

COUNCIL OF GOVERNORS MEETING

9 OCTOBER 2017

Your Health. Our Priority.

Council of Governors bundle - 9 October 2017

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Meeting of the Council of Governors
Monday, 9 October 2017

Held at 6.00pm in the Lecture Theatres, Pinewood House, Stepping Hill Hospital

AGENDA

Time		Enc	Presenting
1800	1. Apologies for Absence		
	2. Amendments to Declarations of Interests		
1805	3. Minutes of previous meeting: 24 July 2017	✓	A Belton
1810	4. Chair's Report – Appointment of Interim Chief Executive	<i>To Follow</i>	A Belton
1815	5. Chief Executive's Reports <ul style="list-style-type: none"> ▪ Strategic Report ▪ Operational Report 	✓	A Barnes
1825	6. CQC Report	✓	R Holt
1905	7. Governor Committee Arrangements	✓	P Buckingham
1915	8. Holding to Account – Definition	✓	P Buckingham
1925	9. Outcomes of Elections	<i>Verbal</i>	P Buckingham
1935	10. Appointment of Auditors Report	✓	F Patel
1940	11. Reports from Governor Committees: <ul style="list-style-type: none"> ▪ Governance Committee ▪ Patient Safety & Quality Standards Committee 	✓	Committee Chairs
1950	12. Lead Governor Communication	<i>Verbal</i>	L Jenkins

13. DATE, TIME & VENUE OF NEXT MEETING

13.1 Wednesday, 6 December 2017, 2.00pm in the Lecture Theatres, Pinewood House.

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A TEN-MINUTE FORUM FOR PRE-RECEIVED QUESTIONS WILL FOLLOW AT THE CONCLUSION OF THE MEETING OF THE COUNCIL OF GOVERNORS.

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STOCKPORT NHS FOUNDATION TRUST
Minutes of a Council of Governors Meeting
Held on Monday 24 July 2017 2017,
6.00pm in the Lecture Theatres, Pinewood House, Stepping Hill Hospital

Present:

Mr A Belton	Chair
Ms L Appleton	Public Governor
Mrs L Auger	Public Governor
Mrs Y Banham	Staff Governor
Mrs E Brown	Public Governor
Dr R Catlow	Public Governor
Dr R Cryer	Public Governor
Cllr L Dowson	Public Governor
Prof C Galasko	Public Governor
Mr A Gibson	Public Governor
Mr R Greenwood	Public Governor
Mrs M Harrison	Public Governor
Mr C Hudsmith	Staff Governor
Mr L Jenkins	Public Governor
Mr R King	Public Governor
Mr T Johnson	Public Governor
Cllr T McGee	Appointed Governor
Mrs L Woodward	Public Governor
Mrs J Wragg	Public Governor

In attendance:

Mrs A Barnes	Chief Executive
Mrs C Barber-Brown	Non-Executive Director
Mr P Buckingham	Director of Corporate Affairs
Dr M Cheshire	Non-Executive Director
Mrs S Curtis	Membership Services Manager
Ms R Holt	Interim Director of Nursing
Mr F Patel	Director of Finance
Mr J Sandford	Non-Executive Director
Ms A Smith	Non-Executive Director
Mr P Thomson	Deloitte LLP
Dr C Wasson	Medical Director

ACTION

12/17 Apologies for absence

Apologies for absence were received from Mrs C Anderson, Mr R Driver, Mrs J Shaw, Mr M Sugden, Ms S Toal and Mr G Wright.

13/17 Amendments to Declarations of Interests

Cllr L Dowson advised that he had forwarded a list of interests to the Director of Corporate Affairs.

14/17 Minutes of the Previous Meeting

The minutes of the previous meeting held on 24 July 2017 were agreed as a true and accurate record of the meeting. The action log was reviewed and annotated accordingly.

15/17 Chairman's Opening Remarks

The Chair welcomed Governors and colleagues in attendance to the meeting and made specific reference to Ms R Holt, Interim Director of Nursing and Mr R King, Public Governor, who were attending their first meeting of the Council of Governors. He wished to formally record the appreciation of the Trust to Mrs J Morris, Director of Nursing & Midwifery, who had been asked to work as Nurse Advisor on the National Enhanced Care Programme at NHS Improvement until her planned retirement to the end of this year. The Chair paid tribute to Mrs J Morris' impressive 37-year career in the NHS. He also advised that interviews for the substantive Director of Nursing post had been held on 20 July 2017 and that announcement of the successful candidate would be made following the completion of the usual HR checks.

The Chair noted with regret that the process to recruit a new Chief Executive had been rescheduled to September 2017. He advised that this was due to a number of the original shortlisted candidates having elected to withdraw from the process. The Chair also made reference to the considerable and challenging agenda facing the Trust and wished to record his appreciation to the Executive Team and their individual teams for working extraordinarily hard in areas such as Finance, Quality, Stockport Together, Greater Manchester initiatives and winter planning.

The Chair made reference to the earlier informal session with regard to holding Non-Executive Directors to account and ways of working which had taken place prior to the Council meeting and noted that the consequent actions and suggestions would be taken on board. He noted that he would be happy to receive feedback from Governors with regard to any suggestions for improvement.

The Council of Governors:

- Received and noted the Chair's Opening Remarks.

16/17 Annual Report & Accounts 2016/17

The Director of Corporate Affairs presented the Annual Report & Accounts 2016/17 to the Council of Governors for information and confirmed that these had been laid before Parliament on 27 June 2017. He noted that confirmation that the document had been laid before Parliament was included at Annex A of the report. The Director of Corporate Affairs commented that due to file size, the Annual Report &

Accounts document had not been included in the meeting pack but noted that Governors had been separately provided with the opportunity to request a hard copy document to supplement the electronic copy previously circulated.

The Council of Governors:

- Received and noted the Annual Report and Accounts 2016/17.

17/17 External Auditor's Report

Mr P Thomson from Deloitte LLP delivered a presentation to the Council of Governors on the 2016/17 Audit. The presentation covered the following subject areas:

- Scope of our work
- Audit findings
- Value for Money
- Going Concern
- Quality Report Audit
 - Content and consistency review findings
 - Performance indicator testing.

Mr P Thomson noted that 2016/17 had been a challenging year for the NHS and that this was reflected in the number of qualifications issued to organisations following audits. He wished to commend the Director of Finance and his team for the positive audit process. Mr P Thomson advised that the following four significant risks had been identified during the audit: Revenue Recognition; Management Override; Property Valuation and Going Concern. He advised that a small number of potential judgemental adjustments had also been identified but noted that these had not been adjusted on the grounds of materiality.

With regard to value for money, Mr P Thomson noted that the Trust had been issued a qualified opinion in relation to A&E performance. He advised that given the financial position of the Trust, Deloitte had included an 'emphasis of matter' paragraph in the Going Concern opinion. With regard to the Quality Report, Mr P Thomson noted the testing of three performance indicators, two of which were mandated and one of which was selected by the Council of Governors. He advised that Deloitte had been satisfied that the Quality Report had met the content and consistency requirements set out by NHS Improvement. Mr P Thomson further noted that Deloitte had been satisfied with data quality arrangements for recording A&E 4-hour waits and Pressure Ulcers. He advised that a modified opinion had been issued for the 18 weeks Referral to Treatment (RTT) indicator which was in line with most other trusts.

In response to a question from Mr L Jenkins, Mr P Thomson advised that information regarding the local indicator had been included in a detailed report which had been considered by the Audit Committee. The Director of Corporate Affairs agreed to circulate a copy of the

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report to the Council of Governors. In response to a further question from Mr L Jenkins, Mr P Thomson provided further clarity regarding the qualified opinion issued for the 18-week RTT indicator and noted that this was consistent with other trusts. Mr J Sandford advised that the Audit Committee received regular progress reports with regard to RTT performance and noted that the key issue related to input errors due to multiple data entry points. He briefed the Council of Governors on mitigating actions in this area, including a significant staff training programme.

In response to a question from Mr L Jenkins, Mr P Thomson advised that Deloitte had not disagreed with the Trust management with regard to Going Concern but had emphasised the risk. In response to a further question from Mr L Jenkins, Mr P Thomson advised that wording with regard to value for money had been mandated by National Audit Office guidance. In response to questions from Mr L Jenkins and Mr J Sandford, the Director of Finance provided further clarity with regard to charging overseas visitors. In response to a question from Prof C Galasko who queried the £15m reduction in operating income from patient care activities in 2016/17, the Director of Finance advised that the reduction related to the transfer of Tameside Community Services from the Trust to Tameside Hospital.

The Council of Governors:

- Received and noted the presentation.

18/17 CQC Inspection – June 2017

The Chief Executive delivered a presentation to the Council of Governors on the CQC Inspection which had taken place in June 2017. The presentation covered the following subject areas:

- Background to the inspections
- 12 Patient Safety concerns raised
- Taking action and timeline
- Current risks and issues
- Next steps
- Special thanks to..

Mr R Khan joined the meeting.

The Chief Executive advised the Council of Governors that following the identification of patient safety risks by the CQC during an unannounced inspection in March 2017, the Trust had been designated as 'challenged for quality in urgent and emergency care'. She noted that the CQC had undertaken a further unannounced visit to the Trust on 22 and 23 June 2017, during which they had visited the Emergency Department, Ward A11 (Diabetes / General Medicine), Ward C2 (Acute Stroke) and the Coronary Care Unit. The Chief Executive advised that following verbal feedback received from the CQC on the evening of 23 June 2017, an immediate alert on issues raised had been hand delivered and

explained to each ward, Emergency Department and Critical Care that evening. She noted that the Trust had received a letter detailing the concerns on 26 June 2017 and the Trust had consequently submitted an action plan by the deadline of 30 June 2017.

The Chief Executive reported that the concerns raised by the CQC included staffing levels, medicines management, stock management of clinical products, diabetes patient management, recording, risk escalation and training and Mental Capacity Act and Deprivation of Liberty Safeguard knowledge, training and application. She advised that the initial phase of implementation of the action plan was due to be completed imminently, following which the embedding phase would commence. The Chief Executive advised that the challenge of the embedding phase was to focus on addressing the standards rather than treat the action plan as a 'tick box' exercise. She wished to thank a number of staff and departments for their help in the production and implementation of the action plan, including the Transformation Team and the Nursing Team. The Chair commented that this was an area which the Board of Directors viewed with utmost seriousness and noted Non-Executive Director involvement in subsequent ward safety audits.

In response to a question from Dr R Catlow, the Chief Executive noted that all trusts were subjected to regulatory inspections by the CQC. She advised, however, that the CQC had changed its method of assessment which now concentrated on specific areas. She noted that it was therefore difficult to obtain an 'overall' improved rating which had a consequent adverse effect on staff morale and organisational reputation. The Chief Executive advised that she and the Chair would raise this issue at a forthcoming meeting with the new head of CQC North West. Mrs C Barber-Brown commented on the CQC inspections as a helpful tool to identify issues. Mr R Greenwood agreed that the inspections were helpful and needed to be embraced in a constructive way. He noted, however, his surprise to the findings due to the preparation that had gone into the planned inspection last year and commented on the considerable staffing pressures.

In response to a question from Mr R King, the Chief Executive advised that smart cards would complement existing CCTV cameras in treatment rooms. Mr L Jenkins commented that some of the issues raised by the CQC, such as issues regarding staffing, were national problems and noted that he would welcome guidance from the CQC with regard to resolving these issues. Prof C Galasko noted that the CQC had been strengthened following the Mid Staffordshire inquiry and that he did not think that the CQC should be criticised for pointing out staffing issues. In response to a question from Mr T Johnson, the Chief Executive commented on the different roles of the internal audit and the CQC and noted that both were important with regard to challenge and assurance.

In response to a comment from the Chair, the Chief Executive advised that the Council of Governors would be provided with the outcomes of

the March inspections report which would be published at the same time as the June inspection report and ratings. She noted that the Patient Safety & Quality Standards Committee would also be updated on progress in this area. Dr M Cheshire advised that the implementation of the action plan would be closely monitored by the Quality Assurance Committee.

The Council of Governors:

- Received and noted the presentation.

19/17 Report of the Chief Executive

The Chief Executive provided a verbal update to the Council of Governors on both national and local strategic and operational developments. She provided an overview on the following subject areas:

- *Healthier Together*

The Chief Executive advised that the Healthier Together capital funding had been announced nationally and noted that Greater Manchester had benefitted well from the funding. She noted that the Trust would ensure the robustness of associated business cases.

- *Stockport Together*

The Chief Executive advised that all Stockport Together provider organisations' governing bodies had approved the Outline Business Cases and also noted the ongoing listening events.

- *Business Groups – Changes to Ways of Working*

The Chief Executive briefed the Council on forthcoming changes with regard to Business Group arrangements to ensure a more integrated way of working. She advised that further information regarding the changes would be circulated the Council of Governors.

- *12 hour trolley breach*

The Chief Executive briefed the Council of Governors on a 12-hour breach and noted that whilst the breach had occurred in February 2017, it had only recently been identified during the course of a serious incident review. She noted that relevant reporting protocols had been observed as soon as practicable following identification and that a review had been commissioned to identify any system or process weaknesses that might have contributed to the delay in identification. The Chief Executive advised that there had been no patient harm as a result of the breach and noted that the issue would also be

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reported to the Board of Directors at a meeting on 27 July 2017.

The Council of Governors:

- Received and noted the verbal report of the Chief Executive.

20/17 Non-Executive Director Appointment

Mr J Sandford left the meeting.

The Chair presented a report seeking a recommendation to extend the term of office of Mr J Sandford, Non-Executive Director. He reported that the second three-year term of office of Mr J Sandford had expired on 30 June 2017 and provided an overview on the background to the proposal. The Chair noted the level of risk associated should Mr J Sandford vacate his position as planned, which was particularly relevant in relation to the challenges of the current strategic and operational environment. The Chair advised that a proposal to extend Mr J Sandford's term of office for a 12-month period had been considered by the Governance Committee on 26 June 2017 and the Committee had consequently recommended the proposal to the Council of Governors for approval. The Chair wished to record his thanks to Mr J Sandford for agreeing to the extension.

The Council of Governors:

- Approved the proposal to extend the term of office of Mr Sanford for a further 12-month period.

21/17 Lead Governor – Term of Office

The Director of Corporate Affairs presented a report seeking a recommendation to extend the term of office of the Lead Governor from 12 months to 24 months. He briefed the Council of Governors on the content of the report and noted the rationale for the proposed change which was set out at s3 of the report. The Director of Corporate Affairs noted that given the context of considerable strategic change, it was suggested that a degree of consistency and certainty in relation to the Lead Governor role, in terms of a longer core term of office, would be desirable.

The Director of Corporate Affairs noted that the proposal had been considered, and endorsed, by the Governance Committee at a meeting held on 26 June 2017. He advised that the proposed extension would not automatically be applied to the term of office for the current Lead Governor but that a normal appointment process would be completed in December 2017 with the successful candidate being appointed by the Council of Governors on the basis of a two-year term of office. In response to a comment from Mr L Jenkins, the Director of Corporate Affairs noted that the Lead Governor Role Specification, which had been approved by the Council of Governors in 2015, had been included

at Annex A of the report. He further noted that s4.1 of the report proposed an amendment to the Role Specification with regard to the length of the term of office as well as amending references to 'Monitor' to 'NHS Improvement'.

The Council of Governors:

- Approved the proposal at s3.2 of the report to increase the term of office for the Lead Governor from 12 months to 24 months with effect from December 2017.
- Approved an appropriate amendment to the Role Specification at Annex A of the report and amend any references to 'Monitor' to 'NHS Improvement'.

22/17 Governor Elections 2017

The Director of Corporate Affairs presented a report which advised the Council of Governors of the timetable for Governor Elections in 2017. He provided an overview of the content of the report and advised that elections would be held in the following constituencies:

Public

- Heatons & Victoria (4 seats)

Staff

- By-election (1 seat)

The Director of Corporate Affairs advised that the timetable for the election process had been included for reference at Appendix 1 to the report. It was noted that results of the election would be available on 5 October 2017 and the terms of office for successful candidates would commence on the date of the Annual Members' Meeting on 12 October 2017. The Director of Corporate Affairs noted that he would make himself available to meet with interested candidates to explain the nature of the role.

The Council of Governors:

- Received and noted the report on Governor Elections 2017.

23/17 Reports from Governor Committees

Reports from the following Council Committees were considered:

- Patient Safety & Quality Standards Committee
- Governance Committee
- Membership Committee

Mrs L Auger briefed the Council on matters considered during a meeting of the Patient Safety & Quality Standards Committee held on 1

June 2017. She made particular reference to an informative presentation on Falls Prevention. She also made reference to a presentation on Patient-Led Assessment of the Care Environment (PLACE) inspections and advised that the Committee had noted the opportunities for Governors to participate in the PLACE process, details of which would be circulated to Governors. In response to a question from Cllr L Dowson, the Director of Corporate Affairs noted that the PLACE assessments were not solely undertaken by Governors and advised that the recent cancellation had been as a result of management unavailability.

Mr L Jenkins briefed the Council on matters considered during a meeting of the Governance Committee held on 26 June 2017. He noted that the agenda had consisted of CEO updates, update on CEO & NED recruitment, appointment of External Auditors and Lead Governor Term of Office.

Mrs E Brown briefed the Council on matters considered during a meeting of the Membership Committee held on 13 July 2017. She advised that the Committee had noted with disappointment a decision taken to cease production of hard copies of the 'Stepping Up' magazine for distribution to members. Mrs E Brown noted that production of Stepping Up would continue but would be in an electronic format only and the current summer edition would be the final hard copy publication. She advised that while the Committee had acknowledged that the decision had been taken for economic reasons, Committee members had felt that this represented a backward step in relation to member engagement.

The Council of Governors:

- Received and noted the reports from Governor Committees.

24/17 Lead Governor Communication

Mr L Jenkins advised the Council of Governors of his Lead Governor activities since the last meeting which included meetings with the Chair, the Chief Executive and Mr R King, new Public Governor, attendance at meetings of the Board of Directors, Governor Committees and participation in a focus group for the Director of Nursing interviews. He advised that he had also attended the Stockport CCG AGM and a Stockport Together listening event in Marple and noted that he had been encouraged by the common purpose of the Stockport Together partners.

The Council of Governors:

- Received and noted the verbal report.

25/17 Date, time and venue of next meeting.

The next meeting of the Council of Governors would be held on

Monday, 9 October 2017 in the Lecture Theatres, Pinewood House, commencing at 6.00pm. The Chair noted the intention to hold a further session for Governors and Non-Executive Directors earlier that afternoon.

Signed: _____ Date: _____

COUNCIL OF GOVERNORS: ACTION TRACKING LOG

Ref.	Meeting	Minute Ref	Subject	Action	Responsible
03/16	19 Oct 16	35/16	Minutes of previous meeting	<p>Mr L Jenkins referred to minute 24/16 'External Auditor's Report' and noted his question relating to the discrepancy between figures of Falls included in the audit report and the Trust's Integrated Performance Report. He advised that, to date, Mr P Thomson from Deloitte had not provided clarification with regard to the definition of Falls as had been agreed at that meeting. Mr P Buckingham agreed to follow this up with Mr P Thomson.</p> <p>Update 20 Apr 17 – Mr L Jenkins advised that Deloitte had still not reported back on this issue. Mr P Buckingham agreed to chase it up with Mr P Thomson from Deloitte.</p> <p>Update 24 Jul 17 – Mr L Jenkins would raise this issue during the Annual Report presentation later on the agenda. Action complete.</p>	Mr P Buckingham
05/16	8 Dec 16	53/16	Lead Governor Communication	<p><i>Cessation of 'Park & Ride' Service between Hazel Grove Park & Ride and Stepping Hill Hospital</i> - Mr L Jenkins agreed to liaise with Ms S Toal who would take the enquiry forward on behalf of the Trust.</p> <p>Update 20 Apr 17 – Mr L Jenkins briefed the Council of the latest position and noted that correspondence between the Trust and Stagecoach representatives had not led to a satisfactory outcome. Cllr T McGee offered follow up the issue with Stagecoach.</p> <p>Update 24 Jul 17 – Cllr T McGee noted that there was new management at Stagecoach and to date he had been unable to receive a satisfactory response. He advised the Council that he would contact Stagecoach again and ask them to reconsider the decision to cease the Park & Ride service to the hospital.</p>	<p>L Jenkins / S Toal</p> <p>Cllr T McGee</p>
01/17	24 Jul 17	17/17	External Auditor's Report	In response to a question from Mr L Jenkins, Mr P Thomson advised that information regarding the local indicator had been included in a detailed report which had been considered by the Audit Committee. The Director	P Buckingham

				of Corporate Affairs agreed to circulate a copy of the report to the Council of Governors.	
02/17	24 Jul 17	19/17	Chief Executive's Report	The Chief Executive briefed the Council on forthcoming changes with regard to Business Group arrangements to ensure a more integrated way of working. She advised that further information regarding the changes would be circulated the Council of Governors.	A Barnes

Report to:	Council of Governors	Date:	9 October 2017
Subject:	Chief Executive's Report – Strategic Developments		
Report of:	Chief Executive	Prepared by:	Mr P Buckingham

REPORT FOR NOTING

Corporate objective ref:	Summary of Report The purpose of this report is to advise the Council of Governors of strategic developments which include: <ul style="list-style-type: none"> • Financial Recovery • Quality and Safety • Stockport Together • Strategy • Agency Utilisation
Board Assurance Framework ref:	
CQC Registration Standards ref: N/A	
Equality Impact Assessment: <input type="checkbox"/> Completed <input type="checkbox"/> Not required	

Attachments:	Nil
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This subject has previously been reported to:	<input type="checkbox"/> Board of Directors <input type="checkbox"/> Council of Governors <input type="checkbox"/> Audit Committee <input type="checkbox"/> Executive Team <input type="checkbox"/> Quality Assurance Committee <input type="checkbox"/> F&P Committee	<input type="checkbox"/> PP Committee <input type="checkbox"/> SD Committee <input type="checkbox"/> Charitable Funds Committee <input type="checkbox"/> Nominations Committee <input type="checkbox"/> Remuneration Committee <input type="checkbox"/> Joint Negotiating Council <input type="checkbox"/> Other
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1. INTRODUCTION

- 1.1 The purpose of this report is to advise the Council of Governors of strategic developments.

2. FINANCIAL RECOVERY

- 2.1 Representatives from the Trust met with the NHS Improvement's (NHSI) Director of Finance (North) and Delivery and Improvement Director (Greater Manchester & Lancashire) on 11 September 2017 as part of the Enhanced Financial Overview meeting. Whilst the Trust reported a risk assessed cost improvement shortfall of £6.9m for 2017-18, the expectation from NHSI and the Board of Directors is to meet the 2017-18 financial plan and begin the three year financial recovery to break-even.

- 2.2 The senior management teams are working through available options, however the main focus is on three major projects:

- The reduction of bed capacity through:
 - Increased weekend discharges;
 - Increased number of morning discharges;
 - Reducing the wait for diagnostics; and
 - Increased utilisation of nursing and residential beds.
- The increased utilisation of outpatient capacity
- A risk assessed reduction in Agency and Locum costs.

- 2.3 The medium to long term recovery for the Trust has to centre on the individual service reviews.

3. QUALITY AND SAFETY

- 3.1 In terms of quality and safety, the Trust has taken the learning from the CQC report and is adopting five complementary approaches:

- A pragmatic CQC Action and Assurance Plan which addresses each of the individual issues raised by the CQC inspections.
- Improvements in ward oversight, with the development of an accreditation scheme for our wards, which reviews and tracks ward performance against key performance standards.
- Greater scrutiny of the quality agenda, with key quality metrics now reviewed by the Medical Director and Director of Nursing at bi-monthly Business Group performance meetings, which will include the development of a Business Group quality dashboard.
- Publication of a Trust Quality Plan that outlines our plans to establish, deliver and assure the delivery of high quality care in our organisation.
- Re-structured medical leadership. The reconfiguration of the Business Group structures has facilitated a review of our medical leadership structure. Further investment is being made in medical leadership, with new medical management posts

introduced and existing posts re-appointed. Considerable development and clear expectations and oversight will be established for the new post holders.

4. STOCKPORT TOGETHER

- 4.1 Stockport Neighbourhood Care is now the official name for the collection of services delivered by our integrated neighbourhood and urgent response teams. We need to maintain the momentum of implementing the new models of care, make sure the Stockport together business cases can be effectively implemented and provide strong leadership for the interim period pending the outcome of the Joint Commissioner procurement process regarding the proposed Accountable Care Trust.
- 4.2 We have therefore put in place a single line of management accountability across community health services, adult social care and mental health services in the neighbourhoods and intermediate tier, including some elements of the hospital such as the emergency department. We have also appointed to the key management roles within Stockport Neighbourhood Care.
- 4.3 Above this transitional management structure is the 'Alliance Provider Board' which is an arrangement between the four provider organisations within the Stockport Together partnership to allow them to act collectively and delegate some powers to the transitional management structure. This is an interim arrangement that runs until March 2019 and will not mean any changes for staff, who will continue to be employed by their current organisation

5. STRATEGY

5.1 Current Situation – Refreshing Strategy

- 5.1.1 Over 300 staff representing a broad range of disciplines has been engaged via face to face sessions.
- 5.1.2 A consistent structure and presentation has been used for these sessions, tailored at times to the audience where appropriate. This was used with the intention to gather intelligence and insight based on the following approach:
- Why – What is the challenge facing us
 - What – What are we trying to achieve through our strategy
 - Where – Which patients, geographies, specialties, sectors are we focusing on
 - How – What future delivery model and capabilities are required and how will this be different from now
 - When – How will the strategy be delivered over time – what should happen and when. When are the big changes you need to make likely to happen.

5.2 Engagement Sessions

Coming from:

- Workforce (all staff)
- Consultant radiologists
- Outpatient sisters
- Outpatient booking teams
- Consultant pathologists
- Clinical Directors
- Pathology Management Team
- Finance Management Team
- Therapy Management Team
- Infection Prevention Team
- Surgery Management Team
- Surgery Matrons & ward managers
- Estates & Facilities Management Team
- Pharmacy
- Clinical Audit
- IM&T staff
- Medicine Matrons & ward managers
- ED / Acute medicine clinicians
- QCNW
- Senior Management Group

5.3 Feedback Themes

5.3.1 Feedback has been consistent with that captured earlier from discussions with clinical business groups which was presented to the Board of Directors in April 2017. This has been under the following headings:

- Need for clarity over clinical priorities
- Communication and culture
- Experience of current strategy
- Uncertainty over future Organisational Form
- Impact of GM Theme 3&4
- Stockport Together
- Other external influences
 - Regulation from NHS Improvement, CQC and Greater Manchester
 - Organisational changes across Greater Manchester.

5.4 Conclusion

5.4.1 The engagement sessions have been welcomed as an approach by all teams as to provide feedback and input. We should be mindful of the need for 'buy-in' across the organisation in terms of future strategic planning and direction.

5.4.2 Based on the feedback received, the collective view is that it is not possible to define a new set of strategic aims and overall vision without a more detailed assessment of our options at service level; particularly in light of changes the organisation has and continues to experience in terms of quality, finance and performance.

5.4.3 It is recommended that a new strategy is developed as opposed to a 'refresh' as originally intended.

5.5 Next Steps – October to December

5.5.1 The proposed approach to develop our next steps is to be led by the Chief Executive and Executive Director of Support Services.

5.5.2 This will be to form a core group including the Director of Strategy & Planning and Associate Director of Strategy & Planning to define a new set of strategic options and a detailed

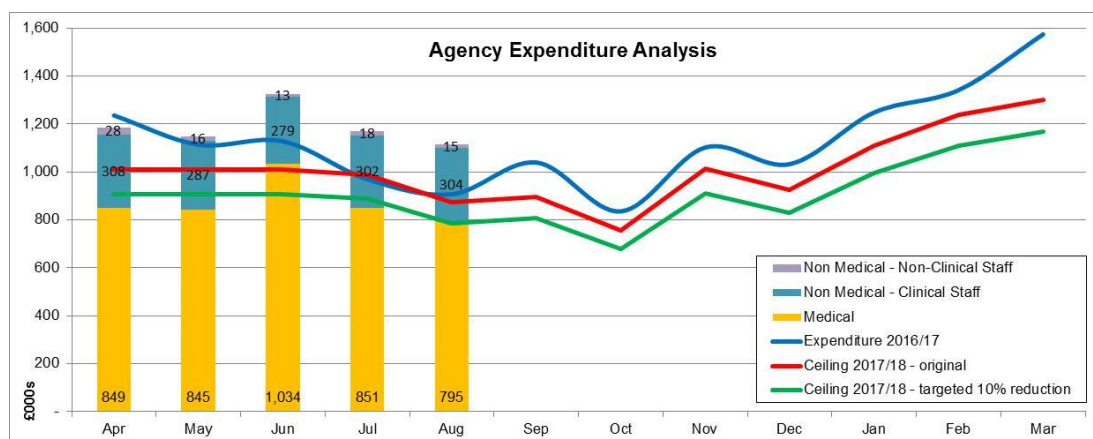
supporting implementation plan.

5.5.3 A Non-Executive Director being part of this group would be crucial.

6. AGENCY UTILISATION

6.1 The Trust's agency ceiling for 2017/18, as set by NHS Improvement (NHSI), is £12.1m and relates to all agency usage. Additionally, NHSI has also issued the Trust with a 10% cost reduction target specifically applicable to medical agency usage for the year which totals £1.24m.

6.2 The following chart gives the month 5 expenditure against the different trackers to show performance against the various targets. In month 5, medical agency further reduced and nursing agency increased slightly which is representative of the recruitment and vacancy position for both staff groups.



Actions to Reduce the Use of Agency Staff

6.3. Domestic Recruitment

6.3.1. The Trust has successfully recruited to a number of key medical posts and our new postholders have started to take up their new roles. Recruitment continues to attract doctors to our hard to fill posts. A medical recruitment campaign in conjunction with the communications team is currently in development to build on this success.

6.3.2 A piece of work has also started to develop the overall package for nurses, to seek to make changes that will make the Trust more attractive and therefore more successful in recruiting to our nursing vacancies.

6.4 International Recruitment

6.4.1 The Trust has successfully undertaken a number of international recruitment initiatives for medical vacancies, and the postholders have begun to take up their posts. An extended clinical and cultural induction is now underway to support our new starters who may be working in specialties where the health and social needs of patients are very different to the clinical presentations they are used to.

6.5 *Growing Internal Bank & GM Collaboration*

- 6.5.1 The Trust has been successful in recruiting a significant number of doctors at all grades to undertake extra shifts on a new internal bank. The Trust is part way through a procurement exercise to seek a managed bank for medical staff. The specification is complete and the procurement experts are advising on potential contractual issues that need to be considered as part of this exercise. All trusts in our sector have joined forces to promote bank collaboration amongst the ED doctors to ensure our collective medical workforce work any additional shifts within the sector as a priority.

6.6 *Introduction of Medical E-Rostering*

- 6.6.1 The Trust is part way through the implementation of the Allocate medical rostering solution. This will give the medical workforce a visibility that will enable better management of rota gaps. The software can be accessed via a smartphone, enables online swaps between doctors and ultimately gives an overview of rota gaps that can be covered by non-agency alternative in good time before the need to escalate and pay premium cost. The implementation of this system anticipates a reduction in agency expenditure.

6.7 *Procurement Led Savings Opportunities*

- 6.7.1 Discussions have taken place with representatives from the Trust and the procurement framework leads to explore the opportunity to seek discounted commission rates for longer term bookings. The mini project is underway and the level of saving should be known next month.

7. RECOMMENDATIONS

- 7.1 The Council of Governors is recommended to:

- Receive and note the content of the report.

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Report to:	Council of Governors	Date:	9 October 2017
Subject:	Chief Executive's Report – Operational Developments		
Report of:	Chief Executive	Prepared by:	Mr P Buckingham

REPORT FOR NOTING

Corporate objective ref:	Summary of Report The purpose of this report is to advise the Council of Governors operational developments which include: <ul style="list-style-type: none"> • Winter Preparedness and Urgent Care • New Business Group Structure
Board Assurance Framework ref:	
CQC Registration Standards ref: N/A	
Equality Impact Assessment: <input type="checkbox"/> Completed <input type="checkbox"/> Not required	

Attachments:	Nil
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This subject has previously been reported to:	<input type="checkbox"/> Board of Directors <input type="checkbox"/> Council of Governors <input type="checkbox"/> Audit Committee <input type="checkbox"/> Executive Team <input type="checkbox"/> Quality Assurance Committee <input type="checkbox"/> F&P Committee	<input type="checkbox"/> PP Committee <input type="checkbox"/> SD Committee <input type="checkbox"/> Charitable Funds Committee <input type="checkbox"/> Nominations Committee <input type="checkbox"/> Remuneration Committee <input type="checkbox"/> Joint Negotiating Council <input type="checkbox"/> Other
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1. INTRODUCTION

- 1.1 The purpose of this report is to advise the Council of Governors operational developments.

2. WINTER PREPAREDNESS AND URGENT CARE

- 2.1 The planning for winter and the expected increase in urgent care patients is being co-ordinated across the borough by the Clinical Commissioning Group. The Trust has contributed to this whole system plan with schemes to provide additional medical capacity for the holiday period, additional respiratory capacity for the anticipated surge in patients and an extended senior medical presence in the Emergency Department. These actions are complemented by work being done by the Council to ensure sufficient care home capacity and support to help patients get home is available over the winter, by General Practice to ensure patients will be able to access their GP in a timely manner and the Ambulance service to provide additional crews and paramedic capacity. The Stockport System Winter Plan has also been ratified by the Greater Manchester Health and Social Care Partnership as they are responsible for co-ordinating the response across the city.
- 2.2 In addition to the specific plan for the Winter period, work continues on the Stockport Urgent Care plan and the development of services designed to ensure the highest standard of care is provided for our patients. The plan includes the further development of the Crisis Response team, working to keep patients out of hospital as far as possible and ensuring they receive the right level of care and support in their own home. The plan also includes the Active Recovery team who are working to minimise the amount of time patients spend in hospital and they are cared for in the most appropriate environment, which is often not the Acute Trust. A more recent addition to the plan is the request from the Greater Manchester Health and Social Care Partnership to develop an Urgent Treatment Centre at Stepping Hill. This work builds on very successful models used nationally and will provide patients with a rapid access service that traditionally they would have had to wait for in the Emergency Department.

3. NEW BUSINESS GROUP STRUCTURE

- 3.1 We have now completed the Directorate Management restructure to better organise and realign the Business Groups. The new structure aligns services together in accordance with the Trust Strategy and Stockport Together New Models of Care. It provides full integration of adult health and social care and enables us to better manage in the present difficult climate.
- 3.2 Following a consultation at senior management level and the completion of a selection process, we are now able to share with you the structure and support for each new Business Group. These changes came into effect from 1 September 2017.

3.3 Business Group Structure including Specialty and Service Alignment



Medicine & Outpatients Business Group	Head of Governance & Quality: Rebecca Barker Governance Facilitator: Joanna Day Complaints Co-ordinator: TBC
Surgery Business Group	Head of Governance & Quality: Alistair Sneddon Governance Facilitator: Rachel Knowles Complaints Co-ordinator: Nicola Hart
Child & Family & Clinical Support Services Business Group	Head of Governance & Quality: Marie Dooley Governance & Complaints Facilitator: Ros Highfield
Integrated Care Business Group	Head of Governance, Quality & Accreditation: Kate Marlor-Gem Deputy Head of Governance & Quality: Claire Downey Governance Facilitator: Grace Davie Complaints Co-ordinator: TBC

4. RECOMMENDATIONS

4.1 The Council of Governors is recommended to:

- Receive and note the content of the report.

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Report to:	Council of Governors	Date:	9 October 2017
Subject:	Care Quality Commission Inspections		
Report of:	Interim Director of Nursing and Medical Director	Prepared by:	Ruth Holt, Interim Director of Nursing

REPORT FOR APPROVAL

Corporate objective ref:	N/A	Summary of Report The purpose of this report is to update the Council of Governors following the publication of the CQC reports into their inspections in March and June 2017. The Council of Governors are asked to note: <ul style="list-style-type: none"> • The publication of the CQC reports • The progress against the CQC action and assurance plan • The context of more comprehensive and sustainable long term quality improvement
Board Assurance Framework ref:	N/A	
CQC Registration Standards ref:	N/A	
Equality Impact Assessment:	<input type="checkbox"/> Completed <input type="checkbox"/> Not required	

Attachments:

This subject has previously been reported to:

- | | |
|--|---|
| <input type="checkbox"/> Board of Directors | <input type="checkbox"/> Workforce & OD Committee |
| <input type="checkbox"/> Council of Governors | <input type="checkbox"/> BaSF Committee |
| <input type="checkbox"/> Audit Committee | <input type="checkbox"/> Charitable Funds Committee |
| <input type="checkbox"/> Executive Team | <input type="checkbox"/> Nominations Committee |
| <input type="checkbox"/> Quality Assurance Committee | <input type="checkbox"/> Remuneration Committee |
| <input type="checkbox"/> FSI Committee | <input type="checkbox"/> Joint Negotiating Council |
| | Other – Quality Governance Committee |

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1. INTRODUCTION

The CQC published their reports following inspections in March and June of this year on the 2nd October. The Trust received a rating of requires improvement as a result of the findings of the March report. The June inspection was limited to the Emergency Department and some of the medical wards. Due to the limited nature of the inspection a rating was not applied following this visit.

2. BACKGROUND

The CQC monitor, inspect and regulate services to make sure they meet fundamental standards of quality and safety. The outcome of their inspections is published on their website. The CQC ask 5 key questions and use these for the basis of their report:

Are they safe?	<i>Safe:</i> you are protected from abuse and avoidable harm.
Are they effective?	<i>Effective:</i> your care, treatment and support achieves good outcomes, helps you to maintain quality of life and is based on the best available evidence.
Are they caring?	<i>Caring:</i> staff involve and treat you with compassion, kindness, dignity and respect.
Are they responsive to people's needs?	<i>Responsive:</i> services are organised so that they meet your needs.
Are they well-led?	<i>Well-led:</i> the leadership, management and governance of the organisation make sure it's providing high-quality care that's based around your individual needs, that it encourages learning and innovation, and that it promotes an open and fair culture

The ratings for each of the domains and areas of service (as defined by the CQC) are as follows:

Stepping Hill Hospital

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Inadequate	Requires improvement	Requires improvement	Requires improvement	Inadequate	Inadequate
Medical care	Inadequate	Requires improvement	Good	Requires improvement	Requires improvement	Requires improvement
Surgery	Good	Good	Good	Good	Good	Good
Critical care	Good	Good	Good	Requires improvement	Good	Good
Maternity and gynaecology	Requires improvement	Requires improvement	Good	Good	Requires improvement	Requires improvement
Services for children and young people	Requires improvement	Good	☆ Outstanding	Good	Good	Good
End of life care	Good	Good	Good	Good	Good	Good
Outpatients and diagnostic imaging	Good	N/A	Good	Good	Good	Good
Overall	Inadequate	Requires improvement	Good	Requires improvement	Requires improvement	Requires improvement

Community Health Services

	Safe	Effective	Caring	Responsive	Well-led	Overall
Community health services for adults	Requires improvement	Good	Good	Good	Requires improvement	Requires improvement
Community health services for children, young people and families	Good	Outstanding	Good	Outstanding	Outstanding	Outstanding
Community health inpatient services	Good	Good	Good	Good	Good	Good
Community End of Life Care services	Good	Good	Good	Good	Good	Good
Overall Community	Good	Good	Good	Good	Good	Good

The full reports are available on the CQC www.cqc.org.uk and Trust websites.

3. ACTION TAKEN AT TIME OF THE PUBLICATION OF THE REPORTS

Briefing to Trust staff

Trust staff and key stakeholders were briefed by email on Monday 2nd, the day before the publication of the report. This was by email from the Chief Executive and face to face (Chief Executive, Medical Director and Interim Director of Nursing) with key staff including those working in the emergency department and the medicine business group.

Significant work has been undertaken to improve safety and address the concerns raised by the CQC and staff in these areas recognised the concerns but also the changes as a result of the work that they have done since the visit in June.

Media interest

Media interest has included local press and television and the outcome of the inspections has been reported in professional journals including the Health Service Journal and Nursing Times. The focus of the reports has been on the inadequate rating for the emergency department and the lack of nurse staffing. Media interviews were given by Colin Wasson.

4. ACTION TAKEN FOLLOWING THE JUNE INSPECTION AND PRIOR TO THE PUBLICATION OF THE REPORTS

We received correspondence from the CQC following their unannounced inspection in June 2017 which identified a number of significant shortcomings and required the Trust to develop an action and assurance plan (AAP). At the request of the CQC, the plan was prepared and submitted four days after the letter of concern was received (June 30th).

Since submission of the AAP, the focus has been on implementation of the individual actions outlined in the plan. Each action has a completion date, and where the action cannot be delivered, or the completion date cannot be met, an exception report has been submitted to the CQC to describe the rationale behind a change in the plan, or in the anticipated date of completion. An evidence file has been developed to provide assurance that the actions have been completed.

Management of the AAP has been coordinated by three 'silver command' meetings per week, attended by senior managers and executives. These were run as 'sprint sessions' with a focus on the delivery of actions. The progress of these meetings has been under weekly review by a single CQC leadership group, chaired by the Chief Executive. The methodology is now being replicated to support the delivery of the urgent and emergency care plan and the implementation of 'SAFER'.

From the 18th September the 'silver command' meetings have been held separately by each business group, who will manage their own plan and actions. Each business group provides weekly assurance to the single CQC leadership group. Delegating the management of this process to business group level is a conscious step towards embedding the processes outlined in the plan.

5. FUTURE DEVELOPMENTS

The Action and Assurance Plan was developed in a short period of time to address very specific concerns raised following the CQC inspection. While in the short term, resolution of these concerns is a critical step, these actions are transactional in nature, and resolve only very specific individual issues. On a different day, inspecting a different area of the trust, the inspectors could have identified a different set of concerns. It is the identification and resolution of these unrecognised issues that is of critical importance.

In this context, what is far more important is that the AAP, is developing and embedding a transformative change. Driving a culture of high quality care, will require the setting of very clear standards, explicit understanding of who is accountable for these standards, and a process of oversight and assurance that supports them. Every member of staff must clearly understand their role in ensuring the consistent delivery of high quality care to all our patients.

5.1 Quality Plan

We are currently developing a trust Quality Plan. This plan will explicitly state our key quality standards, as well as outlining a process of oversight and assurance. This will include immediate and longer term actions, creating the right conditions upon which we can consistently improve upon our performance. The quality plan will include a dashboard of quality indicators, suitable for review in oversight meetings. The work to develop this commenced on the 25th September with a workshop for a cross section of staff facilitated by AQUA.

5.2 Consolidated Improvement Plan

The trust currently manages a number of separate action plans in response to concerns raised by the CQC, separate concerns raised by the Health Education North West team and the flow of emergency cases through the hospital.

To avoid confusion, duplication or contradiction, these plans have been consolidated into a single 'consolidated improvement plan'.

5.3 Ward Accreditation Scheme

One of the key actions in the AAP was the establishment of ward oversight audits. In these audits senior clinical staff appraised the wards against the key concerns raised by the CQC.

Development of a ward accreditation scheme formalises this process of ward inspections, broadening the remit to include all critical themes relevant to delivery of high quality ward care. This scheme will set explicit expectations, and establish a process for of assessing against these standards. The accreditation scheme is currently in its final draft form and will be launched in October. Further work will be undertaken to extend the accreditation scheme to other clinical areas of the trust.

5.4 Business Group Performance Reviews

Business group performance reviews have historically focused upon three main areas, finance, operational performance and staffing. From September, the first hour of every bi-monthly business group performance meeting will focus upon the quality of patient care. This quality review will include appraisal against clear standards in areas such as mortality review, morbidity meetings, critical incident investigations, infection prevention measures, learning from critical incidents, ward accreditation, clinical audit oversight, falls and pressure sores. The format of these reviews and the standards against which business groups are appraised will be outlined in the quality report.

5.5 Recruitment and Retention

The problem of insufficient staffing, primarily nurses, was raised in the CQC report. There is a national shortage of registered nurses and the position in Stockport is mirrored throughout the country. To address this we have established a post dedicated to the recruitment and retention of nurses and midwives and have a number of initiatives within our emerging recruitment and retention strategy to address this issue. The current position does however remain a concern.

5.6 Structure to Deliver Quality

A report has been commissioned from the Trust's internal auditors (MIAA) to look at our committee and reporting structures. This will report in October 17 and give an insight into the actions we need to take to assure ourselves of the quality of services within the organisation.

5.7 New Appointments

Alison Lynch has been appointed to the post of Director of Nursing and Quality and will take up her post on the 23rd October. Helen Howard has been appointed to the Deputy Director of Nursing - this post has been vacant for several months. A new post of Deputy Director of Quality Governance is to be established. The post holder will work to support the delivery of the Director or Nursing and Medical Director portfolios.

Clinical staff are key to the delivery of high quality services. Leadership development programmes are being developed for senior medical, nursing and allied health professional staff. A proposal has been submitted to NHS Improvement for funding to support this.

6. RECOMMENDATIONS

The Council of Governors is asked to note:

- The publication of the CQC reports
- The progress against the CQC action and assurance plan
- The context of more comprehensive and sustainable long term quality improvement

Report to:	Council of Governors	Date:	9 October 2017
Subject:	Governor Committee Arrangements		
Report of:	Director of Corporate Affairs	Prepared by:	P Buckingham

REPORT FOR APPROVAL

Corporate objective ref:	N/A	Summary of Report <i>Identify key facts, risks and implications associated with the report content.</i> The purpose of this report is to present a proposal for revised Governor Committee Arrangements to the Council of Governors for approval. The proposal is summarised as follows: <ul style="list-style-type: none"> • Merger of the Governance and Membership Development Committees • Establishment of a Patient Experience Committee and a Quality Standards Committee
Board Assurance Framework ref:	N/A	
CQC Registration Standards ref:	N/A	
Equality Impact Assessment:	<input type="checkbox"/> Completed <input checked="" type="checkbox"/> Not required	

Attachments:	Nil
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This subject has previously been reported to:	<input type="checkbox"/> Board of Directors <input type="checkbox"/> Council of Governors <input type="checkbox"/> Audit Committee <input type="checkbox"/> Executive Team <input type="checkbox"/> Quality Assurance Committee <input type="checkbox"/> F&P Committee	<input type="checkbox"/> PP Committee <input type="checkbox"/> SD Committee <input type="checkbox"/> Charitable Funds Committee <input type="checkbox"/> Nominations Committee <input type="checkbox"/> Remuneration Committee <input type="checkbox"/> Joint Negotiating Council <input type="checkbox"/> Other
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1. INTRODUCTION

- 1.1 The purpose of this report is to present a proposal for revised Governor Committee Arrangements to the Council of Governors for approval.

2. BACKGROUND

- 2.1 Governors will be aware of difficulties experienced in achieving a quorum for both Governance Committee and Membership Development Committee meetings. This matter has been raised at Council of Governors meetings, where the respective Committee Chairs have repeatedly encouraged broader Governor participation, and a revised cycle of quarterly meetings was adopted to further encourage attendance.
- 2.2 A factor which has arguably affected attendance and level of interest for both the Governance and Membership Committees is the nature of the agenda for meetings. Agendas have tended to be relatively light, with an emphasis on briefings / updates rather than productive consideration of Committee business.
- 2.3 Conversely, attendance and participation in meetings of the Patient Safety & Quality Standards Committee is consistently good with a high level of interest amongst Governors in the subject matter of this Committee. However, it could be argued that the level of interest actually impairs efficient conduct of Committee business due to the high number of attendees.

3. CURRENT SITUATION

- 3.1 It is suggested that we need to identify means of promoting involvement in all of the Council of Governors Committees to ensure that the overall Council has a good range of members with knowledge / insight of relevant subject areas. It is further suggested that a revised approach to Committee arrangements is necessary to achieve this.
- 3.2 Consequently, Governors are requested to consider the following proposals:
1. Merge two of the current Committees to form a Governance & Membership Committee.
- 3.3 It is considered that there are a sufficient number of Governors with an interest in these subject areas to consistently achieve a quorum at meetings. In addition, merger of the two existing Committees should ensure that the resulting Committee is able to consider a meaningful agenda at meetings. This in itself may stimulate further interest amongst Governors.

- 3.4 2. Separate the current Patient Safety & Quality Standards Committee into two separate Committees; a Patient Experience Committee and a Quality Standards Committee.

- 3.5 This proposal will ensure that the Council of Governors maintains a total of three Committees which should facilitate participation by the majority of Governors. Forming two Committees as suggested above should satisfy individuals' interest in the relevant subject area but will also contribute to ensuring that meetings of each 'new' Committee can be conducted more efficiently with a fewer number of Governors present. The arrangements would also allow members to develop a more in depth knowledge and understanding of the areas of focus for each of the Committees. These areas of focus could be aligned as follows:

Patient Experience Committee	Quality Standards Committee
Complaints & Claims	Quality Metrics
Patient Survey Outcomes	CQC Quality Standards
Friends & Family Test	Implementing NICE Guidance
PLACE	Quality Developments
Safeguarding	Quality Improvement Plan
Communication with Patients	Annual Quality Report
Patient Stories	Clinical Governance

- 3.6 Governors are requested to consider the above proposals in the context of improving Committee effectiveness and making most effective use of the time given voluntary by Governors. The proposals were considered by the Governance Committee on 18 September 2017 and were recommended to the Council of Governors for approval.

4. RECOMMENDATIONS

- 4.1 The Council of Governors is recommended to:

- Approve merger of the Governance and Membership Development Committees with immediate effect.
- Approve the separation of the current Patient Safety & Quality Standards Committee into a Patient Experience Committee and a Quality Standards Committee. These arrangements to take effect from the bi-annual refresh of Committee membership in December 2017.

Report to:	Council of Governors	Date:	9 October 2017
Subject:	Holding to Account - Definition		
Report of:	Director of Corporate Affairs	Prepared by:	P Buckingham

REPORT FOR APPROVAL

Corporate objective ref:	N/A	Summary of Report <i>Identify key facts, risks and implications associated with the report content.</i> The purpose of this report is to present a draft Holding to Account definition for adoption by the Council of Governors.
Board Assurance Framework ref:	N/A	
CQC Registration Standards ref:	N/A	
Equality Impact Assessment:	<input type="checkbox"/> Completed <input checked="" type="checkbox"/> Not required	

Attachments:	Appendix 1 - Draft Holding to Account Definition
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This subject has previously been reported to:	<input type="checkbox"/> Board of Directors <input type="checkbox"/> Council of Governors <input type="checkbox"/> Audit Committee <input type="checkbox"/> Executive Team <input type="checkbox"/> Quality Assurance Committee <input type="checkbox"/> F&P Committee	<input type="checkbox"/> PP Committee <input type="checkbox"/> SD Committee <input type="checkbox"/> Charitable Funds Committee <input type="checkbox"/> Nominations Committee <input type="checkbox"/> Remuneration Committee <input type="checkbox"/> Joint Negotiating Council <input type="checkbox"/> Other
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1. INTRODUCTION

- 1.1 The purpose of this report is to present a draft Holding to Account definition for adoption by the Council of Governors.

2. BACKGROUND

- 2.1 The Council of Governors held a 'Ways of Working' workshop on 24 July 2017 during which a range of areas for development were identified. One of these related to the Council of Governors statutory duty of Holding to Account and it was agreed that a definition should be prepared to provide clarity on how the Holding to Account responsibility is discharged by Governors.

3. CURRENT SITUATION

- 3.1 A draft Holding to Account definition has been prepared by the Director of Corporate Affairs and is included for reference at Appendix 1 of this report. The definition details the various functions which demonstrate how the Council of Governors discharges its statutory duty to hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors.
- 3.2 The draft definition was considered at a meeting of the Governance Committee held on 18 September 2017 and was recommended to the Council of Governors for adoption. It was also recommended that, rather than treat this as a standalone document, the agreed definition should be incorporated in the Council of Governors Roles & Responsibilities document.

4. RECOMMENDATIONS

- 4.1 The Council of Governors is recommended to:
- Adopt the draft Holding to Account definition included at Appendix 1 for incorporation in the Council of Governors Roles & Responsibilities document.

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HOLDING TO ACCOUNT

Statutory Duty

The Council of Governors has a duty to hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors. This includes ensuring the Board of Directors acts so that the Foundation Trust does not breach the conditions of its licence.

Definition

While the 'holding to account' duty is set out in statute, no definition is provided of how this duty should be discharged in practice. It is therefore incumbent on the Council of Governors of individual Foundation Trust to determine the means and approach to holding to account.

In Stockport NHS Foundation Trust, the Council of Governors will use the following means to carry out its holding to account duty:

- Presenting constructive challenge to Non-Executive Directors by means of questions at Council of Governors meetings
- Directing questions to Non-Executive Directors in attendance at Council of Governors Committee meetings
- Receipt and consideration of reports from Non-Executive Directors on their areas of focus at Council of Governors meetings
- Contributing to Council of Governors & Committee agenda planning to facilitate consideration of relevant subject areas
- Observation of Non-Executive Director participation at Board of Directors meetings
- Observation of Non-Executive Director participation, and chairing, of Board of Directors Committee meetings
- Participation in joint workshops facilitated for Governors and Non-Executive Directors
- Participation in the appraisal process of the Chairman
- Contribution to the appraisal process for Non-Executive Directors (via the Lead Governor)
- Use access to the Chair and/or Senior Independent Director to raise concerns, where appropriate
- Decision-making on extending terms of office of Non-Executive Directors
- Exercising the Council of Governors powers to remove Non-Executive Directors

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Report to:	Council of Governors	Date:	9 October 2017
Subject:	Review of External Audit Contract		
Report of:	Director of Finance	Prepared by:	Deputy Director of Finance

REPORT FOR APPROVAL

Corporate objective ref:	----	Summary of Report <p>The Trust went out to tender in 2014 under reference 2014/s 027-043336 for external audit services for a three year period with the option to extend for up a further two multiples of 12 months. The Council of Governors awarded the contract to Deloitte for 3 years to cover financial years 2014/15, 2015/16 and 2016/17. The contract is now at a review period whereby a decision needs to be taken on whether the Trust wishes to extend the contract for one year, two years or whether to end the contract.</p> <p>This report recommends the extension of the Contract with Deloitte to provide external audit services for a period of 12 months with an option for a further 12 months dependant on the Trust's progress into an Accountable Care Organisation</p>
Board Assurance Framework ref:	----	
CQC Registration Standards ref:	----	
Equality Impact Assessment: <input type="checkbox"/> Completed <input type="checkbox"/> Not required		

Attachments:	Appendix 1 – extract from service specification
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This subject has previously been reported to:	<input type="checkbox"/> Board of Directors <input type="checkbox"/> Council of Governors <input type="checkbox"/> Audit Committee <input type="checkbox"/> Executive Team <input type="checkbox"/> Quality Assurance Committee <input type="checkbox"/> F&P Committee	<input type="checkbox"/> PP Committee <input type="checkbox"/> SD Committee <input type="checkbox"/> Charitable Funds Committee <input type="checkbox"/> Nominations Committee <input type="checkbox"/> Remuneration Committee <input type="checkbox"/> Joint Negotiating Council <input type="checkbox"/> Other
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1. INTRODUCTION

- 1.1 The Trust went out to tender in 2014 under reference 2014/s 027-043336 for external audit services for a three year period with the option to extend for up to a further two multiples of 12 months. This covers the main Trust accounts and the Charitable Fund accounts.
- 1.2 The tender process was undertaken with representatives from the governors, the non-executive directors and the senior finance team. As this is a statutory duty of the governors to appoint the Trust's external auditors, a recommendation was made by the Council of Governors to award the contract to Deloitte for 3 years to cover financial years 2014/15, 2015/16 and 2016/17.
- 1.3 The contract is now at a review period whereby a decision needs to be taken on whether the Trust wishes to extend the contract for one year, two years or whether to end the contract. As part of this process a review paper was considered by the Audit Committee after feedback from the non-executive and executive directors on the overall contract performance in order to assist the governors in their recommendation.
- 1.4 This report will summarise that evaluation and will seek to make a supported recommendation to be endorsed by the full Council of Governors as part of their statutory duties.

2. BACKGROUND

- 2.1 Appendix 1 shows an extract of the tender specification which will form part of the evaluation.
- 2.2 It is for noting that Deloitte have also been appointed on a co-opted basis to audit the Pharmacy Shop Limited Company Accounts in 2015.

3. CURRENT SITUATION

- 3.1 The following assessments reviews the performance of Deloitte over the past two full years and the year to date for 2016/17 recognising that the Council are yet to receive the annual report and accounts for the 2016/17 financial year. The sections will follow the criteria as set out in the service specification in Appendix 1. The key performance indicators in section 5 is covered within all the points raised below:

Audit of annual accounts (section 2.1 to 2.12)

- 3.2 Deloitte have fulfilled their obligations within the contract for auditing the accounts, presenting at the relevant committees and submitting their reports to the regulators concerned. These have all been submitted on time in accordance with mandated timetables.

Attendance at meetings (section 2.13 to 2.15)

- 3.3 Deloitte have attended audit committees as required and have held meetings in private

with the Audit Committee. They have attended the Council of Governors to present the annual report and have also provided an additional training session for the governors.

Advice on changes in accounting practice (section 2.15)

- 3.4 Paul Thomson, Deloitte partner has met with the senior finance team on a number of occasions to discuss emergent issues from a technical perspective. His experience on a national level has helped the Trust understand issues in context both regionally and nationally.

Audit work plan and scope of work (section 2.16 to 2.21)

- 3.5 The annual audit plan has been presented and successfully agreed at the Audit Committee each year of the contract.
- 3.6 As part of the year end audit Deloitte have undertaken reviews of the annual report to ensure that it is consistent with the financial information. Deloitte have also undertaken additional work where mandated e.g. National Audit Office whole of government accounts additional testing in 2015/16.
- 3.7 Deloitte have also worked alongside internal audit and reviewed the Annual Governance Statement for the Trust.

Management of audit staff (section 3)

- 3.8 The specification for the contract required that the audit team be specified in the original tender and that changes in the staff should not be changed without the approval of the client. Whilst Paul Thomson has remained throughout the contract we are now on our third Audit Manager for the year 16/17. The first year of the contract was particularly challenging from a relationship point of view and initial communications to embed the contract were not successfully made and this was acknowledged by Deloitte when the review at the end of 14/15 took place. This led to a change in audit manager and the audit for 2015/16 was more efficient and cooperative from both parties. The audit manager, Debra Wright, then left Deloitte which is unfortunate and a new lead manager Helen Taylor has been appointed. Helen has led the audit for 2016/17 and there have been no issues to report.
- 3.9 The audit staff who have worked on site since 2015/16 are appropriately qualified for their roles and have worked well in co-operation with the Trust.
- 3.10 The role of partner for the Charity Audit changed from Paul Thomson to Sarah Anderson, who is the national lead at Deloitte for Charitable Funds Accounts.

Evidence and reporting (section 4)

- 3.11 Levels of materiality and reporting levels for the ISA260 are always agreed at the start of the audit according to the level of clinical income.

- 3.12 The Trust has found that the level of detail for assurance has been more extensive than experienced with other auditors and this particularly led to disagreements in the first year of the contract. The Trust has now become accustomed to this level of sampling; however there have been questions raised at Audit Committee and Charitable Funds Committee to this level of appropriateness.
- 3.13 The communication channels have improved over the life of the contract and methods of working have been found so that early notice of potential issues is flagged rather than a surprise at the end. In 2016/17 we have introduced a shared working paper file on an external portal which has led to time and process improvements and this is an innovative approach.
- 3.14 The audit time taken from the level of detail which is examined does seem to be on the higher end than experienced with other auditors and does not always appear to the finance team to be an appropriate use of time. This has led to queries continuing after the auditors have left the site for their planned visits and then requires resolving separately. Closing audits off does seem to take longer than expected and experienced with other auditors. However this area was discussed with the team prior to commencing the final audit and the process for 2016/17 was much clearer.
- 3.15 There was extensive discussion on the going concern declaration as part of the 2015/16 audit with Paul Thomson which centred on the emphasis of matter declaration which a number of external auditors were putting into their ISA260. This matter was resolved amicably as part of agreeing the ISA260 for 2015/16. Due to the latest financial challenges facing the Trust, this matter has continued into 2016/17.
- 3.16 Audit work has also been completed on the quality accounts including agreeing with the Trust and the Governors the quality areas for testing. Again these have been reported in an appropriate and timely manner.
- 3.17 The audit of the annual report for 2016/17 was undertaken in a checklist review style from Deloitte and this was found to be particularly helpful and thorough in ensuring a high quality report from the Trust and this complimented on by the Director of Corporate Affairs.

Pharmacy Shop

- 3.18 Whilst this piece of work is not contained within the main tender it was agreed by the Trust and the Pharmacy Shop Board that Deloitte would audit the Pharmacy Shop Limited Company Accounts. As these are consolidated into the main Trust accounts it makes sense from a governance perspective that this work is undertaken by the same audit firm.
- 3.19 As a new venture for the Trust this has been an intensive piece of work for the Finance Team and there was an issue with the stock valuation within the Pharmacy Shop. This led to an alternative way of reporting the limited company accounts which Deloitte advised upon and which has been followed through into 2016. Concerns were raised over the level

of fees for this part of the contract as excessive from the Pharmacy Shop Board and the Audit Committee and subsequently the fees for 2016/17 were renegotiated.

Fees

3.20 The fees for the audits are as follows at the 2016/17 rates:

Area	£'000
Financial statement audit (including whole government accounts)	40
Quality Report	10
Charitable Funds	4
Pharmacy Shop Limited Company Accounts	15

4. RISK & ASSURANCE

- 4.1 The Trust is currently progressing the business cases related to Stockport Together and eventually this will include the evolution of the foundation trust into an Accountable Care Trust with its Stockport Provider Partners. When this organisation is formed it is likely that new external auditors will need to be appointed and a new audit programme drawn up. Therefore at this stage it would seem a less risky option to change auditors at this stage and extend for a further 12 months as the organisation evolves into the shadow form. As the auditors know the organisation they can also help advise during the transition process.
- 4.2 The Trust has had a financial deficit for the past two financial years and going concern is one of the key points of discussion at year end and how this is reported in their audit opinion. This will also follow through into 2017/18 as the Trust five year model does not show the Trust returning to financial balance and will require distress funding. As Deloitte have a good understanding of the Trust this knowledge will also be on benefit during this process.
- 4.3 In the current financial climate and going into a new organisation form, the Finance Team will be required to provide additional resource into the process and this will be challenging. The Trust is also about to embark on a back office review with Stockport Together partners. Introducing a new external audit team requires a high level of input from the financial accounting team particularly and this may not be done successfully if there are other more demanding pieces of work to be undertaken.
- 4.4 There are comparisons which Trust staff could draw on from our experiences of the last 3 external audit firms and this can be brought together when the next procurement exercise is undertaken to ensure that the views are taken into account as part of the drawing up of the specification and the selection process. The governors' views are equally an essential part of this collation of evidence.

5. CONCLUSION

- 5.1 Deloitte have met their contractual obligations as set out in the contract specification.

Where there have been concerns, the contract review meetings have discussed and largely resolved those differences.

- 5.2 Each external audit firm has a different approach and style and when an appropriate time to change contracts, the lessons learnt should be built into the specification and award process for the new contract. There are a number of learning points over this contract which would apply to this.

6. RECOMMENDATIONS

- 6.1 The Council of Governors is recommended to approve the extension of Deloitte for a further 12 months to cover the 2017/18 financial year. The fees for this should be in line with the original tender. A formal contract review meeting should be held with an action plan which addresses points raised by all stakeholders to ensure that these are met as part of the extension to contract.
- 6.2 The recommendation is be caveated with Deloitte that appointment to the second 12 months is subject to review in the context of the progress of the creation of an Accountable Care Trust and that they will be kept informed of the organisational form progress through the regular meetings with the Director of Finance.
- 6.3 The Council of Governors is requested to note that the above recommendation was endorsed by the Governance Committee at its meeting held on 26 June 2017.

1. Introduction

The Stockport NHS Foundation Trust (“the Trust”) is seeking to appoint external auditors for a minimum period of three years commencing 1st October 2014. This statutory audit appointment is for the audit of both the Foundation Trust and its associated registered charity.

The Trust is a public benefit corporation. That is it is an NHS Foundation Trust which received its Terms of Authorisation from Monitor (the Independent Regulator) on 1st April 2004.

Stockport NHS Foundation Trust provides hospital services for children and adults across Stockport and the High Peak, as well as community health services for Stockport, Tameside and Glossop.

Stepping Hill Hospital treats over 500,000 patients per year and community health services are run across 24 sites in Stockport and 17 sites in Tameside and Glossop.

The Trust’s turnover for 2014/15 is forecasted to be £292m and the Trust employees approximately 5,000 staff. In March 2014 the Trust retained the top ranking (band six) in the Care Quality Commission (CQC) intelligent monitoring update report.

The Trust recorded a surplus of £1.8m (£2.6m before impairments) in 2012/13 and has a strong track record for financial standing ending the 2013/14 financial year with an expected COSRR of 4 under Monitor’s Risk Assessment Framework.

The Trust maintains all its transactions systems in-house including, General Ledger, Accounts Payable Services and Payroll.

Internal Audit services and Counter Fraud Services are currently provided by Mersey Internal Audit Agency, a consortium body hosted by a third party NHS organisation following an OJEU Procurement exercise carried out in 2013.

Further background information is available on the Trust’s website www.stockport.nhs.uk.

2. Services Required

The Stockport NHS Foundation Trust requires an effective, professional and comprehensive external audit service, so that the Trust complies with its various statutory obligations.

The external auditors will be appointed, in the first instance, for three years to cover the accounts for the financial years 2014/15, 2015/16 and 2016/17 from 1st October 2014. There will be the possibility of an extension of a further two years to cover the accounts for the financial years 2017/18 and 2018/19.

The Board of Governors of the Trust (“the Governors”) will appoint the external auditors. The main responsibility of the external auditors is to provide an opinion on the Trust’s Annual Accounts and those of its associated registered charity, which will encompass the following work:

- 2.1 To be satisfied that the accounts of the Trust comply with Schedules 7 and 10 of the NHS Act 2006 and directions from Monitor including the Foundation Trust Annual Reporting Manual and relevant requirements of the Charities Commission as applicable.
- 2.2 To be satisfied that the accounts comply with the requirements of all other provisions contained in, or having effect under, any enactments applicable to the accounts.

- 2.3 To assess the quality and soundness of the system of control, test the degree of compliance with controls and evaluate, where necessary, the effect of non-compliance and the accuracy of information derived from the system of control.
- 2.4 Carry out analytical review of the financial statements and working papers.
- 2.5 To be satisfied that proper practices have been observed in compiling the accounts.
- 2.6 To be satisfied that proper arrangements have been made for securing economy, efficiency and effectiveness (value for money) in the Trust's use of resources.
- 2.7 To comply with any directions given by Monitor as to the standards, procedures and techniques to be adopted.
- 2.8 To comply with Monitor's Audit Code for NHS Foundation Trusts.
- 2.9 In exceptional circumstances, consider the need for issue of a public interest report.
- 2.10 To certify the completion of the audit.
- 2.11 To provide a report to those charged with governance of the Trust.
- 2.12 Fulfil the requirement of the Quality Accounts assurance, demonstrating a capacity to deliver this flexibly as the requirements for these audits evolve. The External Auditor must be satisfied that the Quality Accounts are prepared in compliance with the requirements of Monitor's NHS Foundation Trust annual reporting manual and in doing so provide a high quality report including findings and conclusion.

The external auditors are also expected to provide the following support to the Trust:

- 2.13 To attend at least 5 meetings per annum of the Trust's Audit Committee (held quarterly with an additional meeting for final accounts purposes), and to meet annually, in private, with members of the Audit Committee. External Audit will be required to provide a report on progress with their audit plan at each of these meetings.
- 2.13 To attend any extraordinary meeting as required by the Trust, the Trust's Audit Committee or its Board of Governors.
- 2.14 To attend at least one meeting of the Board of Governors per annum and the Annual Members Meeting (the external auditor is invited to all the Governors meeting).
- 2.15 To provide advice to Trust Officers and the Audit Committee as regards changes in financial and accounting practices and other related matters.

The external auditors will be required to develop and plan their audit work to fulfil the above requirements. In doing so it is expected that:

- 2.16 The External Auditors will use a risk based approach to prepare a rolling three-year Strategic Audit Plan. The draft Strategic Audit Plan should be submitted to the Audit Committee for discussion and agreement no later than the start of each financial year, with the exception of the first year when the initial plan will be discussed at the first Audit Committee following appointment. The Strategic Audit Plan shall identify in outline the planned depth of coverage and the resources to be allocated both in terms of time and in terms of the qualifications and experience of the staff undertaking the audit assignments in line with the Audit Code for NHS Foundation Trusts.
- 2.17 The External Auditors will also at the same time prepare an annual Operational Audit Plan, to be submitted to the Audit Committee for discussion and agreement. The annual Operational Audit Plan should conform to the outline of the three-year Strategic Audit Plan, whilst providing more detailed information on the scheduled of audit work, explaining any proposed variations from the original audit strategy.
- 2.18 It is expected that these audit plans will apply the principles of the "Managed Audit" wherever possible; including close co-operation with Managers and Directors and

integration with internal audit, to maximise the effectiveness of the overall governance and audit procedures.

External Audit is further required to:

- 2.19 Ensure the Annual Report produced by the Trust is consistent with the financial information presented by the Trust.
- 2.20 Review the completeness of the Statement of Internal Control in meeting the relevant requirements, and identifying any inconsistencies between these disclosures and the external auditors' work on the financial statements and other work.
- 2.21 Comply with any requests from the Clinical Quality Commission or Monitor to undertake performance reviews at the Trust to facilitate and support any mandated audit exercises.

3. Management of Audit Staff

External Audit shall assign staff with the appropriate qualifications and skills to undertake the External Audit process. Appropriately qualified staff shall perform all planning and reporting processes. These qualified staff shall be named and details of relevant qualifications should be provided with tender documentation.

These named staff shall not be changed except with the approval of the client, which will not be unreasonably withheld. Any costs associated with changing of named staff or bringing new staff up to the level of understanding of the replaced staff shall rest with the contractor.

External Audit shall ensure that an appropriate staff-mix ratio of qualified staff to unqualified/trainee audit staff is maintained throughout the duration of the Contract period.

External Audit shall ensure that all audit staff rigorously maintain standards to be expected from members of the profession and that they have special regard to any guidelines issued by the Auditing Practices Board of the CCAB.

External Audit shall ensure that junior audit staff are adequately supervised and provided with suitable training and development opportunities before they engage in assignments on site.

4. Evidence and Reporting

The External Auditor should obtain sufficient, relevant and reliable evidence on which to base conclusions and recommendations.

The External Auditor should ensure that findings, conclusions and recommendations arising from each audit assignment are communicated promptly to the appropriate level of management and actively seek a response. They should ensure that arrangements are made to follow up audit recommendations and to monitor the effectiveness of action taken.

5. Key Performance Indicators

In accordance with the Contract Specification document, the performance on External Audit services will be assessed from time to time by reference to the following Key Performance Indicators. This list may be amended from time to time in agreement with the External Auditor.

A Quality Assurance

- A1 Compliance with mandatory audit standards and professional standards prescribed by the main accountancy bodies.
- A2 Commitment to training and development of audit staff.
- A3 Use of the latest techniques in audit work, e.g. statistical sampling, use of IT, etc.

B Achievement of Planned Audit-Day Targets

- B1 The total approved audit-days in the annual Operational Audit Plan and three-year Strategic Audit Plan will not be exceeded.

C Reporting Arrangements

- C1 Clarity of style, avoidance of jargon and concise explanation of the issues are required in all Audit Reports.
- C2 Quality of Audit Reports – the information provided should be relevant, practical and timely.
- C3 Proper consultation / liaison with managers should take place in the preparation and following-up of all Audit Reports.

D Staffing and Supervision

- D1 All staff assigned to the tasks deemed necessary for the provision of the services have been selected, with due regard being paid to their qualifications, experience and technical ability.
- D2 All audit work is properly controlled, monitored and reviewed by audit management.

E Audit Protocol and response times

- E1 Proper conduct of audit assignments.
- E2 Regular communications and effective interaction with managers.
- E3 Professionalism demonstrated on audit assignments.
- E4 All general enquiries and requests for assistance shall receive a response within two working days.

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Report of the Governance Committee

1. Present

Governor Members Les Jenkins (Chair) Eve Brown Roy Greenwood Robert Cryer Gerry Wright	Governors Also Present Tom McGee Isabel Daniel Non-Executive Directors Nil	Trust Representatives Paul Buckingham
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2. Meetings held on

A meeting of the Committee was held on 18 September 2017 and a quorum of members was present. The Chair and Chief Executive were unable to join the meeting due to their attendance at a national Winter Preparation event in London.

3. Agenda Items

1. CEO Updates
2. Update on CEO & NED Recruitment
3. Governor Committee Arrangements
4. Holding to Account - Definition
5. Audit Committee - Governor Observation

4. Issues to be brought to the attention of the Council of Governors

1. CEO Updates

Mr P Buckingham provided the Committee with updates on the following subject areas:

- Emergency Department Performance
- CQC Inspections
- Strategic Programmes

2. Recruitment Update

Mr P Buckingham briefed the Committee on progress with plans for recruitment of an Interim Chief Executive and the Committee noted the intention that an appointment would be made to facilitate a comprehensive handover with Mrs A Barnes. Mr P Buckingham advised that, should the identification and interview of prospective candidates prove successful, there was potential that approval for an appointment could be sought at the Council of Governors meeting on 9 October 2017.

Mr P Buckingham advised of the need to progress recruitment of a Non-Executive Director to replace Mr J Sandford and noted that two scheduled meetings of the Nominations Committee had been cancelled. The Committee endorsed the need for

the Nominations Committee to meet as a matter of urgency and noted the importance of succession planning for the remainder of the Non-Executive Director cohort.

3. Governor Committee Arrangements

The Committee considered a report which proposed an adjustment to the arrangements for the current Council of Governors Committees. The Committee gave careful consideration to the proposals and agreed that the merger of the Governance and Membership Development Committees would provide a practical means of addressing both low levels of attendance and consideration of meaningful agendas. The Committee also agreed that the current Patient Safety & Quality Standards Committee should be separated into a Patient Experience Committee and a Quality Standards Committee. This development should satisfy the high level of Governor interest in these areas while facilitating more efficient conduct of business with fewer individuals present at meetings. Consequently, the Committee recommended the proposals to the Council of Governors for approval. The Committee also proposed that arrangements be made to provide training for the Chairs of Governor Committees.

4. Holding to Account – Definition

The Committee considered a report which detailed a draft definition of the means by which the Council of Governors holds the Non-Executive Directors to account. The Committee noted that the draft definition had been prepared following discussion on this subject at a 'Ways of Working' session held on 24 July 2017 and endorsed the document as a positive development. Subject to an amendment to reflect Governor access to the Chair and Senior Independent Director (SID), the Committee recommended the draft definition to the Council of Governors for adoption and incorporation in the Council of Governors Roles & Responsibilities document.

5. Audit Committee – Governor Observation

Another development which resulted from the 'Ways of Working' session on 24 July 2017 was the trialling of Governor Observation of Audit Committee meetings following an offer from Mr J Sandford, Chair of Audit Committee. The Committee considered a report on this subject and agreed that a rota of observers should be drawn from the members of the Governance Committee, in the same way that observers of the Quality Assurance Committee are drawn from members of the Patient Safety & Quality Standards Committee. The Committee also endorsed a proposal from the Director of Corporate Affairs that Governor Observers should document their observations on an appropriate pro forma to provide a record of observations which will be periodically shared with members of the Council of Governors. A copy of the pro forma is included for reference at Annex A to this report.

COMMITTEE OBSERVATION – GOVERNORS

Governor Name:

Committee:

Date:

Were all Non-Executive members present?

Was the meeting chaired effectively?

Did all Non-Executive Director members participate and challenge constructively?

Did the meeting overall appear to be effective?

Any other observations?

Please return completed form to Mr P Buckingham.

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Report of the Patient Safety and Quality Standards Committee

1. Present

Governor Members	Governors Also Present	Trust Representatives
Mrs L Auger (in the Chair)	Mrs Y Banham	Mrs A Barnes
Mrs L Appleton	Mrs E Brown	Mr P Buckingham
Dr R Catlow	Mrs M Harrison	Mrs S Curtis
Cllr L Dowson	Mr L Jenkins	Mr P Gordon
Mrs L Woodward		Mrs R Holt
Mr G Wright	Non-Executive Directors	Mrs C Marsland
	Dr M Cheshire	

2. Meetings held on

A meeting of the Committee was held on 3 August 2017.

3. Agenda Items

1. Deep Dive Analysis – Freedom to Speak Up
2. CQC Action Plan
3. Quality Assurance Committee – Key Issues Report
4. Clinical Governance Report

4. Issues to be brought to the attention of the Council of Governors

1. Deep Dive Analysis – Freedom to Speak Up

Mr P Gordon, Freedom to Speak Up Guardian (FTSUG), delivered an informative presentation on the Trust's Freedom to Speak Up arrangements. The Committee noted that the FTSUG role had been established following the Francis Inquiry and was advised that the post holder was responsible for offering independent and confidential advice to staff and identifying themes and trends with a view to informing the organisation. Committee members noted assurance that the Trust had an avenue for staff to use if they were aware of any risks to patient safety.

2. CQC Action Plan

Mrs R Holt, Interim Director of Nursing, provided a verbal update to the Committee with regard to progress against the CQC Action Plan. She advised the Committee of the introduction of weekly ward safety walkabouts which Governors would be invited to participate in. It was noted that other participants in the walkabouts included Non-Executive Directors, Executive Directors and clinical staff. The Committee thanked Mrs R Holt for the update and noted the support of the Council of Governors in this area.

3. Quality Assurance Committee – Key Issues Report

The Committee considered a report which detailed Key Issues arising from a meeting of the Quality Assurance Committee held on 18 July 2017. Mrs L Auger had been the Governor observer at this meeting. Dr M Cheshire briefed the Committee on the content of the report and noted that the main focus of the meeting had been on the CQC Action Plan.

4. Clinical Governance Report

The Committee considered the Clinical Governance Reports for May and June 2017 which provided details of lessons learned and changes to practice following incidents within the Trust.