

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS**30 JUNE 2016**Board

Antony Kildare	Interim Chair
Martin Sinclair	Non-Executive Director
Kirstin Baker	Non-Executive Director
Farine Clarke	Non-Executive Director
Gillian Fairfield	Chief Executive
Spencer Prosser	Chief Financial Officer
Steve Holmberg	Medical Director
Mark Smith	Chief Operating Officer

In Attendance

Dominic Ford	Director of Corporate Affairs
Helen O'Dell	Deputy Chief Nurse
Wendy Cookson	Improvement Director
Alan Coffey	Director of Transformation
Helen Weatherill	Director of People
Duane Passman	Director of 3Ts (item 6.27)

6.13 APOLOGIES FOR ABSENCE

Apologies were received from Professor Malcolm Reed, Non-Executive Director and the Chief Nurse.

6.14 DECLARATIONS OF INTEREST

There were no declarations of interest.

6.15 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 31st May were approved as a correct record.

6.16 MATTERS ARISING FROM THE PREVIOUS MEETING

The Board noted the items detailed under the progress log.

6.17 REPORT FROM THE CHAIRMAN AND CHIEF EXECUTIVE**Chief Executive's report**

The Chief Executive reported on national and local issues, advising the Board that the implications of the vote to leave the EU remained uncertain and would continue to be monitored and assessed including their impact on the Trust and its staff. The Chief Executive added that in her Monday message, she had reiterated that all BSUH staff from overseas, both clinical and non-clinical, play a vital role in the care and services provided by the Trust and that their contribution was valued by the Trust, their

colleagues and the patients they cared for. The Chief Executive had also attended the NHS Confederation Conference with Martin Sinclair, Non-Executive Director.

Locally, the Trust had been served with a section 29a Warning Notice by the Care Quality Commission and the Quality and Safety Improvement Plan, developed to address CQC's findings would be discussed later in the Board meeting. NHSI had also issued for consultation a new single oversight framework, to which the Trust would respond. The framework was closely aligned with the 4 key Trust Programmes.

Farine Clarke, Non-Executive Director, asked if European staff were concerned following the Brexit vote and the Deputy Chief Nurse advised that they were concerned but very well supported, the Director of People advising on the national messages valuing European NHS staff.

The Board noted the Chief Executive's report

PERFORMANCE AND ASSURANCE

6.18 FINANCE REPORT MONTH 2

The Chief Financial Officer reported that in month 2, the in-month deficit was £6.38m, with a year to date deficit of £11.08m. STF funding and SIFT income were not included in the Month 2 position. Pay costs were currently within budget but the Board was advised that the financial plan assumed significant monthly reductions based on the delivery of cost improvements. Non-pay costs were over plan and required remedial action as well as further reductions.

The Chief Financial Officer further advised the Board of the risks to delivery of the financial plan which included: delivery of the planned efficiency programme in full; securing STF funding related to financial control and performance; securing income from CQUIN programme; reduction in the run rate; and securing income from commissioners. Overall if the financial position continued in line with month 2 performance, the year-end deficit could approach £70m. However the forecast outturn position remained at £15.6m pending finalisation of plans under the Financial Improvement Programme and assessment of likely STF and SIFT funding.

Martin Sinclair, Non-Executive Director asked about progress with the recommendations made by external audit in respect of the Agreement of Balances exercise. The Chief Financial Officer advised that the Trust was taking a prudent view on its income position for 2015/16. A meeting had taken place with the lead CCGs, and further meetings were planned with the other largest CCGs to enable reconciliation of the relative positions. In 2016/17 the Trust income position would be agreed with commissioners on an ongoing basis, rather than as a year-end exercise.

The Chief Financial Officer also advised the Board that because of the challenging cash position there was a requirement to increase the Revolving Working Capital Facility from £29.9m to £35.4m to provide the working capital support for the revenue control total deficit of £15.6m agreed with NHSI for 16-17.

The Board noted the month 2 position and approved the increase in the Revolving Working Capital Facility to fund the control total deficit this year

6.19 FINANCIAL IMPROVEMENT PROGRAMME

The Chief Financial Officer reported that the Trust continued to work with McKinsey as part of the national Financial Improvement Programme.

Following the completion of Phase 1 of the Programme, NHSI had approved a progression to Phase 2a, which runs until the end of July. This could be extended into Phase 2b subject to satisfactory progress being made. The current work was focussed on working up detailed implementation plans to meet the Trust's efficiency challenge in 2016/7 and beyond. This in turn, would support the Trust in meeting its control total deficit.

A series of sessions led by McKinsey and Trust staff had been undertaken with Directorates to ensure appropriate levels of communication and engagement. The output of these sessions would inform and shape the final efficiency programme.

The Board discussed the level of confidence in delivery of the plans within the efficiency programme and the Chief Financial Officer advised that a level of attrition was built into the overall plan. The Director of Transformation added that an important component of the Financial Improvement Programme was the transfer of knowledge and capacity building from the FIP partner to the Trust to enable sustained improvement.

The Board noted the report on the Financial Improvement Programme

6.20 BOARD PERFORMANCE DASHBOARD

The Chief Operating Officer introduced the Board performance dashboard for Month 2, advising the Board that trajectories had been agreed with commissioners for: 4 Hour Accident and Emergency (A&E) performance, with a very challenging 89% performance required for quarter 4; Referral To Treatment (RTT) with the designed to deliver a 4.2% improvement in incomplete performance overall and a reduction of around 2,000 patients waiting over 18 weeks by March 2017; 6 week wait for Diagnostics, where the plan was to achieve and sustain delivery of compliance with the 6 week standard for access to diagnostic tests by September 2016; and 62 day Cancer referral to treatment, where the plan was to achieve and sustain delivery of compliance with the 62 day national standard from September 2016.

The Chief Executive advised that the newly appointed interim Director of Performance was developing a performance reporting framework and integrated performance report which would replace the current dashboard. The Chair noted the importance of the delivery of the A&E and RTT trajectories in delivery of the CQC Quality and Safety Improvement Plan. Farine Clarke, noted that while delivery of 89% A&E performance in Quarter 4 would represent a significant improvement, it still remained below the 95% standard. The Chair also noted the importance of system support in delivery of the agreed trajectories.

In respect of RTT, the Chief Operating Officer noted that current performance was ahead of the agreed trajectory, with good progress in the most challenged specialties. Farine Clarke asked about the volume of cancelled operations, and the accuracy of their reporting to the Board previously noted in the CQC letter. The Chief Operating Officer responded that Trust performance on the cancellation of operations on the day of the

operation was reasonably good, but poor against the standard for re-booking within 28 days, because of challenges around patient flow. Problems with the operation of the Booking Hub had been responsible for the high volume of cancelled appointments which was now largely resolved. This would also improve data capture and the quality of reported data.

Kirstin Baker asked about what was being done to reduce the number of delayed transfers of care (DTOCs), and the Chief Operating Officer advised that there were regular discussions with the CCGs to address DTOCs, but there were problems with insufficient bed capacity within the health and social care system. The Chief Executive advised that DTOCs would be discussed at the Senior Management Team on Monday and reported through the new performance framework, but remained too high, impacting significantly on patient flow.

The Chief Operating Officer reported that the Trust had achieved the remodelled 6 week diagnostic recovery trajectory although access to sufficient Ultrasound and Endoscopy capacity remained one of the key risks to achieving compliance in September. The Trust achieved the April agreed improvement trajectory for the Cancer access standard of '62 day wait standard for first treatment from GP referral'. 2 cases of C. Difficile were reported in May and the Trust has a year-end target set by the Department of Health of a maximum of 46 cases. There were zero cases of MRSA reported in month

The Board noted the performance report for Month 2, and the actions planned to address adverse performance

6.19 UPDATE ON TRUST GOVERNANCE ARRANGEMENTS

The Director of Corporate Affairs updated the Board on the implementation of the new Trust Governance Arrangements following their approval by the Board in April 2016, advising that: the Senior Management Team had met weekly since 9th May; the Board Committees, including the Programmes Board met for the first time on 23rd June; the first Board Confirm and Challenge meeting would take place on 4th August. The Board Committees had also approved the terms of reference of their sub-committees, subject to clarity around escalation and their role in managing risk. The next steps would be the establishment of the advisory forums, the embedding of the sub-committees with their new terms of reference.

The Chair welcomed the progress in establishing the new governance arrangements and the Board noted the report

QUALITY, CLINICAL AND PATIENT ISSUES

6.22 QUALITY AND SAFETY IMPROVEMENT PLAN

The Chief Executive advised the Board of the seriousness of the section 29a Warning Notice served on the Trust, noting that this was a pivotal moment for Trust, which would need to address at pace the issues detailed by CQC in order to improve quality and safety within the Trust. A comprehensive Quality and Safety Improvement Plan had been developed to address the findings of the Warning Notice, and would be disseminated within the Trust following the Board meeting.

The Improvement Director introduced the Plan, advising the Board of its link to the financial improvement programme, the importance of system support in delivering the plan, and the need to improve the performance data within the Trust and the system to monitor delivery. The Improvement Director also noted the risks around: staffing numbers in the Emergency Department, and neuro ITU, infection prevention and control practice, ITU/HDU capacity, and fire safety, noting that the fire risk assessments would be completed by August.

The Improvement Director added that that final CQC inspection report would give a clear indication of where the Trust was non-compliant with the regulations in the Health and Social Care Act, and the further development of the Plan would be organised around the areas of non-compliance.

The Board discussed the adequacy of system support for delivery of the Plan and the Improvement Director advised the Board of the gaps in the progress report where data had not been provided by system partners. The Chief Executive also advised the Board of the significant external oversight and scrutiny of the delivery of improvement by NHS Improvement, NHS England and commissioners.

In conclusion, the Board:

- **noted the actions taken since the Board meeting on 13th June;**
- **noted the communications with staff and stakeholders;**
- **noted progress with the actions identified in the Plan; and the risks to delivery of the Plan; and the remedial work planned where progress was not on track to deliver**

6.23 QUALITY ACCOUNTS 2015/16

The Director of Corporate Affairs introduced the Quality Account 2015/16, advising the Board that external audit had issued an unqualified opinion on the Quality Account. The Director of Corporate Affairs advised that the draft Quality Account had been discussed at the Quality and Performance Committee, which had commented on the internal consistency of the narrative within the Quality Account, and the Chief Executive advised that the Director of Clinical Governance, when appointed, would revise the framework of the report in its next iteration.

The Board approved the Quality Account 2015/16 for publication

Action: Director of Communications

6.24 HEALTHWATCH REPORT

The Chair of Health Watch Brighton and Hove introduced the Health Watch report on the experience of patients in the Emergency Department at the Royal Sussex County Hospital, advising the Board of the need for a cohesive system response to the improvement of the urgent care pathway and patient flow.

The Chief Executive thanked Health Watch for the report, noting that the Board would receive a further report on out-patients when completed. The findings of the report, in respect of the experience of patients, would also be incorporated in the Quality and

Safety Improvement Plan, supported through the PMO.

The Board noted the report and that its findings would be incorporated in the Quality and Safety Improvement Plan, and monitored through that Plan

Action: Improvement Director

6.25 SAFER NURSING AND MIDWIFERY STAFFING

The Deputy Chief Nurse reported on safer nursing and midwifery staffing in May advising the Board that progress continued to be made in reducing agency costs, which were now 2.2% of total nursing spend, with the target to reduce agency spend to less than 1%. There were 7 wards in May 2016 with a fill rate of 80% or less, with mitigations in place to ensure safe staffing.

Recruitment of staff was keeping pace with staff leaving the Trust. In 2015/16, 531 trained nurses joined the Trust and 315 left, with a positive balance of 216 filled positions, demonstrating the importance of the international recruitment campaign in reducing vacancies. The Chair noted that the next stage of this campaign had been remitted to the Finance, Business and Investment Committee and remitted to the Executive Team to take forward.

Kirstin Baker asked about the reasons for nurses leaving the Trust and the Deputy Chief Nurse advised that the three main reasons were retirement, career progression, and learning and development opportunities. The Director of People added that the issues raised by leavers would be addressed through the Workforce and Leadership Programme.

Martin Sinclair asked about comparable information and the Deputy Chief Nurse advised that variation between hospitals made exact comparisons difficult but the Trust compared data with 2 equivalent reaching hospitals. The Deputy Chief Nurse added that in line with the recommendations of the Carter review, the Trust had started to record Care Hours Per Patient Day, which showed some significant variation in the medical and surgical wards of between 6.5 hours and 8.8 hours per day. The Trust data would be compared with other hospitals when their data was published and the Chief Executive noted that this illustrated the need to standardise practice across the Trust.

The Board noted the nurse to patient ratios in May 2016; the actions planned to mitigate any shortfalls in staffing levels; and on-going plans for nurse recruitment

6.26 MEDICAL APPRAISAL AND REVALIDATION ANNUAL REPORT

The Director of People reported on the medical appraisal and revalidation annual report. The 2015-16 end of year appraisal rate reported to NHS England for all doctors with a prescribed connection for revalidation was 75%

For substantive medical and dental staff only, the end of year appraisal rate as reported to the TDA was 82%

The other major challenge in the 2015-16 appraisal year has been a shortage of trained appraisers. This was raised as a risk in November 2015 to the Responsible Officer and

a subsequent plan has been developed to mitigate that risk.

Availability of trained appraisers may also have had a negative impact on the deferral numbers, with doctors unable to meet with appraisers causing delays to their appraisal process and thereby delaying their revalidation submission date to accommodate this.

Martin Sinclair noted the disappointment that the appraisal rate had reduced in 2015/16.

The Board:

- **noted the Annual Report on Medical Appraisal and Revalidation; expressing its disappointment at the reduction in appraisal rates in 2015/16**
- **noted that the report will be shared, along with Appendix C – Annual Organisational Audit, with the higher level responsible officer at NHS England**
- **approved Appendix D – Statement of Compliance, confirming that the organisation, as a designated body, is in compliance with the regulations. This will also be submitted annually to the higher level responsible officer.**

6.27 REPORTS FROM COMMITTEES

Audit Committee

The Chair of the Audit Committee reported that the Committee had considered the Annual Accounts and Annual Report, external audit letter and Head of Internal Audit opinion. A number of useful reports had been submitted by internal audit, including job planning and theatre utilisation, which demonstrated the efficiency opportunities within the Trust.

3Ts Programme Board

The Director of 3Ts reported that the Courtyard and Hanbury buildings were scheduled for handover in July and plans for occupation and operational commissioning were being prepared. Alternative office accommodation for those located on the 3Ts Stage 1 site area would be made available in June and July 2016 on the St. Mary's site in temporary modular buildings. The handovers of the old Trust HQ, the Estates/EBME Building, "Building 545 Extension" and the Stephen Ralli building had now been achieved, representing a significant set of milestones. The Programme Board, in July would consider the implementation of the revised programme governance structure and the Internal Audit Report action plan. An Executive-led workshop would be held in July to assess the impact on the operational estate over the next six months to provide greater assurance that adequate plans are in place to mitigate these impacts.

The Chair asked about the forthcoming Gateway Review and the Director of 3Ts advised that this was due during 2017 and would be the subject of a further Board report closer to the time. This would be a programme-level review to provide assurance to the SRO that there was continuing strategic alignment of the programme with the internal Trust environment and the wider strategic context.

Quality and Performance Committee

The Chair of the Quality and Performance Committee reported that the Committee had agreed the importance of reporting accurate and benchmarked data, with a focus on areas of under-performance, and demonstration of improvement or deterioration. The Committee had agreed the second tier sub-committee terms of reference, noting that work was underway to establish the third tier of committees. The Committee had also discussed the RAG rating of the Quality and Safety Improvement Plan and the importance of avoiding optimism bias. The Committee had received reports on Planned Care and Urgent Care, noting the efficiency opportunities in more effective job planning, and questioned the scope for reduction in referrals from primary care. The Chief Operating Officer advised that the Financial Improvement Programme was specifically looking at job planning and improved productivity and the Chair of the Audit Committee noted that this issue and the need for greater alignment between job plans and

Finance, Business and Investment Committee

The Board noted the report from the Finance, Business and Investment Committee.

6.28 QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions from members of the public

6.29 ANY OTHER BUSINESS

There was no other business

6.30 DATE OF NEXT MEETING

The next meeting will be held on 4 August 2016.