

<b>Document:</b>	<b>Minutes FINAL &amp; APPROVED</b>	
<b>Meeting:</b>	<b>Board of Directors (session in public)</b> <b>Thursday 31 July 2014, 13:00 – 16:00, Council Chamber, East Court, College Lane, East Grinstead, West Sussex RH19 3LT</b>	
<b>Present:</b>	Peter Griffiths (PAG)	Chairman
	Stuart Butt (SB)	Interim Director of Finance
	Ginny Colwell (GC)	Non-Executive Director
	Steve Fenlon (SF)	Medical Director
	Beryl Hobson (BH)	Non-Executive Director and Chair Designate
	Amanda Parker (AP)	Director of Nursing & Quality
	Lester Porter (LP)	Non-Executive Director
	John Thornton (JT)	Non-Executive Director
	Richard Tyler (RT)	Chief Executive
	<b>In attendance:</b>	Graeme Armitage (GA)
Brian Goode (BG)		Governor Representative
Jane Morris (JM)		Interim Head of Operations
Lois Howell (LH)		Interim Head of Corporate Affairs & Co Sec
Hilary Saunders (HS)		Deputy Company Secretary (minutes)
<b>Apologies:</b>	None	
<b>Public gallery:</b>	Two members of public (including one staff governor)	

## WELCOME

<b>169-14</b>	<p><b>Welcome, apologies and declarations of interest</b></p> <p>The Chairman opened the public session and welcomed BH to her first meeting as non-executive director and Chair Designate. He also welcome two members of the public (one of whom was a staff governor).</p> <p>There were no apologies and no declarations of interest.</p>
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## PATIENT STORY

<b>170-14</b>	<p>SF presented details of a Serious Incident reported in June which related to a late diagnosis of malignancy. At this stage it was unclear whether failure had been systemic or due to an individual however, a root cause analysis (RCA) was underway and the board would be kept apprised of the situation.</p> <p>In the meantime, SF drew the board's attention to those members of staff who had exceeded expectations in managing this incident. RT also asked the board to note the time and effort which SF had dedicated to ensuring this case was handled swiftly and sensitively.</p> <p>The Chairman thanked SF for his report and the board <b>NOTED</b> its contents.</p>
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## STANDING ITEMS

<b>171-14</b>	<p><b>Draft minutes of the meeting session held in public on 26 June 2014 for approval</b></p> <p>Subject to the following changes, the minutes were <b>APPROVED</b> as a correct record.</p> <ul style="list-style-type: none"> <li>• Item 150-14 to be amended to show that SF would be making a formal application to the QVH Charity for additional funding in due course;</li> <li>• Item 151-14 to read 'JT confirmed that the Board Assurance Framework (BAF) could be presented to the board without a requirement for it to go through the Audit Committee first'</li> </ul>
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<b>172-14</b>	<p><b>Matters Arising &amp; Actions Pending</b> The board reviewed the current record of Matters Arising and Actions Pending and the document was updated as appropriate.</p>
<b>173-14</b>	<p><b>Update from the Chief Executive</b></p> <ul style="list-style-type: none"> <li>• RT advised he was continuing to meet with specialist commissioners, and the Chief Executives of Brighton and Sussex University Hospital NHS Trust (BSUH), Maidstone and Tunbridge Wells NHS Trust (MTW) and Surrey and Sussex Healthcare NHS Trust (SaSH), as part of developing the trust's service provision,</li> <li>• RT updated the board on a local GPs' meeting he had attended recently to gain a better understanding of how the trust might work in partnership with the local community;</li> <li>• Work with the sub-committee of the Foundation Trust Network (FTN), established to consider long term sustainability of small trusts), was continuing;</li> <li>• Financial performance was broadly positive this month; SB would provide greater detail under agenda item 177-14;</li> <li>• The trust was still experiencing difficulties in meeting the 18-week target, and a full update would be provided under agenda item 176-14.</li> <li>• New governance arrangements in respect of the Senior Management Team (SMT) structure were continuing to bed-in, with weekly meetings focussing alternately on current performance and long term strategy;</li> <li>• New plastic surgeon Adam Blackburn, had been appointed to replace Phil Gilbert (due to retire shortly); RT stressed this was a key appointment in developing breast and burns services.</li> </ul> <p>The Chairman thanked RT and the board <b>NOTED</b> the contents of his update.</p>
<b>174-14</b>	<p><b>Update from the Medical Director</b> SF chose this month to draw the board's attention to the 7-day services agenda. He explained this had originated following a Dr Foster report citing statistical evidence of higher mortality rates at weekends, perceived to be due to a lack of consultants. The Keogh report had followed, which included ten recommendations around service provision.</p> <p>SF described the two separate definitions of 7-day services; one for non-elective and one for elective care. The trust's focus was currently on the non-elective model; however, SF asked the board to note that at this stage there was no additional funding, and that the agenda was driven by quality not safety concerns. A gap analysis and associated action plan in respect of non-elective care were in draft form and would be circulated to the board in due course.</p> <p>The Chairman thanked SF and the board <b>NOTED</b> the contents of the update.</p>
<b>RESULTS AND ACTIONS</b>	
<b>175-14</b>	<p><b>Patients: safe staffing and quality of care</b> AP presented this month's report on safe staffing which included information on safety, outcomes, experience and ward management; this was supported by data on planned and actual staffing of the wards, and a review of nursing establishments.</p> <p>AP reminded the board that, in line with the National Quality Board requirements, a review of nursing establishment figures has been routinely undertaken every six months for the last two years and was last received by the Board in March 2014.</p> <p>As evidenced under the Safe Staffing report, whilst there was sufficient staffing at present, some posts remain vacant. AP assured the board that she was working closely with GA and the Human Resources team to find more innovative ways to recruit.</p>

	<p>The board sought assurance that lower levels of staffing were not in any way responsible for increases in MRSA on the burns ward. AP did not believe there was a link but agreed to review occupancy and staffing levels to ensure there was no direct correlation. <b>[Action: AP]</b> AP provided an update on the current position regarding the MRSA outbreak in the Burns Unit and the unit's associated closure. She advised that a Public Health England investigation was now underway to determine why the trust was not notified about the MRSA status of the index patient prior to admission. The Chairman asked about re-opening the ward, and was assured that a 'lessons-learned' exercise would be undertaken in advance.</p> <p>AP summarised the quality dashboard, covering patient and staff safety, patient experience, quality account metrics, Commissioning for Quality and Innovation Payments (CQUINs), and infection control metrics.</p> <p>AP asked the board to note the contents of final report into the alleged role Jimmy Savile had played at the trust, and also of the Serious Incident, details of which had been disclosed previously under agenda item 170-14.</p> <p>BG sought, and was given, assurance that a complaint reported under patient experience did not relate to the competency of the surgeon.</p> <p>The Chairman highlighted concerns which had been raised in respect of Infection Control this month. AP noted that whilst there were still concerns regarding the onsite presence of microbiologists, support received during recent incidents on the burns ward had been exemplary. A second concern related to the current vacancy level within the Hotel Services team which was impacting on the team's ability to keep the organisation clean, and represented a very real risk. GA assured the board that the trust was actively recruiting to the vacant posts, however, RT noted a longer term review was planned to address the underlying issues.</p> <p>The Chairman thanked AP and the board <b>NOTED</b> the contents of this month's report.</p>
176-14	<p><b>Operational performance: targets, delivery and key performance indicators</b></p> <p>RT reported that the trust had failed to achieve its 18-week target in Ophthalmology, Maxillo-facial (MaxFacs) and Plastics this month. As this was the third time it had failed to meet targets in three consecutive months, the trust's Monitor governance risk rating would change from 'green' to 'under review'. There would also be financial penalties applied by commissioners, and a detrimental impact to the trust's reputation.</p> <p>RT apprised the board that in ensuring the trust was taking all necessary action to address the situation he had focused on several key areas. These included:</p> <ul style="list-style-type: none"> <li>• Did the trust understand the issues and why it was breaching? Although it had taken longer to establish the key issues, RT was confident that there is now a clear understanding of the reasons.</li> <li>• Did the plan reflect the actions required to address these issues? In the case of Plastics, RT was assured the additional capacity already planned would result in the desired outcome. However, whilst MaxFacs had sufficient capacity, the methodology around prioritising patients on the waiting list would need to be improved. In the case of Ophthalmology, RT was clear that there was currently insufficient capacity and consequently that waiting lists were too long.</li> <li>• Would the plan have the desired impact? RT was assured that the desired outcome for Plastics and Maxfacs would be apparent by early October but it would not be possible to</li> </ul>

	<p>address Ophthalmology waiting lists in this time and accordingly JM was implementing plans to address this. JM reiterated the current waiting list size for Ophthalmology was not sustainable in terms of 18-week compliance unless significantly reduced, an issue which had been highlighted by the NHS England Intensive Support Team modelling tools; plans to reduce the waiting lists with the support of the Ophthalmology consultants currently showed compliance being achieved in February, however the team was at present exploring a number of further operating sessions to expedite the reduction in waiting list size for the speciality. JM would provide a progress update at the August board.</p> <p>RT reminded the board that the trust had already predicted failure in Quarter 2 and was currently working with the NHS England Local Area Team (LAT), Clinical Commissioning Group (CCG) and IST on revising trajectories following performance in June, which were noted to be lower than predicted partly due to delays in opening Theatre 11. In addition to the above, RT assured the board that the 18-week position was reviewed on a weekly basis and also at monthly finance and performance meetings.</p> <p>Whilst Monitor's response at this stage was unclear, RT felt confident that there was now a robust plan in place.</p> <p>BG questioned why QVH was missing targets but still ahead on finance. RT explained that there was no direct correlation between the activity which was generating money and that relating to current waiting lists. SB concurred that the 18-week activity was only a very small part of the operational and financial picture but noted the need to make this information clearer in the monthly board reports.</p> <p>As part of the monthly update, JM reported that two urgent operations had been cancelled for a second time in June, explaining that on both occasions these had been cancelled due to a more urgent cases taking precedence. The trust had also failed the 31-day first definitive treatment (FDT) target for cancer patients in May.</p> <p>RT additionally reported that he had now written directly, CEO to CEO, to relevant trusts with which QVH has a contractual arrangement for the provision of specialist surgeons to support immediate reconstruction surgery, as failure of these arrangements had contributed to some surgical delays. JM was in contact with other provider Operations Directors as required on the same theme. Early responses appeared positive.</p> <p>In summary, the Chairman observed that whilst there appeared to be systematic problems with the 18-week target nationally, this was not a satisfactory level of performance and a sustainable solution would be required. He thanked both RT and JM and the board <b>NOTED</b> the contents of the report and the associated action plan.</p>
<p><b>177-14</b></p>	<p><b>Financial performance: monthly update</b></p> <p>SB reported that the trust was currently in a very strong position and significantly ahead on plan, with a current surplus of £606k; this was predicated on a strong income position (up by £800k), only marginally offset by increased costs. SB advised the board he was also assured on the position in respect of pay and non-pay.</p> <p>SB drew the board's attention to the forecast assumptions. Whilst the downside was a surplus of £1.8k, the upside was projected at £4.5k. He suggested that, although it was too early at this stage to discuss potential utilisation of benefits, he recommended the board should informally start to consider ways in which increased cash reserves could be used.</p> <p>Cash balances for June were significantly above plan due to a reduction in debtor balances and delays to capital expenditure. LP sought clarification regarding the capital programme</p>



	<p>and SB explained this encompassed a suite of projects. One of the key projects related to Information Management and Technology (IM&amp;T) and a business case would be submitted to the board in October. SB was currently reviewing the projects sitting within the Estates Department; and additional project management support was being invested to ensure their delivery.</p> <p>The Chairman thanked SB and the board <b>NOTED</b> the contents of the update.</p>
<p><b>178-14</b></p>	<p><b>Workforce</b></p> <p>GA reported a further improvement in the level of sickness absence which was now currently at 3%; however, he predicted there was likely to be an increase between September and December which the trust should be prepared to manage.</p> <p>Bank and agency levels remain low, whilst vacancies and overall pay have increased.</p> <p>Statutory and Mandatory training rates have stayed around the 80% level for the last three months with the number of bookings (for conversion to compliance) also increasing.</p> <p>GA asked the board to note that there were no separate appraisal figures this month as these were now incorporated into quarterly reporting, but he could advise the level was around 60%.</p> <p>GA highlighted that turnover had increased to 14% but said that he did not believe any overall trend was emerging, with core stability of the organisation still very good. BH asked if there was any correlation between levels of stress and high turnover rates which would indicate staff workload was increasing to manage the vacancies; GA responded that exit interview data did not suggest this to be the case.</p> <p>BH also queried the low levels of compliance in respect of Child Protection competencies; AP assured her that, as reported at previous board meetings, this was as a result of inappropriate categorisation and work was underway to correct this.</p> <p>GC reminded the board that its members were also required to undergo safeguarding training. AP agreed to arrange this at a future board seminar workshop. <b>[Action: AP]</b></p> <p>The Chairman thanked GA for his update, however, he requested additional information regarding safeguarding, and stress and anxiety be brought to the board next month. <b>[Action: GA]</b></p>
<p><b>STRATEGIC PRIORITIES</b></p>	
<p><b>179-14</b></p>	<p><b>Quarterly update on delivery of Key Strategic Objective (KSO) 3: Operational Excellence</b></p> <p>JM presented a quarterly update on the delivery of KSO3 , explaining this was a key strand of the QVH2020 strategy which identified actions supporting organisational delivery of streamlined services to ensure patients would be offered choice and treated in a timely manner.</p> <p>A 'road-map' setting out the timeline of the programme had been produced and steering groups established to support delivery of programme outputs.</p> <p>JM noted that implementation of the pre-assessment IT system was a significant piece of work and, providing the procurement process went to plan, she would hope to bring a business case to the board for approval in September.</p>

	<p>JT commended JM on the clear and concise way in which the update had been presented. The Chairman thanked JM for her report and the board <b>NOTED</b> its contents.</p>
<p><b>180-14</b></p>	<p><b>Quarterly update on delivery of Key Strategic Objective (KSO) 4: Financial Sustainability</b></p> <p>SB provided background to the key headings for each of the core components of financial sustainability, which linked in to the Board Assurance Framework (BAF); these included financial planning, scope and provision of clinical services, financial control, infrastructure and investment and performance and standards.</p> <p>The Chairman thanked SB and the board <b>NOTED</b> the contents of the update.</p>
<p><b>GOVERNANCE</b></p>	
<p><b>181-14</b></p>	<p><b>Corporate Risk Register (CRR)</b></p> <p>The Chairman sought clarification as to why the Corporate Risk Register currently sat within the Nursing and Quality Directorate. In light of earlier discussions regarding executive workload, RT concurred he would reflect on where this should sit as part of the wider review. <b>[Action: RT]</b></p> <p>AP asked the board to note key risks currently rated at 12 or above as these posed the most significant risk to the trust. Details of controls in place to mitigate the risk were provided, together with outstanding actions required.</p> <p>AP assured the board that the risk rated as 16 (regarding potential failure of the Clean Room), was currently being addressed through an options appraisal report; SB noted that short, medium and long term strategies would be required and this would be managed within the Estates and Facilities Group.</p> <p>The Chairman asked why the CRR was presented to both the Quality and Risk and Audit sub-committees of the board; AP advised that both the CRR and the Board Assurance Framework (BAF) were reviewed by the Audit Committee to alert it to areas where a greater level of scrutiny might be required. Highlighting a discussion during the earlier Nomination and Remuneration Committee, the Chairman reiterated the board's need for clearer direction in respect of its sub-committees, with consensus on appropriate levels of scrutiny.</p> <p>The board <b>NOTED</b> the contents of the report.</p>
<p><b>182-14</b></p>	<p><b>Board Assurance Framework (BAF)</b></p> <p>AP outlined the robust process under which the BAF had been devised which ensured risks associated with the trust's KSOs and the QVH2020 strategy had been captured. RT confirmed that executive leads had been identified for each KSO, and its associated risks, to ensure these were regularly calibrated; however, he stressed the board should note this process was in its early stages and further honing of certain risk descriptions was still required.</p> <p>GC suggested this document should contain more aspiration, and less scrutiny and governance; however, RT reminded her that BAF was a list of risks to delivery of those aspirations listed elsewhere within the KSOs.</p> <p>LP raised concerns that this was a particularly difficult document to navigate and suggested it should be condensed to an easier format for the board to manage; AP reminded board</p>

	<p>members that, in its current format, the document met requirements of both external and internal auditors. RT concurred he was assured by the risks identified but reiterated that further work was to be done on presentation.</p> <p>The Chairman again raised the question of scrutiny by the Audit Committee, noting that whilst part of the board's remit is to review the work of the sub-committees, at present the board met more frequently than the sub-committees. He tasked the executive team with identifying the best way to summarise the current risks in a more helpful format, and also noted the board's need to be mindful of the balance between development and scrutiny at its meetings.</p> <p>The board <b>NOTED</b> the contents of the report and associated actions.</p>
183-14	<p><b>Consultant Revalidation Annual update</b></p> <p>SF reminded the board that Revalidation was a process by which doctors are required to demonstrate to the General Medical Council (GMC) that they are compliant with relevant professional standards, that they had up to date skills and competencies, and that they are fit to practice.</p> <p>SF presented an initial formal report setting out the role and responsibilities of the Responsible Officer (RO) detailing how the revalidation team at QVH had delivered, documented and assured the process had been undertaken in accordance with national requirements. SF highlighted some areas where improvement was required, particularly in relation to quality assurance of appraisals, and the mechanisms for appraisers to quality assure their practice. He advised the board that the appraisal audit was now available and would be happy to circulate as required.</p> <p>GC asked how consultants at QVH had responded to this process; SF felt assured that this was a valuable exercise, and no-one at QVH had refused to engage with it to date. However, resources required at organisational level to support the process were greater than originally anticipated; it therefore fell to the organisation itself to provide these, an issue which had been highlighted at national level. Moreover, feedback from bi-monthly RO meetings suggested there was a need to provide robust systems to manage those doctors with capability or conduct issues which would also left to the organisation to address. The Chairman noted the continued need for the Trust to define explicitly the responsibilities and accountabilities of doctors.</p> <p>The board <b>APPROVED</b> the approach put forward by SF, noting that the contents of the report and audit would be shared with the High Level Responsible Officer. The board also <b>APPROVED</b> the statement of compliance confirming it believed the trust to be compliant with the regulations.</p> <p>The Chairman thanked SF for his report.</p>
184-14	<p><b>Monitor Quarterly Return (Q1)</b></p> <p>SB reminded the board that the trust was required to submit its Quarter 1 (Q1) monitoring return by the end of July. A paper confirming the proposed Board governance statement was included, together with the updated self-certification framework providing the board with evidence for its declaration.</p> <p>JM reported that, in respect of Governance, it would not be possible to confirm the declaration that "The board is satisfied that plans in place are sufficient to ensure ongoing compliance with all existing targets and a commitment to comply with all known targets going forwards". This was because in Q2 the trust was not expecting to meet the aggregate</p>

	<p>admitted or non- admitted 18 week targets. However, JM reminded the board that the IST had now concluded its review of systems and trajectories and the trust was working to a detailed action plan which should achieve aggregate compliance with all 18 week targets from Q3. However, the trajectory for speciality compliance for Ophthalmology was currently not predicted to be achieved until Q4.</p> <p>With regard to Finance, it was confirmed the board would declare, “The board anticipates that the trust will continue to maintain a Continuity of Service risk rating (COSRR) of at least 3 over the next 12 months” and accordingly a COSRR of 4, ‘no evident financial concerns’, would be submitted. SB reminded the board that in the annual plans submitted to Monitor, the planned rating from Q2 onward remained at 4.</p> <p>For Otherwise, the declaration “The board confirms that there are no matters arising in the quarter requiring an exception report to Monitor (per the Risk Assessment Framework page 22, Diagram 6” was made.</p> <p>Under Consolidated subsidiaries the “Number of subsidiaries included in the finances of this return” is ‘nil’.</p> <p>The Board <b>NOTED</b> the contents of the schedules and <b>APPROVED</b> that the above declarations should be made to Monitor.</p>
185-14	<p><b>Board Governance Assurance Framework (BGAF) Action Plan update</b> LH presented an update on the BGAF action plan. It was noted that whilst a number of actions were overdue, revised dates for completion would be achievable.</p> <p>The board <b>NOTED</b> progress made to date, the contents of the report, and <b>AGREED</b> the proposed changes to deadlines.</p>
<b>REPORTS FROM THE CHAIRS OF THE SUB-COMMITTEES TO THE BOARD</b>	
186-14	<p><b>Clinical Cabinet</b> In presenting his monthly update, RT reported that in the twelve months since he had been in post, the Clinical Cabinet was now more widely attended, with members better focussed; SB concurred, and observed it was rewarding to see such a high level of engagement with clinicians addressing challenges in a positive way.</p> <p>The board <b>NOTED</b> contents of the update</p>
187-14	<p><b>Council of Governors</b> A report on the two Council of Governors’ meetings held in June had been prepared and circulated.</p> <p>JT asked the board to note under item 5 that Council had agreed to only extend the internal auditors’ contract for a further year.</p> <p>The board <b>NOTED</b> this amendment and the contents of the update</p>
188-14	<p><b>Board Outcomes Group</b> LP presented his report and noted that the recent appointment to manage this project had been very effective.</p> <p>There were no further comments and the board <b>NOTED</b> the contents of the report.</p>



<b>189-14</b>	<b>Charitable Funds Advisory Committee</b> LP presented his quarterly update. There were no further questions and the board <b>NOTED</b> the contents of the report.
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**STAKEHOLDER AND STAFF ENGAGEMENT**

<b>190-14</b>	<p><b>Feedback from events and other engagement with staff and stakeholders</b></p> <p>Board members highlighted events in which they had been involved in the last month; these included:</p> <ul style="list-style-type: none"> <li>• RT had received feedback from patients recently indicating that, in addition to researching ways of improvement it was equally important to continue to maintain current high levels of performance;</li> <li>• JT reported that both he and LP had undertaken a Compliance in Practice session in July; in addition, both JT and GC had attended two Foundation Trust Network (FTN) events and had gained greater insight in cultural change and the importance of high quality management and leadership;</li> <li>• AP had spent time in theatres this month and was assured by high levels of both policy compliance and compassion shown to patients in the operating theatre. In addition she had also attended a conference of the Federation of Specialist Hospitals;</li> <li>• SB had visited theatres to investigate current problems relating to the new theatre doors and whilst there he was apprised of issues relating to the discharge waiting areas.</li> <li>• The Chairman reported on his recent visits to theatres and outpatients; he too had been apprised of dissatisfaction in respect of the patient discharge area, and also of the limited staff facilities within theatres.</li> </ul> <p>The board <b>NOTED</b> contents of the verbal updates.</p>
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**GOVERNOR REPRESENTATIVE & NON-EXECUTIVE DIRECTORS**

<b>191-14</b>	<p><b>Report from the Governor Representative</b></p> <p>BG reported that the new governor induction programme took place last week; it was noted that one of the newly appointed staff governors had joined the public gallery today.</p>
<b>192-14</b>	<p><b>Observations from the Chairman and Non-Executive Directors and observers</b></p> <p>BH expressed her thanks to everyone for the warm welcome she had received since joining the trust at the beginning of the month.</p>

**MOTION TO EXCLUDE THE PRESS AND MEMBERS OF THE PUBLIC**

<b>193-14</b>	Further to paragraph 39.1, and annex 6 of the Trust's Constitution, it was agreed that members of the public should be excluded from the remainder of the meeting in order to enable the board to discuss confidential information concerning the trust's finances and matters of a commercially sensitive nature
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Chairman..... Date.....