Surrey and Sussex NHS
Healthcare NHS Trust

Minutes of Trust Board meeting held in Public
Thursday 26th June 2014 from 10:30 to 13:00
Room 7/8, PGEC East Surrey Hospital

Present

(AM) Alan McCarthy	Chairman
(MW) Michael Wilson	Chief Executive
(YR) Yvette Robbins	Deputy Chair
(PS) Paul Simpson	Chief Finance Officer
(DH) Des Holden	Medical Director
(FA) Fiona Allsop	Chief Nurse
(PB) Paul Bostock	Chief Operating Officer
(AH) Alan Hall	Non-Executive Director
(RD) Richard Durban	Non-Executive Director
(RS) Richard Shaw	Non-Executive Director

In Attendance

(GFM) Gillian Francis-Musanu	Director of Corporate Affairs
(CP) Colin Pink	Note taking
(GM) Gary Mackenzie	Consultant Gastroenterologist & Clinical Lead
(IM) Ian Mackenzie	Director of Information and Facilities

1.	**General Business**		
	1.1	**Welcome and Apologies for absence**	
		The Chairman opened the meeting by welcoming Trust Board members, staff and members of the public. No apologies for absence were noted.	
	1.2	**Annual Declarations of Interest**	
		The board received and noted the annual declarations of interest paper in advance of the meeting. GFM presented the report and asked whether there were any factual inaccuracies or updates required. The Chairman highlighted a minor change to the recording of the status of a charitable trust. GFM noted the amendment and no further issues where identified. The Chairman asked if the Board members had any additional declarations of interest. There were no additional interests declared. The Board noted the report.	
	1.3	**Minutes of the last meeting – 29th May 2014**	
		The minutes of the meeting held on 29th May 2014 were approved as a true record.	
		1.3.1	**Action Tracker** TBPU-10 Congratulatory letter to BSUH regarding redevelopment funds GFM confirmed that this action had been completed.

			TBPU-11 Arrange a board to board meeting to discuss opportunities for local alignment GFM confirmed that this action had been completed.
	1.4	**Chairman's Report**	
		The Chairman introduced his verbal report which provided background for the Board on changes to both the local health economy and the national agenda which will have an effect on the Trust. The Chairman spoke about the recent NHS Confederation Conference at which changes in national strategy had been discussed of which the main impact is the lack of national prescription for local arrangements. The new NHS Chief Executive also spoke about licence and freedom to act and the impact on ability to arrange local pathways that best suit local demographics. The Chairman went on to discuss the likely shift in commissioning to single commissioning bodies that commissions all aspects of health and social care and it is likely that these will be the CCGs and the proposed shift from PBR to payment based on performance, quality and outcomes. This is linked to a need to reduce the costs of running acute trusts before there is a drop in available revenue. Finally the Chairman stated that there was national agreement that there could be no turning back from the findings and recommendations of the Francis report. Highlighting the need to provide safe high quality care. The Chairman went on to highlight the importance of continuing to develop pathways that did as much as possible to provide care in the community and reduce fragmented pathways that currently exist. This would require innovation in the field of technology in particular the way in which providers collect and share information and data. The Board noted the report.
	1.5	**Chief Executives report for Assurance**	
		The board received and noted the Chief Executive's report in advance of the meeting. MW presented his report, highlighting the recent publication produced by Monitor which indicated that the Trust fell into the bracket of a small acute Trust with an annual budget of less than c£300 million. This report suggested that small acute trusts could not function under PBR as they would not be able to generate enough income and that changes would be required to ensure the effective functioning of smaller acute trusts. MW went on to highlight the evidence that these conclusions where based on and the lack of detail as to what the required changes would be and how they would affect acute Trusts. MW went on to discuss the new proposed offence of wilful neglect, which is likely to become a criminal offence when parliament returns from recess later in the calendar year. The Trust would await guidance from the national bodies on how this offence will be interpreted and what safeguards may need to be put in place. MW congratulated Maris Codling, Voluntary Service Manager for receiving the British Empire Medal for her years of work with the Trusts volunteers, homeless people and other charity work. Highlighting that this was the 3rd national medal

		received by Trust staff in recent years. MW stated that there was now a recognised capacity problem across the NHS with unexplained increases in emergency and elective demand. Extra funding had been made available to help manage the issue (£250 million elective care fund and £450 million emergency care resource). RS asked whether it was possible to draw any conclusions on the effect of the Monitor report on smaller hospitals. MW stated that there was not enough evidence or detail to draw conclusions highlighting the 30% funding gap in reduction of income against the need to increase staffing. MW also highlighted that some of the larger hospitals in the country were struggling financially and pointed out that the problem was not specifically with smaller hospitals. PS stated that PFI hospitals where not necessarily the problem and that the key was investment and infrastructure. He went on to confirm that all hospitals would need to cut costs before the planned reductions in income came into effect and highlighted that the report indicated that there was no obvious difference in quality between small and large hospitals. MW highlighted the effect of specialist commissioning on the current financial model which would need to be better reflected in future models of finance. The Chairman asked whether the emergency centers model was fit for purpose. To which PS stated that the emergency center debate was ideologically in conflict with the smaller hospital suggestion and that CCGs where looking at making some accident and emergency centers larger to help cope with demand. The report was duly noted by the board.
2.	**Safety, Quality and Patient Experience**	
	2.1	**Clinical Presentation – Endoscopy** The board received a presentation in advance of the meeting, describing progress and developments in the endoscopy service. DH introduced the presentation by Dr Gary Mackenzie (GM) highlighting the high quality service it provides for patients of the Trust. GM discussed the presentation in detail focussing on relevant points of interest and issues that needed greater explanation. The presentation focussed on the services assessment of quality and benchmarking with other services. GM highlighted that national benchmarking had been carried out for some ten years using domains similar to the CQC. This benchmarking showed that the Trusts service was both effective and safe. GM went on to highlight the good national accreditation assessment (JAG) which had been carried out recently which had been achieved in an environment where activity had been increasing approximately 13% year on year. The JAG accreditation assessment had gone very well with the external team commented on the demonstrable evidence of team dynamics and the award of accreditation on the day of the assessment. The assessment is based on 21 factors for which the service had been graded “A” and “B” for the last factor.

		MW asked what the service would need to do to achieve the final A. GM indicated that it was the ability to use live date for review which is linked to IT infrastructure and that plans where in place to resolve this technical issue. GM described the recent business case to implement a colorectal screening service (CRC) screening service at the Trust, which had been approved by Executive Committee and would provide more services for patients at the East Surrey Hospital site. This would have the added benefit of bringing the service closer to its goal of becoming a local hub provider, rather than being linked to the nearest local hub at Guildford. This would be a significant achievement for the service as the Trust currently provides 40% of the local hubs services and could, with investment, become a centre of excellence and training. GM moved on from the description of service monitoring and governance and went on to discuss the two main risks that the service was managing namely the recruitment and retention of trained endoscopy nurses, which is a national issue and the implementation of a colorectal cancer screening service (increase 11 lists per week). MW asked for assurance that these issues where being considered to which GM confirmed that plans were in place and stated that becoming a central hub would make recruitment and retention of trained nurses easier to manage. GM finished his presentation by talking about the upcoming business case for replacement of endoscopes which would be a significant financial outlay for equipment and issues over the reliability of function of one of the decontamination units. The decontamination unit does not present a safety issue but has a significant impact on resources and time. PS stated that the Trust should be discussing this issue with the decontamination equipment provider to resolve the ongoing issue. The Chairman thanked GM for thorough the presentation and congratulated the team for its recent achievements. YR asked how the service could look to improve the ratio of appropriate referrals from GPs. GM described the work that was being done with GPs to improve referrals highlighting however the impact of receiving extra referrals as the reputation of the service improves. YR asked what was driving the yearly increase in activity. GM stated that is was multifactorial linked to the increase in the average age of the population and the increasing awareness of possible issues and symptoms within the general public. MW asked whether the service runs private clinics. GM confirmed there where two private lists. RS asked for specifics on the plans to recruit and retain staff. GM responded by highlighting issues linked to the need and the length of time taken to find staff who were interested in the role and the associated length of training and as such long term strategies to engage interest and make the role desirable in the long term were being developed. FA stated that a training system could be developed in conjunction with Guildford

		that took into account staff movement. RS stated that the Trust should look to share the valuable learning that was demonstrated by the services implementation and effectiveness. The Board gained assurance from the report.
	2.2	**Patient Story** The Chairman stated that a patient's story had not been prepared for this board meeting as planned but would continue as a standing agenda item.
	2.3	**Medical Director's Report** The board received and noted the Medical Directors report in advance of the meeting. DH presented the report drawing the board's attention to two main points; prescribing and drugs and the GMC training survey results. The local Denary had the lowest score on the survey; however the Trust had scored well against local peers. The Chairman asked how this was likely to affect the Trust. DH indicated that it may affect the number of training posts allocated to the Deanery which would then have a knock on effect on the number of FY1 posts available to the Trust. RD asked how the prescribing issues described in the report affected Trust services as it referred to home care. DH explained that it was related to administration of drugs at home as part of pathways managed by the Trust such as chemotherapy highlighting that logistics were the real problem. YR asked whether this was linked to the discharge process and issues relating to To Take Outs (TTOs) and prescribing. DH stated that the Trust still had work to do to maximise efficiencies relating to TTOs as at this stage of care discharging fit patients are low priority for the junior doctors. Highlighting that there is a piece of work to be carried out to look at what can be done during a patients stay to improve the management of TTOs and that there might be scope to carry out some of this work during the night. The report was duly noted by the Board.
	2.4	**Safer Staffing Report** The board received and noted the report in advance of the meeting which FA presented. FA stated that the Trust had met the June deadline to publish staffing levels and that the report detailed our compliance with the standard. This was a positive safety story for the Trust as compliance with planned staffing ratios is being met. FA went on to discuss issues related to the amount of time available to ensure that each nurse can carry out their expected duties, plans for the Trust to look at leadership and preceptorship within the profession and achievement of baseline compliance with the expectation that all patients will have named Medical and Nursing staff.

		The Chairman thanked FA for the report and asked if there was anything in particular that concerned her regarding the nursing workforce. FA stated that the continuing delay between recruitment and commencement of staff was of significant concern. YR asked whether the Trust need specific KPIs for agency staff to help monitor the recruitment issues and how the Trust gained assurance on the issue as parts of it are monitored by SQC and the rest by the Finance and Workforce Committee. FA highlighted that at a high level this was being pulled together in performance reports and reviewed by Executive and the subcommittees. YR asked for greater visibility of connections and interplay between safety and workforce data. FA stated that as the new scorecards are developed it is expected that divisional and service level reports will allow for greater clarity of effects of workforce on the quality of services. MW stated that the current key gap in data is a KPI related to length of time to recruit. RD agreed stating that agency use was a symptom rather than the cause of the issue and highlighted that there was work to do on the workforce KPIs that the Trust uses. The report was duly noted and assurance gained by the Board.
	2.5	**2013/14 Quality Account** The board received and noted the third draft of the Quality Account report in advance of the meeting. DH highlighted that the document was now on draft 4 (the final version) which included a mandatory appendix statement of accuracy which had been included since the board papers had been disseminated. This however did not constitute a material change to the draft available to the board. The Chairman stated that the document was a good account of the Trust's quality of services and was a well written document. DH thanked Eloise Clarke, Head of Communications for the hard work she had put into the document. RD asked whether the Trust had had similar issues to resolve as had occurred in the last financial year. GFM confirmed that the quality account had been developed in a timely manner and that the previous year's issues had not reoccurred. PS highlighted that external audit had presented a qualified audit of the quality account based on the timeliness of some data's availability to the Trust rather than the accuracy of the information presented in the quality account. The Board resolved to approve the draft report for publication and echoed thanks to DH and to Eloise Clarke.
	2.6	**Safety & Quality Committee Chair's Update** The board received and noted the report in advance of the meeting.

		RS presented his report highlighting the ongoing issues affecting the management of closure of SIs and the involvement of the Executive Committee to resolve historic cases, the positive ongoing work to develop the Trust's dementia services and the Clinical Chief's commitment to continually improve the effectiveness of clinical audits. DH drew the Board's attention to the ongoing issues with notes availability and the use of Cerner. Stating that action plans were being developed for the Executive Committee that would look to resolve the cultural issues around acceptance of notes availability and the development of a notes systems that was fit for purpose. DH went on to comment on the detail at which audit plans and results where discussed at the clinical effectiveness sub-committee. The Board duly noted the report.
3.	**<u>Operational Performance (Month 1)</u>**	
	3.1.1	**Operational and Quality Key Performance Indicators** The board received the Integrated Performance report in advance of the meeting. PB presented the report which indicated that the Trust is performing well, however there was clear indication that quarter one's activity was higher than expected highlighting that emergency department attendances were approximately 60 per day higher than the previous year. The Chairman asked if the CCGs recognised this position. MW confirmed that activity was a nationally recognised issue. The Chairman asked how long we could sustain this level of activity and whether elective to non-elective ratios was decreasing as desired. MW stated that there was a balance against the amount of resource and that money coming in would be a key factor in sustaining activity and performance. PS highlighted that although referrals where going up the Trust's activity indicated a reduction in length of stay and that the elective to non-elective ratio was getting better. DH highlighted that some specific areas such as ophthalmology, cardiology and radiology where starting to struggle to find the staff to support the increase in activity. YR asked what the current state of management of readmissions was as previous year's performance had resulted in financial penalties. PB highlighted that the Trust was still awaiting the review of the 2013/14 readmission audit carried out by the TDA and that the Trust was chasing the response as the 2014/15 contracting year had already started. PS asked two questions regarding the CQC intelligent monitoring risk rating and the Trusts HSMR improvements. In response DH stated that the Trust was still in the lowest risk band on the CQC risk profile and that HSMR was improving because it uses a rolling 12 month average and therefore as historic higher mortality is replaced by recent low mortality the HSMR will decrease. DH went on to temper this to remind the Board that mortality is benchmarked

		nationally on a regular basis and therefore the position can change dependent on recalculated national average. The report was duly noted by the Board.
	3.1.2	**Workforce Key Performance Indicators** PB presented the workforce key performance indicators highlighting the maintenance of a good sickness absence rate. YR asked when the staff friends and family indicator would be made available. Ian Mackenzie (IM) was invited to answer and explained that so far only one set of data was available and that the information would be included once it had been reviewed. YR asked when the staff friends and family indicator would be made available. Ian Mackenzie (IM) explained that so far only one set of data was available and that the information would be included once it had been reviewed. The Chairman reminded the board of the amount of workforce related conversations throughout the meeting and asked PB to consider developing the workforce indicators in the report. PB and RD agreed that the metrics available could be improved. The report was duly noted by the Board.
	3.1.3	**Finance Key Performance Indicators** The Board received and noted the update in advance of the meeting. PS detailed the finance report. Highlighting that as described on the Board Assurance Framework (BAF) finance continues to be the biggest risk to the Trust. Going on to highlight that current activity of the Trust was having a significant impact on the Trust's finances despite improvements in payment mechanisms for non-elective care and the increase in elective activity. MW concurred stating that the national model needs to evolve to fit the current national situation. MW went on to state that regular cost pressure conversations where underway with divisional management and finances where under regular review with the TDA. The Chairman thanked PS for the report and the Board duly noted the report.
	3.2	**Finance & Workforce Committee Update** The Board received and noted the update in advance of the meeting RD presented the update highlighting that the quarter one financial forecast was a significant issue for the Trust. RD drew the boards attention to the decant ward business case and the assurances that were being sought on completion of work to plans, the operational plan to meet the Trusts strategic objectives and the ongoing issues regarding recruitment and retention of nurses. RD went on to state the Chief Nurse's paper on the nursing workforce had provided a lot of positive assurance. The Chairman agreed that there was a great deal of assurance taken from the work

		to date and went on to ask what the gap represented. FA confirmed that the gap represented the number of nurses required to substantively meet the safe nursing ratios. **Action** FA to develop a recruitment plan to fill the 200 vacancies. The Chairman noted that recruitment and retention was becoming a bigger issue for the Trust and that he expected conversations to continue outside of the public board. The Board duly noted the report.
	3.3	**Finance & Workforce Committee Annual Report** The Board received and noted the update in advance of the meeting RD presented the annual report highlighting the assurances the committee had sought on behalf of the Board, the improvements delivered in year and workforce organisational development. RD went on to ask the Board to consider that post FT application how the Trust would continue the development of the Trust's IBP and strategies. YR suggested that this should continue as part of normal activity for the committee and be reviewed as part of private Board activity. The Chairman stated that the Trust would consider the next steps closer to the achievement of FT application and would need to consider constitutional impacts. The chairman went on to thank RD for the report and the positive output of the committee which had a wide portfolio of assurance and operational strategy development. The Board duly noted the report.
	3.4	**Audit and Assurance Committee Update** The Board received and noted the update in advance of the meeting RD presented the update from the committee. The last meeting had reviewed the Trust's annual accounts which had been accepted on behalf of the Board. RD highlighted the qualification on the external audit review of the accounts based on the Trust's non recurrent funding position, which is a known technical issue and accounted for appropriately. The Chairman thanked RD for the report. RD went on to state that the annual review of the accounts written by PS was a useful document and encouraged non-committee members to read it. RS noted the internal audit of recruitment and retention had been scored as an amber red which echoed the conversations of the current Board meeting. The Board duly noted the report.
4.	**<u>Risk, Regulatory and Strategy Items</u>**	

	4.1	**2014/15 Board Assurance Framework (BAF), Significant Risk Register and Risk Appetite** The Board received and noted the reports in advance of the meeting. GFM presented the proposed Board risk appetite which had been developed at the Board seminar in May. Once agreed this will guide Board decision making on risk management and decisions to tolerate or act on risk. The Board resolved to approve the risk appetite. GFM presented the 2014/15 BAF which again had been developed at the May Board seminar and had taken into account strategic objectives and BAF risks still under review from the previous financial year. The Chairman asked the board for any comments or questions. RS started the debate by asking the board to consider whether the recruitment and retention risks was scored appropriately based on the amount of time that the board had spent discussing the issue. RD and FA agreed that the risk score should be reviewed in time for the next iteration of the BAF. **Action** FA to review the recruitment and retention risk. RD highlighted that the assurances recorded on the BAF entry could be updated. AH asked whether the acuity of the risk was right as increases in Trust activity where occurring at the same time as issues related to retention of key staff. PS agreed highlighting that the issue was multifactorial linking to agency staff usage, safety and cost. DH commented that agency use and the effect on safety was theoretical as the Trust was experiencing improvements in HSMR and other safety indicators and went on to stress that agency staff usage would also have a theoretical effect on quality which should not be forgotten. The Board agreed that the risks on the BAF relating to workforce recruitment and retention should be reviewed and updated prior to the next Board review. GFM presented the significant risk register which reflects the red risks that had been reviewed and agreed by the Executive team. PB asked why the inpatient falls risk was not recorded specifically on the BAF. FA stated that she would be happy to review this position but currently the level of the risk on the register demonstrated the Trust's intolerance of the current level of numbers of fall with harm and this was an operational decision and therefore best suited for the risk register. RS asked whether the Trust should be looking to resolve all harm incidents rather than just Trust related incidents. FA stated the risk register reflected Trust related issues and would therefore only include other incidents of harm if it posed a significant risk to the Trust. DH went on to confirm that the Trust was looking to work with the community to reduce all harm events sighting the CQUIN for reducing all pressure ulcers and the ongoing work to reduce HCAIs.

		AH asked why the three mitigated risks in section 5.2 had been removed from the risk register when the score was still constituted a significant risk. Colin Pink, Corporate Governance Manager in attendance, apologised for the error and confirmed that for the three risks recorded the current risk ratings where no longer red risks and that this would be updated. The Board noted the required reviews to two main risks and resolved to approve the 14/15 BAF and the SRR.
	4.2	**FT Update** The Board received and noted the report in advance of the meeting. MW represented the report highlighting the recent engagement of "Membership Engagement Services" to provide secure storage of member's details and improve systems of recruitment and membership engagement. MW highlighted the changes to the proposed governor's structure to include four representatives from CCGs. This was a result of the ongoing conversations with the CCGs as part of the Foundation Trust Project Board activities. Finally MW confirmed that the current version of the IBP, LTFM and supporting had been submitted to the TDA as part of the 14/15 planning process on the 20th June for consideration. The board duly noted the report.
	4.3	**Information Governance Annual Report** The Board received and noted the annual report prior to the meeting. DH presented the annual report highlighting the achievement of high standards of information governance and issues relating to audits which have been clarified and the plans to improve systems throughout 2014/15. DH highlighted the year on year increase in freedom of information requests. AH asked whether the work involved to support the increase in FOIs was sustainable. DH confirmed that some requests where having a significant impact on resources and the impact should be considered significant. AH asked whether the Board should consider what options are available to Trust to minimize the effect of requests and what the consequences would be. GFM highlighted that all requests are signed off by a Director and that all exemptions are used appropriately. The Board accepted the annual report.
	4.4	**Travel Plan** The Board received and noted the Trust Travel Plan prior to the meeting. PS presented the plan which had been developed in consultation with staff and the county council. It sets out plans to improve and manage current travel infrastructure on the east surrey hospital site. PS highlighted the improvements in car parking

		that the Trust had made. PS highlighted the new expectation that, where practicable, staff living within a 20 minute walking radius of the Trust would not be allowed a park in staff parking. This will be applied sensibly so will not affect staff that do not have a safe alternative to driving. The Chairman asked what level of consultation had been carried out. IM highlighted that where possible elements of the plan had been consulted with the local county council travel advisors but the document was heavily influenced by mandatory requirements, highlighting that the Trust was the last major employer in the county to enforce the 20 minute walking rule. The Chairman asked what effect this would have on the available roads to the hospital and the bottleneck at the Three Arches roundabout. IM highlighted that this plan did not have an immediate impact on this issue but that however through development with the county council the networks and good faith would hopefully facilitate conversations about this road infrastructure issue. The Board resolved to approve the travel plan.
5.	**<u>Other Items</u>**	
	5.1	**Minutes of Board Committees to receive and note**
	5.1.1	**Finance and Workforce** The minutes of the committee where noted with no questions raised.
	5.1.2	**Safety and Quality** The minutes of the committee where noted with no questions raised.
	5.1.3	**Audit and Assurance** The minutes of the committee where noted with no questions raised.
	5.2	**Any Other Business** No further business was discussed by the Board.
	5.3	**Questions from the Public** There were no questions raised by members of the public.
	5.4	**Date of the next meeting** **Thursday 7th August 2014** at 10.30am in Room 7/8, Post Graduate Education Centre, East Surrey Hospital.

Note: This is a public document and therefore will be placed into the public domain via the Trust's website in the interests of openness and transparency under Freedom of Information Act 2000 legislation.

These minutes were approved as a true and accurate record.

Alan McCarthy

Chairman: **Date:**