MINUTES OF THE MEETING OF THE COUNCIL OF GOVERNORS
HELD ON WEDNESDAY 18 JULY 2018
IN THE BOARDROOM, LEVEL D

Chair: Mr M Havenhand, Trust Chairman

Public Governors: Ms B Bennett, Public Governor Rotherham South
Mrs J Brookes, Public Governor Rotherham South
Mrs J Dalton, Public Governor Rother Valley South
Dr S Hudson, Public Governor Rest of England
Mr G Jenkinson, Public Governor Wentworth Valley
Mrs H Littlewood, Public Governor Rother Valley West
Mr D Moore, Public Governor Rother Valley West/Lead Governor
Mr G Rimmer, Public Governor Rother Valley South

Staff Governors: Mrs S Lewis, Staff Governor Other Support Staff
Mrs J Lovett, Staff Governor Nurses and Midwives

Partner Governors: Mrs J Flanagan, Partner Governor Voluntary Action Rotherham
Cllr P Jarvis, Partner Governor RMBC
Dr C Low, Partner Governor Sheffield Hallam University

Apologies: Mrs C Haywood, Partner Governor Rotherham Partnership
Mr L Hayhurst, Public Governor Wentworth South
Mrs V Lindsay, Public Governor Rotherham North
Lt Col R MacPherson, Public Governor Wentworth South
Professor A Majid, Partner Governor University of Sheffield
Mrs C Ripley, Staff Governor Other Health Professionals

Members of the Board of Directors and other Trust staff in attendance:
Mrs G Atmarow, Non-Executive Director
Mr J Barnes, Non-Executive Director
Mrs L Barnett, Chief Executive
Mrs H Craven, Non-Executive Director
Mr M Edgell, Non-Executive Director
Ms L Hagger, Non-Executive Director
Ms A Milanec, Director of Corporate Affairs/Company Secretary
Mr B Mellor, Non-Executive Director
Mr C Morley, Chief Nurse
Mr S Sheppard, Director of Finance

Apologies from Board members:
Dr D Hannah, Non-Executive Director
The Chairman acknowledged that a significant number of colleagues were attending the meeting and that they may not necessarily be planning to observe the meeting, but rather to express their views regarding the discussions being undertaken to establish a Wholly Owned Subsidiary (WOS). As such, he indicated that he would welcome any statements, comments or questions from those in attendance on the matter prior to the formal commencement of the Council of Governors, which would then afford colleagues to leave the meeting should they wish to do so.

Representatives from the unions, Unite and Unison, each read their statement to the Council of Governors.

Both, on behalf of their members potentially affected by the plans, indicated their members’ concern to the establishment of a WOS. The consensus being that colleagues remained loyal and committed to the Trust, and importantly for them, to their continued affiliation to the NHS.

They foresaw the prospect of a two tier system between colleagues and expressed concern regarding their terms and conditions and pensions.

Whilst acknowledging the financial pressures within the Trust and wider NHS, it was requested that the strength of feeling from those potentially affected should be factored into the Board’s deliberations. With colleagues, and their representatives, indicating their willingness to work with the Trust on alternative models.

A petition, with approximately 1400 signatures opposing the establishment of a WOS, was presented by Unison’s regional representative. On receiving the petition, the Chairman indicated that the views and comments expressed by colleagues had been noted.

_The majority of colleagues left the meeting at this point._

2018/42 **WELCOME AND ANNOUNCEMENTS**

The Chairman welcomed all those present to the meeting, including Mr Dennis Moore and Dr Stephen Hudson attending their first meeting as newly elected as Public Governors.

2018/43 **APOLOGIES FOR ABSENCE & QUORACY CHECK**

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

2018/44 **DECLARATION OF INTEREST**

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

2018/45 **MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 11 April 2018 were agreed as a correct record.
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.

With regard to good governance in order for the meeting to proceed, the Chairman requested that the Council of Governors first consider the Lead Governor Appointment Report (minute reference 53/18).

The Council of Governors approved the appointment of Mr Gavin Rimmer to the role of Lead Governor.

CHAIRMAN’S REPORT

The Council of Governors received the Chairman’s Report.

Mr Havenhand drew the Council’s attention, as documented within the report, to activities in the South Yorkshire and Bassetlaw Integrated Care System (ICS), the Hospital Services Review (HSR) and the Rotherham Together Partnership.

In terms of the Rotherham Together Partnership, the Council of Governors were directed to the video recording produced by the Partnership to celebrate its first anniversary and which showcased their work.

As part of the North Chairs Network Event attended by Mr Havenhand there had been opportunities to meet with representatives from the Regulator (NHS Improvement). The recent announcement regarding the alignment of the work of NHS Improvement (NHSI) and NHS England (NHSE) was documented within the annexe to the Company Secretary report to be considered later in the meeting.

Board development continued with a programme of sessions having already been completed. The programme would also encompass the independent assessment of the NHSI Well-led Framework.

The Council of Governors noted that Mr Morley, the Trust’s Chief Nurse had been appointed as Chief Nurse at Sheffield Teaching Hospitals and would be leaving Rotherham in the autumn. The recruitment process had commenced with regard to appointing a new Chief Nurse.

The Council of Governors noted the Chairman’s report.

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 their written reports.
For the benefit of new Governors each Committee Chair also provided a brief overview of the composition and role of each Board assurance committee.

i. **Strategic Workforce Committee (SWC)**

Mrs Atmarow indicated that the Committees focus remained on the importance of a highly functioning workforce for the organisation. As such, recruitment to the top 30 posts as advised by the Executive Team, continued to be monitored.

A recent overseas recruitment campaign had been successful, with 16 doctors having accepted conditional offers of employment and once all necessary checks had been completed they would commence their duties in the autumn.

Whilst remaining challenging, work continued to reduce agency staff expenditure, with substantive recruitment being key to support reductions in this area.

It remained important for staff to receive an annual appraisal and establish objectives for the coming year. New targets had been set for 2018, with milestones to support 90% of colleagues having completed their appraisal by the end of September.

Whilst some of the early milestones had not been fully completed, remedial action taken was resulting in an improving position.

As documented within the report, one of the key concerns for the Committee was the ability to improve the Trust’s overall engagement results in the NHS Staff Survey by 5%. To support delivery of the target the Committee would be considering a draft plan on this matter at a future meeting.

As highlighted at the start of the meeting, there was a requirement for engagement with colleagues on the matter of establishment of a Wholly Owned Subsidiary (WOS), with the Governors questioning the steps which had been undertaken in this specific matter.

Mr Sheppard stated that as part of the WOS deliberations an operational group, with representation from all potentially affected departments or services, had been established and who met on a regular basis. Additionally, there had been frequent meetings with all colleagues to provide an update and provide an opportunity for any questions to be raised.

As the decision on the WOS had yet to be made, the Strategic Workforce Committee had not been required to consider any specific engagement plan on this matter.

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

Mr Edgell indicated that the main focus of recent committee meetings had been the nine Quality Improvement Priorities for 2018/19 with three priorities discussed at each meeting.
Earlier in the day, the Committee had considered the three areas of missed or delayed diagnosis, learning from the views of patients and effective outcomes for women and babies.

The Provider Information Request, which was the first stage in the Care Quality Commission’s (CQC) inspection process, had been completed with the Trust providing all the necessary documentation and information requested by the CQC. The date for the inspection was likely to be in the autumn of 2018.

A previous meeting had considered the Gosport War Memorial Hospital report, with a report on a number of specific areas and the Trust's position against each had been considered at the meeting held earlier in the day. Further reports would be provided later in the calendar year.

iii. Strategy & Transformation Committee (STAC)

Mr Havenhand reported that this Committee had been focussing on the annual planning cycle to ensure its robustness for the future, with a new framework being developed to support the Five Year Plan.

The intention was that by the end of the calendar year, the draft financial and operational plans would have been drawn up. Whilst the Plans would not be formally approved by the Board of Directors until February 2019 to enable any amendments resulting from guidance being issued by the regulator, it would provide the opportunity for the requirements to be embedded within the organisation prior to the 2019/20 financial year.

The Committee continued to seek assurance regarding delivery of the strategic objectives, through the milestones established for each quarter.

A number of case studies were being developed to showcase the transformation programme and these would be shared with Governors at their Forum.

**ACTION – Director of Strategy and Transformation**

With regard to the South Yorkshire and Bassetlaw Shadow Integrated Care System, whilst the Trust had submitted a number of capital bids to the ICS, no information was yet available as to whether they had been successful.

The Council of Governors noted the report.

iv. Audit Committee

The Council of Governors received the report from the Audit Committee in addition to the 2017/18 Audit Committee Annual Report prepared by the Head of Governance.

Mr Barnes indicated that the Annual Report detailed the Committee’s nine key duties and outlined how they had been addressed during 2017/18.
It was clarified for the Council of Governors that the significant risks identified by the External Auditors and documented within the report, were important general risks across the sector and were not specific to the Trust.

The report also provided an overview of the reviews undertaken by the Internal Auditors and the resulting assurance opinions for each. Three had received a substantial assurance rating (the highest and most positive opinion available) and two a limited assurance ratings. The rest had received reasonable assurance, with none having received a no assurance rating (the lowest opinion available). The organisation continued to strive to increase the number of substantial assurance ratings it received.

As a result of every Internal Audit review, there would be a set of recommendations to support improvement of systems and processes. With the Audit Committee overseeing timely implementation of these recommendations.

As part of collaborative working, Mr Barnes met with other Audit Committee chairs from across the South Yorkshire and Bassetlaw Integrated Care System.

In order to support the Governors knowledge Mr Barnes provided a summary of the respective roles of the Internal and External Auditors. Post meeting note – further information was also provided by the Corporate Governance Manager on 20 July 2018

Mr Barnes left the meeting at this point.

v. Finance and Performance Committee (FPC)

Mrs Craven reported that the Committee continued to monitor and seek assurance regarding both the financial position and operational performance.

As a consequence of the financial performance in 2017/18 the resulting lessons learnt and actions taken had resulted in a strengthened and robust reporting process in order to provide the necessary assurance on behalf of the Board.

The key financial metrics were now RAG (Red, Amber Green) rated, with recovery plans being in place for areas where performance was not meeting the trajectory. The processes to support the cost improvement programme continued to be strengthened and would provide the basis for future years.

In looking forward, the Committee would be focussing on the development of the 5 Year Plan in readiness for approval by the Board of Directors.
REPORTS FROM THE EXECUTIVE DIRECTORS

2018/49  FINANCIAL POSITION 2017/18 (OUTTURN)

The Director of Finance provided a PowerPoint presentation to the Council of Governors which outlined the lessons learnt following the review of financial performance in 2017/18.

Mr Sheppard reminded the Council of Governors that for 2017/18 the original financial plan had been a deficit of £13,601K. The post audit position had been a deficit of £22,328k, which was £8,727k adverse to the original plan.

In quarter three (October 2017) the Trust had formally submitted to NHSI a revised forecast of a deficit of £22,345k, and as such, against this revised plan the final position had been £17k better than forecasted.

The main reasons for the financial outturn had been in the three areas of planning, performance and pressures.

A number of lessons had been learnt following the financial performance in 2017/18, with a number of improvements having already been made. Performance had recovered in quarter four and continued into quarter one of 2018/19.

The Council of Governors noted the presentation on the 2017/18 outturn.

2018/50  CURRENT (MAY 2018) FINANCIAL POSITION

The Council of Governors received and noted the month two financial report (up to 31 May 2018) which had been considered by the Board of Directors at their June 2018 meeting.

Mr Sheppard, Director of Finance, indicated that as part of the strengthened reporting processes, six key financial metrics were being RAG (Red, Amber and Green) rated based upon performance against the plan. These specific metrics were:

- Income and Expenditure (I&E) performance
- Trust agency spend
- NHS Improvement Agency Ceiling
- Efficiency programme/cost improvement programme
- Capital expenditure
- Cash balance

Whilst four of the six areas were on trajectory and had been rated as green, the two challenging areas of Trust agency spend and NHS Improvement agency ceiling, had been rated as red as they were not meeting the requirements. As such, further actions were being taken to address and improve the position.
As discussed in the previous agenda item, the lessons learnt from 2017/18 had resulted in positive financial performance in quarter one. However, the organisation was not complacent, and the position would continue to be closely monitored by both the Finance and Performance Committee and the Board of Directors.

GOVERNOR REGULATORY AND STATUTORY REQUIREMENTS

2018/51 EXTERNAL AUDITORS’S ENGAGEMENT LETTER ON QUALITY REPORT AND FEEDBACK ON QUALITY REPORT

The Council of Governors received and noted the Annual Audit Letter from the Trust’s External Auditors, PricewaterhouseCoopers.

The Audit Letter summarised the results of their year-end audit, with the information being replicated within the 2017/18 Annual Report and Accounts, which, had formally been presented to the Governors as part of the Annual Members Meeting held earlier in the day.

Ms Milanec indicated that should any Governor have any specific questions relating to the report that they be directed to her in the first instance.

ACTION - ALL

2018/52 COMPANY SECRETARY REPORT

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

Ms Milanec informed the Council that efforts continued to fill the current staff Governor vacancies as it was recognised the invaluable insight they provided to the Public Governors.

The Council were reminded of the training session planned for 25 July 2018. It was intended that such sessions would continue to be arranged and should any specific topics be required that they be communicated to Ms Milanec.

ACTION – ALL

Mr Rimmer requested that Governor colleagues made every effort to attend any training provided by the Trust.

2018/53 LEAD GOVERNOR APPOINTMENT

This item had been formally considered at the start of the meeting.

The Council of Governors received the report which outlined the outcome of the elections to the role of Lead Governor.

The Council of Governors ratified the appointment of Mr Rimmer to the role of Lead Governor and Mrs Brookes to that of the Deputy Lead Governor. Both appointments would be until 31st May 2019.
2018/54  NON-EXECUTIVE DIRECTORS APPRAISALS

The Council of Governors received and noted the report which outlined the process undertaken to evaluate the performance of the Non-Executive Directors, and the Chairman, through the appraisal and objective setting meetings held in April 2018.

The process, which had seen input from the Council of Governors and Lead Governor, had been deemed to have been thorough. As such the Council should be confident in their role of holding the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors.

ITEMS FOR INFORMATION

2018/55  APPROVED GOVERNORS NOMINATION COMMITTEE MINUTES – FEBRUARY 2018

The Council of Governors received and noted the approved minutes from the Governors Nomination Committee meeting held on 6 February 2018.

2018/56  INTEGRATED PERFORMANCE REPORT (JUNE 2018)

The Council of Governors received and noted the Integrated Performance Report which had been considered at the June 2018 Board of Directors meeting.

Additionally, a number of the matters had also been discussed as part of the earlier reports from the Non-Executive Director Chairs of the Board Committees.

2018/57  THE ROTHERHAM HOSPITAL AND COMMUNITY CHARITY REPORT

The Council of Governors received, for information, the report which provided an overview of The Rotherham Hospital and Community Charity.

Whilst the Council of Governors had no specific statutory duties in relation to the Charity, Mr Mellor, as Chair of the Charitable Funds Committee indicated that the report had been submitted as a means of showcasing the work of the Charity.

In 2017/18, donations totalling £172k had been received and expenditure of £152k had been used to purchase equipment, furniture or services not normally funded by the NHS across the organisation. Some of these areas were documented within the report.

COUNCIL OF GOVERNORS GOVERNANCE

2018/58  ISSUES TO BE ESCALATED TO BOARD OF DIRECTORS

There were no issues to be escalated to the Board of Directors.
2018/59 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.

2018/60 QUESTIONS FROM ANY MEMBER OF THE PUBLIC PRESENT AT THE MEETING

There were no members of the public observing the meeting.

2018/61 CLOSE OF MEETING

The next meeting of the Council of Governors would be held on 10 October 2018.

In closing the meeting Mr Havenhand indicated that this would be the last meeting for Mrs Lewis, who would be leaving the organisation at the end of July to take up a new role at a neighbouring Trust.

Mrs Lewis was thanked for her contributions to both the Council of Governors and its Committee’s, with colleagues wishing her every success in her new role.

Martin Havenhand
Chairman