

To: The Board

For meeting on: 22 March 2016

Agenda item: 5

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

Report on: Joint corporate report

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 25 February 2016.

Monitor Technology Assurance Committee – 10 March 2016

4. Technical integration workstream update: The Committee discussed a number of technical aspects of the integration programme, including the fact that, whilst it was possible to grant colleagues from the NHS TDA access to Monitor's network, the reverse would not be possible. Relevant NHS TDA data would therefore need to be migrated on to Monitor's network. The Committee also noted that Monitor and the NHS TDA currently had different approaches and cultures with regard to data security and agreed a joint approach would need to be agreed at executive level.
5. Patient level costing: The Committee noted that a business case had been

developed for the Department of Health to request funding for patient level costing systems. This Committee was content for this business case to be submitted to the Board, but requested a copy of the business case for information.

6. Strategic Information Platform (SIP): The Committee received a demonstration of the SIP and of several analytical tools that make use of it. This showed how valuable the SIP can be, in providing the basis for much faster and more granular analyses, and also in facilitating the re-cutting of the information being analysed in new and different way.

NHS TDA Investment Committee – 10 March 2016

7. The Committee received a report on the cash and capital financial position of the NHS trust sector to 31 December 2015.
8. The Committee approved a full business case for the replacement of 140 double crewed ambulances at London Ambulance Service NHS Trust. Minutes of the meeting are attached at Annex 2.

NHS TDA Finance and Procurement and Controls Committee – 10 March 2016

9. Initial Business Case under delegation - the Committee ratified an Initial Business Case under delegation in respect of the NHS partnership with the Virginia Mason Institute.
10. Professional Service Business cases - one Department of Health Professional Service Business case was approved by the Committee.
11. Finance Report - the Committee reviewed the Finance Report for the NHS TDA for the period to 31 January 2016.
12. Minutes of the meeting are attached at Annex 3.

Recommendation

13. 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 MARCH 2016 AT 10.00am
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
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 Wednesday 10 February 2016 (TAC/16/06)

- 3.1 The minutes of the meeting held on 10 February 2016 were approved and the matters arising were noted. TAC members noted the reference in paragraph 7.1 of these minutes to the Chief Information and Technology Officer (CITO) sitting across both NHS Improvement and NHS England. The Chair explained that this post had been advertised by NHS England originally, but that the intention was for the CITO to report to both organisations. The details were still work in progress, however, it was clear that the CITO would be focused on ensuring technology benefits were delivered to the service.
- 3.2 The Chair requested that 'action log' should be a separate item on the agenda going forward.

4. NHS Improvement – Technical integration workstream update (TAC/16/07)

- 4.1 The Chief Information Officer introduced the report. The Chairman of the Board had submitted a number of questions in correspondence, and the management team's answer to these questions was discussed.
- 4.2 The Committee discussed the fact that, whilst it was possible to grant colleagues from the NHS Trust Development Authority (TDA) access to Monitor's network, the reverse would not be possible. The implications of this were noted, and included the fact that relevant TDA data would need to be migrated on to Monitor's network. The planning for this data migration exercise was in hand.
- 4.3 The Committee noted that Monitor and the TDA currently had different approaches and cultures with regard to data security. The importance of discussing NHS Improvement's policy regarding data security at executive team level was emphasised. In particular, NHS Improvement would have to determine whether its preference was for data to be accessible to all except where restrictions were necessary, or whether to operate a more restrictive policy of allowing access only to certain users.
- 4.4 The Committee requested the development of a scorecard to monitor progress in the integration workstream. This scorecard would set out the desired endstate, a timeline for achieving the end state, and progress against that timeline. The difficulties associated with defining the desired endstate were noted, however, a scorecard was considered to be a useful tool in spite of the current uncertainty, as flexibility could be built in.

ACTION: PS

- 4.5 The Committee requested a copy of the communications plan mentioned in paragraph 6 of the paper.

ACTION: PS

- 4.6 The Committee discussed the position regarding investment in IT equipment, and noted that some funding had been made available for additional VDI units, and that some short term interim appointments had also been agreed.

5. Any other business

- 5.1 The Committee noted that a business case had been developed for the Department of Health to request funding for patient level costing systems. This Committee was content for this business case to be submitted to the Board, but requested a copy of the business case.

ACTION: PS

- 5.2 The Committee received a demonstration of the Strategic Information Platform (SIP) and of several analytical tools that make use of it. This showed how valuable the SIP can be, in providing the basis for much faster and more granular analyses, and also in facilitating the re-cutting of the information being analysed in new and

different way, e.g. to provide information by Strategic Transformation Programme (STP) area.

Close

Annex 2

Minutes of a meeting of the Investment Committee held 10 March 2016 at Southside, Victoria Street, London

Present

Elizabeth O'Mahony (Director of Finance)
Peter Blythin (Director of Nursing)
Sarah Harkness (Non-executive Director) (via telephone)

Apologies

Sarah Whiteman (Associate Medical Director)

In attendance

Lynne Burgess (Secretariat)
Chris Cale (Head of Capital and Cash)
Elizabeth Lloyd Kendall (Senior Business Consultant (London) – items 3 & 4)

08/16 MINUTES AND MATTERS ARISING FROM PREVIOUS MEETING

Minutes of the meeting held on 4 February 2016 were approved as a correct record. There were no matters arising.

09/16 SUMMARY OF THE CASH AND CAPITAL FINANCIAL POSITION OF THE NHS TRUST SECTOR FOR THE PERIOD TO 31 DECEMBER 2015

The Committee received a report detailing the cash and capital position of the NHS trust sector at the end of 31 December 2015. The variances between planned and actual capital and revenue requirements at the end of quarter three were highlighted. The Committee noted the steps being taken by NHS trusts to try to remain within their cash control totals and emphasised the need for the NHS TDA to ensure that these did not impact adversely on small businesses. Sarah Harkness declared an interest in the topic as she herself operated a small business which conducted business with the NHS. Discussions were underway with the Department of Health about the level of capital that could be expected in 2016/17.

The Committee discussed the potential for a slowdown in capital expenditure to reflect on the patient environment and to have a consequent impact on Care Quality Commission findings. NHS trusts are advised not to slow down capital expenditure on projects designed to improve patient safety or on the purchase of key equipment.

The Committee:

- **noted the contents of the report.**

10/16 LONDON AMBULANCE SERVICE NHS TRUST FULL BUSINESS CASE FOR THE REPLACEMENT OF 140 DOUBLE CREWED AMBULANCES

The Committee was asked to approve a FBC for the replacement of 140 double crewed ambulances involving capital expenditure of £17.14 million (including irrecoverable VAT) and the associated revenue costs. The new ambulances will replace the oldest of the Trust's stock which are between seven and eleven years old. (The maximum recommended life span of ambulances is seven years). The project was partly in response to a Care Quality Commission rating of 'Inadequate' which had led to the Trust being placed into special measures.

The intention is to procure 140 Mercedes Benz chassis with separately constructed modular box van bodies. The scheme will improve the reliability of the fleet leading to reduced downtime for older vehicles and reduced maintenance costs.

The Trust is in the process of developing a five year ambulance replacement strategy, which will inform future fleet replacements.

The Trust intends to fund the scheme from internally generated capital. There is an expectation that the clinical commissioning groups (CCGs) will increase the level of funding to the Trust. The Committee agreed that approval of the scheme should be linked with final sign-off of 2016-17 contracts with the CCGs prior to 31 March 2016.

The Committee approved the FBC for London Ambulance Service NHS Trust for the replacement of 140 ambulances for capital costs of £17.14 million subject to:

- **final sign-off of the 2016-17 contract with CCGs;**
- **the NHS trust developing a full post project evaluation plan and carrying out the evaluation in accordance with that plan; and**
- **the NHS trust obtaining an audit opinion on the accounting treatment of the project as soon as possible after the contract agreement.**

12/16 CAPITAL AND CASH REVIEW OF REGISTERS 2014/15 AND 2015/16

No new cases had been added to the Strategic Outline Cases register. One new case had been added to the IT schemes approvals register in relation to London North West NHS Trust.

The Committee:

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

Annex 3

Finance and Procurement, Controls Committee meeting

Minutes of the meeting held on 10 March 2016,

Present **Bob Alexander, Deputy Chief Executive (Chair)**
Sarah Harkness, Non-Executive Director (via telephone)
Elizabeth O'Mahony, Director of Finance

In attendance **Lynne Burgess, Senior Governance Manager (Secretariat)**

07/16 Minutes and matters arising from the previous meeting

Minutes of the meeting held on 4 February 2016 were approved as a correct record. There were no matters arising.

08/16 NHS Improvement Integration Budget

The NHS TDA and Monitor had each identified £1,000,000 of non-recurrent revenue to fund the integration programme linked to the creation of NHS Improvement NHS Improvement. In addition, capital expenditure was required relating to information technology and integration information systems – the NHS TDA's share amounted to £285,000.

An appropriate system for handling costs had been established and costs were being allocated based on the most appropriate procurement routes.

A significant element of the costs related to an external contract with KPMG to assist with the set up. The Committee agreed the description of different elements of the contract should be strengthened.

The Committee:

- **approved the revenue and capital budget for the NHS TDA's 2015/16 contribution to the NHS Improvement integration programme.**

09/16 Ratification of Business Cases

The Committee was asked to ratify the following business cases:

004/16 Initial business case under delegation - NHS Partnership with Virginia Mason

The Committee was asked to ratify expenditure of £50,000 on the production of five short films to support communication related to the wider programme of work with the Virginia Mason Institute.

T0008/PSBC Independent investigation

The Committee was asked to ratify a DH professional business services case relating to an independent investigation at a cost of £30,535.

The Committee:

- **ratified the business cases.**

10/16 Finance report of the NHS TDA for the period to 31 January 2016.

The Committee received a report on the NHS TDA's finances for the period to 31 January 2016 noting that organisation was on track to meet its statutory financial duties and obligations.

The Committee:

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

11/16 Review of Registers 2015/16

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

The Committee:

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

12/16 Governance arrangements for future committee meetings

The Committee was updated on progress towards the development of a new, joint committee structure for NHSI and noted that one or more stand-alone committees might be necessary post 1 April pending the establishment of the new committees.