

**Minutes of Trust Board meeting held in Public
Thursday 30th March 2017
Room AD77, East Surrey Hospital**

Present

(AM) Alan McCarthy	Chairman
(MW) Michael Wilson	Chief Executive
(RD) Richard Durban	Non-Executive Director/Deputy Chairman
(PS) Paul Simpson	Deputy Chief Executive & Chief Finance Officer
(FA) Fiona Allsop	Chief Nurse
(AS) Angela Stevenson	Chief Operating Officer
(PB) Paul Biddle	Non-Executive Director
(RS) Richard Shaw	Non-Executive Director
(DS) David Sadler	Non-Executive Director
(CW) Caroline Warner	Non-Executive Director (Designate)

In Attendance

(MP) Mark Preston	Director of Organisational Development and People
(IM) Ian Mackenzie	Director of Information & Facilities
(CP) Colin Pink	Acting Director of Corporate Affairs
(DH) David Heller	Chief Pharmacist (agenda item 2.1)
(SJ) Sue Jenkins	Director of Strategy & Kaizen Promotion Office (KPO) lead (agenda item 5.1)

1.	<u>General Business</u>	
	1.1	Welcome and Apologies for absence AM opened the meeting by welcoming Trust Board Members, governors, members of the public and staff. AM welcomed David Sadler to the Trust as a NED. DS brings a wealth of experience to the Trust and we look forward to working with him. Apologies for absence were noted from Des Holden, Gillian Francis-Musanu and Pauline Lambert.
	1.2	Declarations of Interest – For approval AM asked whether any Board members had any additional declarations of interest. None were raised.
	1.3	Minutes of the last meeting The minutes of the meeting held on 26 th January 2017 were reviewed. These were agreed as an accurate record.
	1.4	Action Tracker The Board reviewed the action tracker and CP confirmed : TBPU -17 relating to the inclusion of impact of gastroenteritis in the IPR was closed as a full refresh of the IPR is planned to take place at the start of the financial year. TBPU - 21 is due at the end of April 2017.

		<p>TBPU - 22 is due at the end of June 2017.</p> <p>There were no other matters arising.</p>
1.5	Chairman's Report <i>for Assurance</i>	<p>AM provided feedback from a recent NHSI event focussing on early implementers of STP plans, in areas where there is a history of partnership working and limited numbers of primary and secondary providers. The geography and number of partner organisations makes the local STP complex, but there are examples of good practice of efficiencies and governance that can be adopted. The Trust will continue to explore and work with its partners across the STP.</p> <p>The Board noted the report and there were no questions raised.</p>
1.6	Chief Executives report <i>for Assurance</i>	<p>The Board noted the report in advance of the meeting.</p> <p>MW presented the report highlighting the CQC's state of hospitals report which provides a summary of the first review of all acute providers in the country. This is a particularly useful document for identifying areas of best practice and the challenges being faced by the NHS. MW went on to highlight the DOH NHS mandate which strengthens the commitments and expectations of what the NHS needs to deliver by 2021.</p> <p>MW went on to highlight the fantastic results of the 2016 national staff survey, thanking all staff who took part in the survey and the assurance it provides the Trust. The detail of the survey is covered later in the agenda.</p> <p>The Trust has launched its BAME network with support from an external charity, this is a good step forward for ensuring inclusion of all staff groups.</p> <p>MW reported that there will be a new national infection control reduction target for 2017/18 which specifically focusses on infections such as E-coli. This will be a very challenging goal as E-coli infections are not necessarily healthcare related.</p> <p>Finally MW congratulated PS on his appointment as the chair of the local STPs finance committee.</p> <p>RS noted that although many hospitals have identified safety as their highest priority none have achieved outstanding in this domain. MW concurred highlighting the need for an outstanding culture and environmental issues that impact on inspection. Investigations are now becoming intelligence driven and the CQC will take a great deal of information from national data sets such as the staff survey. FA concurred highlighting that those Trust's with an overall outstanding assessment have a positive culture that you can feel.</p> <p>DS asked if the NHS mandate and the objectives had changed materially. MW commented that the mandate covers the areas that you would expect it to cover highlighting increased focus on home based integrated care, innovation and reduction of health inequalities.</p> <p>The Board duly noted and took assurance from the report.</p>

1.7	<p>Board Assurance Framework (BAF) and Significant Risk Register (SRR) for Approval and Assurance</p> <p>The Board received the paper in advance of the meeting.</p> <p>CP presented the report, noting that the BAF details the 13 risks to the trusts strategic objectives. The Executive Team are proposing a reduction in risk 4.1, from 15 to a 12, relating to the increased likelihood of meeting the objective of becoming the secondary provider of choice for our catchment area and delivery of national standards. Supporting evidence indicates that the likelihood of this risk materializing is reducing. PB noted that the AAC had reviewed the BAF and there are plans to refresh the document going into 2017/18.</p> <p>There are 10 significant risks recorded on the Trust risk register.</p> <p>AS highlighted the supporting evidence which is linked to the proposed reduction in strategic risk relating to becoming the provider of choice, increasing referrals and increased elective care choice for specific services. This reduction of likelihood in risk will move this to a 12, amber risk.</p> <p>The Board agreed with the proposal to reduce the risk score for risk 4.1.</p> <p>The Board noted and took assurance and approved the report.</p>
2.	<p>Quality of Care</p>
2.1	<p>Clinical Presentation Hospital Pharmacy Transformation Plan for Assurance and approval</p> <p>DH introduced the report highlighting that modernisation of pharmacies is one of the key deliverables of the early Carter work and that the Trust is expected to develop an action plan to deliver efficiencies. DH highlighted the Trust governance that supported the initiative and the work that had been carried out to date. This is all detailed in the report.</p> <p>The focus is on clinical services which put the patient at the centre of the care provided.</p> <p>DH highlighted the Trust's cost per weighted activity unit which is one of the lowest in the country and reflects the work that has already been undertaken to implement efficiencies, such as outsourcing outpatient prescriptions and preparation of chemotherapy drugs. It is not an indicator of Trust drug usage, in which the Trust is not cutting corners on its use of medications. DH and CW discussed how the drugs and therapeutics committee sets the Trust's formulary based on evidence and NICE appraisal.</p> <p>The Board discussed potential impacts on length of stay relating to the efficient management of discharge and work to support junior doctors through the process.</p> <p>The Board went on to discuss national proposals to reduce spend on 10 key drugs which had recently been reported. DH reported that this was mainly a commissioning drive and that work was been driven to reduce overall usage. The Trust has a robust formulary from which drugs can be prescribed, any of formulary medications must be agreed with pharmacy.</p> <p>RD asked if SASH Plus methodology was being used in the pharmacy. DH</p>

		<p>confirmed that it was.</p> <p>FA and DH discussed how 7 day working and the Trust's cost per weighted unit could impact on staff choice and the delivery of the 7 day working. Acknowledging that lean work and outsourcing should be that the service is effective rather than just stretched. RS asked what 7 day services would mean for the pharmacy, DH reported that the service is currently 7 day but there is a difference between services provided at the weekend which should impact on patient experience and flow.</p> <p>IM and DH discussed the potential electronic prescribing project which is included in the electronic patient record project. This has previously been positively piloted by the Trust.</p> <p>The Board asked to receive two updates a year on the implementation of the plan. Action: DH</p> <p>AM thanked DH for the presentation.</p> <p>The Board duly noted the report, took assurance and approved the report and action plan.</p>
	2.2	<p>Safety & Quality Committee Chair Update <i>for assurance</i></p> <p>The Board received and noted the report in advance of the meeting.</p> <p>RS presented the report highlighting the recent improvement in patient falls, compliance with the Trust's Duty of Candor systems for low harm incidents, the Chief of Cancer and Diagnostics report to the committee on peer reviews and the initial governance to support the Trust's assessment of CQC compliance. It had been a good meeting and the committee had taken assurance throughout. RS noted the challenges that the WACH division is facing specifically relating to demand, capacity and staffing.</p> <p>AM asked that the Board receive an update on the Trusts analysis of alignment with CQC guidance and actions plans. Action: FA</p> <p>The Board duly noted and took assurance from the report.</p>
	2.3	<p>Safety and Quality Indicators <i>for Assurance</i></p> <p>The Board received and noted the report in advance of the meeting.</p> <p>FA introduced the elements of the Integrated Performance Report highlighting the two serious incidents (SI) reported in month and improvements in the Trust's safety thermometer data.</p> <p>RS asked for the detail relating to the two SIs reported. FA highlighted that the investigations for both are underway, the incidents fall 6 months apart and at first review have no common contributory factors. FA will include narrative in SI reports to Board once the investigation is completed.</p> <p>FA noted the Trust's patient experience data, highlighting that during March and April the Trust's systems are changing which might impact on response rates.</p> <p>The Board duly noted and took assurance from the report.</p>

	2.4	<p>Safer Staffing and Care Hours Per Patient Day Report <i>for assurance</i></p> <p>The Board received and noted the report in advance of the meeting.</p> <p>FA introduced the report highlighting day to day numbers and activity to access and maintain safe working levels. Further national guidance will be published in May.</p> <p>The Board discussed staffing ratios in maternity particularly ratio of midwives. The Trust is at a ratio of 1 to 32 and is considering what can be done and the need to meet best practice ratios. Other organisations have included maternity assistants or maternity support workers in this ratio, which is a possible option that is being explored. The management of risk and leadership is key to ensure safe staffing levels are maintained.</p> <p>The Board duly noted and took assurance from the report.</p>
3.	<u>Operational Performance Report</u>	
	3.1	<p>Integrated Performance Report (M10) <i>for assurance</i></p> <p>The Board received and noted the report in advance of the meeting.</p> <p>AS presented the operational and access performance indicators detailed in the integrated performance report. The Trust did not achieve the ED standard in February but remains a high performer rating 11th out of 139 organisations. Ambulance handover is improving with focused attention and delivery of improvement actions. The Trust and sector is considering focusing on response times as a key metric to supplement handover times.</p> <p>Cancer access standards have been achieved for 8 months, there is continuing growth in demand. Diagnostic standards are now being achieved.</p> <p>RTT remains challenging as referral rates continue to grow. As part of the review of RTT 15 patients have been identified who have been waiting for longer than 52 weeks. Each case has been reviewed using root cause analysis methodology and no clinical issues have been identified, patient choice and capacity are the main issues identified in these cases.</p> <p>The Board discussed the achievement of the ED standard, the interface between GP and ambulance services and how challenging the winter period had been for the Trust. AM expressed the Board's thanks for to all staff for their hard work supporting the delivery of safe care during the winter.</p> <p>The Board duly noted and took assurance from the report.</p>
4.	<u>Operational Performance</u>	
	4.1	<p>Finance and Workforce Committee Chair Update <i>for Assurance</i></p> <p>The Board received the report in advance of the meeting.</p> <p>RD introduced the report highlighting the agreement of the ambulatory care business case, which had been noted at the FWC having been signed off by the Committee before the meeting.</p>

	<p>The Trust has developed a useful schedule for tracking planned and implemented business cases, which will help maintain an overall picture. The Committee had received a detailed report on the results of the excellent staff survey. RD went on to highlight discussions relating to recruitment and retention of overseas nurses and the decision to review the growth in front line staffing that had occurred in recent years.</p> <p>RD finished his report by highlighting that other matters discussed by the FWC would be discussed throughout the next three agenda items.</p> <p>The FWC reviewed the draft 2017/18 budget and are recommending that it is adopted by the Board.</p> <p>The Board duly noted and took assurance from the report.</p>
<p>4.2</p>	<p>Workforce performance indicators <i>for Assurance</i></p> <p>The Board received the report in advance of the meeting.</p> <p>MP highlighted the reduction in turnover, vacancy rates and staff sickness recorded in February. Attendance at training has dropped and this is being reviewed and appears to be linked to refresher periods varying for different training courses.</p> <p>The Trust has developed its occupational health team and is focusing on staff wellbeing, with the provision of extra clinics, alternative therapies and implementation of a smoke free site being the first phase.</p> <p>MP reported the national agreement of pay awards which will see a 1% increase for staff on agenda for change contracts.</p> <p>The Board reflected on the potential challenge of becoming a truly smoke free site, the need to improve smoking cessation opportunities and provide staff with the support they need to challenge smokers.</p> <p>The Board duly noted and took assurance from the report.</p>
<p>4.3</p>	<p>Finance and Use of Resources Performances Indicators <i>for Assurance</i></p> <p>The Board received the paper in advance of the meeting.</p> <p>PS reported that the Trust is reporting a £2 million surplus at the end of month 11. This is adverse to the original plan, but in line with the forecast position that was changed in month 9 and reported to NHS Improvement (NHSI).</p> <p>PS reported that the RAG rating in the report was incorrect, as the month 11 position should be green rather than red. The underlying surplus should also read £(2.8) million, negative rather than positive.</p> <p>The end of year forecast outturn agreed at month 9 was a £5 million surplus, the Trust is expecting to deliver £3.9 million, noting the £1.1 million readmissions credit belatedly included within the additional £3.0 million NHS England payment This has been discussed with NHSI. There is a £2.5 million risk to this position linked to negotiations with the CCGs.</p> <p>PS reported that the Trust's cash position at month 11 is good and that capital spend is on plan with £1.1 million deferred to the next financial year.</p>

	<p>RD confirmed that this had been discussed in detail at the FWC.</p> <p>The Board duly noted and took assurance from the report.</p>
4.4	<p>2017/18 Revenue and Capital Budget <i>for Discussion and Approval</i></p> <p>The Board received the paper in advance of the meeting.</p> <p>PS introduced the budget for 2017/18 for approval. This has been discussed at FWC who are recommending that it is adopted. The budget is based on contractual agreements and plans made earlier in the financial year. The budget includes a £21.3 million income and expenditure surplus control total which has been agreed by the Trust subject to a list of caveats to this position.</p> <p>The budget includes; receipt of £8.8 million strategic transformation funding, a cost improvement and productivity programme of £11.2 million, £3 million contingency and £12.4 million benefit from the new tariff HRG 4+. The budget takes into account the national pay award and the national apprentice levy.</p> <p>The proposed capital budget is £17.7 million. Capital funding assumes £7 million of additional loan receipts with the £10.7 million being funded internally through depreciation and working capital management.</p> <p>RD confirmed that the draft budget, associated risk and mitigations had been discussed at FWC. FWC have recommended that the Board adopts the proposed budget.</p> <p>The Board discussed the risk associated with the budget, divisional spending, use of contingency and how the surplus will be returned to support other organisations deficit position. PB and PS discussed the development of plans to use contingency throughout the year. AM noted the potential frustration at the front line linked to delivery of a surplus which is then not reinvested in Trust services.</p> <p>The Board approved the 2017/18 revenue and capital budget.</p>
4.5	<p>Charitable Funds Committee Chair Update <i>for Assurance</i></p> <p>The Board received the paper in advance of the meeting.</p> <p>CW reported that the Trust's fundraising manger had left the Trust and that efforts are underway to recruit a suitable staff member using all available metrics.</p> <p>The Committee is looking to agree a focus for the charity for 2018. The team continues to focus on dementia for 2017.</p> <p>The Committee agreed that all unspent non-restricted funds will now be managed by Finance under the General Funds budget. All departments will continue to have access to these monies. PS reported that this matter is sensitive and been managed appropriately.</p> <p>The Board discussed the vacancy noting that candidates with essential experience and skills are not easy to appoint.</p> <p>The Board duly noted and took assurance from the report.</p>

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5	Strategic Change	
	5.1	<p>SASH Plus Quarterly Update <i>for assurance</i></p> <p>The Board received the paper in advance of the meeting.</p> <p>SJ presented the report, focusing on the 3 main value streams and the delivery of lean for leaders training. The Trust is now 18 months into the journey with VMI. The cardiology work stream is refreshing focusing on the availability of beds within the angio department. The out patients value streams has produced real improvements which are being implemented across the department and medical records. The management of diarrhea value stream continues to deliver sustained improvements and innovation.</p> <p>The first two cohorts of lean for leaders are now finishing their assessments and these are now impacting on the way we work.</p> <p>PS asked why the overarching indicators were not yet moving towards green. SJ highlighted that these indicators are as much to do about culture as they are to do about performance and that RPIWs had yet to be carried out that would impact on all Trust wide indicators yet.</p> <p>CW asked for examples of the actions that are being taken at a local level. MW and SJ reflected on the projects that been carried out highlighting the AMU patient care packs and use of a linen cupboard and linen stock on one ward that was saving both time and money.</p> <p>The Board went on to discuss the quarterly report format and the need to bring through the information relating to front line benefits as well as maintaining oversight of the Trust's value streams. Noting that having the NED seeing the improvements in action is in the spirit of 'walking the gemba', which is a key function of leadership.</p> <p>The Board duly noted and took assurance from the report.</p>
6	Leadership and improvement capability	
	6.1	<p>Review of Staff Survey <i>for assurance</i></p> <p>The Board received the paper in advance of the meeting.</p> <p>MP introduced the report. The National Staff Survey results were published nationally in March, overall the Trust results were very positive with 22 of the key findings in the Top 20% nationally and only one key finding being in the lowest 20% nationally.</p> <p>The Trust has scored particularly well for staff motivation and recommendation as a place to work. This is a very positive message and should have an impact on recruitment.</p> <p>There has been a thank you message to all staff and the divisions and HR business partners are developing actions to continue to improve the position.</p> <p>Staff experience of abuse from patients and family members remain in the lowest 20%.</p> <p>AM commented on the excellent results of the survey and thanked all staff involved for their contribution.</p>

		<p>AM asked what was being doing to understand the abuse issues highlighted in the survey. MP commented that the Trust was working hard to really understand the issue, the staff survey does not triangulate with incident reporting for abuse which is very low. The Board noted this and asked for a quarterly update on what was being done to resolve the issue. Action:MP</p> <p>The Board duly noted and took assurance from the report.</p>
	6.2	<p>Audit and Assurance Committees Chair Update <i>for assurance</i></p> <p>The Board received the paper in advance of the meeting.</p> <p>PB introduced the report, focusing on the committees review of corporate governance controls, work to do to record the governance of partnership working and the management of the Trust's 'going concern' status as part of the review of the annual accounts.</p> <p>The Committee had received a benchmarking paper from internal audit which detailed potential CIPs, specifically improving did not attend rates, length of stay and delayed transfers of care. The report however had focused on performance numbers rather than narrative or supporting detail that could impact on the results.</p> <p>The Board duly noted and took assurance from the report.</p>
<u>Other Items</u>		
7	7.1	Minutes of Board Committees to receive and note
	7.1.1	<p>Finance and Workforce to receive and note The minutes of the Committee were noted with no questions raised.</p>
	7.1.2	<p>Safety and Quality The minutes of the Committee were noted with no questions raised.</p>
	7.1.3	<p>Audit and Assurance Committee The minutes of the Committee were noted with no questions raised.</p>
	7.1.4	<p>Charitable Funds Committee The minutes of the Committee were noted with no questions raised.</p>
	7.2	<p>Any Other Business No further business was raised.</p>
	7.3	<p>Questions from the Public No formal questions from the public received were received.</p>
	7.4	<p>Review of the Meeting No comments were recorded.</p>
	7.5	Date of the next meeting

		27th April Thursday 2017 at 11.00am in Room AD77, Trust Headquarters, East Surrey Hospital
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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: