governance Declaration.</p> <p>The board NOTED the contents of the schedules and APPROVED that the "Declaration 1" should be made in the Finance Declaration, Governance Declaration and Quality declaration.</p>
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013-14	<p>Medicines Management & Optimisation Strategy (for ratification)</p> <p>SF presented the document which defined the trust's strategy in respect of its management of medicines. JB suggested that the document should be amended to reflect that Equality and Diversity was now managed by the trust rather than through the Sussex Partnership.</p> <p>Notwithstanding this amendment, the board APPROVED the strategy.</p>
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014-14	<p>Savile Enquiry: Updated Terms of Reference</p> <p>The board APPROVED the updated Terms of Reference in respect of the Savile Enquiry</p>
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STRATEGY

015-14	Delivering Excellence: QVH 2020 (monthly update)
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	<p>RT reminded the board that the three key strands to this initiative were Clinical Excellence, Operational Development and Patient Experience.</p> <p>He was confident that the first phase of Clinical Excellence could be progressed quickly and would set out the objectives for the next two years. Operational Development was not as far ahead as anticipated but was still progressing albeit slowly. The next series of drop-in sessions was imminent. The Patient Experience work was running in tandem with the other two components.</p> <p>Work on aligning objectives to ensure they are compatible with corporate strategic objectives and the Board Assurance Framework was continuing.</p> <p>Interviews for a Project Manager for the 20:20 initiative would take place on 10 February.</p> <p>The board NOTED the contents of the update</p>
016-14	<p>Site Redevelopment Programme: December 2013 (monthly update)</p> <p>RT reported that good progress had been made with Phase II theatres on schedule and due to open on 7 April 2014.</p> <p>The board NOTED the contents of the update</p>
017-14	<p>Capital Programme:</p> <p>December 2013 (monthly update)</p> <p>Following retendering of the Jubilee heating contract a company had now been appointed to carry out this work. LP queried the significant reduction in costs since the initial tender and was assured the disparity had been reviewed as part of the recent KPMG audit. RT noted there was still some debate surrounding project management of the scheme.</p> <p>Negotiations continued regarding the future of the former DSU building, but appeared to be progressing well.</p> <p>Storm Damage 2013/14</p> <p>RT reported on the considerable amount of storm damage sustained by the trust as a result of severe weather over the last four weeks. Problems included damage to electrical supplies, ceiling damage (in x-ray this resulted in the collapse of a ceiling and a partial relocation of the department's clinical functions) and walls and flooring; as consequence these areas had to be closed to the public. Whilst this had been a challenging time for all concerned, RT commended staff for managing in such adverse conditions.</p> <p>The board NOTED the contents of the update</p>
MINUTES OF SUB-COMMITTEES TO THE BOARD	
018-14	Minutes of recent Audit and Quality & Risk sub-committees of the board were noted.
019-14	<p>Observations from Chairman & Non-Executive Directors</p> <p>There were none</p>
ANY OTHER BUSINESS (BY APPLICATION TO THE CHAIRMAN)	
020-14	There was none.

QUESTIONS FROM OBSERVERS	
021-14	There were none The Chairman closed the meeting at 16:00

Chairman..... Date.....

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