MEETING OF COUNCIL OF GOVERNORS HELD ON WEDNESDAY 16TH APRIL 2014
IN THE LECTURE THEATRE ROTHERHAM HOSPITAL

Chair: Martin Havenhand, Trust Chairman

Public Governors: Ann Ashton, Public Governor Wentworth North
Sylvia Bird, Public Governor for Rotherham North
Terry Barker, Public Governor for Rotherham South
Jean Dearden, Public Governor for Wentworth South and Lead Governor
Bridget Dixon, Public Governor for Rother Valley South
Jan Frith, Public Governor for Rest of England
Graham Jenkinson, Public Governor for Wentworth Valley
Anne Selman, Public Governor for Rotherham North
Cynthia Shaw, Public Governor for Wentworth North
Sandra Waterfield, Public Governor for Rother Valley South
Dennis Wray, Public Governor for Rother Valley West
Mr AA Zaidi, Public Governor for Rotherham South

Staff Governors: Firas Al-Modaris, Staff Governor for Medical and Dental

Partner Governors: Carole Haywood, Partner Governor for Rotherham Partnership
Janet Wheatley, Partner Governor for Voluntary Action Rotherham

Apologies: Azizzum Akthar, Partner Governor for REMA
Rose Davis, Staff Governor for Professional Nurses & Midwives
Jean Flanagan, Partner Governor for Sheffield Hallam University
Sarah Lever, Partner Governor or Rotherham CCG
Sandra Lewis, Staff Governor for Other Staff Class
Arshad Majid, Partner Governor for Sheffield University
Catherine Ripley, Staff Governor for Other Health Professionals
Simon Tweed, Partner Governor RMBC

Members of the Board of Directors and other staff in attendance:

Alison Legg, Non-Executive Director
Tracey McErlain-Burns, Chief Nurse
Jan Bergman, Director of Transformation/Deputy Chief Executive
Joe Barnes, Non-executive Director
Mark Bloy, deputy Director of Finance
Lynn Cockedge, Head of Business Planning
Keith Haynes, interim Company Secretary
David Hicks, Director for Diagnostics and Support/Acting Medical Director
Ian Tegerdine, Director of P&OD
Gabby Atmarow, Non-executive Director
Lisa Reid, Head of Governance and Assurance

Two members of the public were in attendance

2014/19 WELCOME AND ANNOUNCEMENTS

Mr Havenhand, Trust Chairman, welcomed everyone present to his first meeting of the Council of Governors and indicated that he looked forward to working with the Governors to ensure that they effectively fulfilled their responsibilities.
It was reported that since the January 2014 meeting two Public Governors had resigned, namely:

- Jeffrey Gudgeon, Public Governor for Rother Valley West
- Cherry Kipling, Public Governor for Wentworth South

Staff and Public Governor elections had commenced and would close on 1st May 2014 with formal announcements to be made on 2nd May 2014.

The Council of Governors were informed of a number of apologies from members of the Board of Directors including Mrs Barnett, Chief Executive and Ms Hagger and Mr Edgell, Non-executive Directors.

2014/20 QUORACY CHECK

The meeting was confirmed to be quorate.

2014/21 DECLARATION OF INTEREST

There were no new general declarations of interest to be made or any pertaining to any agenda item to be considered at the meeting.

2014/22 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on Wednesday 15th January 2014 were AGREED as a correct record.

2014/23 MATTERS ARISING & ACTION LOG

The Council of Governors RECEIVED the action log which documented matters arising from the 15th January 2014 meeting and any outstanding actions from previous meetings. The Council of Governors AGREED the closure of a number of actions or those which would remain open.

The Chairman asked if there were any other areas from the minutes of the previous meeting where an update or further information was required, to which the Governors indicated there was not.

2014/24 CALENDAR OF BUSINESS FOR COUNCIL OF GOVERNORS

The Council of Governors RECEIVED its Calendar of Business which formally documented items which would be considered at each meeting to ensure effective forward planning. It was AGREED that the following would be added to the Council of Governors forward calendar:

- Due to the changing role and new statutory requirements for Governors as outlined in Monitor’s Code of Governance, it would be necessary for the Trust’s Constitution be reviewed by the new Company Secretary, with information to be provided for the October 2014 meeting.

ACTION - CoSec
• The review of the Terms of Reference for the Patient Safety and Experience Governor Group would be scheduled for the July 2014 meeting.

  **ACTION – Corporate Governance Manager**

• An update on the EPR position would be provided for the July 2014 meeting in order that the Council of Governors remained up to date on the improvements and progress in relation to Monitors enforcement actions.

  **ACTION - CEO**

• A quarterly update would be provided in relation to strategic options.

  **ACTION - CEO**

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**2014/25 CHAIRMAN’S REPORT**

The Chairman formally reported that Mrs Barnett had been appointed as the Trust’s substantive Chief Executive following the virtual approval obtained by the Council of Governors.

**2014/26 CHIEF EXECUTIVE**

Mr Bergman, Director for Transformation and Deputy Chief Executive presented the Chief Executive report in the absence of Mrs Barnett.

i. **Update Report**

The Council of Governors RECEIVED and NOTED the written report which indicated that:

• The A&E 4 hour wait target for 2013/14 had been achieved at 95.10%. Performance at the start of 2014/15 had been below target however was showing signs of improvement.

• The staff survey had generally been poor, with a report being submitted to the April 2014 Board of Directors on the actions to be taken to improve the position. Staff engagement was seen as a key strategic priority for 2014/15 by the Board of Directors, the Chief Executive, and the Strategic Workforce Committee. The Council of Governors expressed their own concerns regarding staff morale within the organisation and supported the focus to be taken by the Board and requested regular updates in this regard.

  **ACTION - CEO**

• The next performance review meeting with Monitor would be on 16th May 2014, with discussion likely to focus on the 3-5 year strategy in addition to progress on the enforcement conditions.

• The Executive team continued to be strengthened with three posts having been approved.

  – Chief Financial Officer. Mr Somers would be leaving the Trust at the end of April 2014 to join Sheffield Children’s Hospital. Ms Anna Anderson, who had a wealth of experience at acute and foundation trust hospitals, had been appointed as interim until a substantive appointment was made.

  - A Chief Operating Officer
- Executive Director of Workforce and Transformation

- A joint business case for an Emergency Care Centre was being developed with Rotherham CCG and Care UK and would be progressed through various committees in all three organisations. The Council of Governors were informed that contrary to the impression within some elements of the workforce no decisions had been made. Members of the Council of Governors indicated that appropriate communication and information should be shared with the hospital and community staff to dispel rumours.

**ACTION – Deputy CEO/CEO**

- Clinical speciality reviews were to be undertaken which would include a review of utilisation of the estate and accommodation to support transformation and the 5 year plan.
- The cost improvement/transformation programme required an ambitious level of savings over the next 2 years to achieve savings of circa £20m and it was vital that the Trust achieve these targets.

ii. **Operational Plan**

The Council of Governors welcomed to the meeting Mrs Cocksedge, Head of Business Planning and Mr Bloy, Deputy Director of Finance to discuss the two year operational plan which had been submitted to Monitor on 4th April 2014. The Chairman indicated that the operational plan would be a key document against which the Governors would hold the Non-executive Directors, and wider board, to account for delivery. A further 5 year strategic plan was in the process of being developed and would need to be submitted to Monitor by the end of June 2014.

The plan and supporting presentation outlined the eight strategic objectives for the Trust, from which thirteen Trust key priorities, fourteen operational objectives and six quality objectives. The key priorities had all been assigned to an executive lead officer and aligned to a Board Committee to provide assurance and oversight of progress.

There were a number of organisational risks and challenges as documented within the report. The conclusions were that:

- Delivery of the financial and operational plan was critical to ensure sustainability
- Engaging with the workforce at all levels will be critical to delivery
- Effective leadership and ownership was required to challenge progress and performance
- Clinical strategies would drive change to deliver improved pathways for our patients and subsequently improve efficiency
- On-going engagement with other local providers to explore opportunities for collaboration and partnership working was vital
Mr Bloy, Deputy Director of Finance, provided the financial information which supported the 2 year operational plan. This information included the key financial assumptions which had been made for the two year period and indicated that 2014/15 should result in a small surplus, with that position being further built upon in 2015/16. However, there remained a requirement for significant savings of circa £10m to be achieved in each year. The Monitor rating would remain a 2 through 2014/15 and increase to a 3 in 2015/16 with delivery of the cost improvement programme and reduction of the cost base being key. The cash position would remain steady at circa £10m in each year with the support of either an additional loan facility or implementation of measures identified by the External Auditors following their review. A contingency of 1% (£2.3m) had been identified. Additional assurance had been provided through the work of KPMG in relation to the assumptions being made by the Trust.

The Governors asked a number of questions and sought clarification in relation to the financial information, including incremental drift, different models of providing services, realignment of the workforce through natural wastage, and bank and agency usage. It was recognised that there had been agreement that while seeking permanent appointments following recruitment all nursing vacancies would be covered in the interim through bank and agency staffing which would account for the costs being incurred. The Chief Nurse also indicated that changes had been implemented to the pay rates for bank and agency staff to encourage the Trust’s own staff to fill any shifts and thereby increasing the level of controls in place and ensure patient safety and experience remained paramount.

It was confirmed that the capital expenditure allocated within the plan did not include any potential costs for the Emergency Care Centre, as this would be a separate allocation.

The Chairman indicated that the next major submission to Monitor, which would require discussion and consultation over the coming months, would be the 5 year strategic plan. The Chairman indicated that the Governors needed to ensure that they remained sighted on the achievement of the cost improvement targets in order to support the delivery of the required surpluses in 2014/15 and 2015/16.

The Council of Governors NOTED the position in relation to the two year operational plan.

iii. Finance Report and Board Scorecard

The Council of Governors returned to the two reports (finance and scorecard) which had been appended to the Chief Executive report.

Bridget Dixon, Public Governor for Rother Valley South, questioned the validity of the data quality results as required in the finance and governance compliance framework section of the Board Scorecard which indicated 100% performance. Although it was understood that
the position related to System One, it was agreed that the Chief Informatics Officer or other suitable officer be invited to the May Governors Forum to provide an explanation and answer any questions in relation to this target and the current position.

**ACTION - DS**

With regard to the two stroke indicates where 100% had been achieved and the confidence in relation to the accuracy of 100% it was confirmed that this was due to the small number of patients these targets related to.

Dennis Wray, Public Governor Rother Valley West, questioned the reduced content of the finance report – as also submitted to the Board of Directors – with Mr Bloy indicating that the finance report had been a reduced version due to the prioritisation of completing the two year operational plan. Mr Bloy indicated that he had a full report which could be sent to Mr Wray.

Jan Frith, Public Governor Rest of England, sought assurance that expenditure on planned maintenance in relation to estates was undertaken. It was confirmed that expenditure had been undertaken and the issue was related to the accounting mechanism.

It was indicated that as the cost improvement programme and the transformation programme was vital to the Trust that a presentation and information be provided to the July 2014 Council of Governors meeting.

**ACTION - JB**

2014/27

**GOVERNANCE AND ENFORCEMENT ACTIONS – TAKING STOCK AND MOVING ON**

The Council of Governors RECEIVED and NOTED the report which had been previously presented to the 3rd April 2014 Board of Directors meeting. The report provided an opportunity to reflect on compliance with the Monitor enforcement actions and improvements. The report provided information in relation to:

- Key events since June 2012
- Enforcement actions taken
- The Deloitte Independent follow-up report
- Monitor enforcement actions
- Annual Governance Statement

The Board of Directors in receiving the report at their meeting had acknowledged that significant progress had and would continue to be made to ensure that Monitor was satisfied of the Trust’s position in relation to governance arrangements and achievement of the financial plan. It was anticipated that the Trust would be making an approach to Monitor to lift any undertakings in relation to the EPR system as the Trust had sufficient evidence, with supporting external assurance that the position had significantly improved.
i. Audit Committee

Mr Barnes, Non-executive Director Chair of the Audit Committee, outlined the areas which had been discussed at the meeting held on 11th March 2014 as documented within the summary report provided to the Council of Governors.

In addition the Council of Governors were provided with a verbal update on discussions which had taken place with regard to the audit cycle planning and the requirement for wider inclusion of Directors/managers in the audit process. Focus for future meetings would be the development of the Board Assurance Framework and a review of the Standing Financial Instructions.

Representation by the Council of Governors to observe the meeting continued.

ii. Finance and Investment Committee

Mrs Legg, Non-executive Director Chair of the Committee, outlined that the key areas of discussion at the meeting held on 21st March 2014 had been the 2 year operational plan and the requirement to remove the reliance on non-recurrent funding with transformation of services being key. With regard to the cost improvement programme (CIPs) the Committee had been reassured that CIPs equating to potential savings of £1.3m had been rejected following the quality impact assessment process as they were deemed to potentially compromise patient care.

A presentation had been received from KPMG, whose findings supported the financial assumptions being made by the Trust in development of the two year operational plan and CIP process. KPMG had also identified some areas for improving cash management which may remove the requirement for any loan arrangements.

iii. Quality Assurance Committee

The Council of Governors RECEIVED and NOTED the report which outlined the discussions which had taken place at the Quality Assurance Committee meetings held in February and March 2014. In the absence of Mr Edgell, Non-executive Director Chair of the Committee Mrs Atmarow provided an overview and answered any questions from Governors.

The Non-executive Director role on the Committee was to seek assurance from the issues discussed that improvements were being seen in relation to quality, safety and care for patients and this was considered to be being demonstrated. Jean Dearden, Lead Governor
and Dennis Wray, Public Governor, confirmed that from their attendance at this Committee they would endorse those observations.

Other areas covered by the Committee included external visits, hospital acquired infections, safety walk rounds and nurse staffing levels.

Firas Al-Modaris, Staff Governor for Medical and Dental and Sandra Waterfield, Public Governor for Rother Valley South, both left the meeting at this point.

iv. Strategic Workforce Committee

The Council of Governors RECEIVED and NOTED the report which outlined the main topics of discussion held on the Strategic Workforce Committee on 13th March 2014. In the absence of Ms Hagger, Non-executive Director Chair of the meeting the Director of P&OD provided an outline of the activities of the Committee and answered any questions from the Governors.

It was acknowledged that through the establishment of this Committee the Board was endorsing its commitment to address staffing issues.

The Council of Governors NOTED that the clinical management restructure continued with the consultation process for the non-medical element having taken place in March, with implementation of the new structures to take place in April 2014. There would be some administrative redundancies should alternative roles not be available within the organisation. The clinical restructure would be completed by the end of May 2014.

A staff communication and engagement strategy was being drafted and would be considered by the Strategic Workforce Committee in due course.

The revised performance management framework/appraisal went live from April 2014 which would ensure that appraisals were undertaken within the first quarter of the year.

2014/29 CODE OF GOVERNANCE

Mrs Reid, Head of Governance and Assurance, was present for this agenda item.

The Council of Governors were informed that the Monitor Code of Governance for Foundation Trust’s had been revised and applicable from 1st January 2014 and would be reflected against in the Annual Report for 2013/14.

The report provided to the Council of Governors set out to highlight the areas pertinent to Governors in order that they were aware of their responsibilities. Appendix 1 provided a copy of the section wholly relating to the provisions
for Governors and appendix 2 detailed the provisions from the remainder of the Code which mentioned Governors.

A full copy of the revised Code of Governance was tabled for Governors. The Council of Governors formally RECEIVED the information in relation to the provision in the Code of Governance relating to Governors and SUPPORTED the arrangement of a specific session to consider the provisions in greater detail.

ACTION - CoSec

The Council of Governors thanked the Head of Governance and Assurance for distilling the Code into a report and document which was understandable for the Governors.

2014/30 NON-EXECUTIVE DIRECTORS

i. Ratify the re-appointment of Alison Legg

The Council of Governors RECEIVED the report which outlined the virtual approval process undertaken to consider the re-appointment of Alison Legg as Non-executive Director as recommended by the Governors Nominations Committee.

The Council of Governors formally RATIFIED their virtual approval to reappoint Alison Legg for a further term of office from 1st March 2014 to 28th February 2017.

ii. Appointment of Vice Chair and Senior Independent Director

The Council of Governors RECEIVED the report which outlined the recommendation from the Board of Directors in relation to the posts of Vice Chair and Senior Independent Director.

The Council of Governors APPROVED the following:

- Alison Legg is re-appointed Vice Chair of the Board of Directors and defacto Vice Chair of the Council of Governors, for a further 12 months (up to 31st March 2015).
- Gabby Atmarow is re-appointed as Senior Independent Director for a further 12 months (up to 31st March 2015).

2014/31 QUALITY ACCOUNTS

The Council of Governors RECEIVED the report which outlined the consultation process undertaken to consider the quality priorities for 2014/15 required as part of the Quality Accounts. This consultation process had included consideration by the Quality Assurance Committee and Patient Safety and Experience Governor Group.

The proposed four quality objectives for 2014/15 were:

1. SAFE - Mortality. Deliver a 4 point reduction in HSMR.
2. SAFE - Harm Free Care (HFC)
   - Minimum 96% HFC
   - Zero avoidable pressure ulcers grade 2-4
   - Zero avoidable falls with harm

3. RELIABLE - Achieve all national waiting time targets
   - Cancer
     - 2 week waits
     - 31 days
     - 62 days.
   - A&E
   - 18 weeks

4. CARING & RELIABLE - Friends & Family (FFT)
   - Achieve an A&E net promoter score (NPS) of 75
   - Achieve an IP NPS of 83
   - Achieve a maternity NPS of 83
   - Achieve a 40% response rate for A&E, maternity and in-patients combined

The Council of Governors RATIFIED the recommended approach and quality objectives as documented within the report which would be included in the Quality Accounts.

Mr Barnes, Non-executive Director, commented that he wondered if there was an opportunity to consider inclusion of clinical outcomes as the objectives could be considered target driven. While members of the Council of Governors and Executive Directors present at the meeting considered that the objectives provided a good cross section of targets across a number of areas it was agreed that the feasibility of widening the objectives would be considered at the Quality Assurance Committee.

**ACTION – ME/TMB**

2014/32 **COUNCIL OF GOVERNORS ANNUAL ACTIVITY REVIEW**

The Council of Governors RECEIVED for information the report which outlined the key activities and areas of involvement of the Council of Governors over the preceding 12 months.

One of the key strategic priorities going forward would be to ensure Governors continued to be engaged and receive appropriate development in order that they can fully discharge their duties.

_Graham Jenkinson, Public Governor for Wentworth Valley, left the meeting at this point._

2014/33 **MINUTES AND ESCALATIONS FROM COUNCIL OF GOVERNORS COMMITTEES**
i. **Patient Safety and Experience Committee**

The Council of Governors RECEIVED the minutes from the meetings held on 11th December 2013 (approved) and 12th March 2014 (draft).

Jean Dearden, Chair of the Committee indicated that the committee while acknowledging the work being undertaken in relation to recruitment wished to escalate their on-going concerns regarding vacancies within nursing and midwifery.

_Sylvia Bird, Public Governor for Rotherham North, left the meeting at this point._

ii. **Membership Development Group**

The Council of Governors RECEIVED the minutes from the meetings held on 20th November 2013 (approved) and 20th February 2014 (draft).

It was reported that a further Governor Surgery’s had been held on 9th April 2014. Feedback from the sessions would be submitted to the Quality Assurance Committee and discussed at the next Governors Forum.

iii. **Nominations Committee**

The Council of Governors RECEIVED the minutes from the meetings held on 20th November 2013 (approved) and 29th January 2014 (draft).

2014/34  **ISSUES TO BE ESCALATED TO THE BOARD OF DIRECTORS**

There were no issues for escalation to the Board of Directors, although it was acknowledged that nurse staffing levels and recruitment was being monitored by the Directors, it remained an area of concern for the Governors.

2014/35  **QUESTIONS FROM ANY MEMBER OF THE PUBLIC PRESENT AT THE MEETING**

Mr Zaidi, Public Governor for Rotherham South, questioned the issue of staff who were made redundant then being able to re-join the Trust at a later date. As explained by Mr Tegerdine, Director of P&OD, it was the post that was made redundant and not the post holder. Should there not be opportunities for alternative employment within the Trust at the time of their proposed redundancy, there was nothing to prevent the former staff member applying for a different role and being re-employed by the Trust at a later date.

2014/36  **DATE OF NEXT MEETING**
The next meeting of the Council of Governors would be held on Wednesday 16\textsuperscript{th} July 2014.