MINUTES OF THE MEETING OF THE COUNCIL OF GOVERNORS
HELD ON WEDNESDAY 11 APRIL 2018
IN THE BOARDROOM, LEVEL D

Chair: Mr M Havenhand, Trust Chairman

Public Governors: Mrs J Brookes, Public Governor Rotherham South
Mrs J Dalton, Public Governor Rother Valley South
Ms J Frith, Public Governor Rest of England
Mrs H Littlewood, Public Governor Rother Valley West
Lt Col R MacPherson, Public Governor Wentworth South
Mr D Wray, Public Governor Rother Valley West/Lead Governor

Staff Governors: Mrs C Ripley, Staff Governor Other Health Professionals
Mrs S Lewis, Staff Governor Other Support Staff
Mrs J Lovett, Co-opted Staff Governor

Partner Governors: Cllr P Jarvis, Partner Governor RMBC

Apologies: Ms B Bennett, Public Governor Rotherham South
Mrs J Flanagan, Partner Governor Voluntary Action Rotherham
Mrs C Haywood, Partner Governor Rotherham Partnership
Mr L Hayhurst, Public Governor Wentworth South
Mr G Jenkinson, Public Governor Wentworth Valley
Mrs V Lindsay, Public Governor Rotherham North
Dr C Low, Partner Governor Sheffield Hallam University
Professor A Majid, Partner Governor University of Sheffield
Mr G Rimmer, Public Governor Rother Valley South

Members of the Board of Directors and other Trust staff in attendance:
Mr J Barnes, Non-Executive Director
Mrs H Craven, Non-Executive Director
Mr M Edgell, Non-Executive Director
Ms L Hagger, Non-Executive Director
Dr D Hannah, Non-Executive Director
Ms A Milanec, Director of Corporate Affairs/Company Secretary
Mrs A Rolfe, Quality Governance, Compliance and Risk Manager
Mr S Sheppard, Director of Finance
Dr Conrad Wareham, Medical Director (for agenda item 2018/27)

Apologies from Board members:
Mrs G Atmarow, Non-Executive Director
Mrs L Barnett, Chief Executive
Mr B Mellor, Non-Executive Director
2018/22 **WELCOME AND ANNOUNCEMENTS**

The Chairman welcomed all those present to the meeting.

2018/23 **APOLOGIES FOR ABSENCE & QUORACY CHECK**

Apologies were noted, with the meeting confirmed to be quorate.

2018/24 **DECLARATION OF INTEREST**

Mrs Ripley declared an interest with regard to the Rotherham Equipment and Wheelchair Service (REW) agenda item as she was the Clinical Lead for the team.

The Chairman, on behalf of the Non-Executive Directors, declared an interest with regards to the remuneration matter to be considered as part of the Governors Nominations Committee Report.

The Chair reminded colleagues that should any conflict become apparent during the course of the meeting, they would need to be declared.

2018/25 **MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 10 January 2018 were agreed as a correct record.

2018/26 **MATTERS ARISING & ACTION LOG**

There were no matters arising from the previous meeting, which were either not covered by the agenda or action log. The action log was reviewed, with a number agreed to be closed. The log would be updated accordingly.

2018/27 **CHAIRMAN’S REPORT**

The Council of Governors received and noted the Chairman’s Report.

The Council of Governors welcomed to the meeting the Medical Director, who would provide a further update with regard to the independent Hospital Services Review (HSR), the process behind the review and the anticipated publication of the report in April/May 2018.

Dr Wareham indicated that the first phase of the review had aimed to identify the key services in terms of risk, and on this basis five had been selected for more in depth work. The Council of Governors was reminded that the five areas had been:

- Emergency Services
- Maternity services
- Care of the Acutely ill Child
- Stoke Services (other than Hyper acute Stroke)
- Gastroenterology and Endoscopy Services
The report, following this further in depth work, was due to be published at the end of April but would be non-site specific in its conclusions. Further work would be required to produce a site specific series of recommendations.

As part of the review process the Trust had been visited by Professor Welsh, independent chair of the review, who had confirmed that the review was not intended as a means to close services. Rather the anticipated outcome was that the same number of hospitals would deliver the vast majority of services, but opportunities would be investigated to ensure they were more sustainable.

The Governors commented that in 2013 the decision had been taken that the Trust would be a ‘standalone organisation with collaboration’ and sought assurance that this matter continued to be pursued as it supported the financial position.

Dr Wareham confirmed that notwithstanding the HSR, the Trust continued to develop collaborative arrangements in a number of services beyond those already in place. However, collaboration required two willing partners both wanting to pursue such arrangements and drive change, with the HSR potentially providing the impetus.

Mr Havenhand commented that in order to manage expectations, it was unlikely that there would be any significant changes as a consequence of the HSR in 2018/19. As such the Trust would continue to explore its own collaborative opportunities.

The Council of Governors noted the report, with the Council being supportive that further information on the HSR be provided to the Governors’ Forum on 23 May, by which time it was anticipated that the review findings would have been published.

**ACTION – Medical Director**

**REPORT FROM NON-EXECUTIVE DIRECTOR CHAIRS OF BOARD COMMITTEES**

The Council of Governors received and noted the reports from the Board Committees with the Chairman inviting each Non-Executive Director Committee Chair to provide supplementary information to the written reports.

i. **Audit Committee**

In addition to the report, Mr Barnes indicated that the 2017/18 Annual Accounts were being finalised and audited by the External Auditors. The Annual Report and Accounts (including the Quality Report), and the various auditors opinions on them would be the primary focus for the May 2018 Audit Committee meeting.

The relationship with the Internal Auditor remained positive, with two important early audits having been requested by the Chief Executive and Director of Finance to support the new financial year. These related to budgetary control and the cost improvement programme.
ii. **Strategic Workforce Committee**

Ms Hagger informed the Council that due to the revised membership of the Board Committees, this would be her last report as Chair of the Strategic Workforce Committee (SWC).

With regard to recruitment, a number of offers of employment had been extended to newly qualifying nurses, with the Trust's Compass Programme (enabling nurses to sample different specialities) proving to be attractive to applicants.

Whilst progress was being made in terms of medical recruitment, new ways of working continued to be explored to support any further attrition.

Although agency usage continued to fall due to the established controls, the Trust had exceeded the NHS Improvement expenditure cap at the end of the 2017/18 financial year.

Mrs Dalton raised the matter of a number of areas from the staff survey which has seen a decrease on previous year’s results, namely job satisfaction, communication and patient care. Ms Hagger indicated that these matters could be correlated to services experiencing significant pressures, or those undergoing some form of service change consultation. SWC were reviewing the detail to ensure that appropriate action plans were in place.

Ms Hagger took the opportunity to reflect on the work of the committee and look towards the future as part of her final report to the Governors.

iii. **Quality Assurance Committee (QAC)**

In addition to the report Mr Edgell indicated that the Hospital Standardised Mortality Ratio (HSMR) had continued to improve and currently stood at 96, with the benchmark being 100. The Standardised Hospital Morality Index (SHMI) had been recalculated since the report had been written and now stood at 107, which was an improved position from 112. As a result, the Trust was no longer considered a statistical outlier.

QAC had received reports following four national surveys, with the Head of Midwifery attending the next QAC meeting to specifically discuss the timeline and actions following the Maternity Survey. The results of this particular survey had been worse than expected and did not triangulate with other mechanisms of feedback such as complaints and the Friends and Family Test.

It was reported that response times to complaints sent out within the agreed timescales remained at 100%. In terms of themes of complaints, these were detailed within the report and were similar to those for other Trusts.

The six month pilot to provide a visible Patient Advice and Liaison Service had not resulted in the expected increase in engagement with the Patient Experience Team. Evaluation of the pilot would continue to be provided to QAC.
Appended to the report, and considered pertinent to be received by the Council of Governors, was a report which had been submitted to QAC on the Systematic Approach to Proactively Identifying Avoiding Harm in the Urgent and Emergency Care Centre. This report had sought to provide assurance to QAC, and therefore the Council of Governors, that patients were not experiencing any harm, if and when waiting more than 4 hours in the department.

iv. Strategy & Transformation Committee

In addition to the report Mr Havenhand provided information on a number of matters.

Following consideration later in the meeting by the Council of Governors, the Operational and Financial Plan 2018/19, would be formally approved at the April 2018 Board of Directors meeting. A public version of the document would be produced.

With regard to the Wholly Owned Subsidiary (WOS), Mr Havenhand commented that there were many WOS’s already established within the NHS, with many more organisations pursuing the model. Work continued within the organisation to consider the establishment of a WOS, with no formal decision having yet been made by the Board of Directors, this was anticipated to take place at the July 2018 Board of Directors meeting.

In terms of the Integrated Care System (ICS), as indicated earlier in the meeting, the Hospital Services Review would be published in April/May and the focus in quarter one would be the ICS control total.

v. Finance and Performance Committee (FPC)

Mrs Craven indicated that the focus of the Committee remained the four key operational performance targets of 4 hour access, cancer, the 18 week pathway and diagnostics waits and the financial position.

Performance in terms of the 4 hour access target continued to be challenging, with the Trust expecting to finish 2017/18 in the mid 80’s%. Whilst acknowledging the improvements resulting from the increased focus in the Emergency Department (ED), there remained a number of other matters outside the ED, such as pre-noon discharges, which required similar focus. Progress on these areas would be monitored by the Committee.

Another area of challenge, and significant deterioration in performance, had been the cancer 62 day target. The underlying reasons had been investigated and an action plan implemented to improve the position.

With regard to the financial position, improvements had been seen in quarter four. The organisation was on track to deliver the reforecast end of year deficit of £22.3m, although this was £8m adverse to the original plan.
It was recognised that budgetary controls had not been as robust as they should have been during 2017/18, with as indicated earlier in the meeting, the Internal Auditors undertaking reviews in key areas as part of their 2018/19 plan. The FPC would have an overview of the audit findings and monitor implementation of any recommendations in order to strengthen financial controls.

In quarter four the Committee had given due consideration to the 2018/19 financial plan. Ensuring that the base budgets were appropriate and that the assumptions made therein were correct

During consideration of the financial plan particular attention had been given to the cost improvement programme to ensure appropriate phasing, ownership and accountability moving forward. The Internal Auditors would review systems and processes as part of its 2018/19 work programme to provide the required assurances to the Board.

The financial plan would receive its final approval by the Board in April 2018.

REPORTS FROM THE EXECUTIVE DIRECTORS

2018/29  FINANCIAL POSITION 2017/18

The Council of Governors received and noted the Finance Report from the Director of Finance.

Mr Sheppard highlighted the key elements from the report which outlined the month eleven (end of February) position

- The original plan for 2017/18 had been a deficit of £13.6M, which had been reforecast with the Regulator in January 2018 to a deficit of £22.3M
- The Trust was significantly off plan year to date, yet was £132K favourable to the in-month February plan.
- The February position of a £1,537K deficit was also favourable to the revised year-end forecast trajectory by £141K.
- The Trust was forecasting to meet the year end £22.3m deficit
- Cash continued to be managed on a weekly basis with the Income & Expenditure position continuing to challenge cash management.
- The Trust was in the process of finalising the year end position
- There was a requirement for the organisation to learn from the requirement to reforecast the 2017/18 position. This learning would be utilised to support the 2018/19 financial year

Mr Wray, on behalf of the Council of Governors expressed disappointment that the original 2017/18 financial target had not been achieved and that it had been necessary to revise the year-end target in January 2018 with the Regulator. The Council of Governors sought assurance regarding achievement of the 2018/19 financial plan, and that the required targets would be achieved on a monthly basis.
Mr Sheppard sought to provide the necessary assurance to the Council of Governors by explaining that the 2018/19 plan had been developed in a different manner to previous years, with the process having started earlier in September 2017.

Furthermore, each Division, including Corporate, would be required to sign off their budget which would be cascaded to every budget holder. In terms of monitoring the position, there would be a weekly focus on the financial position and delivery against the Operational Plan milestones. This would identify early issues and ensure that appropriate mitigating action was taken.

A key area of focus would be the cost improvement programme, which at £8.2m (3% of turnover) was considered to be realistic and achievable. Assurance and supporting evidence would be provided to relevant operational and board assurance committees in terms of its delivery.

The Council Governors in noting the financial report indicated that they were sufficiently concerned regarding delivery of the 2018/19 financial plan that it would be escalated to the Board of Directors.

**ACTION – Chairman**

**2018/30 DRAFT OF THE ANNUAL QUALITY REPORT**

The Council of Governors welcomed to the meeting Mrs Rolfe, Quality Governance, Compliance and Risk Manager to discuss the Quality Report (2017/18).

Mrs Rolfe provided a brief outline of the process in developing the Quality Report, and the required statements to be included from key stakeholders which included the Council of Governors.

The External Auditors would be reviewing three mandated datasets, plus the delayed transfer of care (DToC) measure chosen by the Council of Governors at their January 2018 meeting (minute 2018/12 refers).

It was noted that the timetable for completion of the draft Annual Quality Report was on track.

The Council of Governors noted the report which documented the process to develop the Quality Report and the current iteration of the draft 2017/18 Quality Report. Once finalised a copy would be circulated to the Council of Governors.

**Action - Quality Governance, Compliance and Risk Manager**

**GOVERNOR REGULATORY AND STATUTORY REQUIREMENTS**

**2018/31 COMPANY SECRETARY REPORT**

The Council of Governors received and noted the Company Secretary Report.

Ms Milanec confirmed that the Governor Elections nomination period had closed on 10 April 2018. Indications were that there would remain a number
of vacancies, which was particularly disappointing in relation to the Staff category as it was known that a number of colleagues had expressed interest in the role.

The report additionally provided details of the Lead Governor role description and the annual process to be undertaken to elect the Lead and deputy Lead Governor. Any Public Governor who were interested in either role were requested to contact Ms Milanec.

**ACTION – Public Governors**

The section of the report pertaining to the Fit and Proper Persons Regulations was noted, with confirmation that the information had been provided to the Governors Nomination Committee as documented in their report.

**2018/32 REPORT FROM THE GOVERNORS NOMINATION COMMITTEE**

The Council of Governors received the report which set out the discussions which had taken place at the Governors Nomination Committee held on 06 February 2018.

The Council noted that the formal appraisal process for the Non-Executive Directors (NEDs), including the Chairman, had commenced in April. The Governors had had the opportunity to provide their feedback on each NED through completion of a questionnaire. The Lead Governor would also be present as each of the appraisal meetings.

With regard to the term of office for two of the NEDs, the Council of Governors having considered the information provided within the report approved the recommendation from the Governors Nomination Committee that Mr Barry Mellor serve a further one year term of office at the conclusion of his current term in September 2018. This would result in a total of six years cumulatively in office.

Similarly, having considered the information within the report, the Council of Governors approved the recommendation from the Governors Nomination Committee that Mrs Gabby Atmarow serve a further one year term of office until 31st March 2019. This would result in a total of eight years cumulatively in office.

Remuneration for the NEDs had also been considered by the Governors Nomination Committee, with the Council of Governors approving the recommendation that there be no uplift in 2018/19.

It was noted that the Governors Nomination Committee had received information following the annual review of the fit and proper person’s checks and that the process had been completed.

The Council of Governors noted the report from the Governors Nomination Committee, giving their approval to the matters documented in these minutes.
ITEMS FOR INFORMATION

2018/33 GOVERNORS NOMINATION COMMITTEE MINUTES

The Council of Governors received and noted the approved minutes from the Governors Nomination Committee meeting held on 02 January 2018.

2018/34 INTEGRATED PERFORMANCE REPORT (MARCH)

The Council of Governors received and noted the Integrated Performance Report which had been considered at the March 2018 Board of Directors meeting. Governors noted the areas of positive achievement in addition to those where performance had deteriorated.

2018/35 GOVERNORS SURGERY

The Council of Governors received and noted the report which provided feedback from service users at the Governors Surgery held in February 2018.

The Chairman thanked the Governors for giving their commitment to gathering the views of service users. In the main the comments were positive.

It was agreed that the use of specific questions to provide the framework for the Governors Surgery should continue to be utilised.

COUNCIL OF GOVERNORS GOVERNANCE

2018/36 ISSUES TO BE ESCALATED TO BOARD OF DIRECTORS

The Council of Governors continuing concern regarding the financial position and particularly seeking assurance that 2018/19 would be different would be escalated to the Board of Directors.

2018/37 COUNCIL OF GOVERNORS WORK PLAN

The Council of Governors received and noted their forward work plan, which would be updated to reflect the discussions held during the meeting.

2018/38 QUESTIONS FROM ANY MEMBER OF THE PUBLIC PRESENT AT THE MEETING

There were no members of the public observing the meeting.

The public meeting formally closed at this point with the Non-Executive Directors leaving the meeting, before business moved to the confidential matters on the agenda.