



Minutes

Title of meeting	Trust Development Authority Q3 Ministerial Accountability Meeting		
Date	1 April 2015	Time	10:00am
Venue	Richmond House 417		
Chair	Earl Howe	Secretary	Douglas Hamilton

Attendees	Earl Howe, Parliamentary Under Secretary of State for Quality (PS(Q))
	Richard Douglas, Director General Finance and NHS (RD)
	Claire Stoneham, Deputy Director for Provider Policy (CS)
	Bevan Boyle, NHS TDA Sponsorship Team (BB)
	Douglas Hamilton, NHS TDA Sponsorship Team (DH)
	Ilaria Regondi, Senior Private Secretary to Earl Howe (IR)
	Rhia Roy, Assistant Private Secretary to Earl Howe (RR)
	Sir Peter Carr, NHS TDA Chairman (PC)
	Bob Alexander, NHS TDA interim Chief Executive (BA)
	Ralph Coulbeck, NHS TDA Director of Strategy (RC)
	Tom Rafferty, NHS TDA Head of Policy and Partnerships (TR)

Item 1 – Welcome and Introductions

PS(Q) welcomed all noting that this was BA's first accountability meeting as interim Chief Executive of the NHS Trust Development Authority.

Item 2 – Discussion of the roles and responsibilities of the NHS TDA

PS(Q) invited PC to discuss further the future of provider oversight, given his recent letter to PS(Q) and wider commentary on the matter. PC said that the question was broader than simply whether the oversight of NHS trusts and foundation trusts should be merged and that form should follow function. The TDA had been established to hold trusts to account, but also to support their development. PC considered that TDA's not being a regulator or a funding body had made it particularly able to perform these functions well. PC then made the point that the variance in performance within both the FT sector and NHS trust sector was very similar. PC suggested that the current distinction between NHS trusts requiring improvement support and FTs may no longer hold. PC's view was that there was an argument for a single body charged with improvement, intervention and strategic planning across all providers, and that such a body would be able to carry out the structural changes called for in NHSE's Five Year Forward View. In light of this, it was worth exploring whether having two different types of oversight performed by two separate bodies still made good sense. However, PC advised that the likely disruption and opportunity costs would have to be factored in before any change.

PS(Q) thanked PC for his comments and asked that they be fed into future policy work. He also noted that any debate about future oversight should involve providers themselves.

Item 3 – Review of Quarterly Accountability Slide-Pack

3.1 Overview at month 9

• Quality and Governance

PS(Q) asked for general reflections on performance within the quarter and over the year to date. BA said that TDA had worked very well with the sector to shore up and then improve performance against a range of measures. He referred to the work David Flory had led on RTT as having been particularly effective. BA said that A&E remained challenging, that the reasons for this varied across the country and that the issue would be best addressed at system level.

PS(Q) asked why diagnostics had improved but then slipped again. BA said the reasons for this were unclear and TDA would be exploring ways to ensure sustained improvement.

RD asked what organisations were saying to TDA about their ability to hit performance targets in 15/16. BA said that this varied by organisation although there was a feeling that specialised commissioning could be challenging. Mature provider commissioner relationships seemed to lead most effectively to efficient planning.

• Special Measures

PS(Q) asked for an overview of NHS trusts in Special Measures. BA reported that United Lincolnshire Hospitals had successfully exited and that Barts Health and

Hinchingbrooke had been put in. RC said that it had been unusual to place a whole trust (Barts Health) into Special Measures based on a CQC report on one hospital but that the concerns raised about Whipps Cross had been sufficiently significant to merit such an approach, when taken together with the overall financial position of the Trust. Newham University Hospital and the Royal London Hospital, also parts of Barts, had been inspected and reports were due to be published in the coming weeks.

PS(Q) asked whether Barts was simply too big. RC said that size was not necessarily the issue but the governance in place at the trust had perhaps not been appropriate to an organisation on Barts' scale, with a single board perhaps not able to exercise the required level of grip over the individual hospital sites. TDA had appointed an improvement director at Whipps Cross and the support package offered would be tailored to meet its needs.

RD commented that Special Measures trusts tend to exit the regime with a financial position that had deteriorated, and that while Special Measures did improve quality it seemed to be less successful at improving financial positions. BA said that there needed to be recognition that corrective action costs money. However, as RC commented, the decline in financial positions at SM trusts had not been significantly worse than at other trusts. CS suggested that it may be the case that SM might also be encouraging trusts not in the regime to spend money on improving quality in order that they are not put into SM.

PS(Q) commented that TDA's handling of the process at Hinchingbrooke had been very good and PC commented that he had confidence in the Chair that had been appointed there.

RD fed back from a recent meeting with BHRT's board the trusts comments that as a result of being placed in SM a large number of other regulators became interested in them which had the unintended consequence of making it harder to implement the necessary changes required to improve patient care. RD asked TDA if there was anything they could do to limit this negative impact. RC said that TDA organise a monthly system meeting which mitigates this to some extent but which does not, and should not, include the professional regulators.

It was agreed that DH and TDA should work together to better define the limitations of Special Measures.

- **Appointments**

PS(Q) noted that the volume of appointments (160 appointments and re-appointments in the year to date) and the percentage of these that had been women had been encouragingly high (42% of Chairs and 34% of NEDs).

3.2 Finance

- **Month 9**

BA updated that the forecast outturn for the sector had slipped and that after deploying £181 million of Departmental non-recurrent funding, his ambition was for the trust sector to end the year with a net deficit of less than £500 million. Some of the deficit had been caused by undelivered Cost Improvement Plans, but the costs associated with meeting quality standards, use of agency staff and the consequences of business

rules were also significantly challenging. BA noted that Monitor would have a similar analysis.

PS(Q) asked why it had been decided not to use all of the non-recurrent funding. BA said that trusts that had not submitted convincing plans showing how they would use the money to become more sustainable were not given funding.

3.3 Sustainable Organisations

- Foundation Trusts**

PS(Q) congratulated the TDA on getting the pipeline moving again. He noted that there were now 90 NHS trusts and that a number of other trusts were expecting decisions in the next 6 months.

- Transactions**

PS(Q) noted that the transactions pipeline was currently relatively quiet and asked how the Five Year Forward View affected TDA's plans in this area. PC said that the Dalton Review and the FYFV gave a different perspective on the system and that the impact on strategic plans would become clearer. RC said that as the majority of transactions involve FTs acquiring other bodies it would be important to anticipate and understand how patterns of transactions might change.

- Strategic Direction/ Segmentation**

BA said that TDA's recent segmentation exercise would be useful when doing this thinking and PS(Q) noted that the segmentation work had been very helpful.

Item 4 – TDA Sponsorship

TDA sponsorship team had continued to enjoy a productive relationship with the TDA and the Secretary of State had recently, jointly with the Monitor Sponsorship team, presented them with a DH recognition award for effective partnership working.

Item 5 – Relationships

PS(Q) asked PC if there was anything he wished to mention about TDA's relationships with other bodies, particularly with reference to planning. PC commented that TDA had stronger relationships with some bodies than others but that although there were differences of perception and pace all of them were good. He noted in particular that there were functional relationships between all the Chairs and Chief Executives. BA said that some of their relationships could of course be challenging on occasion and that David Flory's departure would inevitably have some impact.

Item 6 – AOB

PS(Q) ended the meeting by thanking PC and TDA for all the work that they had done during his time as their Minister and said that it had been a pleasure to work with them.