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# MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

## 29 SEPTEMBER 2016

Board

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| Antony Kildare | Interim Chair |
| Martin Sinclair | Non-Executive Director |
| Kirstin Baker | Non-Executive Director |
| Graham Hodgson | Non-Executive Director |
| Professor Malcolm Reed | Non-Executive Director |
| Gillian Fairfield | Chief Executive |
| Spencer Prosser | Chief Financial Officer |
| Steve Holmberg | Medical Director |
| Mark Smith | Chief Operating Officer |
| Helen O'Dell | Interim Chief Nurse |

In Attendance

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| Dominic Ford | Director of Corporate Affairs |
| Rachel Cashman | Director of Strategy and Commercial Development |
| Helen Weatherill | Director of Human Resources |
| Alan Coffey | Turnaround Director |
| Alison Tong | Improvement Director |
| Lois Howell | Director of Clinical Governance |

### 9.18 APOLOGIES FOR ABSENCE

The Chair welcomed the members of the public and staff attending the Board meeting.

There were no apologies for absence.

### 9.19 DECLARATIONS OF INTEREST

There were no declarations of interest.

### 9.20 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 30th June were approved as a correct record.

### 9.21 MATTERS ARISING FROM THE PREVIOUS MEETING

The Board noted the items detailed under the progress log.

### 9.22 REPORT FROM THE CHAIRMAN AND CHIEF EXECUTIVE

**Chief Executive's report**

The Chief Executive reported on national and local issues advising the Board that NHS England and NHS Improvement had published the national Planning Guidance for the next two years. The guidance outlined the expectations of the national bodies for system

level planning over the next two years, focussing on contracting and sustainability and transformation plans (STPs) as well as introducing a range of new national business rules. Alongside the planning guidance the draft standard contract had also been published as well as the draft National Tariff prices and draft national CQUINs. The Chief Executive noted the importance of aligning Trust and STP Plans and the Chief Financial Officer added that this increased the significance of the role of STPs.

The Chief Executive further advised that she had met CQC on 19th September with the Director of Clinical Governance to review progress on the actions arising from the Warning Notice. The meeting had been positive and productive in terms of CQC's assessment of the actions taken to date. The Chief Executive would review progress monthly with CQC and the other regulators. The Chief Executive further noted that the Quality and Safety Improvement Plan which had been developed in response to the CQC inspection was one component of the overall Recovery Plan which had been approved by the Board on 13th September. The Recovery Plan had been welcomed by NHS Improvement as a model for other Trusts in Special Measures. The Chief Executive further advised that all Trusts in Special Measures have an Improvement Director appointed by NHSI and the Chief Executive welcomed the Trust Improvement Director Alison Tong to the Board.

The schedule of senior visits to services had commenced and was working well with positive feedback from senior leaders and the services visited. It was planned that feedback from the visits would be made live on the internet.

The Annual General Meeting was held on 22nd September and received the annual report and annual accounts, also discussing the CQC inspection and the actions taken since April. The AGM also highlighted some of the successes within the organisation and the Chair noted that the 3 presentations from services at the AGM were inspiring, bringing to life some of the excellent practice in the Trust which had been recognised nationally and the Board would send a vote of thanks.

**Action: Chair**

**PERFORMANCE AND ASSURANCE**

**9.23 FINANCE REPORT MONTH 5**

The Chief Financial Officer reported that at month 5, the trust was reporting a year to date adverse variance of £5.964m, with an actual deficit of £18.107m against a plan of £12.143m. The worsening variance was partly due to under-delivery of the efficiency programme, with a £1.2m stepped increase in monthly savings targets from July, and partly due to the Trust not meeting the requirements for receiving the Sustainability and Transformation funding (STF) for July and August, a £2.4m adverse variance. In addition to this the Trust has received £1.2m less of SIFT income less than expected for the year to date position.

Income was £600k income above plan. Expenditure was overspent by £6.574m which included an over spend on pay of £0.9m. The pay overspend comprises overspends on nursing of £0.876m, Medical and Dental pay of £0.33m and other staff of £0.326m. The non-pay overspend was £5.664m of which £2.9m related to PbR excluded drugs and devices that are pass through cost and therefore offset with income. The remaining

overspend included an increase in consumables, particularly disposable items, continued outsourcing activity offset with income and slippage in the stepped increase on non-pay efficiencies.

The Chief Financial Officer further advised the Board on the risks to the outturn position in respect of income, expenditure and the delivery of the required efficiency savings, which would be offset by the additional financial controls approved by the Board.

The Chair noted that there had been a very lengthy discussion on the Month 5 position and financial outturn at the Finance, Business and Investment Committee, and at the Board meeting on 13th September, which had focused on the risks to the forecast outturn position and the set of recommendations proposed by the Executive Team and supported by the Board.

**The Board noted the month 5 position; the plans to address the adverse variance; and the risks to the financial position**

## 9.24 INTEGRATED PERFORMANCE REPORT

The Chief Operating Officer reported on Month 5 performance, advising the Board that the Trust performance in August was 63.75% against the national standard of 90%, although the Trust was ahead of the agreed trajectory. Work continued to improve performance and efficiency, including the out-sourcing of activity to the independent sector and extending weekend work in theatres, including the use of PRH for day cases. Additional validation of patients waiting had been undertaken which had resulted in a spike in the backlog in August with 225 patients waiting longer than 52 weeks. All of those patients waiting longer than 52 weeks would be reviewed by a clinical harm review panel.

Performance against the 4 hour Accident and Emergency standard had dipped to 81% in August but recovered in September to date. Performance in August had been particularly challenged at PRH.

1 12 hour trolley wait had been reported in August with the number of 12 hour breaches now being significantly lower than earlier in the year.

In respect of cancer standards, the 2 week wait and 31 day standards were now being delivered and the trajectory for the 61 day standard was on track for compliance in September.

There remained significant problems with delayed transfers of care which at 7.7% was significantly in excess of the 3.5% standard and was not being addressed with sufficient urgency by partners. There was also a significant shortfall in capacity both within the hospital and in the community.

The Chair asked about preparations for winter and the Chief Operating Officer advised that a report on winter planning would come to the October Board.

**Action: Chief Operating Officer**

The Board Adviser welcomed the improvements in the performance report but noted

that there was limited information about the volume of patients treated and their acuity and this should be added to the report in due course. The Chief Operating Officer agreed to consider how this could be incorporated.

**Action: Chief Operating Officer**

The Medical Director reported on the safe domain advising that the c. difficile trajectory was broadly on track, with 3 cases reported in August and 18 cases year-to-date against an annual target of 48 cases.

Two incidents were being investigated as potential Never Events and had been reported as Serious Incidents, one involving a retained laparoscopic retrieval bag, and one a patient whose feet had been scalded and had been transferred to the Queen Victoria Hospital for specialist treatment.

Hand hygiene compliance had improved to 85% in August with a stronger focus on accountability for compliance with hand hygiene practice.

Histology turnaround times were poor, although improved to 33% in August. The causes of the poor turnaround times were being addressed through new Consultant appointments and in discussion with the pathology Joint Venture. The turnaround times had placed a strain on the cancer pathways.

The Chief Operating Officer asked if the increased accountability around hand hygiene was having an effect and the Interim Chief Nurse advised that 6 warning letters had been sent to clinical staff and that staff felt more able to challenge poor practice.

The Medical Director further advised that the mortality indicators were positive and trending well below the national average. Work was ongoing to improve booking processes and theatre utilisation and the Medical Director and Chief Operating Officer had sent out joint letter to Consultant staff reinforcing the requirements regarding 6 week cancellations and annual leave. The DNA rate was consistent with the national average, as was theatre utilisation which was around 85%.

Kirstin Baker welcomed the inclusion of the mortality indicators within the report and noted that it would be helpful to have more indicators relating to clinical outcomes. The Medical Director advised that there was good participation in national clinical audits in the Trust and these would be reported by exception to the Quality and Performance Committee to provide assurance around clinical processes and outcomes.

Malcolm Reed suggested that Patient Reported Outcomes (PROMs) be included in the report as the patient view and experience was currently confined to the Friends and Family Test (FFT). The Chief Executive agreed and that as the performance reporting matured, performance would also be broken down by directorates and service lines to provide a more granular assessment.

The Interim Chief Nurse advised that the FFT scores were 95% for in-patients, 86% in 86% and 97% in maternity 97%, representing high levels of satisfaction with maternity services. Work was required to improve complaints response times and mixed sex accommodation breaches remained high with 113 reported breaches in August.

Graham Hodgson asked about the themes around complaints and the Interim Chief Nurse advised that the key theme was around communication. The Chief Executive noted that a larger part of this concerned cancelled appointments and communication around cancellations. The Director of Clinical Governance further advised that complaints responses were largely delayed in the investigation process within the Directorates and that this would be addressed through the restructuring of the clinical governance function and the appointment of clinical governance partners working with the Directorates.

Martin Sinclair noted dip in some indicators and asked if this represented a loss of focus or seasonal issues. The Chief Operating Officer advised that the main variance in August was A&E performance at PRH, but there may well be a seasonal variance associated with annual leave and the junior doctor handover.

The Director of HR advised that additional capacity was being provided to support statutory and mandatory training compliance. The Trust was also developing an accountability framework for all managers which would detail their responsibilities in respect of, for example appraisal and mandatory training and this would further enable compliance.

**The Board noted the month 5 report, the risks to performance and the action being taken to address variances in performance**

**QUALITY, CLINICAL AND PATIENT ISSUES**

## 9.25 RECOVERY PLAN AND RESPONSE TO CQC REPORT

The Director of Clinical Governance advised that a constructive and helpful meeting had been held with CQC on 19th September when progress with the actions taken by the Trust consequent to the CQC Warning Notice had been reviewed. CQC had advised that an unannounced inspection would take place some-time before February 2017 to assess the actions taken in practice and if sufficient progress had been made, the Warning Notice could be withdrawn. Overall, progress was being made in the delivery of the Improvement Plan and it was now critical to sustain momentum and to maintain staff enthusiasm and motivation in improvement.

The CQC requirements had been grouped into 7 projects in the overall Quality and Safety Improvement Programme and the Director of Clinical Governance advised that the focus was on sustained improvement rather than simply achieving compliance, which would fall out of the overall improvement. Progress would be monitored through a Quality and Safety Improvement Programme Board, which would report to the Trust Programmes Board. A highlight report would be submitted via the Programmes Board to the Board, for each of the 7 projects supported by a suite of KPIs. CQC and NHSI had also expressed their satisfaction and support for the proposed reporting process.

The Chair noted the feedback from staff and the discussion in the recent open forums regarding the implications of Special Measures for the Trust and the importance of ongoing communication with staff. The Chief Executive advised that there would be further open forums and a newsletter for staff, building on the recent communications plan and frequently asked questions and that this had also been included in the Monday Message.

The Director of Clinical Governance concluded that the Quality and Safety Improvement Plan was one component of the integrated Recovery Plan which had been developed to address the Trust being placed in Special Measures, The Plan had been discussed in detail with NHS Improvement and the Chief Executive advised that the Recovery Plan had been described as an exemplar by NHSI.

The Improvement Director advised that it was critical that the Trust now delivered improvement at pace. The Recovery Plan provided a very good framework for improvement and it was now important that there were clear milestones, and measurable outcomes for delivery monitored by the Board.

**In conclusion, the Board noted the draft Recovery Plan and the CQC and NHSI response to the proposed reporting framework**

## 9.26 INFECTION PREVENTION AND CONTROL ANNUAL REPORT 2015/16

The Interim Chief Nurse introduced Infection Prevention and Control Annual Report 2015/16 which had been discussed at the Quality and Performance Committee in August, together with the actions which had been taken since April 2016 to improve infection prevention and control practice.

The Trust had reviewed the assurance processes and meeting structure for infection prevention and control to ensure clear lines of reporting and the new arrangements had been implemented, reporting to the Quality and Performance Committee; a new Standard Operating Procedure (SOP) for hand hygiene had been developed, which was systematically audited with evidence of gradual improvement; a Senior Nurse Infection Prevention and Control Ward Review template had been agreed and implemented; the Trust was working closely with the NHSI Infection ,Prevention and Control Lead who had conducted visits to clinical areas and was supporting improvement in this area; a review of clinical areas had been undertaken to ensure good utilisation of space and compliance with waste management; awareness had been raised regarding the reporting of estates issues and housekeeping concerns; and the infection, prevention and control code of practice self-assessment tool had been completed and would be reported to the Board in October

**The Chair noted that the Annual Report had been discussed in detail at the Quality and Performance Committee and hand hygiene in the context of the integrated performance report; note the infection prevention and control annual report for 2015/16; and note that a detailed update on progress would be reported in October 2016**

**Action: Interim Chief Nurse**

## 9.27 SAFER NURSING AND MIDWIFERY STAFFING

The Interim Chief Nurse introduced the Month 5 report on safer nursing and midwifery staffing reporting that vacancies had increased in the last 3 months, although there were a large number of nurses in the recruitment process pending start dates which would reduce vacancies. Fill rates had also reduced over the last 3 months with 8 wards in August having fill rates of 80% or less which were mitigated on a daily basis. The

number of leavers had exceeded starters in the last 3 months and a new nurse leader was reviewing the Trust retention programme to identify ways in which the high turnover rate could be reduced. Revalidation for nurses had been implemented since April 2016 and only 5 nursing staff had not been revalidated on time to date.

Graham Hodgson asked if exit interviews were undertaken and the Director of HR reported that there was an on-line system for exit interviews with 3 main reasons for staff leaving the Trust: retirement, promotion, and opportunities for training and development.

The Chief Operating Officer asked about the adverse balance of starters and leavers and the Interim Chief Nurse advised that there were 120 staff in the recruitment process which would reduce vacancies. However substantive staff were more cost-effective than bank and agency staff. International recruitment had significantly reduced vacancies and spend on bank and agency staff and there was an urgent need for a further round of international recruitment.

Malcolm Reed advised on the need to retain nursing graduates who were educated and trained locally, also advising that national workforce planning for nurses following the Francis enquiry should also support recruitment and nurse staffing in the future.

**The Board is asked to note the care hours per patient day in August 2016; the actions planned to mitigate any shortfalls in staffing levels; and on-going plans for nurse recruitment**

**STRATEGY AND PARTNERSHIPS**

## 9.28 CENTRAL SUSSEX STROKE SERVICES REVIEW

The Director of Strategy and Commercial Development updated the Board on progress with the Central Sussex Stroke Services Review, noting that in November 2015, following Board and Senior Management Team approval, the Trust had submitted its preferred option of locating a joint Hyper Acute and Acute Stroke Unit on the Royal Sussex County Hospital (RSCH) site. This was reviewed by the South East Coast Clinical Senate, who published their findings in December 2015 strongly supporting this option.

This option was currently being considered for approval by the Governing Bodies of the three CCGs affected and by the Health Overview and Scrutiny panels in East and West Sussex and in Brighton and Hove. The HOSCs would also consider whether public consultation was required and the timescales and methodology for further scrutiny would be required. The Director of Strategy and Commercial Development advised that the East Sussex HOSC had earlier in the day approved the recommendations made by commissioners and did not consider there was need for public consultation on the proposals.

**Further work would be undertaken with operational colleagues to ensure readiness for delivery of the preferred option and the Board would be advised on the timeframes and project plan later in the year**.

**RISK**

## 9.29 RISK MANAGEMENT STRTEGY

The Director of Clinical Governance advised on the work undertaken to date to improve risk management processes following the adverse findings in the CQC inspection report. The risk management strategy had been substantially revised and the risk register reviewed and abridged. Risk management training had been reviewed and training sessions planned for the Board and Senior Management Team. The Board Assurance Framework had also been reviewed. A Risk Committee had been established which would hold Directorates to account for their management of risk and would report to the Quality and Performance Committee and Board.

The Director of Clinical Governance further advised that the risk register was submitted to the Board, following a detailed and helpful discussion at the Quality and Performance Committee, also asking the Board to note the number of risks around equipment and maintenance and the need for stronger alignment of the capital planning and maintenance programme with the risk register.

The Chair welcomed the progress made, noting that the risk management process would take time to embed and change to ensure that risk management was used as an active management tool.

Martin Sinclair further welcomed the work undertaken to date, and the strong identification of individual risks. Further work was required to bring this together so the Board could form a judgement on strategic risks. The Director of Clinical Governance advised that this would be through the Board Assurance Framework, which would be reported to the Board in October and would include the cumulative risks on the risk register.

Kirstin Baker reiterated the point about the number of risks relating to the estate and equipment and the importance of discussing their mitigation and resolution. It was agreed that this would be reported to the Board.

**Action: Chief Financial Officer**

**The Board approved the Risk Management Strategy which would be subject to ongoing review and development**

## 9.30 REPORTS FROM COMMITTEES

**Audit Committee**

Martin Sinclair noted the arrangements for the appointment of external auditors in 2016/17, with the Committee recommending that the Trust go to market and commence a tender process.

**The Board approved this recommendation**

Martin Sinclair also advised that the Committee would ensure a more robust process for

the follow-up of internal audit recommendations including through deep dive discussions with the responsible Executive Director.

**Quality and Performance Committee**

Graham Hodgson advised that the key risk discussed at the Committee concerned cancer referrals and their impact on patient harm and performance. The Chief Operating Officer noted that NICE guidance had the potential to flood the system with increase referrals which could have a significant impact on the Trust. Further work was required to understand commissioner plans and model the potential impact and the Board would be advised at its next meeting of the Trust modelling and plan.

**3Ts Programme Board**

Kirstin Baker noted the delays in the decant programme and the Director of Strategy and Commercial Development advised that the planned handover from the contractor had not yet taken place with outstanding issues remaining to be resolved.

**Programmes Board**

The Chief Executive advised on progress in recruiting to the PMO; with the key next steps being the agreement of terms of reference for each of the Programmes; establishing the Programme Boards and developing the reporting dashboards.

## 9.31 QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions from members of the public

## 9.32 ANY OTHER BUSINESS

There was no other business

## 9.33 DATE OF NEXT MEETING

The next meeting will be held on 27 October 2016.