

**To:** The Board

**For meeting on:** 25 February 2016

**Agenda item:** 5

**Report by:** Lynne Burgess, Senior Governance Manager  
Jessica Dahlstrom, Head of Governance

**Report on:** Joint corporate report

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## Introduction

1. Under their terms of reference, NHS Trust Development Authority (NHS TDA Board) committees are required to submit minutes of their meetings to be noted at the next convenient Board meeting. In the case of the Investment Committee it has been agreed that the Board will receive a summary of cases approved rather than the minutes.
2. The Chairs of Monitor Board committees are also required to report to the Board after every committee meeting.
3. This report brings together all such reports. The following paragraphs detail committee activity since the last joint NHS TDA and Monitor Board meeting on 28 January 2016.

## Monitor Audit and Risk Committee – 18 February 2016

4. Internal audit update: The Committee discussed the internal audit programme, and noted that this was on track to be completed in full this year. Two audits, one on a technical pricing issue and one on partnership engagement, had been postponed, and a new audit on cost control had been added to the programme. The Committee expressed a wish for an audit of Monitor's risk management processes in the programme for this year. It was agreed that it would be useful for such an audit to be conducted, but that it was important that the scope was not simply backward looking, but also included recommendations for NHS Improvement's risk management processes going forward.

Individual audit reports on data models, the Strategic Information Platform,

pricing programme assurance, fraud, finance for distressed cases, recruitment and IT transition strategy were reviewed and actions noted. The Committee noted the risks highlighted in the report on IT transition strategy and that these were reflected in Monitor's Q3 risk report.

5. Q3 risk and report: The Committee discussed the report and suggested a number of changes ahead of its submission to the Board. With regard to the IT risk, it was noted in addition to the risk identified (around the ability of the team to deliver the required infrastructure in light of capital expenditure cuts and uncertainty for staff), there was a possible around the use of NHS email in relation to mailbox sizes.

The Committee requested that the likelihood of the financial planning risk materialising was increased to 'very likely', resulting in this risk becoming red rated.

6. Consolidated accounts: The Financial Risk and Reporting Director updated the Committee on the process for consolidation of NHS foundation trusts accounts. The Committee noted that this would be more challenging this year than it had been in the past given possible 'going concern' issues among providers. The approach which NHS foundation trusts had taken to the control totals was discussed, and the risks for the 2015/16 outturn were noted.

7. Minutes of the meeting are to follow.

### **Monitor Technology Assurance Committee – 10 February 2016**

8. Technology Assurance Committee (TAC) update: This report highlighted the challenges for the Information Services team in providing an ongoing service while supporting the integration of the four organisations into NHSI given the limitations on the capital budget, the loss of key people and the increase in demand for services, such as more intensive provider monitoring and more data analytics work. As a result of these challenges, deadlines had been missed, several projects were now amber-rated, and the Information Services team had received poor reviews as part of an internal survey.
9. Integration update: The Chief Executive attended the meeting to outline the vision for NHS Improvement, particularly with regard to technology. TAC members considered the challenges associated with achieving three objectives simultaneously: making budget cuts, successfully integrating several organisations and helping the service achieve savings through technology. The importance of separating what had to be achieved 'here and now' from the future vision was noted. TAC members requested that executive colleagues work with the new Executive Director to identify priorities, and that the Board be made aware of the risks.
10. Increased focus on security: TAC members noted that cybersecurity was becoming increasingly important, and that NHS Improvement's reputation and access to data were at risk if appropriate processes were not followed. The importance of developing a clear understanding of what was required from NHS Improvement, and prioritising these requirements, was emphasised.

11. The Role of NHS Improvement in Technology: TAC members noted the proposed creation of a Chief Information and Technology Officer (CITO) post, to sit across NHS Improvement and NHS England. TAC members emphasised the importance of a clear remit and accountabilities for the CITO. The Chief Executive outlined the vision of having a coordinated view of the use of technology and data in the service. The exact role of the CITO would be more clearly defined over the coming months as part of discussions between NHS Improvement and NHS England.

12. The minutes of the meeting are attached at Annex 1.

### **NHS TDA Appointments Committee – 20 January 2016**

13. Number of appointments. The Committee noted that a total of 170 appointments in trusts had been made in the first three quarters of 2015/14. This included 88 new appointments, of which 11 were NHS trust chairs, a number of which had been made following successful, high profile Chair recruitment campaigns. These campaigns now routinely provided stakeholders with the opportunity to provide feedback to the selection panel on the shortlisted candidates. It was agreed, however, that this stakeholder engagement approach would be reviewed, to ensure it was adding maximum value to the panels' selection decisions. The Committee was encouraged, however, by signs of improvement in the diversity of those appointed; at the end of 2016, 35% of those in post were women, 9% were from black and minority ethnic (BAME) backgrounds and 5% had declared themselves to be disabled.

14. Chair appraisals. The Committee was also briefed on the development of a new approach to chair appraisals. The new arrangement, which focused on the credible self-assessment of performance by chairs, had been well received and there had been a good response rate. The regular chair networking events had also continued to receive positive feedback and, in consultation with Monitor colleagues, invitations had been extended to the Foundation Trust chair community to attend the first events in 2016.

15. NExT directors scheme. The Committee was provided with an update on the progress of the pilot 'NExT directors scheme', under which eight NHS trusts in London were providing placements for 11 people from BAME backgrounds, to help them make the step up to a non-executive director role in the NHS. There would be a review of the scheme, starting in March 2016, with a view to possible further expansion to other regions.

16. Review of Public Appointments. The Committee was briefed on Sir Gerry Grimstone's review of public appointments and advised of the result of the recent audit carried out by the Commissioner for Public Appointments.

17. The minutes of the meeting are attached at Annex 2.

## **NHS TDA Finance and Procurement Committee – 16 December 2015**

18. Initial Business Case under delegation The Committee ratified an Initial Business Case under delegation in respect of South London Healthcare NHS Trust legacy records, responsibility for which passed to the NHS TDA following dissolution of the Trust.
19. Professional Service Business cases Three Department of Health (DH) Professional Service Business cases were approved by the Committee.
20. Finance Report The Committee reviewed the Finance Report for the NHS TDA for the period to 31 October 2015
21. The minutes of the meeting are attached at Annex 3.

## **NHS TDA Investment Committee – 4 February 2016**

22. The Investment Committee approved the following cases:
  - East Midlands Ambulance Service NHS Trust full business case for a fleet replacement programme.
  - South West London and St George's Mental Health NHS Trust outline business case for the disposal of the Barnes hospital site and retention of the proceeds.
  - Imperial College Healthcare NHS Trust for the procurement of a pathology laboratory information management system.

## **Recommendation**

23. The Board is asked to note recent committee activity.

**Lynne Burgess**  
**Senior Governance Manager**

**Jessica Dahlstrom**  
**Head of Governance**

## **Public Sector Equality Duty**

*Monitor has a duty under the Equality Act 2010 to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people from different groups. In relation to the issues set out in this paper, consideration has been given to the impact that the recommendations might have on these requirements and on the nine protected groups identified by the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, gender and sexual orientation).*

*As it is for information, it is anticipated that none of the recommendations of this paper will have an impact upon the requirements of or the protected groups identified by the Equality Act.*

### **Exempt information:**

*None of this report is exempt under the Freedom of Information Act 2000.*

## Annex 1

### **MINUTES OF A MEETING OF THE MONITOR TECHNOLOGY ASSURANCE COMMITTEE HELD ON 10 FEBRUARY 2016 AT 2.00pm AT WELLINGTON HOUSE, LONDON SE1 8UG**

#### **Present:**

Sigurd Reinton, Technology Assurance Committee (TAC) Chair, Non-Executive Director

Stuart Jobbins, TAC Independent Member

Paul Willer, TAC Independent Member

Ted Woodhouse, TAC Independent Member

#### **In attendance:**

Graham Binns, Enterprise Architect

Jessica Dahlstrom, Head of Governance

Philippa Harding, Director of Operations and Performance (deputising for Stephen Hay, Managing Director of Provider Regulation, until 2.30pm)

Jim Mackey, Chief Executive (on the telephone, until 2.45pm)

Adrian Masters, Managing Director of Sector Development

Peter Sinden, Chief Information Officer

Neil Stutchbury, Director of Business Engagement

#### **1. Welcome and apologies**

- 1.1 Apologies for absence had been received from Stephen Hay (Managing Director of Provider Regulation).

#### **2. Declarations of interest**

- 2.1 No interests were declared.

#### **3. Minutes and matters arising from the meeting held on Thursday 10 December 2015 (TAC/16/01)**

The minutes of the meeting held on 10 December 2015 were approved and the matters arising were noted. TAC members noted the reference in paragraph 5.3 of these minutes to the need for legal advice on the transition to NHS Improvement, particularly given the fact that Monitor and the NHS Trust Development Authority (TDA) would remain separate legal entities. The Chief Information Officer confirmed that legal advice was sought regularly from the

- 3.1 Executive Director for Legal Services, and would continue to be sought throughout the transition programme.

#### **4. TAC Update (TAC/16/02)**

- 4.1 The Director of Business Engagement introduced the report. He highlighted the challenges for the Information Services team in providing an ongoing service while supporting the integration of the four organisations into NHSI given the limitations on the capital budget, the loss of key people and the increase in demand for services, such as more intensive provider monitoring and more data analytics work. As a result of these challenges, deadlines had been missed, several projects were now amber-rated, and the Information Services team had received poor reviews as part of an internal survey.
- 4.2 The Chief Executive provided TAC members with an overview of the plans for NHS Improvement. The challenges associated with the need to save 30% of costs were noted. The importance of having clarity in the near future on budget and recruitment was emphasised. The Chief Executive indicated that the new Executive Team would be announced on 11 February 2016, and clarity on the budget of individual directorates would be provided as soon as possible thereafter.

#### **5. Technical Integration Workstream Update (TAC/16/03)**

- 5.1 The Chief Information Officer introduced the paper. The Chief Executive provided TAC members with an overview of his vision for NHS Improvement, which included the need for NHS Improvement to set an example for the service in terms of smart use of technology. Paperless working, use of video-conferencing and virtual document sharing were priorities in that context. The vision also included a role for NHS Improvement to help providers learn from each other, and to enable patients to use technology to access treatment.
- 5.2 TAC members considered the challenges associated with achieving three objectives simultaneously: making budget cuts, successfully integrating several organisations and helping the service achieve savings through technology. The importance of separating what had to be achieved 'here and now' from the future vision was noted. TAC members requested that executive colleagues work with the new Executive Director to identify priorities, and that the Board be made aware of the risks.
- 5.3 TAC members also discussed the approach to integrating Monitor and the TDA in the context of the fact that these two organisations used different networks. The solution that had been identified, which was to federate the TDA's users and give them access to Monitor's network, was discussed. TAC members felt that, whilst there were challenges with the solution identified, it was likely to be the best option available at this point in time.
- 5.4 The move of Monitor staff to NHS mail was discussed. TAC members noted that this move could result in a significant decrease in the mailbox size available to

Monitor users. The legal issues associated with staff having to delete emails were noted.

## **6. NHS Improvement - Increasing Focus on Security (TAC/16/04)**

- 6.1 The Chief Information Officer introduced the paper. It was noted that cybersecurity was becoming increasingly important, and that NHS Improvement's reputation and access to data were at risk if appropriate processes were not followed. The importance of developing a clear understanding of what was required from NHS Improvement, and prioritising these requirements, was emphasised.

## **7. The Role of NHS Improvement in Technology (TAC/16/05)**

- 7.1 The Chief Information Officer introduced the paper. TAC members noted the creation of a Chief Information and Technology Officer (CITO) post, to sit across NHS Improvement and NHS England. TAC members emphasised the importance of a clear remit and accountabilities for the CITO.
- 7.2 The Chief Executive outlined the vision of having a coordinated view of the use of technology and data in the service. The exact role of the CITO would be more clearly defined over the coming months as part of discussions between NHS Improvement and NHS England.
- 7.3 TAC members emphasised the importance of progressing with work where possible while the CITO appointment process was ongoing. The implementation of the Carter Review findings was given as an example of an area where work could be progressed.

## **8. Any other business**

- 8.1 It was noted that a demonstration of the tools developed by the Information Services team would take place before the next TAC meeting.

**Close**

## **Annex 2**

### **Minutes of the 11th meeting of the NHS Trust Development Authority Appointments Committee (AC).**

**20 January 2016, Southside, London / Quarry House, Leeds (via teleconference).**

#### **Attendees**

Dame Christine Beasley (CB) – Chair  
Mrs Janice Scanlan (JS) – Member  
Ness Clarke (NC) – Observer  
Mrs Keely Howard (KH) – Observer  
Mrs Helen Barlow (HB) - Minutes

#### **Apologies**

Mr Ralph Coulbeck (RC) – Member

#### **Items for information**

##### **1. Minutes**

1.1. The minutes of the last meeting on 8 October 2015 had been agreed by circulation earlier.

##### **2. Review of actions**

2.1. NC advised the Committee on progress against the outstanding actions that were not picked up elsewhere on the agenda.

##### **3. Paper C - Overview of activity to support NHS trust chair and non-executive development**

3.1. **Appraisals** - KH highlighted that a different approach had been adopted for chair appraisals based on the chair's self-assessment of his/her performance. The team had already received over 50% of current chairs' self-assessments. The team was reviewing the arrangements for NED appraisals; chairs views had been sought but the response had been limited. The Committee **agreed** that the appraisal process would be used to provide assurance that those appointed continue to comply with the requirements of the Fit & Proper Persons Regulations.

3.2. **Chair networking events** – KH informed the Committee that Ed Smith would attend the events scheduled for February and March and that invitations had been extended to FT chairs.

3.3. **Chair and NED induction** – The Committee noted the positive feedback received by attendees of the NHS Providers hosted induction event. JS commented that she was confident that the agenda was fit for purpose going forward but that it was how the

provision of induction would be resourced in the next financial year. **Action: JS to discuss with Monitor colleagues the development of a joint programme going forward.**

#### **4. Paper D - Overview of NHS trust chair and non-executive director appointments**

- 4.1. **Appointment activity** - NC highlighted that activity levels had been similar to those in 14/15. During Q3 the team had identified and appointed new Chairs of Ipswich Hospitals and East Sussex Healthcare following open competitions, and reappointed or extended the appointment of 14 Chairs. Chair recruitment campaigns were underway for East & North Hertfordshire, North Staffordshire Combined, United Lincolnshire, Worcestershire Acute, and Central London Community NHS Trusts.
- 4.2. **Diversity** - The TDA had been widely praised for taking forward the London BAME Project and the Leadership and Workforce Sub-Group of the NHS Equality and Diversity Council was had a particular interest in the NExT Director Scheme. This pilot scheme involves eight NHS Trusts in London providing 11 six month board placements for people from BAME backgrounds with senior level experience and who are looking to make the step up into the NHS boardroom. Feedback received from the NExT directors participating had been very positive and the Trusts involved seemed to have embraced the scheme. A review of the project will take place at the end of March 2016, with a view to rolling out it out in other areas and for other protected characteristics.
- 4.3. **Feedback from stakeholder engagement sessions** – NC briefed the Committee on the work the team had done on recent chair recruitment campaigns to give the NHS Trusts’ internal and external stakeholders the opportunity to engage in the process. Although the process was very resource intensive, recent work with West Hertfordshire Hospitals, East Sussex Healthcare, North and East Hertfordshire and United Lincolnshire Hospitals had been very well received. **Action: HB to survey members of interview panels to determine whether information the event provide adds value to the selection process.**
- 4.4. **NED Exit questionnaires** - NC briefed the Committee about the online exit questionnaire that was being sent to all chairs and NEDs on leaving office. The returned questionnaires were starting to provide a valuable insight into why the attrition rate for these roles remained high. The biggest motivators identified for leaving these roles were the time commitment and remuneration levels. The Committee noted that having empirical evidence of this would be helpful.

#### **Items for consideration**

#### **5. Fit and Proper Person Regulations**

- 5.1. The Committee considered the issues declared and agreed that they did not mean the individuals were not of good character, and that they did not impact their ability to perform effectively in the role or present any risk to patients. The Committee agreed that any future declarations would be considered by the Committee or Sub-committee on a case by case basis.

## 6. “Better public appointments” - the review by Sir Gerry Grimstone

6.1. JS briefed the Committee on the recent review by Sir Gerry Grimstone and the outcome of the Commissioner for Public Appointments audit of the appointments made by the NTDA in Q1 and Q2 2015/16. **Action: JS to respond to the auditor’s report.**

## 7. Review of Risk Register

7.1. The Committee reviewed the risk register and no further risks were identified.

## 8. Any other business

8.1. CB advised that she was no longer able to attend the date that had been agreed for the April 2016 meeting. **Action: HB to reschedule meeting.**

**Annex 3**

**Finance and Procurement, Controls Committee meeting**

**Minutes of the meeting held on 16 December 2015,**

**Chair's Office, Southside, Victoria Street, London, SW1E 6QT**

<b>Present</b>	<b>Elizabeth O'Mahony, Director of Finance (Chair) Ralph Coulbeck, Director of Strategy Sarah Harkness, Non-Executive Director</b>
<b>Apology</b>	<b>Bob Alexander, Chief Executive</b>
<b>In attendance</b>	<b>Lynne Burgess, Senior Governance Manager (Secretariat)</b>

**39/15 Minutes of the previous meeting**

Minutes of the meeting held on 23 September 2015 were approved as a correct record.

**40/15 Matter arising**

Confirmation had been received from the Department of Health (DH) that monies awarded for early implementation of the Trust Special Administrator's clinical model in Staffordshire would be added to the NHS Trust Development Authority's (NHS TDA's) resource limits.

**40/15 Ratification of Initial Business Case under delegation**

The Committee was asked to ratify the following initial business cases:

**019/15 South London Healthcare NHS Trust Legacy records**

The NHS TDA has responsibility for the legacy records and liabilities of the former South London Healthcare NHS Trust. A further 824 boxes of accident and emergency records had been located in an off-site storage facility and needed to be transferred to the NHS TDA record holder, Recall, so that all the records would all be stored at one site. The original contract with Recall had been subject to the usual procurement processes and had been found to provide best value for money.

**.The Committee:**

- **ratified the above case.**

### **36/15 Ratification of DH Professional Services Business Case**

The Committee was presented with the DH professional services business case register for 2015/16. One case had been approved by the Department of Health (DH) Finance Approvals Panel (FAP) and ministers since the previous Committee meeting.

### **T0004/PSBC5728 – Independent investigation into allegations of bullying and harassment at Worcestershire Acute Hospitals NHS Trust.**

The requirement was for a resource to conduct an independent investigation into allegations of flawed HR processes and bullying and harassment at Worcester Acute Hospitals NHS Trust. The investigation was expected to take 13 days over a period of two months at a total cost of £12,805 plus VAT.

#### **The Committee:**

- **ratified the above case.**

### **37/15 The Finance report of the NHS TDA for the period to 31 October 2015.**

The Committee received a report detailing the financial position of the NHS TDA for the period ending 31 October 2015. There was an under-spend on the admin budget of £1.6 million largely due to the fact that the organisations was carrying in excess of 40 vacancies. The NHS TDA should end the year with an under-spend which would be carried forward to next year to help cover the cost of transition to NHS Improvement.

The organisation was back on track with delivery of the better Payment Code.

#### **The Committee:**

- **noted the content of the report.**

### **38/15 NHS Trust Development Authority Procurement Procedure**

Following a recommendation by the NHS TDA's internal auditors, the Procurement Procedure had been updated to include a procedure for the use of the organisation's credit card.

#### **The Committee:**

- **noted the change to the NHS TDA's Procurement Procedure.**

### **39/15 NHS Trust Development Authority Losses and Special Payments Policy**

The NHS TDA's Losses and Special Payments Policy had been updated. Changes had been made to the losses and special payments register to add a further level of governance.

#### **The Committee:**

- **noted changes to the Losses and Special Payments Policy.**

### **40/15 Review of Registers 2015/16**

The Committee reviewed both the losses and special payments register and the register of waivers to formal tendering and competitive quotations. Three cases of

accidental damage to electronic devices had been added to the former and one single tender waiver added to the latter.

**The Committee:**

- **noted the contents of the registers.**

**41/15 Other business**

The contract with NHS England to provide expert technical estate advice had been extended at a cost of £163,000. The contract had demonstrated clear value for money and was more cost effective than securing advice from outside the NHS.

**The Committee:**

- **noted that the contract with NHS England for the provision of expert estate advice had been extended.**