

material omission. Although the value of clinical transformation schemes was reduced by 25% as a contingency, there was no risk adjustment of the STP collaborative productivity values to account for the limited assurance in place at the time.

24. The paper did not make a recommendation regarding acceptance or otherwise of the control total, instead allowing an open discussion by Board members. We deem this to be an appropriate approach. However, the paper could have been more balanced in its assessment of the risks and rewards of each course of action; the potential benefits of accepting the control total were clearly set out, but there was no such analysis of the potential disadvantages presented in the papers. A more explicit discussion of the risks of accepting may have prompted greater consideration of the likelihood of reaching the position the trust now finds itself in, with a large deterioration in forecast outturn.

Quality of discussion

25. The minutes of the extraordinary FIC meeting set out some of the specific questions from NEDs and the responses. They focus on a number of technical points rather than discussion on what we view as the key issues, being the risks surrounding delivery of £48.7m of savings. The minutes only reference that a discussion on these risks took place, but without further documented details we are reliant on the (understandably limited) memories of interviewees to assess the quality of discussion that took place.

26. All interviewees spoke of a lengthy and robust discussion at the extraordinary FIC, in which there was significant questioning and challenge from the NEDs. However, as mentioned above there is little evidence to support this from the minutes, and little detail was added in interviews. Our impression is that executives did not provide challenge in this meeting, but rather responded to NED questions. We would expect challenge from a unitary board to come from all members but we accept that such discussion may have instead taken place in executive forums.

27. A number of the Board members we spoke with showed a limited understanding of some of the key risks to delivery of the 2017/18 plan, and there were some significant contradictions between meetings. For example, the November 2016 FIC paper made clear that the STP financial assumptions (and therefore the control total plan) would require seven wards to be closed in 2017/18. Some individuals acknowledged the need for bed closures and the associated risks (with variable levels of confidence); others stated categorically that the 2017/18 plan did not assume any bed closures. This is a significant concern, and brings into question whether the Board was sufficiently focused on this important matter during its control total discussions and afterwards.