Board Members Present
Tessa Green (TG) Chairman
David Probert (DP) Chief executive
Steven Davies (SD) Chief financial officer
Andrew Dick (AD) Non-executive director
Declan Flanagan (DF) Medical director
Ros Given-Wilson (RGW) Non-executive director
Nick Hardie (NH) Non-executive director
David Hills (DH) Non-executive director
Tracy Luckett (TL) Director of nursing and allied health professions
John Quinn (JQ) Chief operating officer
Sumita Singha (SSi) Non-executive director
Steve Williams (SW) Non-executive director

Non-Voting Board Members Present
Mariano Gonzalez (MG) Commercial director
Johanna Moss (JM) Director of strategy and business development
Elisa Steele (ES) Chief information officer
Sally Storey (SSi) Director of human resources
Ian Tombleson (IT) Director of corporate governance

Officers In Attendance
Katherine Raven (KR) Head of communications
Geoff Stokes (GS) Head of corporate governance (minutes)
Karen Reeves (KRe) Vanguard programme director
Melanie Hingorani (MH) Clinical lead, vanguard programme

Governors Present
Emily Brothers Public governor, South West London
Brenda Faulkner Patient governor
Rob Jones Patient governor

Apologies
Sir Peng Khaw (PK) Director of research and development

Tessa Green (TG), chairman, welcomed everyone to the meeting, especially David Hills, non-executive director, for whom this was his first board meeting as a non-executive director.

16/2037 DECLARATION OF INTERESTS
Board members were asked to declare any interests of relevance to the agenda other than their normal professional interest and none were declared.
16/2038 MINUTES OF PREVIOUS MEETING
The minutes of the meeting held on 30 March 2017 were agreed as an accurate record.

16/2039 MATTERS ARISING AND ACTION POINTS
There no actions outstanding or matters arising.

16/2040 CHIEF EXECUTIVE’S REPORT
David Probert (DP), chief executive, introduced his reported and highlighted the following key points;

- CQC action plan update – good progress is being made across most areas, but issues need to resolved relating to service level agreements (SLAs) with some host sites
- CPQ report – Moorfields Dubai has achieved 100% compliance with its clinical regulator, the Centre for Healthcare Planning and Quality.
- flooding in accident and emergency (A&E) – there have two unrelated floods in A&E, and staff and patients responded well to the inconvenience. Although A&E had to be relocated both times, performance against the four hour target was 100% and the situations were resolved on the day
- new appointments – there have been some important new appointments made in operations and finance as well as to consultant posts, and some prestigious external appointments have been secured by two of our leading consultants
- Project Oriel – progress is still being made in conjunction with our partners, especially UCL and Moorfields Eye Charity and there will be a substantive item in part two of the June Board
- Manchester terrorist attack – DP commented on the tragic events of Monday evening and said he and Declan Flanagan (DF), medical director, had been in contact with Manchester Royal Infirmary to offer whatever support was needed. The board will observe a one minute’s silence at 11:00am
- cyber-attack – DP invited Elisa Steel (ES), chief information officer, to give an update on the cyber-attack that had struck the NHS two weeks before

ES explained that the patching schedule had been brought forward and the trust had installed the vast majority of the software patches before the attack, although 5 or 6 of the 300 issued had not been installed. The trust currently has approximately 30 devices running Windows XP, mainly for imaging, and the replacement programme for these will be accelerated. The trust is also dealing with some software suppliers whose products don’t comply with the trust’s patching policy.

DP added that some of our partners had been affected by the attack including Bedford, where the email system has just been restored and Barts which led to procedures for three Moorfields’ cancer patients being cancelled. DP congratulated the team but accepted that the reason the trust had not been more severely affected was 75% due to good planning but 25% due to good luck.

TG asked if there were likely to be future cyber-security problems not related to Windows XP and ES confirmed that this is likely. Microsoft and virus checking software companies are reactive so the trust needs to see if it can do more to tighten security. She also commented that the patching process needs to be reviewed to ensure that all patches are
implemented as quickly as possible.

TG asked about the next penetration test and ES said it is due in July and she wants to ensure the proper processes are in place for the test to be effective.

Nick Hardie (NH), non-executive director, commented that he had attended a seminar on cyber-security, and the key message was that there are many issues that need to be tackled but most relate to people and their behaviours. In response to a question from TG, he also told the board that cyber-security is a key review on the internal audit programme for 2017/18.

David Hills, non-executive director, asked about the hackers' motives and DP said this was not clear, but the attack had not been directed at the NHS specifically but at organisations with relevant technology.

TG asked about progress with getting SLAs in place and the relationship to the vanguard programme. DP explained that the original plan was to get one-year SLAs in place for all sites, but for a small number there had been a tactical decision not to sign short term SLAs pending other changes. Two of the major host sites' management teams had not been responsive so those issues have now been escalated to CEO level.

DP invited John Quinn (JQ), chief operating officer, to give some operational highlights from the new Integrated performance report and JQ pointed out that extra capacity has been created in theatres to improve the waiting time for patients needing cancer treatments. New indicators have been included to track waiting times in clinics and the use of the e-referrals system used by GPs.

DP asked Steven Davies (SD), chief financial officer, to comment on the current financial position, and he noted that although the trust is on track to achieve quarter 1 targets, there is a need to focus on achieving the planned levels of activity and the delivery of cost improvements.

The Board NOTED Chief Executive's Report.

16/2041 AUDIT AND RISK COMMITTEE CHAIR’S REPORT

NH briefly explained that the role of audit and risk committee at this point in the business cycle is to review reports from both external and internal auditors and the views of management in determining whether the board is able to approve the annual report and accounts.

The external auditor commented that he was pleased with the finance team, who had been very professional and although their audit had not been completed, they expected to issue an unqualified opinion.

For the quality account audit they had issued a modified report due to a qualification on two statutory indicators: referral to treatment times (RTT) and the A&E four hour target. This was the third consecutive year this had happened, although they acknowledged that processes had improved. NH commented that although there was a need to improve data quality, the specific findings are not of major concern as they are drawn from a small sample size and are conducted to criteria different than those used for other reporting purposes.

The internal auditor’s report which assessed the effectiveness of internal control systems had provided an opinion of ‘significant assurance with minor improvements’. This conclusion was based in part on the follow-up audit of RTT.

SD made reference to the letter of representation (sent to auditors as part of the evidence for the audit), and this confirmed that no adjustment has yet been made to the economic
life of the City Rd site, as no formal decision on its future has yet been made.

NH explained that other audit and risk committee business will be reported to the next board meeting.

The Board NOTED the report from the chair of the audit and risk committee.

16/2042 ANNUAL REPORT AND ACCOUNTS

SD introduced the annual report and accounts which need to be approved by the board before being submitted electronically to NHSI and then laid before parliament.

He reminded the board that in approving the report, directors also confirm the statement in section 4.6.8, on page 46, as follows; “So far as the directors are aware, there is no relevant audit information of which the auditors are unaware and the directors have taken all of the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.”

The external auditors have flagged a number of changes relating to numbers shown in both the accounts and report, none of which are material.

Geoff Stokes (GS), company secretary, explained that a briefing will be given to governors on 22 June by NH and SD, accompanied by the external auditors before the report and accounts are formally presented to governors and the membership at the AGM.

The declaration for condition G6 and the continuity of services condition of the NHS provider licence was shared with board and approval sought for their signing by the chairman and chief executive. GS to check with NHSI on the criteria for completion.

TG asked what measures would need to be taken to avoid a qualified audit of the quality account and DP said that improvements need to be made against two indicators. The A&E measure can be tightened up and therefore could be ‘green’, but the auditor had been asked explicitly what could be done to improve the RTT measure and his advice was that the trust could invest a lot of money and still not achieve an unqualified result next year as it is recognised as difficult to gain complete assurance. He explained that the outcome does not invalidate the performance reported against the RTT target, for which NHSI has congratulated the trust, but the audit is based on a very small sample so it is difficult for them to gain absolute assurance.

ACTIONS

- GS to confirm with NHS Improvement on the completion of the G6 licence declaration.

The Board

- Approved the annual report and accounts
- Authorised the chairman and chief executive to sign off the declaration regarding condition G6 and the continuity of service condition of the NHS provider licence

16/2043 REPORT OF THE QUALITY AND SAFETY COMMITTEE

Ros Given-Wilson (RGW), non-executive director, presented the summary report from the latest meeting of the quality and safety committee and highlighted the update the committee had received on estates, as this had related to a number of issues.
She noted that there was also concern about the timeliness and smoothness of the serious incident process and ensuring reports are completed in a timely fashion.

The committee has agreed that in order to improve assurance, management committees that feed into quality and safety committee will report their activities similarly to how the board committees report to board.

RGW commented that she had held a useful session with governors to discuss the quality priorities for the coming year.

Sumita Singha (SSi), non-executive director, noted that the report to quality & safety committee from the director of estates and facilities had used the word ‘assurance’ but had not anticipated the two floods that occurred in A&E. SD explained that in this context, the assurance given was that the building complied with legal standards, not that there would never any unforeseen events.

The Board NOTED the report of the quality & safety committee.

16/2044 VANGUARD UPDATE

Johanna Moss (JM), director of strategy and business development, introduced the item explaining that it arose from the Five Year Forward View produced by NHS England in 2014. The vanguard programme was established to test new models of care and Moorfields was chosen as one of the pilots to test and advise on how network models can work best.

Karen Reeves (KRe), vanguard programme director, introduced a short video that explained more about the vanguard toolkit that had been developed. She described the history of the network model for Moorfields from the early 1990’s until the present day.

Melanie Hingorani (MH), clinical lead for the vanguard programme, said that Moorfields had learned a lot from others in terms of how best to support its own patients but the programme had also helped other providers to give the best eye care possible. Widening the trust’s catchment area had provided other benefits, for example, more access to patients for research, the development of sub-specialities and the ability to focus on rare and complex cases.

JM explained that board directors at Moorfields and elsewhere had been interviewed to understand the assurances they would seek in their networks which included assurance on the consistency of clinical quality and patient experience.

MH noted that of the critical success factors identified, the most important is people. Excellent staff are needed to be able to work at a distance and know when escalation is required. Also important are a clear management structure and standardisation.

KRe reminded the board that year 2 of the pilot will be focussed on testing the toolkit and the implications of widening the network footprint, talking to other organisations to increase take-up of the methodology and templates and widening patient participation. There is also a need to engage with regulators to ensure that network models can be effectively inspected by CQC and to understand the implications of sustainability and transformation plans. As part of year 2, there is also collaboration with another vanguard site to extend their clinical kite marking approach to ophthalmology.

DP commented that the toolkit had been used internally to review current sites, especially in determining whether to expand or retract services. Externally it has raised Moorfields’ profile and Samantha Jones, national vanguard programme director, had quoted Moorfields in an article in the Health Service Journal (HSJ).
TG thanked the presenters and commented on the importance of using the toolkit alongside the demand and capacity model being developed by PA consulting. JM agreed and noted that the toolkit helps to determine if investment is needed but is not as explicit in identifying the need for potential disinvestment.

DH asked how financial sustainability and return on investment was demonstrated. MH explained that the methodology is detailed so helps to get decisions made more rapidly, and includes a business case template. JM said that the vanguard programme needs to demonstrate value for money for the £1.1m invested by NHS England, but it is not yet able to demonstrate that adoption of the toolkit leads to financial sustainability. MH noted that many of the sites the trust has engaged with were in financial distress and that clinical outcomes have improved wherever Moorfields has been.

RGW asked how much investment was needed to answer queries, offer advice etc. KRe said the team was resourced to support other sites, and included two seconded project managers from NHSI to work on the regulation and commissioning work streams. There may be an opportunity to gain a commercial benefit in continuing to provide this advice once the pilot programme is finished.

SD explained that in relation to financial sustainability, the network helps to spread the trust’s costs and enables specialisation which assists in building the trust’s reputation. There is a need, however, for the health system to support this way of operating and ensure that funding effectively follows activity.

SSI noted that culture is important and asked if the Moorfields Way had been referenced in the toolkit. KRe said it was but that most trusts have their own version.

Andrew Dick (AD), non-executive director, said that it was interesting that we have been approached by acute hospital and KRe said that the toolkit is intended to be generic, but most queries have related to ophthalmology as many trusts have issues with providing that service.

RGW commented that it is difficult to demonstrate value for money, but that there is lots of evidence that if variation reduces and quality improves, this leads to more efficient use of resources.

The Board NOTED the vanguard programme update

16/2045 FINANCE REPORT, APRIL

SD introduced the report and reminded the board that with an overall surplus target planned for the year of only £0.5m, there will be some months showing a deficit. It was pleasing to note that the trust has a rating of 1 for agency spend for the first time as this is now below the target. There have been some management factors resulting in the slightly adverse position, included poorly planned annual leave leading to reduced activity.

TG noted the under-achievement of cost improvement plans (CIPs) and asked if the new team in which the trust has invested is being effective. SD commented that he was confident the team was effective and that the under achievement relates mostly to slippage so will be recovered.

JQ added that month 2 to date shows the position is improving, but that improved reporting will identify where movement is being made and not being made.

TG asked how the finance committee will focus on this area and, NH noted that the divisional management teams will report to the finance committee on a range of issues, including the delivery of CIPS.
NH commented that in any organisation month 1 is always problematic, for example adjusting for accruals, and asked if this was a factor. SD said there were some adjustments, for example in deducing tax and national insurance from contractors but over the course of the year this should not be significant.

In response to a further question from NH, SD said that where expenditure budgets were underspent, these had to be understood to determine if they are related to reduced activity, otherwise the budgets should be reduced.

RGW asked if the tariff changes were resulting in the outcomes expected and SD said they were and this will be make it a tough year.

DP commented that although a deficit target for month 1 had been planned, he expected the trust to have done better and does not like positing a deficit. Moorfields is not as susceptible to variations in income and expenditure as other trusts, as costs tend to be relatively fixed. Performance should have been better, not just in managing leave and attendance at conferences etc., and executives are looking to see what lessons can be learned.

The Board NOTED the month 1 finance report

16/2046 INTEGRATED PERFORMANCE REPORT, APRIL 2017

JQ introduced the report which was the first of the new format and aimed to improve visibility and clarity. Generally, performance has been good but there are a few issues that need to be addressed. The report needs to be improved in some areas to explain more clearly the reasons for variance and to use more precise language. The remedial action plans will be used for any ‘red’ indicator to capture reasons along with plans for improvement.

DP explained that as agreed previously, the format of the report won’t change in the current financial year, and highlights more clearly where improvements in performance are needed.

RGW commented on the fact that theatre sessions are starting late and asked when performance will be improved. JQ said the trust had introduced ‘the golden patient’ scheme last year which led to some early improvements but which had not been sustained. The newly appointed divisional manager at City Rd will be focussing on this area, for example in ensuring shift start times are set to ensure surgery is ready to start when the consultant arrives.

The Board NOTED the month 1 integrated performance report

16/2047 Q4 WORKFORCE REPORT

SST introduced the report and commented that the clinical management structure is nearly in place and the leadership development programme is underway.

HR colleagues have worked hard with colleagues from the finance department to implement the new tax and national insurance rules relating to contractors.

The retention programme has started to understand why staff leave and what measures could be introduced to encourage them to stay.

TG noted the ‘red’ indicator against mandatory resuscitation training and reminded the board that the CQC had raised this as an issue. SST clarified that that CQC had identified issues at specific sites, e.g. Bedford, which had been addressed straightaway. Although data accuracy is now better, Tracy Luckett (TL), director of nursing and allied health
professions, had written to staff to ensure that the right people are identified who need to carry out resuscitation training. A variety of methods have been used to make the training more accessible, including visits to sites to carry out training and the development of subject matter experts to provide more local advice.

RGW said it was good to see more detail on organisational development and asked if the trust is proactively identifying future doctors, managers and nurse leaders, for example through the appraisal process. SSi explained that a talent management paper is being presented to management executive next week and this is also linked to succession planning. She said there is a wide approach being taken which covers more than just leaders. The appraisal process focuses on objectives and the Moorfields Way so does not necessarily look at long term development but a pilot is testing an amended approach.

Steve Williams (SW), non-executive director, asked if the sickness target should be reduced from 4% to 3% as performance is consistently below the target. SSi explained that there is a need to keep an eye on this indicator as new processes have been introduced and there is a slow but steady increase in sickness levels which could indicate that previously there was under-reporting.

DP said that the draft agenda for the people, education and diversity committee looks effective and the trust needs to stretch itself if it is to be amongst the best trusts in the country.

NH asked for clarification on why the director of education post is proving difficult to fill. DP explained that seven people had been interviewed to date and a preferred candidate had been identified but this didn’t work out. The job description has been reviewed and it is an exciting role so it is hoped that this will attract the right candidate. SSi agreed to share the revised job description and the ‘roadmap’ agreed a couple of years ago with non-executive directors.

At this point a minute’s silence was observed to remember the victims of the Manchester terrorist attack.

SSi informed the board that she is now a member of the NHS Providers non-executive directors’ group on workforce issues and hopes to bring practice and information to the people, education and diversity committee.

**ACTIONS**

- The job description and ‘roadmap’ for the director of education to be shared

The Board **NOTED** the workforce report.

**16/2048 DRAFT BOARD AGENDA, JUNE 2017**

TG noted the draft agenda and reminded the board that Deloitte will be observing that meeting as part of their review of the trust against NHSI’s ‘well led framework’.

TL said she agreed that some papers need not be included on board agendas but can be presented to quality & safety committee and then reported by the committee chair to give assurance to the board. TG felt this was a positive step but that there needs to be more detail in the summary reports to give more context to the board about the discussions held at committees.

The Board **AGREED** the draft board agenda for the June meeting.
16/2049 ANY OTHER BUSINESS

There were no items of any other business.

The meeting was closed at 11:05