

Document:	Minutes FINAL & APPROVED	
Meeting:	Board of Directors (session in public) Thursday 18th December 2014, 13.00 – 16.00, The Council Chamber, East Court, College Lane, East Grinstead RH19 3LT	
Present:	Beryl Hobson, (BH)	Non-Executive Director and Chair Designate (Chair)
	Lester Porter (LP)	Non-Executive Director
	Ginny Colwell (GC)	Non-Executive Director
	Richard Tyler (RT)	Chief Executive
	Dominic Tkaczyk (DT)	Interim Director of Finance
	Amanda Parker (AP)	Director of Nursing & Quality [Items 330, 334, 336, 337 & 343]
In attendance:	Graeme Armitage (GA)	Head of Human Resources & Organisational Development
	Lois Howell (LH)	Interim Head of Corporate Affairs & Co Sec
	Brian Goode (BG)	Governor Representative
	Jane Morris (JM)	Interim Head of Operations
	Hilary Saunders (HS)	Deputy Company Secretary (minutes)
Apologies:	Peter Griffiths (PAG)	Trust Chairman
	John Thornton (JT)	Non-Executive Director
	Steve Fenlon (SF)	Medical Director

WELCOME

325-14 Welcome, apologies and declarations of interest

The Chair welcomed everyone to the meeting including one member of the public.

Apologies were noted as above. The Chair advised that Amanda Parker was unwell but had indicated she wished to attend the latter part of today's meeting in order to present her reports in person. For the purposes of accuracy therefore, it should be noted that items 330, 334, 336, 337 and 343 were not taken in agenda order. It was also noted that item 326-14 (patient experience) would not be presented this month.

There were no new declarations of interest.

STANDING ITEMS

327-14 Draft minutes of the meeting session held in public on 27 November 2014 for approval

The minutes of the meeting were **APPROVED** as a correct record.

328-14 Matters Arising & Actions Pending

The board reviewed the current record of matters arising and actions pending and the document was updated as appropriate.

The update was received and **APPROVED**.

329-14 Update from the Chief Executive

RT presented his monthly report, highlighting the following:

1. The trust had made significant progress in reducing the backlog of patients waiting over 18 weeks between referral and treatment (RTT18 target) and that it was on track to achieve the RTT18 target in December. RT acknowledged the dedication of staff across the Trust and confirmed that he had written on behalf of the Board to thank them for their hard work and support.
2. Monitor: Quarter 2 (Q2) Feedback: The trust has recently received formal notification of its Q2 ratings; a continuity of service rating of 4 and a green governance rating have been

maintained. However, Monitor has reiterated the need to achieve RTT18 week compliance from Q4 in line with national targets for compliance.

3. Restructure: the trust launched its organisational restructuring proposals on 1st December and, as reported during the earlier board seminar, engagement levels with staff appear high.
4. Dalton Review: RT apprised the board of the contents of the Review which had been published in early December; two recommendations of particular interest to QVH were that:
 - i. As part of 2015/16 business planning, trust boards should consider their response to the Five Year Forward Plan and determine the scale and scope of their service portfolios. They should consider whether a new organisational form may be most suited to support the delivery of safe, reliable, high quality and economically viable services for their populations;
 - ii. Trust boards of successful and ambitious organisations should develop an enterprise strategy and consider developing a standard operating model that could be transferred to another organisation or wider system.
5. CQC Intelligent Monitoring Reports: The latest was published on 3rd December and ranks trusts into six priority bands for inspection. The bands are based on the likelihood that people may not be receiving safe, effective, high quality care with band 1 being the highest priority for inspection and band 6 the lowest. RT was pleased to advise the board that QVH remains in band 6, (the lowest priority for inspection).
6. Additional funding: RT drew the board's attention to a letter from the Secretary of State for Health which outlined details of additional funding announced in the Autumn statement. DT agreed to provide supplementary information within his finance update.
7. Serious Incident: The trust had declared a Serious Incident (SI) having been advised that its sterilisation//decontamination provider had supplied unsterile equipment, some of which had been used on patients. The company concerned, (Synergy) has taken immediate action to prevent recurrence, as had the trust. In the meantime, the trust was contacting all patients by phone and by letter to apprise them of the situation. A full investigation was currently underway, including a Root Cause Analysis (RCA) and actions were being taken accordingly. GC stressed the importance of notifying all theatre staff and recommended a subsequent audit to provide assurance of a change in practice.

The Chair thanked RT and the board **NOTED** the contents of his update.

RESULTS AND ACTIONS

330-14 Patients: safe staffing and quality of care

AP presented the monthly update on Patient care, highlighting the following issues:

Public Health England had now closed the recent Legionella investigation; internal tests indicated there was no ambiguity within the trust despite the case being classified as 'source unknown'.

GC asked for an update in respect of the Food Charter-mark. As the standard of patient food was a recurrent theme amongst complaints and feedback, AP promised a more detailed update would be provided to the board in Q3; in the meantime, this item would be provided with a separate section under the CQUINS report. **[Action: AP]**

BG asked for an update with regard to the Corneo Plastic issue, highlighted within the Patient

	<p>Complaints report; AP advised that the final report was still being completed, but was hopeful that details of the Root Cause Analysis would be presented to the board in January. [Action: AP]</p> <p>The Chair thanked AP for her update, the contents of which were NOTED by the board.</p>
<p>331-14</p>	<p>Operational performance: targets, delivery and key performance indicators JM presented this month's operational performance report, highlighting the following:</p> <p>The Open Pathways 18 week target was reached in November, earlier than anticipated, although the trust was non-compliant at aggregate level in both admitted and non-admitted 18 week targets in the same month. Teams were continuing to work hard to maintain momentum.</p> <p>The trust had achieved all cancer waiting times in October with the exception of the 31-day subsequent treatment (due to a single patient breach who was originally booked for minor surgery but in the event required treatment in a main theatre and was therefore rebooked); however no urgent operations were cancelled for a second time in November.</p> <p>One operation had been cancelled on the day of admission in November due to a lack of critical beds for a major Head and Neck patient; this resulted in a breach of the 28-day guarantee as it was not possible to rescheduled the surgery earlier (due to logistics of coordinating commitments of the surgeons required to undertake such a complex case).</p> <p>The trust was non-compliant in respect of diagnostic waits in November with 11 patients breaching; this was as a result of the breakdown of the cone scanner. Whilst financial penalties would be attributed on this occasion, this should not recur in the future.</p> <p>BH asked if the weekly 18-week Referral To Treatment (RTT18) reporting (currently circulated to the board) would continue, and was assured by JM that it would.</p> <p>LP noted that some additional work had been undertaken at the nearby Centre for Sight (CfS) and asked how the trust could be assured that the site adhered to NHS standards; RT observed that as the CfS was registered by the Care Quality Commission this should provide sufficient assurance; in the meantime, however, he agreed to report back to the board on what criteria the trust used when planning additional off-site activity. [Action: RT]</p> <p>JM drew the board's attention to the letter sent from the Department of Health's Intensive Support Team (IST) to the Chief Executive which had been included in the board reports, and which was a positive reflection on the QVH team. JM noted that models provided by the IST would greatly improve the business planning process in the future, providing more accurate forecasting. RT asked the board to be aware that January would continue to be a challenge as a result of the November backlog; however, February was more promising and medical secretaries were clear of the need to escalate cases of patients likely to breach.</p> <p>BG asked how likely the trust would be to achieve its anticipated internal 15-week target; RT confirmed it remained a trust objective to achieve 90% compliance within 15-weeks but outlined the factors which could make this difficult; JM concurred it would remain an aspirational objective for the time being.</p> <p>The Chair thanked JM for her report, the contents of which were NOTED by the board.</p>
<p>332-14</p>	<p>Financial performance: monthly update DT presented the Finance report for November which included the following highlights:</p>

The trust remained ahead of the surplus plan for the year and, even assuming the downside position arose, should achieve plan at the end of the financial year.

At best, the trust should break-even in respect of the work undertaken to achieve RTT18 targets, although it was noted that pay costs in November included £227k for these additional sessions. BG queried whether the trust would have been down on activity without this additional work; DT agreed that Service Line Planning revealed activity in certain areas would not have achieved plan, and whilst overall the trust was achieving activity targets, this was predominantly due to follow-up appointments which posed a risk in the longer term.

Cash balances remained significantly above plan due to delays to capital expenditure. As previously reported to the board, there were risks in respect of the level of capital spend which Monitor might interpret as difficulties with planning and forecasting. At present there was a £1.5m gap. LP asked what was being done to bridge this and DT outlined the steps being taken to accelerate expenditure and replenish equipment. RT reminded the board that the trust had originally intended to invest in Information Technology (IT) infrastructure but this had been delayed due to changes in the business planning process; in the meantime a number of items had been earmarked to bridge the gap including replacement anaesthetic machines.

DT reminded the board that cash balances were sensitive to payment for over performance by commissioners, however appropriate provision had been made for this.

DT observed that the trust's Cost Improvement Programme (CiP) of £800k (1.5%) was not particularly difficult but noted this was still not being achieved.

Expanding on the Chief Executive's earlier update [item: 000-14], DT warned that despite NHS England's recent announcement of additional funding, not all money was new money and a significant proportion of the £2m would be allocated to CCGs for local services and to commission primary care and specialised services. The board was reminded that there had always been plans to allocate specialist commissioning to CCGs, which would probably increase the number of commissioners with which the trust had to work. Whilst the 50% Emergency Rate Tariff (ERT) might be welcomed in the acute sector, this would not necessarily be the case for specialised services; up until now this had always been paid at standard tariff rate, however, in the future anything over and above plan would be paid at 50% only. DT noted that the baseline was still to be set and agreed to update the board of developments at next month's meeting
[Action: DT]

The Chair asked when the board would be apprised of the business planning process; DT agreed to provide an update on the schedule in January with a view to submission for formal approval in February **[Action: DT]**

GC asked if the trust was collating evidence to determine that all follow-up appointments were undertaken for sound clinical reasons. JM confirmed that coding work was already underway within Corneo and agreed this should be done in other areas to provide assurance that this was clinically appropriate for patients.

RT reminded the board that Stuart Butt had reported last month that whilst staff were paid in equal 12th (twelfths) throughout the year, the way that weekends and week days fall during any given month means potential income varies, this had not been taken into account when the target for November had been set, (although future planning would be phased in a different way); the board has also been asked to note that it would not be unusual to see a similar downturn in December due to the number of Bank Holidays in the month.

RT stressed the importance of identifying the areas which were generating profit, whilst

	<p>ascertaining the reasons for falling behind on elective work; JM provided examples of specific consultant related activity which had resulted in a recent drop in performance. However, she felt confident that improved dialogue within developing business units would improve future business planning and activity.</p> <p>The Chair thanked DT for his comprehensive update, the contents of which were NOTED by the board.</p>
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<p>333-14</p>	<p>Workforce</p> <p>GA reported that recruitment and retention continued to be the main priority, with a number of initiatives now in place to help address this. A recruitment open day was scheduled for 19th January and a further event would be arranged for March.</p> <p>GA asked the board to note that it had not been possible to provide full workforce metrics today due to the board meeting being brought forward this month (to account for the Christmas break).</p> <p>Phase 3 of the Statutory and Mandatory Training improvement programme was being implemented; GA was hopeful next month's report would give a more accurate position for training, with all posts aligned to training profiles associated with the Skills Passport.</p> <p>In order to address problems within eRostering the system was currently under review. Reviews were being undertaken by a project steering and project implementation group. A revised system was on track to go live in March, and in the meantime HR teams were supporting managers in identifying early warning of potential staffing shortages.</p> <p>GA advised that on the whole retention and stability remained good, however, there remained a problem within Canadian Wing (with only a 72% stability rate); one option under review was to implement rotational appointments for Band 5 staff, thereby providing greater experience. The trust was also considering expansion of its current agreement with the military, which had proved effective on Canadian Wing. There was also a problem with recruitment of Band 7 staff within Prosthetics and GA outlined the reasons behind this; he was working with Mark Cutler and Paul Gable to see if any solutions could be identified.</p> <p>Whilst the board reiterated its resolve to avoid overseas recruitment at this stage, it was recognised that recruitment was a national problem which would not be addressed overnight.</p> <p>The Chair thanked GA for his update, and the board NOTED its contents.</p>
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STRATEGIC PRIORITIES

<p>334-14</p>	<p>Quarterly update on delivery of Key Strategic Objective (KSO) 1: Outstanding Patient Experience</p> <p>AP had circulated the latest update on delivery of the Outstanding Patient Experience Key Strategic Objective, the contents of which were NOTED by the board. As RT had confirmed previously, it was acknowledged that the KSOs would be reviewed in an effort to make them more streamlined and accessible to everyone within the trust.</p>
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<p>335-14</p>	<p>Quarterly update on delivery of Key Strategic Objective (KSO) 2: World Class Clinical Services</p> <p>On behalf of the Medical Director, RT presented an update on World Class Clinical Services. The three key elements this quarter were:</p> <ol style="list-style-type: none"> I. <u>Clinical Research and Development</u>
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	<p>A presentation had been made at the recent Charitable Fund Trustees meeting at which it was agreed to extend the secondment of Dr Jones as Director of Research and Development for a further two years. It was noted that the joint initiative with Brighton and Sussex University Hospitals Trust had helped to revitalise research and development activity.</p> <p>II. <u>Education & Training</u> Dr Ed Pickles was the newly appointed Director of Medical Education following the retirement of Dr Steve Squires. A key focus would be to re-engage with junior medical staff.</p> <p>III. <u>Consultant Level Clinical Outcomes</u> RT reminded the board of the amount of work undertaken to date; however, the trust currently lacked information management software, hardware and skill sets to develop further at this stage. The Clinical Outcomes project was overseen by the board outcomes group comprising RT, LP and SF, and the group intended to review its options in the New Year.</p> <p>GC sought clarification in respect of clinical strategy accountabilities; RT confirmed these remained within the Medical Director's remit, but acknowledged this would be clarified following the refresh of the current Key Strategic Objectives.</p> <p>The Chair thanked RT for his update, and the board NOTED its contents.</p>
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GOVERNANCE

336-14	<p>Corporate Risk Register (CRR)</p> <p>The latest Corporate Risk Register had been circulated to the board, highlighting three top risks as:</p> <ul style="list-style-type: none"> • The ability to meet RTT18 targets • Breaching cancer targets • Failing to deliver safe health care due to difficulties in recruiting <p>Whilst the trust was on track for compliance for the RTT18 target in December, it was agreed these risks would remain on the register until compliance was confirmed.</p> <p>The Chair thanked AP for her update the contents of which were NOTED by the board.</p>
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337-14	<p>Board Assurance Framework (BAF)</p> <p>AP confirmed that the current BAF had been presented to the Audit Committee at its meeting earlier this month. It was acknowledged that overall the framework was developing in the right direction, although there was still confusion amongst some members of the board as to its purpose. DT explained that the BAF was designed to communicate progress towards mitigating risks to strategic objectives, and conceded that there was considerable detail contained within the current version. He suggested it might be helpful if future versions highlighted main changes requiring the board's attention.</p> <p>After brief discussion, it was agreed that a board seminar should be dedicated to explaining how key high level risks are identified and communicated; AP urged the board to ensure the Head of Risk Management was invited to take part in discussions. It was agreed the most appropriate timescale would be April 2015 (once business planning had been confirmed). [Action: AP]</p> <p>AP notified the board that once priorities had been agreed for 2015/16, external audit would be</p>
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	<p>commissioned to undertake a review of the framework which would provide additional assurance.</p> <p>The Chair thanked AP for her update, the contents of which were NOTED by the board.</p>
<p>338-14</p>	<p>C-Wing Action Plan update</p> <p>LH reported that the action plan was predominantly complete; the following exceptions were highlighted:</p> <ul style="list-style-type: none"> • 8.3c: As reported earlier under [item 333-14], implementation of the Safer Care module was well underway and reporting would be improved as a result. • 8.4e: GA advised it was contractually difficult to prevent staff using accrued annual leave during a notice period; if staff shortages were an issue, one option would be to offer payment in lieu, although this could not be imposed. The board agreed this item should be removed from the action plan. [Action: LH] • 10.2b: 360⁰ appraisals were now incorporated into the new Leadership and Development Framework programme. <p>It was agreed that following today's update there would be a hiatus in reporting; accordingly the board would receive its next update in June 2015 [Action: LH]</p> <p>LP queried whether the action plan was addressing appropriately the intentions of the original report; RT concurred there would always be difficulties but the trust should always strive to hold people to account for their behaviours and values.</p> <p>The Chair thanked LH for her update the contents of which were NOTED by the board.</p>
<p>339-14</p>	<p>Fit and Proper persons test</p> <p>LH presented a paper setting out the main provisions of the new 'Fit and Proper Persons' test, which had been designed to provide assurance that appropriate enquiries had been made to ensure all board members met key criteria.</p> <p>It was agreed the trust's Recruitment Policy be amended to ensure test criteria be incorporated into future appointment of board members. BH asked this to be prioritised in light of the current non-executive recruitment process. [Action: GA]</p> <p>Existing director contracts would also be amended to include the current provisions. [Action: GA]</p> <p>The Chair thanked LH for her report, the contents of which were NOTED by the board.</p>
<p>340-14</p>	<p>Duty of Candour</p> <p>LH presented a report setting out recently introduced legal obligations on the trust relating to openness and transparency following untoward incidents. BH asked if aspects of the new legislation were already incorporated into the 'Being Open' policy; AP agreed to check and report back. [Action: AP]</p> <p>JM queried whether junior medical staff fully understood the implications of the legislation; whilst the 'Being Open' policy had been in place for some time, LH reminded the board that the trust</p>

	<p>could now be prosecuted if it failed to comply. BH asked how implementation should be progressed; RT suggested it would be helpful if AP and LH could meet to discuss the most appropriate method of applying the new legislation this and report back to the board [Action: LH]</p> <p>The Chair thanked LH for her report, the contents of which were NOTED by the board.</p>
REPORTS FROM THE CHAIRS OF THE SUB-COMMITTEES TO THE BOARD	
341-14	<p>Clinical Cabinet RT provided a summary of the Clinical Cabinet meetings held on 3rd and 17th November, highlighting key issues. The Chair thanked RT and the board NOTED the contents of the monthly update.</p>
342-14	<p>Charitable Fund Corporate Trustee The Chair provided a brief summary of the recent Charitable Fund Corporate Trustee AGM which had taken place last month.</p> <p>Trustees had received a presentation on the Research and Development role which the fund was currently supporting. A short meeting would be convened later in the day to approve formally the annual report and accounts.</p>
STAKEHOLDER AND STAFF ENGAGEMENT	
343-14	<p>Feedback from events and other engagement with staff and stakeholders Board members and attendees were invited to report on events in which they had participated in the last month; these included the following:</p> <p>BH had attended the Trust induction programme and felt assured by the level of high quality staff being recruited into the organisation; she had also attended last week's Appointments' Committee at which the skills set of the new NED appointment had been agreed. In PAG's absence, BH had chaired her first Council of Governors' meeting; feedback in respect of the new format was on the whole positive, (although additional refinement would be required over time). BH had also joined recruitment panels for the Director of Finance and Histopathology appointments. Finally, BH reported she had undertaken one of the trust's Compliance in Practice (CiP) sessions which had provided an opportunity to interview patients in the Outpatients Department.</p> <p>As highlighted in his earlier report, RT had been attending a series of internal engagement meetings relating to the current organisational restructure. In line with findings of recent reviews he felt more needed to be done to address organisational culture and communications but on the whole felt morale was better than it had been this time last year.</p> <p>JM had also been involved in various internal engagement meetings; she had also attended meetings at Pembury Hospital (part of Maidstone & Tunbridge Wells NHS Trust) and would be meeting with representatives of Kings College Hospital shortly to discuss potential service developments.</p> <p>LP had attended a recent meeting held by the Association of NHS Charities and observed that despite recent changes in legislation there was no real benefit for a trust the size of QVH achieving independent charitable status.</p> <p>GA had been supporting staff at weekends during last month's drive to clear waiting lists; conversations with staff indicated a wealth of ideas for improvements which the trust should</p>

	<p>draw on, and which long-term would help tackle some of the current cultural issues. BH concurred and expressed thanks to all members of the Senior Team who had supported staff in this way. GA also reported he had seen early results of the recent Staff Survey which appeared encouraging; should timescales allow, he would aim make a formal report at next month's board. [Action: GA]</p> <p>AP had spent time in ITU and was assured by how well working arrangements were being implemented.</p> <p>LH had taken part in a recent CiP, and had also joined the stakeholder panel for the recent Director of Finance interviews.</p> <p>The Chair thanked the board for their updates, the contents of which were NOTED.</p>
GOVERNOR REPRESENTATIVE & NON-EXECUTIVE DIRECTORS	
344-14	<p>Observations from the Chairman, Non-Executive Directors and Governor Representatives There were none.</p>
MEMBERS OF THE PUBLIC	
345-14	<p>Observations from members of the public There were none.</p>
346-14	<p>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</p>

Chairman..... Date 29th January 2015