NHS
Stockport
NHS Foundation Trust

COUNCIL OF GOVERNORS MEETING

25 OCTOBER 2018

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Council of Governors bundle - 25 October 2018

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Stockport NHS
NHS Foundation Trust

Meeting of the Council of Governors
Thursday, 25 October 2018

Held at 4.00pm in the Lecture Theatres, Pinewood House, Stepping Hill Hospital

AGENDA

Time			Enc	Presenting
1600	**1.**	Apologies for Absence		
	2.	Amendments to Declarations of Interests		
1605	**3.**	Minutes of previous meeting: ▪ 25 July 2018 ▪ 1 October 2018	✓	**A Belton**
1610	**4.**	Chair's Report	*Verbal*	**A Belton**
1615	**5.**	Chief Executive's Report	*Verbal*	**H Thomson**
1625	**6.**	Revised Trust Strategy Report	✓	**H Mullen**
1655	**7.**	Medium Term Financial Strategy	✓	**F Patel**
1730	**8.**	Constitution Report	✓	**P Buckingham**
1745	**9.**	Reports from Governor Committees: ▪ Governance & Membership Committee	✓	**Committee Chairs**
1750	**10.**	Lead Governor Communication	*Verbal*	**L Jenkins**
	11.	**DATE, TIME & VENUE OF NEXT MEETING**		

11.1 Wednesday, 5 December 2018, 2.00pm in the Lecture Theatres, Pinewood House.

12. Resolution:

"To move the resolution that representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to commercial sensitivity and confidentiality of patients and staff, publicity of which would be premature and/or prejudicial to the public interest"

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STOCKPORT NHS FOUNDATION TRUST
Minutes of a Council of Governors Meeting
Held on Wednesday 25 July 2018,
3.30pm in the Lecture Theatres, Pinewood House, Stepping Hill Hospital

Present:

Mr A Belton	Chair
Mrs E Brown	Public Governor
Dr R Catlow	Public Governor
Dr R Cryer	Public Governor
Mr R Greenwood	Public Governor
Mrs M Harrison	Public Governor
Mr L Jenkins	Public Governor
Mr T Johnson	Public Governor
Mr R King	Public Governor
Dr T Kondratowicz	Public Governor
Cllr T McGee	Appointed Governor
Mrs L Woodward	Public Governor
Mr G Wright	Public Governor

In attendance:

Mrs C Anderson	Non-Executive Director
Ms H Brearley	Interim Director of Workforce
Mr P Buckingham	Director of Corporate Affairs
Dr M Cheshire	Non-Executive Director
Mrs S Curtis	Membership Services Manager
Mr D Hopewell	Non-Executive Director
Mr F Patel	Director of Finance
Mr M Sugden	Non-Executive Director
Mrs H Thomson	Interim Chief Executive
Dr C Wasson	Medical Director
Mr P Thomson	Deloitte LLP
Ms H Taylor	Deloitte LLP

ACTION

19/18 Apologies for absence

Apologies for absence were received from Ms L Appleton, Ms C Barton, Cllr L Dowson, Mr R Driver, Mr A Gibson, Mr C Hudsmith, Ms C Mitchell, Ms A Smith and Mrs J Wragg.

20/18 Amendments to Declarations of Interests

There were no amendments made to the Register of Interests.

21/18 Minutes of the Previous Meeting

The minutes of the previous meeting held on 23 May 2018 were agreed as a true and accurate record of the meeting. The action log was reviewed and annotated accordingly.

22/18 Chair's Opening Remarks

The Chair welcomed colleagues to the meeting and made particular reference to Mr D Hopewell, Non-Executive Director, who was attending his first Council meeting. He reported that Prof C Galasko had resigned as a Governor as he no longer resided in the Bramhall & Cheadle constituency. On behalf of the Council of Governors, the Chair wished to thank Prof C Galasko for his contribution to the work of the Council over the past 5 years. Mr P Buckingham commented that Prof C Galasko now resided in the Outer Region constituency and was intending to stand for Governor for that constituency in this year's elections.

23/18 Chief Executive's Report

The Interim Chief Executive provided a verbal report to the Council of Governors. She advised the Council that the Care Quality Commission (CQC) System Review report had been published at the end of June 2018, following a summit which had been chaired by Cllr T McGee. She briefed the Council on the production of a resultant action plan, which would be shared with Governors once available. The Interim Chief Executive then briefed the Council of a review on Stockport Clinical Commissioning Group (CCG) which had been commissioned by the Greater Manchester Health & Social Care Partnership. She advised that, following the review, a report had been published, a summary of which had been circulated to partners this afternoon. The Interim Chief Executive provided a brief overview on the review outcomes, which included changes to the CCG Board, and advised the Council of interim arrangements.

The Interim Chief Executive then briefed the Council of Governors on the process for the forthcoming CQC Well Led Review. She advised that the review would include both unannounced and planned site visits, the latter of which was anticipated to be held sometime in the autumn. The Interim Chief Executive wished to thank Governors who had been involved in the quality improvement process, including the patient safety walkrounds. The Interim Chief Executive also made reference to other forthcoming visits, including a Use of Resources Assessment on 6 September 2018 and a General Medical Council / Health Education England North West visit on 4 October 2018.

In response to a question from Mr T Johnson, the Interim Chief Executive noted that it was not yet possible to anticipate what impact the changes to Stockport CCG would have on the Trust. She noted that, in any event, it was important to progress the Stockport Together programme at pace. Cllr T McGee endorsed these comments and also provided an overview of the changes to the CCG leadership. Mr T Johnson requested that, going forward, the Council be provided with a written Report of the Chief Executive, rather than a verbal update.

The Council of Governors:

- Noted the verbal Chief Executive's Report

24/18 Annual Report & Accounts 2017/18

The Director of Corporate Affairs presented the Annual Report & Accounts 2017/18 to the Council of Governors for information and confirmed that these had been laid before Parliament on 6 June 2018. 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 Director of Corporate Affairs advised the Council that the following documents were included at Annex B – D of the report produced by the Trust's External Auditor in relation to the Annual Report & Accounts 2017/18: Quality Report External Assurance Review; Independent Auditor's Report on the Quality Report; Independent Auditor's Report on the Financial Statements.

The Council of Governors:

- Received and noted the Annual Report & Accounts 2017/18.

25/18 External Auditor's Report

Mr P Thomson and Ms H Taylor from Deloitte LLP delivered a presentation to the Council of Governors on the 2017/18 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 and recommendations
- Local Indicator – Duty of Candour.

In response to a question from Mr T Johnson, regarding Going Concern, the Director of Finance briefed the Council on the Trust's cash position and explained payment processes in place. He noted that the Trust had consequently been able to delay the requirement for revenue support. In response to a question from the Director of Finance, Mr P Thomson noted that, had the Trust had loans agreed earlier, the modified opinions would not have been raised. He noted, however, that the Trust was not alone in these challenges. In response to a question from Mr L Jenkins, the Director of Finance advised that the interest rate for revenue support was 3.5% as standard unless the trust was in

financial special measures, in which case the rate increased to 6%.

In response to a question from the Chair, Mr P Thomson advised that the Trust should consider making the Quality Report more concise, suggesting a length of approximately 60 pages for future reports. With regard to the Referral to Treatment (RTT) indicator, the Chair commented on the systemic issues and the issue caused by multiple manual input points. Mr P Thomson acknowledged the comment, noting that the Trust was in line with other trusts regarding these issues, and commented on the importance of accurate recording, making particular reference to recording of breaches.

Mr L Jenkins commented that the External Auditor's findings had been considered at each of the Governor Committees which had been helpful. He noted that a number of Governors had felt that the graphs in the report were too small and therefore indecipherable. Mr P Thomson noted the comment and agreed to take the feedback on board for future reports. In response to a question from Mr L Jenkins, Mr P Thomson provided further clarity regarding the RTT indicator and analysis of error rates. Mr L Jenkins noted that Governors had been pleased with the outcome of the Duty of Candour indicator and wished to congratulate all involved for the positive position.

In response to a question from the Chair, who sought assurance regarding the RTT indicator, the Director of Finance advised that RTT was regularly considered at meetings of the Audit Committee. Mr P Thomson noted that Deloitte were seeking to undertake a mid-year test to give an idea of the status of the indicator. Mr M Sugden noted that, without an automated system, there was an increased likelihood that the position would not improve sufficiently in time for next year's audit. Mr R Greenwood noted that an issue relating to access to IT equipment had been raised during a patient safety walkabout.

In response to questions from Mr L Jenkins, regarding the Electronic Patient Record (EPR) system, the Director of Finance suggested that Governor representatives be invited to observe meetings of the EPR Programme Group to facilitate a better understanding. Mr L Jenkins welcomed this suggestion and commended the invitation to Governor colleagues. **FP**

The Council of Governors:

- Received and noted the presentation.

Cllr T McGee left the meeting.

26/18 Governor Discussion & Questions on Annual Report, Annual Quality Report & Annual Accounts

The Chair introduced this item and noted that it provided Governors with an opportunity to discuss the content of the Annual Report & Accounts 2017/18. In response to a question from Mr T Johnson,

regarding workforce turnover, the Interim Director of Workforce briefed the Council on recruitment and retention initiatives, including career development pathways and flexibility regarding the design of roles. In response to a further question from Mr T Johnson, the Interim Director of Workforce briefed the Council of Governors on collaborative working with Greater Manchester trusts with regard to career development and the Medical Director provided an overview on international recruitment.

In response to a question from Mrs E Brown, regarding ageing equipment, the Director of Corporate Affairs noted a challenging Capital Programme and advised that the Finance & Performance Committee had requested a risk assessment to be undertaken regarding the equipment replacement programme. He noted that the Committee had been satisfied regarding the process and the management of the risk. In response to a follow up question from Mrs E Brown, the Director of Corporate Affairs confirmed that the subject matter was included on the Trust Risk Register.

In response to a question from Mr T Johnson, regarding staff planning in the Emergency Department (ED), the Interim Chief Executive briefed the Council on the process in this area. In response to a question from Mrs E Brown, the Interim Chief Executive explained the effect school holidays had on staffing. Mr G Wright noted the positive assurance provided by a report from the Chief Nurse on quality initiatives which had been considered by the Quality Standards Committee. In response to a comment from Mr R King, the Interim Chief Executive advised that the outcomes of patient safety walkrounds were being incorporated in the quality improvement process and fed back to the appropriate staff. **CW**

Mr L Jenkins commented that the Trust had missed out on £400k of Commissioning for Quality and Innovation (CQUIN) funds and noted that the main issue had related to proactive and safe discharges. In response to a question from Mr L Jenkins, the Medical Director agreed to find out more detail about this issue and feed back to the Council. The Director of Finance noted the importance of the way in which CQUIN was profiled throughout the year. Mr G Wright noted that the Quality Standards Committee had considered a report which had highlighted a significant improvement in discharge processes. The Interim Chief Executive commented that the issue of discharging patients safely and in a timely manner was an ongoing challenge. Mr L Jenkins noted that the issue had been highlighted in the recent CQC system review and commented on the challenges relating to the availability of care homes in Stockport.

Mr T Johnson commented that, during a recent patient walkround, he had observed the complaints and compliments information on wards. He noted that it had been previously suggested that the form should be changed to incorporate complaints, compliments and comments and queried why it had taken so long to implement the change. Mr G Wright informed the Council of the development of a 'Red Bag' scheme and explained that a Red Bag, including all relevant information, would

accompany patients admitted to hospital from care homes. He advised that he chaired the Red Bag Group and noted that it was hoped that the scheme would help discharges.

The Chair wished to thank the Director of Corporate Affairs, the Finance Team and the Nursing Team for the production of the Annual Report & Accounts, noting the significant effort that had gone into the production process. In response to a question from the Chair, who queried whether there had been any lessons learnt regarding the production of the Annual Report & Accounts, the Director of Corporate Affairs commented that there was very little flexibility in terms of the production of the report as all trusts had to conform to strict NHSI guidelines. He noted, however, that there were lessons to be learnt internally, and he asked Governors to contact him if they felt that the presentation of the report could be improved to make it easier for the public to understand.

Mr L Jenkins referred to the Governor Statement which he had prepared with Mr G Wright and Mrs E Brown, with the help of the Director of Corporate Affairs. He noted that he would welcome feedback on the content, which he hoped reflected the collective view of the Council, and also requested Governor input into the preparation of next year's Governor Statement.

The Council of Governors:

- Received and noted the verbal report.

27/18 Governor Elections 2018

The Director of Corporate Affairs presented a report which advised the Council of Governors of the timetable for Governor Elections in 2018. He briefed the Council on the content of the report and advised that elections would be held in the following constituencies:

Public

- Tame Valley & Werneth (4 seats)
- High Peak (2 seats)
- Tameside (1 seat)
- Outer Region (1 seat)

Staff

- Staff (4 seats)

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 2 October 2018 and the terms of office for successful candidates would commence on the date of the Annual Members' Meeting on 4 October 2018.

The Director of Corporate Affairs was pleased to report that he had received a number of enquiries from staff and public members regarding the elections. He requested that Governors informed members of the election process and advised that prospective Governor workshops had been scheduled for 3 and 9 August 2018.

The Council of Governors:

- Received and noted the report on Governor Elections 2018.

Mr P Thomson and Ms H Taylor left the meeting.

28/18 Reports from Governor Committees

Mr L Jenkins and Mr G Wright presented reports from meetings of the following Governor Committees:

- Governance & Membership Committee
- Patient Experience Committee
- Quality Standards Committee.

During consideration of the Quality Standards Committee report, Mr T Johnson raised a number of questions regarding litigation claims. The Director of Finance provided further clarity regarding the clinical negligence insurance process, including insurance premium payments.

The Council of Governors:

- Received and noted the reports from Governor Committees.

29/18 Lead Governor Communication

Mr L Jenkins briefed the Council of Governors of his Lead Governor activities since the last meeting which included one to one meetings with the Chair and the Interim Chief Executive; attendance at Governor Committee meetings; observation of an Audit Committee meeting; preparation of the Governor Statement; and attendance at a NHS 70th birthday party hosted by Treehouse. The Chair wished to thank Mr L Jenkins for his considerable contribution as a Lead Governor, all of which was done on a voluntary basis.

The Council of Governors:

- Received and noted the verbal report.

30/18 Date, time and venue of next meeting.

The next meeting of the Council of Governors was scheduled to be held on Monday, 1 October 2018, in the Lecture Theatres, Pinewood House, commencing at 2.00pm.

31/18 Any Other Business

The Director of Corporate Affairs advised the Council of Governors of his decision to retire with effect from 28 February 2019.

Signed: _____ Date: _____

COUNCIL OF GOVERNORS: ACTION TRACKING LOG

Ref.	Meeting	Minute Ref	Subject	Action	Responsible
6/17	6 Dec 17	44/17	Report of the Chief Executive	In response to a question from Mr T Johnson, the Director of Corporate Affairs advised that the Council of Governors would receive a presentation regarding the Trust's medium-term Financial Strategy at the meeting on 16 April 2018. **Update 23 May 18** – It was noted that as the preparation of the Financial Strategy was still in progress, the presentation would be deferred to the Council of Governors' meeting in July 2018. **Update 25 Jul 18** – Mr F Patel briefed the Council on the development of a Medium Term Financial Strategy which was still commercial in confidence. He noted that the intention was for the Strategy to be presented to the Public Board meeting on 27 September 2018, following which it would be presented to the October meeting of the Council of Governors.	F Patel (Director of Finance)
2/18	23 May 18	13/18	Operational Plan	In response to a question from the Chair, the Director of Support Services agreed to consider the role Public Governors could play in helping to shape the cultural change in the community. **Update 25 Jul 18** – Mr P Buckingham agreed to follow the action up with Mr H Mullen and circulate the outcome to Governors by email.	H Mullen (Director of Support Services)
3/18	25 Jul 18	25/18	External Auditor's Report	In response to questions from Mr L Jenkins, regarding the Electronic Patient Record (EPR) system, the Director of Finance suggested that Governor representatives be invited to observe meetings of the EPR Programme Group to facilitate a better understanding. Mr L Jenkins welcomed this suggestion and commended the invitation to Governor colleagues.	F Patel (Director of Finance)
4/18	25 Jul 18	26/18	Governor Discussion & Questions on Annual Report & Accounts 2017/18	Mr L Jenkins commented that the Trust had missed out on £400k of Commissioning for Quality and Innovation (CQUIN) funds and noted that the main issue had related to proactive and safe discharges. In response to a question from Mr L Jenkins, the Medical Director agreed to find out more detail about this issue and feed back to the Council.	C Wasson (Medical Director)

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STOCKPORT NHS FOUNDATION TRUST
Minutes of a Council of Governors Meeting
Held on Monday 1 October 2018,
5.00pm in the Committee Room, Oak House, Stepping Hill Hospital

Present:

Mr A Belton	Chair
Mrs E Brown	Public Governor
Dr R Catlow	Public Governor
Dr R Cryer	Public Governor
Mr R King	Public Governor
Dr T Kondratowicz	Public Governor
Mrs L Woodward	Public Governor
Mr G Wright	Public Governor
Mrs C Barton	Public Governor
Mrs Y Banham	Staff Governor
Mrs I Daniel	Staff Governor
Mrs C Mitchell	Staff Governor
Mr T McGee	Appointed Governor

In attendance:

Mr P Buckingham	Director of Corporate Affairs
Mrs C Anderson	Non-Executive Director
Mrs H Brearley	Interim Director of Workforce

ACTION

32/18 Apologies for absence

Apologies for absence were received from Mr L Jenkins, Ms L Appleton, Mr R Greenwood, Cllr L Dowson, Mrs J Wragg, Mrs M Harrison and Mr T Johnson.

33/18 Amendments to Declarations of Interests

There were no amendments made to the Register of Interests.

34/18 Appointment of a Chief Executive

Mr A Belton presented a report seeking approval of the appointment of a new Chief Executive following interviews held on 1 October 2018. He briefed the Council on the content of the report and noted the biographies of the two candidates for interview included at Appendix 1 of the report. He then provided an overview of the Focus Group and Interview Panel process and referred Governors to the interview outcomes as summarised at s3 of the report. Mr A Belton recommended that the Council of Governors approve the appointment of Mrs L Robson as Chief Executive.

In response to questions, Mr A Belton advised that, while the Interview Panel had considered both candidates to be appointable, there had

been unanimous agreement that Mrs L Robson was the better placed of the two candidates to provide the strong leadership required by the Trust. He also noted that the decision was consistent with feedback received from each of the Focus Groups. In response to a question from Mr T McGee, Mr A Belton advised that Mrs L Robson was subject to a 3-month notice period which suggested a start date in early January 2019. He also noted that the offer of employment had been made subject to satisfactory completion of the normal recruitment checks.

In response to a question from Mr G Wright, Mr A Belton advised that the organisation where Mrs Robson was currently employed was rated as 'Outstanding'. He acknowledged that Mrs Robson would need to adapt to working in an organisation that was subject to close regulatory attention and advised that she was fully aware of the need for the Trust to get the basics right. He also noted that the appointment was supported by NHS Improvement, with Mrs L Simpson, Regional Director having been a member of the Interview Panel.

Mr T Kondratowicz remarked that it was encouraging to see the career progression experienced by both candidates over the course of their careers in the health service. In response to a question from Mrs E Brown, Mr A Belton advised that the subject of re-location had yet to be discussed and suggested that Mrs L Robson would look to rent a property locally. In response to a question from Mr T McGee, Mr A Belton noted the contrast in size between the North East system and that in Stockport but noted Mrs Robson's ambition to lead her own organisation as Chief Executive.

In response to questions from Mr T Kondratowicz, Mr A Belton advised that Mrs L Robson had expressed ideas for reducing the level of stranded patients during her interview. Mrs C Anderson advised that Mrs L Robson has an ambition for Stockport and had clearly articulated a direction of travel for both the Trust and the local system. She had demonstrated that she was both fully aware of, and undaunted by, the size of the challenge. Mrs H Brearley advised that it was evident that both candidates had prepared thoroughly for the interview process. Mr A Belton advised that, in the unlikely event that Mrs L Robson withdrew from the process, the Trust would seek to appoint the unsuccessful candidate. He noted that it had been the unanimous view of the Panel that both candidates were appointable.

In response to questions regarding a public announcement, Mrs H Brearley noted that matters for clarification meant that a public announcement would not be made until 4 October 2018. Mr A Belton requested that those present maintain the confidentiality of the appointment decision until the public announcement was made.

The Council of Governors:

- Approved the appointment of Mrs L Robson as Chief Executive.

35/18 Date, time and venue of next meeting.

The next meeting of the Council of Governors is scheduled to be held on Thursday, 25 October 2018, in the Lecture Theatres, Pinewood House, commencing at 4.00pm.

Signed: _____ Date: _____

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Report to:	Council of Governors	**Date:**	25 October 2018
Subject:	The Trust Strategy		
Report of:	Director of Support Services	**Prepared by:**	Hugh Mullen

REPORT FOR DISCUSSION

Corporate objective ref: Strategic Objective Number 1	**Summary of Report** *Identify key facts, risks and implications associated with the report content.* The Board of Directors considered a Refreshed Trust Strategy at its meeting on 27 September 2018 with a view to approval of commencement of a 3 month consultation period. The Board approved the revised Strategy document. The consultation, which will seek views from both internal and external stakeholders, commenced on 1 October 2018.. The Council of Governors meeting provides an opportunity to seek views from Governors at this relatively early stage of the consultation process.
Board Assurance Framework ref:	
CQC Registration Standards ref:	
Equality Impact Assessment: ☐ Completed ☐ Not required	

Attachments: Annex A – Revised Trust Strategy

This subject has previously been reported to:

☒ Board of Directors	☐ PP Committee
☐ Council of Governors	☐ SD Committee
☐ Audit Committee	☐ Charitable Funds Committee
☒ Executive Team	☐ Nominations Committee
☐ Quality Committee	☐ Remuneration Committee
☐ F&P Committee	☐ Joint Negotiating Council
	☐ Other

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Refreshed Trust Strategy:
A New Strategic View

2018-2022

Consultation Document

1. VERSION CONTROL

Document Version	Change	Approval
V1.0 071018	Comments from Colin Wasson, Alison Lynch, John Killeen, Paddy Fox and Helen Bennett	DRAFT
V2.0 111018	PMO QA Check	DRAFT

2. EXECUTIVE SUMMARY

This is the strategy for the future of Stockport NHS Foundation Trust (FT). It describes the intended place and role of the Trust in the local and regional health and social care system as well as the Trust's updated vision, mission, priorities, aims and objectives.

The purpose of this document is to determine for the Trust, the strongest possible strategy for the local population and the Trust. There are significant services that we are incredibly proud of that we will continue to develop. Where there are further developments required, we will work with our community and our partners to support better patient care.

The Trust provides the full range of district general hospital (DGH) services for children and adults across Stockport and the High Peak, as well as community health services for Stockport. As an associate teaching hospital, we are also proud to provide excellent facilities to support doctors in training, student nurses, trainee nurse associates and allied health professionals (AHP) for the future. We aim to be an employer of choice that provides great training and is an enjoyable place to work.

The Trust's vision, mission, priorities, aims and objectives will guide the organisation over the medium term and help its decision making. The successful delivery of these priorities, and the supporting strategic objectives will be a guide for the success of the organisation. The Trust's strategy is:

- To continue to meet the needs of the local population while maintaining high quality clinical services and financial sustainability
- To remain committed to delivering all clinical services expected from a DGH, either directly or through collaboration with our partners
- To drive the Trust as a specialist Healthier Together site providing elective and non-elective inpatient surgery and actively support clinical service provision links
- To be ready and equipped to take a strong role in the South East sector of Greater Manchester (GM) and within the East Cheshire Locality
- To be committed to the integrated agenda of Stockport Neighbourhood Care to deliver seamless care services, between primary, secondary, mental health and social care to the population of Stockport.

To deliver this strategy the Trust has refreshed our enabling strategies and provided greater clarity on how we will deliver clinical services in the future. Alongside partner organisations in our community, the Trust's clinical leaders advocate seamless care that wraps around the needs of our patients enhancing their quality of life.

The Trust recognises that the delivery of the strategy is both critical and challenging. As we aspire to excellence throughout the organisation we will support colleagues to make the changes that are

required. We believe that we can deliver the strategy and implement the transformation programme.

Working together we will provide safe, high quality, integrated care to people through a range of excellent, accessible health and social care services.

3. INTRODUCTION AND PURPOSE OF THIS DOCUMENT

The aim of this document is to ensure clarity of purpose and outline the direction of travel of the Trust for the organisation's workforce, our partners and the Board of Directors.

The strategy provides the vision for the future of the Trust. It describes the intended place and role of the Trust in the local and regional health and social care system as well as the Trust's updated vision, mission, priorities, aims and objectives.

The purpose of this document is to self-determine for the Trust the strongest possible strategy for the local population and the Trust. There are significant services that we are incredibly proud of that we will continue to develop. Where there are further developments required we will work with our community and our partners to support better patient care.

The Trust has patients at the core of everything that we do; this has not changed. Our dedicated workforce is crucial to delivery of the strategic and operational work programmes; this has not changed.

For the Trust to succeed it is crucial, both within the Trust and through established partnerships, that our collective purpose is aligned. We must work together with external health and social care organisations in ways which:

- Contribute to the improved health and wellbeing of the population
- Reduce avoidable admissions to hospital
- Secure further efficiencies and increases in productivity.

The new strategic approach for the Trust is one of cohesion and cooperation.

4. THE TRUST WITHIN OUR COMMUNITY

4.1. THE TRUST

The Trust provides the full range of DGH services for children and adults across Stockport and the High Peak, as well as community health services for Stockport. As an associate teaching hospital, we are also proud to provide excellent facilities to support doctors in training, student nurses, trainee nurse associates and allied to health professionals for the future. We aim to be an employer of choice that provides great training and is an enjoyable place to work.

Our main hospital is the Stepping Hill site which receives around 500,000 patients every year, in addition with community services delivered through 24 health centres and people's homes.

We also run specialist units including the Devonshire Centre for Neuro-Rehabilitation, the Bluebell palliative care ward at The Meadows and Swanbourne Gardens respite facility for children and young people with severe disabilities.

We are the second largest employer in Stockport, with approximately 5000 highly-skilled, committed and award-winning employees. Our annual budget is circa £300 million.

As a Foundation Trust we have a Board of Governors who are the voice of the local community, the majority of whom are elected from our public membership.

We are now one of four specialist centres, as part of the Healthier Together decision, for emergency and high risk general surgery in GM.

4.2. OUR POPULATION

Health and Wellbeing in and around the Stockport and High Peak areas

Stockport has a current population of 289,000 people. 1 in 3 adults have three or more lifestyle risk factors and 15% report low mental wellbeing. There are at least 93,500 with one or more long term health conditions.

- Over half the population as a whole are not active enough. More than 200 deaths a year could be prevented if every adult met the recommended target.
- 64% of the population are overweight or obese.
- Hypertension is the most common long term condition with 44,700 having it on their medical record.
- Life expectancy is increasing and is similar to the overall England average for both men and women.
- Those in the more deprived areas have worse health and wellbeing than residents in the rest of Stockport.

Health inequalities - Stockport

Overall, Stockport is similar to the national average for deprivation (access to resources and opportunities), although it includes some of the most affluent areas and least deprived in the country. It also has some of the most deprived areas. While the length of time people can expect to live (life expectancy) has improved in all areas of Stockport over the past 20 years; marked inequalities (differences) still remain. We are the 5th most polarised local authority in England.

The main causes of death are heart disease, cancer and respiratory (lung) disease, which together make up three out of every four (75%) deaths. These diseases link strongly with poor lifestyle choices, such as smoking, excess alcohol, poor diet and not living an active life. There are also inequalities that are linked with mental wellbeing in Stockport. Reducing inequalities in health is a key priority for Stockport.

Health inequalities – High Peak

The health of the people of High Peak is generally better than the England average. Deprivation levels are low and life expectancy for men is higher than the average for England. However, rural deprivation is often hidden by traditional indicators, so there may be more deprivation than people are able to measure.

Health inequalities – Tameside and Glossop

The life expectancy for men and women in Tameside and Glossop remains below the average for England. As with Stockport, some of the lowest rates of life expectancy are found in the most deprived areas.

An ageing population and increasing levels of long-term health conditions

People's health is generally improving, but the demand for NHS services continues to rise. Many people are now living with one or more long-term conditions (e.g. asthma, diabetes, dementia), so they need more NHS care. All of the areas served by the Trust are experiencing a population that is ageing with increasing life expectancy. Often older people need more health care than younger people.

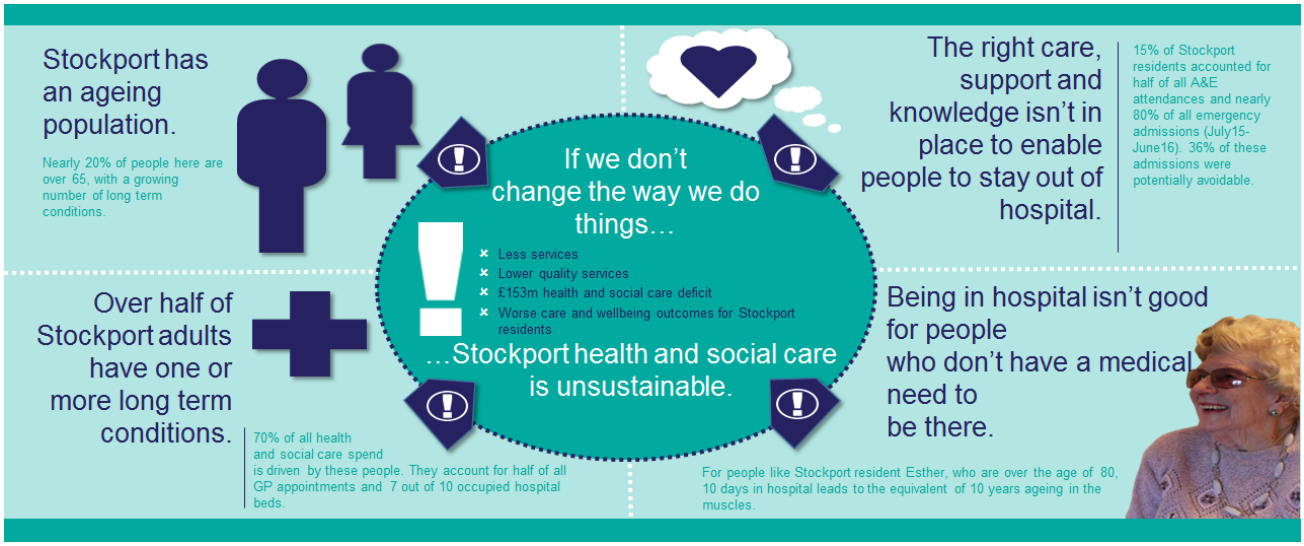
This increased need for NHS care is happening at a time when the range and type of medical care is developing very fast. This means that we are able to treat people who in previous generations would have died or been handicapped. But often these new treatments are costly.

4.3. OUR COMMUNITY

As part of the Stockport Neighbourhood Care partnership, we are at one of the most exciting and transformative points in our history. The partnership brings Stockport's providers of primary and secondary health and social care services together, as part of a formal alliance, to deliver integrated services closer to people's homes.

Figure 1 graphic gives an overview of our population and some of the key population needs.

Figure 1: Overview of our population



The Trust also sits within the Sustainable Transformation Plan (STP) footprint of GM and will be part of future development towards an Integrated Care System; a devolved health and care system.

5. YOUR HEALTH. OUR PRIORITY.

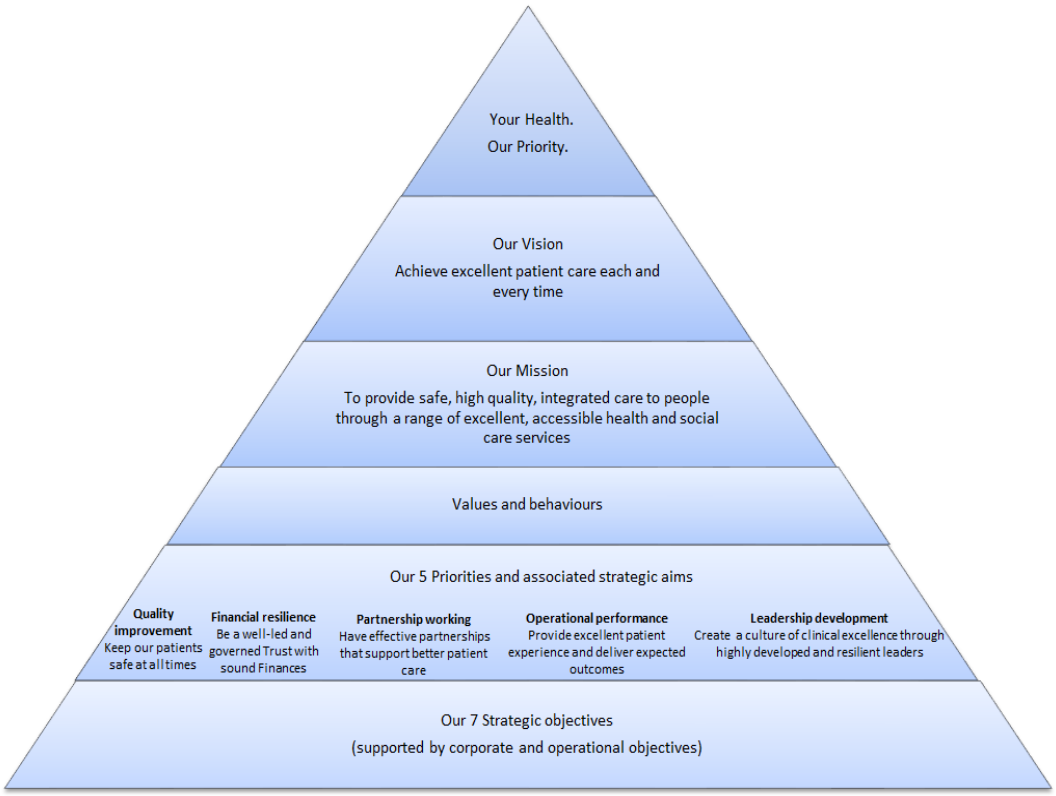
As part of reviewing the Trust's strategic position, an exercise was undertaken to review and update some of the Trust's corporate information. (Refer to Figure 1)
The updates carried out were as follows:

- **Brand statement:** An overall succinct message used on materials that remains unchanged
    - Your Health. Our Priority.
- **Vision:** The ambition for our organisation
    - Achieve excellent patient care each and every time.
- **Mission:** The purpose of the Trust
    - To provide safe, high quality, integrated care to people through a range of excellent, accessible health and social care services.
- **Strategic priorities and associated aims:** The main priorities of the Trust
    1. Quality improvement: Keep our patients safe at all times
    2. Financial resilience: Be a well-led and governed Trust with sound finances
    3. Partnership working: Have effective partnerships that support better patient care
    4. Operational performance: Provide excellent patient experience and deliver expected outcomes
    5. Leadership development: Create a culture of clinical excellence through highly developed and resilient leaders.
- **Strategic objectives:** A small set of longer term objectives based on the aims
    - Refer to Appendix 11.1 for a list of the recently approved 7 strategic objectives.
- **Corporate objectives:** these sit under the strategic objectives for the 12 months ahead
    - Refer to Appendix 11.1 for a list of the recently approved objectives for 2018/19.
- **Values and behaviours:** These were identified as still relevant and therefore were not identified for review. These values and behaviours remain as: Quality and Safety; Communication; and Service. Please refer to the Appendix 11.2 for further information.

It is important to underline that staff are encouraged to demonstrate the values through safe, high quality, compassionate care and support an environment that is fit for purpose and offers a positive experience. We pride ourselves on excellent service that is effective, efficient and encourages innovation.

As part of the consultation exercise (see Appendix 11.3) on this document the Board of Directors are keen to receive feedback on the updated areas in Figure 2 in order that staff have an opportunity to influence the final version.

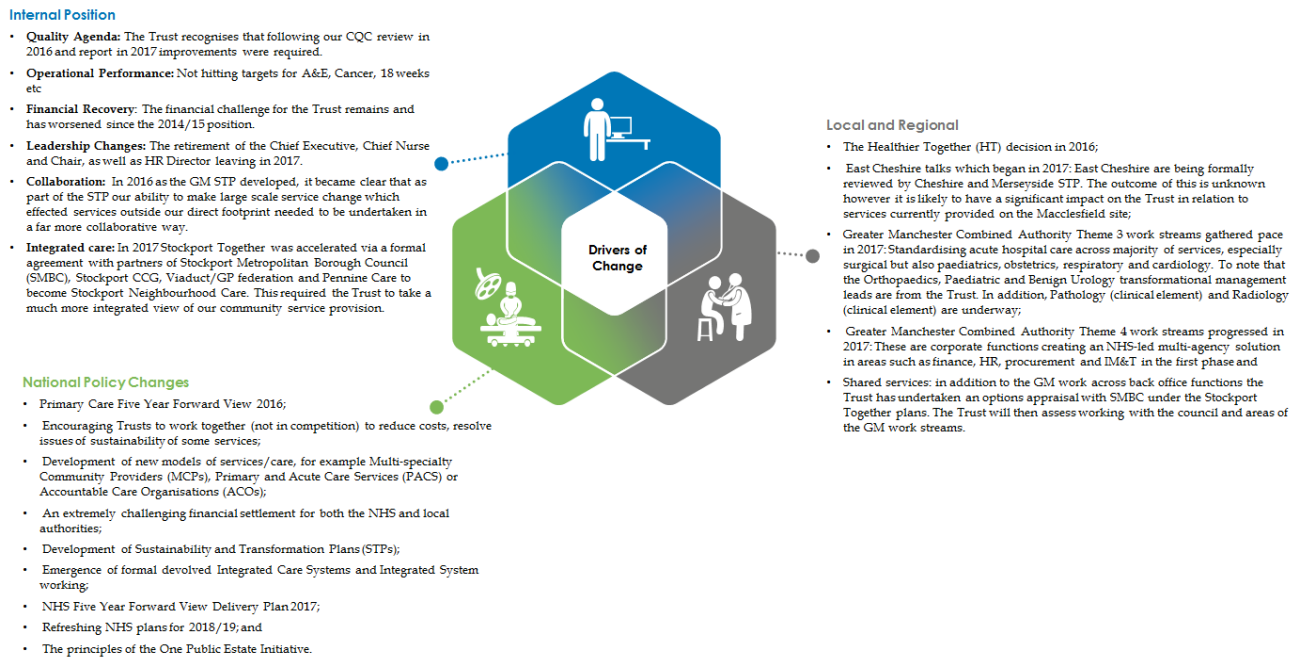
Figure 2: Our Vision, Mission and Statements



6. WHY WE ARE REFRESHING OUR STRATEGY: DRIVERS OF CHANGE

In 2017/18, the Board of Directors requested a review of the Trust's Strategy which was approved in 2015. This was to take into account a number of significant changes that it was believed will impact the Trust. These changes were: internal changes; local and regional changes; and national policy changes. (Refer to Figure 3)

Figure 3: Drivers for change



The new strategic view has been developed to meet the opportunities provided by these factors.

7. HOW WE HAVE DEVELOPED A NEW STRATEGIC VIEW

Taking into consideration the factors described in Figure 3, the Board of Directors have developed a new strategic view via Board meetings, reviewing the significant changes that have occurred since 2014/15 and updated the Trust's vision, mission, priorities, aims and objectives. The information received from the staff consultation exercise in 2017 has also been taken into account.

The intention is that this consultation document will be shared with internal and external stakeholders to obtain their input. This will include clinical and non-clinical colleagues. Once feedback is received from our stakeholders, the Board of Directors will formally reconsider the document and its content. (See Appendix 11.3)

All detailed service changes and the impact of all strategic development programmes will be explored in a supporting clinical services plan, which will underpin this strategy.

In addition, in order to ensure that all corporate developments align, the Board of Directors have requested that the following enabling and supporting strategies (in no particular order) are reviewed by the responsible Executive Director to ensure planning congruence:

- Quality governance framework
- Risk management strategy and associated framework
- Patient experience strategy
- Quality Improvement Plan
- Nursing, midwifery and AHP strategy
- Dementia strategy
- Digital strategy
- Estate strategy
- Financial strategy
- Organisational Development strategy
- People strategy
- Communications strategy
- Patient Experience Strategy (to be developed).

8. THE TRUST STRATEGY

The Board of Directors have developed the following new strategic view in terms of the internal and external environment and our role in that changing environment. Refer to Figure 4

Figure 4: The internal and external environment

The Trust's new strategic view has patients at the core of everything that we do; this has not changed. Our dedicated workforce is crucial to delivery of the strategic and operational work programmes; this has not changed.

The Trust's strategic priorities will guide the organisation over the medium term and help its decision making. The successful delivery of these priorities and the strategic objectives which support them will be a guide for the success of the organisation. The Trust's strategy is:

- To meet the needs of the local population while maintaining high quality clinical services and financial sustainability.
- To remain committed to delivering all clinical services expected from a DGH, either directly or through collaboration with our partners.
- To drive the Trust as a specialist Healthier Together site providing elective and non-elective inpatient surgery and actively support clinical service provision links.
- To be ready and equipped to take a strong role in the South East sector of GM and within the East Cheshire Locality
- To be committed to the integrated agenda of Stockport Neighbourhood Care to deliver seamless care services, between primary, secondary, mental health and social care to the population of Stockport.

8.1. THE TRUST'S STRATEGIC PRIORITIES

The Trust has agreed five strategic priorities. These represent the strategic aims of the organisation over the medium to long term and will be used to guide the Trust's decision making. These priorities are:

- **Quality Improvement:** Keep our patients safe at all time
- **Financial Reliance:** Be a well led and governed Trust with sound finances
- **Partnership Working:** Have effective partnerships that support better patient care
- **Operational Performance:** Provide excellent patient experience and delivery expected outcomes
- **Leadership Development:** Create a culture of clinical excellence though highly developed and resilient leaders.

Given these strategic priorities, the Trust has taken the strategic view that the following areas are critical to focus on and vital to continue to develop detailed plans:

- Reliance and Improvement (getting the basics right)
- Delivering clinical services that service the needs of our local population
- Stockport Neighbourhood Care
- Healthier Together implementation
- Trust's role in the GM STP and emerging Integrated Care System.

8.2. RESILIENCE AND IMPROVEMENT (GETTING THE BASICS RIGHT)

The Board of Directors have underlined the need for the organisation to focus on getting the basics right by building on the fundamentals across the organisation.

Getting the core elements of our clinical and non-clinical activities right is essential in order for us to realise our vision of: achieving excellent care each and every time. We continually drive towards a culture of articulating expectations and ensuring accountability and compliance.

The Trust's ability to 'get the basics' right is a key determinant of our ability to drive a longer term strategic vision for the Trust. We have made good progress on this aspect, which we consider critical.

8.3. CLINICAL SERVICES THAT SERVE THE NEEDS OF OUR POPULATION

The Trust will continue to meet the needs of its local population by delivering high quality, high performing and sustainable clinical services. This will require both clinical and non-clinical services within the Trust to continue to transform opportunities and threats. Continued active engagement with our partners in the local and regional care community will help to mitigate potential future threats.

As stated earlier the Trust is committed to:

- Meeting the needs of the local population while maintaining high quality clinical services and financial sustainability.
- Delivering all clinical services expected from a DGH, either directly or through collaboration with our partners.
- Driving the Trust as a specialist Healthier Together site providing elective and non-elective inpatient surgery and actively support clinical service provision links.
- Being ready and equipped to take a strong role in the South East sector of GM and within East Cheshire
- The integrated agenda of Stockport Neighbourhood Care to deliver seamless care services, between primary, secondary, mental health and social care to the population of Stockport.

There are a number of improvements anticipated to our clinical services moving forward which the Trust will need to respond to internally. These include:

- **Urology:** The confirmed transfer of specialist Urology Cancer to the Wythenshawe and Christie sites
- **Neuro-rehabilitation:** There is consensus to move to a single provider model. Our service provided at the Devonshire is therefore anticipated to transfer to another provider however this is subject to approval and confirmation through formal GM Combined Authority (GMCA) governance processes
- **Breast surgery:** The clinical model is not yet developed but we will need to continue to align to a screening site (currently East Cheshire) and there is potential that surgical services could move to a larger hub
- **Musculoskeletal and Orthopaedics:** The likely direction of travel is to consolidate high volume arthroplasty work on a number of hub sites with highly specialist work such as reconstruction, in designated centres. Given our current service we would aspire to be one of the hub sites
- **Pathology:** The Pathology programme has identified the need for greater consolidation within GM. The Trust expressed a desire to be an early adopter of any consolidation to mitigate risks
- **Radiology:** The procurement of a new GM wide Picture Archiving Communication system (PACs) is the primary focus for the radiology programme. This is a seen as a key enabler to further transformation.

Other significant programmes in earlier stages of development are: Paediatrics; Obstetrics; Cardiology; Respiratory; and Critical Care and Anaesthetics.

Additionally, a number of internal programmes are already underway which include:

- The use of national tools such as Getting it Right First Time (GIRFT) and the Model Hospital to undertake detailed service reviews to understand actions taken to ensure future sustainability

- Bed Reconfigurations: A key opportunity for the Trust to reconfigure and reduce in bed stock by c.74 beds outside of any service reconfiguration / changes.
- Continued progress towards delivery of 7 day working which is expected to be in place by 2020.

8.4. STOCKPORT NEIGHBOURHOOD CARE

The Board of Directors are committed to working with our local partners to deliver the Stockport Neighbourhood Care (SNC), formally known as Stockport Together. This new model of care will be fundamental to future financial sustainability.

The Stockport NC vision is: to provide a joined up, high quality, sustainable, modern and accessible health and care system. This aligns to our corporate Trust vision, mission and priorities.

The new model of care addresses the challenges of rising demand, supporting the growing number of people with complex and long-term conditions and the root causes of the financial challenges of Stockport. To this end, there are a range of approaches to support the health and wellbeing of the 85% of the local population without chronic health needs, and intensive, highly integrated approaches for the 15% of the population with chronic health needs who are most at risk of a hospital intervention or long term care. We are segmenting the care needs of the population and differentiating interventions.

The four key underpinning concepts within the Neighbourhood Care business cases are:

- Invest £19.7m recurrently over the next four years largely in those 'out of hospital' areas that benchmark as either low or very low: primary care, community, social and mental health care
- Implement a new fully integrated 24/7 neighbourhood based model of health and social care built from and led by General Practice which is based on the best available evidence and with an emphasis on validated prevention activities that will create the capacity and capability (in both primary and community care alternatives) to deliver the right care/support in or close to people's homes rather than in hospital
- Train and develop a well-resourced, motivated, empowered and flexible workforce integrated across health and social care with the right skills, experience and attitude to deliver this new joined up model of care
- As a by-product of delivering the right care and support to people, we plan to realise, with partners, financial savings based on cost reduction of £22.4m by 2020/21.

In 2017/18, through agreement with our partners, a formal Alliance agreement was put in place and an Alliance Provider Board was established. This agreement enables us to provide a Multidisciplinary Care Provider (MCP) service within Stockport Neighbourhood Care, this is our model of integration designed to provide services as a national MCP vanguard site.

The fundamental centre of the MCP is that it is based on the GP registered population and is primary care led. Providers and commissioners in Stockport have agreed that an Accountable Care Trust is the preferred organisational form through which this will be provided. In 2018/19 to 2019/20 we will continue to develop the necessary governance requirements to move forward with this transaction in collaboration with partners.

The focus in 2018/19 will be the implementation of the operational service models as part of Stockport Neighbourhood Care business cases approved by the Board of Directors in June 2017. The emphasis will be to deliver the benefits articulated by the whole system working of the Stockport NC specifically these programmes/ business cases are:

1. Active recovery
2. Crisis response
3. Enhanced case management
4. Neighbourhood models and GP home visiting
5. Outpatients.

8.5. HEALTHIER TOGETHER IMPLEMENTATION

The Board of Directors are committed to the implementation of the Healthier Together decision.
In the South-East Sector, the hub site was confirmed as Stockport NHS FT, Stockport partnered with Tameside Integrated Care Trust as a non-hub site.

Across GM's four sectors, detailed planning continues for the implementation phase arising from the Healthier Together model.

The scope of Healthier Together's range of services directly including: Medicine, Diagnostics, Anaesthetics and Critical Care, Emergency Medicine and, indirectly, a series of other services that are co-dependent with these. However, the principal focus of the changes is the reorganisation of General Surgical services such that each sector has one identified 'hub' site. This will be the centre for high risk elective and non-elective surgery, linked to one or more non-hub sites, providing a wide range of lower risk, planned services. The hub will have a critical role in the reception, assessment and, where necessary, the transfer of unplanned patients. The underpinning principle is that sector general surgical services should be provided by combined teams of clinicians in 'single services'.

Preparation for the implementation of Healthier Together (now under formal Theme 3 governance) is anticipated to progress early 2018/19 subject to access to national capital funding and agreement of revenue costs at a sector level. Locally we will continue to progress implementation. The transfer of high acuity surgical activity from Tameside is now anticipated to be in 2019/20.

8.6. THE TRUST'S ROLE IN THE GM STP AND EMERGING INTEGRATED CARE SYSTEM

The Board of Directors are committed to aligning our activities with that of the GM STP and the emerging Integrated Care System.

We are now part of the formal GM Sustainability and Transformation Partnership (STP) and every proposed change must be considered in a collaboration context. The business focus going forward is cohesion and cooperation, no longer competition and commerce.

In 2018/19, all STPs nationally, will be taking an increasingly prominent role in planning and managing system-wide efforts to improve services. STPs are expected to:

- Ensure a system-wide approach to operating plans that aligns key assumptions between providers and commissioners
- Work with local clinical leaders to implement service improvements that require a system-wide effort for example: implementing primary care networks or increasing system-wide resilience ahead of next winter
- Identify system-wide efficiency opportunities such as reducing avoidable demand and unwarranted variation, or sharing clinical support and back office functions
- Undertake a strategic, system-wide review of estates, developing a plan that supports investment in integrated care models, maximises the sharing of assets, and the disposal of unused or underutilised estate
- Take further steps to enhance the capability of the system including stronger governance and aligned decision-making, and greater engagement with communities and other partners.

The Trust will be required to respond to this system wide approach.

The Trust aims to embrace the challenge; to contribute to single system planning that encompasses Clinical Commissioning Groups and NHS providers. The system plan is expected to align key assumptions on income, expenditure, activity and workforce between commissioners and providers.

The Trust recognises that it is important that our current Stockport locality plans reflect GM developments in Themes 1 and 2 which focus on: communities, health and well-being and social care. We will proceed on this basis until such a time that a single system operating plan comes into force.

As it stands, the development of future acute service provision under the scope of Theme 3 and Theme 4 will fundamentally impact the Trust and services delivered from the Trust site over the next 2-3 years.

The Trust is committed to supporting neighbouring Trusts and care economies. The Trust is ready and equipped to take a strong role in the South East sector of GM and with East Cheshire.

9. ENABLING STRATEGIES

To enable the Trust to implement its strategic priorities there are a number of enabling strategies that support this overarching docment. These are:

- Clinical Services Strategy
- Quality Improvement Plan
- People Strategy
- Digital Strategy
- Estate Strategy
- Finance Strategy.

9.1. CLINICAL SERVICES STRATEGY

The Trust has a rolling programme of undertaking 'Deep Dive' reviews with its clinical services to understand their current position and define future direction. These deep dives combined with further engagement and discussions across services to ensure alignment are forming the basis of the Trust's Clinical Services Strategy. The table below outlines examples of current services and the type of opportunity that relates to each service. This may be:

- **Sector:** The service has an opportunity to have a increased role in the neighbouring and wider health economy.
- **DGH:** The service will be delivered in a robust and sustainable model within the DGH.
- **Collaborate:** we will look to collaborate with other organisations to ensure a robust and sustainable service is provided.

Additionally, each example service has been prioritised to outline the immediacy of the opportunity. This will be used to produce a coherent delivery plan to be implemented over the next 3-5 years.

PRIORITY	***SPECIALTY***	***OPPORTUNITY***
1	ORTHOPAEDICS	Sector
1	GENERAL SURGERY	Sector
1	OLDER PEOPLE	DGH (Stockport NC)
1	UROLOGY	Sector
1	OBSTETRICS and GYNAE	DGH
1	PAEDIATRICS	Sector
1	DIAGNOSTICS	DGH
1	PHARMACY	Expand commercially
1	EAR, NOSE, THROAT (Paeds)	DGH or collaborate
1	CRITICAL CARE	DGH
2	RESPIRATORY	DGH
2	OPHTHALMOLOGY	Sector

2	HAEMATOLOGY	Collaborate
3	STROKE	Sector
3	GASTRO	DGH/ sector
3	NEURO-REHAB	Collaborate
3	BREAST	Collaborate
3	ORAL SURGERY	Collaborate

There is on-going work to further develop the approach for these examples. It should be noted that there are specialties not listed in the examples above that will be engaged as part of the on-going strategy development.

9.2. QUALITY IMPROVEMENT PLAN (STRATEGY)

We must address areas of concerns relating to patient safety that have been noted externally by the CQC Commission (CQC) and NHS Improvement, and those that we have recognised ourselves. We all want our patients to receive consistent, high-quality care and our ambition is that the pride taken in delivering care to our patients helps us to become the employer of choice in the region. Our Quality Improvement Plan has been developed to take us from the CQC rating 'Requires Improvement' to 'Good' and 'Outstanding'.

The CQC rated the Trust as 'Requires Improvement' overall, but also as 'Inadequate' for *safe* in Medicine and in Urgent and Emergency Services, and as 'Inadequate' in *well led* for Urgent and Emergency Services. Our status with NHS Improvement is that of a Trust challenged for quality, performance and finance in September 2017.

The dedication and efforts of all our staff has led to many improvements since the CQC reports were published in March and October 2017.

Quality Improvements include:

- Consistent approaches to reporting incidents, with a significant and sustained increase of 20% in reporting – leading to a greater opportunity to share immediate lessons learned and embed safer practice
- 60% improvement in the reporting of 'no and low harm' incidents – demonstrating an evolving safety culture and a passion to get things right
- Reduction in the number of complaints received and in those returned where the complainant did not feel the complaint was resolved
- Reduction in pressure ulcers, especially across surgery and critical care, although we did not achieve our stretch trajectory
- Introduction of our ward accreditation scheme – Accreditation for Continuous Excellence (ACE), resulting in immediate improvements in Malnutrition Universal Screening Tool (MUST) scoring compliance
- Achievement of our 'no lapses in care' target for C-difficile cases that are healthcare acquired

- Every ward has a nurse on every shift who has up to date Basic Life Support training, meaning we are assured that our wards and departments have the right staff with the right skills on duty to respond if a patient were to suddenly deteriorate.
- In our Emergency Department we have improved patient experience by ensuring that privacy and dignity for patients who attend in an emergency is maintained.
- Introduction of a new Quality Governance Framework where assurance is monitored from 'ward to board'.

The delivery of our Quality Improvement Plan, underpinned by good governance and staff development, will ensure that the changes made already are sustainable, and that those outstanding can be delivered in agreed timeframes.

The Board of Directors are committed to provide full support, leadership and apply focus and rigour to ensure the delivery of the plan. The Board of Directors intend to ensure continuous focus on creating the conditions that allow staff to do their job well by removing blocks to success and making sure we are managing any risks to delivery.

Partner agencies have offered their support to the Trust and this is warmly welcomed. We know that the Clinical Commissioning Group, GM Health and Social Care Partnership, Local Authority, Health-Watch, NHS Improvement, NHS England and others will play a key role in scrutinising assurance processes to ensure they are sufficiently robust.

A core facet of the Quality Improvement Plan is the engagement of frontline staff in the improvement journey, with everyone being able to influence and contribute and feel empowered to change and improve. We know that when our clinical, non-clinical & support staff and managers work together then our patients get the best care possible.

We continue to listen to our staff: making the most of their enthusiasm, expertise and knowledge and signalling a common purpose and priority for the organisation that is owned by everyone. This includes: front-line staff providing direct patient care, human resource teams, staff working in information management and technology, estates and facilities, or finance and quality governance.

Delivery at pace:
The Board of Directors is committed to ensuring that the Quality Improvement Plan is delivered at pace. Working with all staff in the Trust and with the support of partner organisations and agencies, the Board is confident that the plan will deliver an improved outcome at the next CQC inspection. Furthermore, the Trust is committed to developing and embedding a culture of continuous improvement and supporting frontline staff to improve services through innovation.

Our plan will help us to:

- Improve quality and safety
- Reduce variation and patient harm

- Ensure every member of our staff has access to and has undertaken core learning and appraisal
- Ensure all CQC Must Do actions and concerns are fully addressed and become the way we provide care for every patient every day
- Act smart in the way we use our resources and prioritise safety and quality improvement to gain maximum impact
- Work in conjunction with partner organisations to improve quality and safety for our most vulnerable patients.

9.3. PEOPLE STRATEGY

The Trust has a workforce of circa 5,000 staff, all of whom are focussed on meeting the needs of our patients. The health and wellbeing of our staff remains vital however, it is clear that improvements can be made. Issues are in the main due to the capacity and capability problems the Trust has and the difficulties the Trust experiences in recruiting to some key posts such as nursing and medical staff.

Despite these issues, staff are rightly proud of what they achieve for patients, are committed to meeting the needs of patients and are doing great work. However, there is always work to be done to improve the working lives of staff, reduce staff sickness rates, address vacancy rates and reduce staff turnover.

There is significant focus on recruiting hard to fill vacancies that are being covered by premium cost agency locums. The Trust continues to have some success both domestically and internationally. There are significant controls in place to manage the agency spend which is currently being reviewed and will face a further reduction in the future.

Having the right numbers and staff with the correct skill set is crucial to the efficient and effective operation of the Trust. The time taken to train staff, the challenging, changing landscape and the scale of the exercise, mean that workforce planning for the Trust is a complex issue.

There will be an underpinning aligned People Strategy developed in 2018, to expand upon areas outlined here along with mitigation plans and plans for the need for greater partnership working and skills development across health and social care. The working draft details workforce priorities of: wellbeing, culture, leadership, recruitment and retention, temporary workforce and workforce transformation. Essentially, these will be explored as follows:

- Wellbeing: We will continue to reduce sickness absence due to musculoskeletal reasons or mental health and improve staff attendance
- Culture: We will continuously improve equality, diversity and inclusion for our staff. We will continue to develop values-based processes and the Trust culture of care where staff feel empowered to raise concerns, innovate and continuously improve. We will support staff experiencing change in the organisation to improve retention and enhance staff experience

- Leadership: We will support the development of leaders and managers and ensure our staff have the skills to carry out their roles now and are developed to take on new roles in the future to enhance patient care
- Recruitment and retention: We will recruit the right people with the right skills and deploy them to meet organisational demand. We will recruit to vacant posts and use workforce planning and skill-mix methods to deliver the specified care models
- Temporary workforce: We will continue to reduce agency usage and spend and increase the use of bank workers to fill temporary staffing gaps
- Workforce transformation: We will transform our workforce so that it can continue to be responsive to the needs of our patients now and in the future as demand and complexity increase.

As a Trust, we value our people and recognise they are our greatest asset. Our overall aim is to develop our staff, give them clear career pathways, provide them with the leadership, skills and knowledge to deliver the care our patients need now and in the future, to support their wellbeing and to recognise and value their diversity.

9.4. DIGITAL STRATEGY

Over recent years the Trust has invested heavily in developing a strong IT infrastructure on the hospital site (networking/server/PC/wireless mobility) to provide the necessary platform on which clinical technology has been introduced. We have an excellent record of developing in-house applications and delivering a wide range of 'best of breed' external clinical solutions for secondary care, such as Electronic Medicine Management and Prescribing. Working on the success of a paperless Emergency Department, the Trust's ambition is to continue its journey in having a paper free clinical environment. Currently the Trust can be described as being at the high end of digital maturity when compared with the majority of Trusts. The Health and Social Care Information Centre (HSCIC) (now known as NHS Digital), National index position rated the Trust as 44th across the country in terms of digital maturity.

In addition, work continues on the Acute Electronic Patient Records (EPR) system (InterSystems-TrakCare) in readiness for go live. This go live will provide the necessary platform from which the implementation of a full paperless clinical record can be achieved in future rollouts.

Given the above experience, the Trust is in a good place to realise technology enabled benefits in the future. It will be important to ensure that all implementations are supported by real business and process change in order to drive out such benefits.

In line with the Stockport Neighbourhood Care strategy during 2017/18, the Trust completed implementation of phase 1 of its Community EPR (EMIS WEB) programme to be fully aligned to primary care practices which all use EMIS WEB. We are now concentrating on introducing clinical functionality within the system to support paper light and mobile working practices across the range of community services. This is a major enabler of the Stockport Neighbourhood Care

Programme and we have already invested in a shared domain across the care economy to support multi-disciplinary teams wherever they are located in the community.

The Trust is working to mobilise the community staff to be more agile and responsive to patients closer to home. How the Trust uses digital platforms to communicate with and offer support to patients and their families is constantly under review.

Maintaining and continually investing in the technical IT architecture of the Trust will be an essential requirement for the future to protect our patient and staff data. Although the Trust is currently in a strong position, investment will enable the Trust to effectively manage ongoing and ever present cyber security threats.

Sharing patient data across Health and Social Care organisations to support ongoing patient care across organisational boundaries is an ever increasing requirement. This includes data sharing across both Stockport to support the Stockport Neighbourhood Care agenda and GM, particularly by means of the GM Shared Health and Care Record. Protecting this data is of upmost importance to the Trust and with the introduction of General Data Protection Regulations (GDPR), greater emphasis has been and will continue to be placed on the management and control of data flows respecting information governance protocols. We will use the GM Health and Care Record to facilitate Healthier Together working with Tameside for general surgery implementation.

A key area of work is to replace the Trust's outdated telephony system and replace it with a VOIP Unified Communications solution which will enable the transformational changes and new ways of working, required to support new models of care. Work is underway to procure a new system and once implemented, this will be a vital enabler for the increased levels of agile working which the Trust is eager to embed.

Agile working for some staff will be essential in future. Technology will enable staff to work seamlessly anywhere in a Trust, community or council setting or from home. Other aspects of the digital office include video-conferencing to provide virtual meetings, tele-health and supporting hot desk facilities throughout the Trust to enable more efficient use of the estate.

Part of our strategy is to consider opportunities for shared services both with GM and as part of Stockport Neighbourhood Care. In Stockport this may include procurement and implementation of shared infrastructure.

Providing accurate information and analysis to support direct service delivery has always been a key priority for the Trust. With the recent organisational changes, the Information Department has aligned itself more closely to business groups, transformation projects and the performance and monitoring function to support key decision making. An example of this is the greater involvement of clinical coding in our theatre transformation programme. Building on this model, the implementation of a comprehensive data warehouse and the implementation of Business Intelligence tools including Tableau are key priorities for the Trust. Both developments will reduce

the time analysts spend on processing data and allow them to undertake true analysis which adds value and insights to the information produced, enabling improved decision making within the Trust.

9.5. ESTATE STRATEGY

The Trust is in the process of developing a revised Estate Strategy which will set out the processes to enable the Trust to fulfil its plans and improve the condition of its buildings.

The first stage of developing the Estate Strategy includes a comprehensive appraisal of the condition and performance of the existing estate and covering:

- Physical condition
- Compliance with Fire, Health and Safety and other statutory standards
- Environmental management
- Functional suitability
- Space utilisation
- Quality
- Adaptability.

The Trust has completed the Six Facet survey and this forms the key part of the Estate Strategy going forward.

The Trust intents to consider how to address the current poor condition and performance of the estate and move toward the provision of safe, secure, appropriately positioned and high quality buildings that are used efficiently and effectively for the delivery of modern healthcare services. However, the Estate Strategy and any future investment must be service and user led with patients at the centre of any proposed changes.

The strategic replacement of unsuitable buildings due to either poor functionality or strategic fit along with poor condition will also reduce the total backlog of maintenance associated with those buildings that are to be replaced. For example, the Six Facet survey identified statutory based costs of circa £20m associated with Condition D buildings and associated estimated contingencies to deal with asbestos while the buildings remain in use. A strategy which determines that the majority of Condition D buildings be demolished, will therefore negate such a backlog contingency and also serve to align costs of any demolition with capitalised costs for future capital programmes.

The Estate Strategy seeks to minimise any maintenance spend on Condition D buildings that will form part of the medium-term strategy to replace such buildings (potential reduction of up to £37m from the backlog contingency).

The analyses of suitability, condition and backlog maintenance costs reinforce this concept and highlight very clearly the buildings and zones of the hospital campus in the worst condition and presenting the most obvious opportunities for site clearance and greater efficiency.

Whilst the estate is highlighted above as a key enabler, the use and quality of the Trust estate runs through each of the above strands in one form or another, as defined by this strategy. The Trust will therefore develop innovative and forward looking solutions that will achieve a productive estate and aims to:

- Improve accessibility to healthcare for patients
- Disinvest in assets with high operating costs, back log maintenance requirements
- Improve Estate asset performance on all key performance indicators
- Promote and facilitate new ways of working
- Improve utilisation by collaborating with the whole health community and public sector
- Dispose of any surplus land
- Integrate services with the wider health community
- Release capital from underutilised assets
- Provide staff accommodation to support recruitment and retention
- Provide modern facilities such as restaurants and retail outlets that will support 7-day working.

These aims will be delivered through:

- An improvement in the condition and performance of the estate
- Refurbishment/redevelopment of the Trust's clinical estate aligned to the Capital Plan
- Backlog maintenance investment
- Disposal of property and land surplus to future clinical requirements
- Working in collaboration with the wider healthcare community and public sector.

The Estate Strategy cannot be developed in isolation. The strategy is closely aligned to the new strategic view and clinical services plan, enabling robust service planning as the Trust and wider community move forward.

The need to manage pressing day to day issues is a crucial operational driver but the estate will need to respond to strategic drivers such as Stockport Neighbourhood Care and Healthier Together and facilitate transformation over short/medium and longer term in a way that is sustainable and appropriate, including:

- Collaboration and partnership – Stockport Neighbourhood Care and Healthier Together, a sustainable system, new models of care, shifting the balance to achieve better patient outcomes
- The Trust's primary focus, its core activities, the role of an acute hospital and the impact of demographic change on services and capacity
- Significant changes in areas such as urgent care, older people's services, planned care, outpatient and other ambulatory based care
- Recruitment and retention of high quality staff as critical success factors

- The impact of technological advances and new working practices.

The Estate Strategy will respond to the Trust's clinical priorities, including:

- Emergency care - the Emergency Department is undersized and poorly configured. The STP Wave 4 Emergency Campus bid will begin to address this as will the Healthier Together commercial case for ED reconfiguration, but the Trust will also need to plan for longer term expansion of all its emergency care services, including vital clinical support services such as diagnostic imaging
- Beds – the number, types, location and mix of the Trust's current acute bed stock is inappropriate and suffers from poor adjacencies and access. The quality and functionality of the bed stock is poor, particularly in Medicine. There is a clear need to consolidate and improve short term and relocate/reconfigure longer term as part of a coherent site plan, reflecting key adjacencies and models of care
- Outpatients – currently out-patient services are delivered in different, out dated, inefficient and poor quality accommodation. Services are desperately in need of consolidation, considering the implications of Stockport Neighbourhood Care.

Estate planning and strategy will reflect the overall direction of travel and new models of care consistent with collaborative working. Many existing buildings are simply not fit for purpose. Necessary improvements in these areas, including the short term, need to be mindful of the longer term estate strategy to avoid problems of the past. For example, ensuring adequate expansion space for the future, avoiding isolating particular service provision when co-locating services, and ensuring that each development at the very least, does no harm to future strategic developments and at best enables future plans to deliver optimal value for money through development synergies.

Our Estate Strategy will provide the following benefits:

- Estates development that is interlinked with the Trust's new strategic view
- A Board level commitment to sustainable development and carbon reduction initiatives
- An opportunity to dispose or develop any surplus land
- An opportunity to reduce underutilised areas of the Estate
- A means of targeting investments to minimise the risk associated with the Estate
- An opportunity to recruit and retain staff by offering a good standard of staff accommodation.

As a part of the Trust's Estate Strategy, the Trust's vision is to consolidate the estate and achieve a significant reduction in floor area by 2019, with no unoccupied or underutilised floor area. Estate consolidation is possible through a variety of methods including working with our partners, improved space utilisation and agile working.

Agile working will remove the need for the agile worker to be reliant on a dedicated and permanent desk. Utilisation of hot desking facilities will be available as a solution. In addition, the development of new agile working practices will directly support other Trust initiatives including the Estate Strategy plans and supporting the Trust's commitment to sustainability through a reduction in unnecessary mileage and production of paper documentation.

9.6. FINANCE STRATEGY

The financial resilience and sustainability of the Trust is a concern and priority for the Board of Directors. Along with ensuring that financial control measures are in place and adhered to, the Trust will deliver financial efficiency through transformation change in the provision of health care and influence the provision of primary and social care. The Trust must provide the best value for every pound spent and therefore the Trust's leaders pledge to spend resources in the right way in order to meet the priorities and objectives of the Trust.

These challenges are not exclusive to the Trust. Overall, the NHS has been facing significant financial pressure in recent years. With an ageing population and increasing demand, there is need for the health and social care partners to continue to evolve to meet these challenges. There is likely to be minimal financial income growth over the next five years and therefore there will be an on-going need to deliver high quality services in a cost-effective way working in partnership.

The Trust has an underlying deficit for 2018/19 of £51m, in line with historical performance. The Trust is planning a cost improvement plan of £15m (c15%) and therefore the Trust is planning a deficit of £36m. In the coming five years, the Trust will have to make significant in-roads in delivering efficiencies on a sustainable basis to reduce the overall deficit position.

As part of the financial recovery plan and as a key element in planning for the overall cost improvement programme, a service review programme is being led by the operational teams and is supported by representatives from finance, PMO, workforce, performance and information. The outputs of each of the service reviews are grouped into the themes namely; efficiency and productivity opportunities, quality benefits, business planning objectives and wider health and social care strategies. The service review programme brings together performance data and financial benchmarking with intelligence in the system provided by clinical teams, supported by operational managers, to identify key actions required to ensure the future sustainability of services.

All aspects of the estate, infrastructure and equipment will be continually reviewed to ensure it is fit for purpose and safe, so services can be delivered in the most effective and efficient way. The Trust investment and replacement programmes are risk-based and deliver clinical and safety priorities.

The Medium Term Financial Plan is available.

10. DELIVERING THE STRATEGY

10.1. GOVERNANCE

The Trust recognises that the delivery of the strategy is both critical and challenging. The workforce is under considerable pressure and the requirement to balance multiple priorities can be difficult without clear direction.

The Trust also believes that it has adequate capacity to deliver the strategy and to support and develop the programmes of work that will fall out of this document. However, the Trust does recognise that this capacity may not be positioned correctly or have been given the necessary direction to deliver as required.

Therefore, the Trust, will as part of its implementation approach, review and revise the governance of its programme, project and transformation capacity to ensure that it is most appropriately aligned to the work that is a priority for the Trust.

It is important that a clear methodology for providing assurance to the Trust Board, external regulators and other stakeholders using the Board Assurance Framework.

10.2. TRUST OPERATIONAL PLAN

The Trust produced a yearly operational plan which outlines the Trust's intended position for the following year. This outlines the key activity, financial, quality, workforce and transformational plans. This document in effect is the delivery plan for year one of the Trust strategy and therefore is a key enabler of successful delivery.

The Trust has key challenges to overcome in terms of addressing some of its performance issues and financial sustainability which deteriorated in 2017/18. The Trust has been subject to Enhanced Oversight measures since October 2017 for both the financial performance and the operational performance for Urgent Care. We maintain that our system wide approach to transforming the way we deliver services in Stockport supports the system wide challenge of financial balance.

10.3. KEY RISKS

Key to the RAG is needed (See Appendix 11.5)

RISK	PRE MITIGATION RAG RATING	MITIGATION
Focus is placed on place and regional programmes at the expense of internal opportunities	16	Trust to have a strong internal focus with a strategy that reflects the organisational ambition
The Trust is reactive to internal and external shocks and changes rather than proactively directing	16	Trust to have a clear strategy and steps to deliver this which will include engagement and drive towards place and

		regional programmes
The Trust is unable to make sufficient progress on financial performance	20	Trust to have a clear financial strategy with required savings targets. All strategic options for creating financial sustainability to be considered
The Trust is unable to rectify its operational performance issues (i.e. ED and/or complete its quality improvement journey	20	Trust to have a clear and supported operational and quality improvement strategy that aligns with the Trust overall strategy
The Trust is required, or attempts, to resolve all issues in year one but doesn't have the required capacity or capability	16	The Trust to make clear the timings of developments and if required push actions into year 2-5
The Trust overestimates its relative position with potential partners and doesn't lead discussions	16	Trust to clearly consider potential partnerships and alliances with other Trusts as part of its strategy and proactively engage in conversations

11. APPENDICES

11.1. STRATEGIC AND CORPORATE OBJECTIVES (APPROVED FEBRUARY 2018)

Strategic Objective 1	To achieve full implementation and delivery of the Trust's Refreshed Strategy 2018/22
Corporate Objective 1a	To develop a comprehensive, integrated delivery/business plan in order to achieve realisation of the Strategy
Corporate Objective 1b	To lead the annual operational planning cycle in line with NHSI guidance
Strategic Objective 2	To deliver outstanding clinical quality and patient experience
Corporate Objective 2a	To aspire to the delivery of 'outstanding' clinical quality, safety and experience, which is equitable, person centred and supported by an effective quality governance framework and Quality and Safety Improvement Strategy
Corporate Objective 2b	To drive continuous quality improvement and promote research and innovation, whilst reducing unwarranted clinical variation and progressing toward an 'Outstanding' organisation.
Strategic Objective 3	To strive to achieve financial sustainability
Corporate Objective 3a	To ensure full compliance with the NHS Provider Licence, ensuring financial sustainability, financial efficiency and financial controls, whilst safeguarding the quality of our services.
Corporate Objective 3b	To maintain compliance with, and aspire to achieve incremental improvements against, the NHS Improvement Single Oversight Framework Financial Performance Metrics, whilst safeguarding the quality of our services.

Corporate Objective 3c	To review and monitor a revised performance management framework
Strategic Objective 4	To achieve the best outcomes for patients through full and effective participation in local strategic partnership programmes including: a. Stockport Neighbourhood Care/ Integrated Service Solution b. Healthier Together c. Theme 3 and 4 Programmes (GM Health and Social Care Partnership)
Corporate Objective 4a	i. To implement the new integrated service solution model of care working with our key partners ii. To realise the financial and non-financial benefits of the Stockport Neighbourhood Care business cases iii. To review SNC's systems, processes and governance in order to align to business as usual activities, where appropriate
Corporate Objective 4b	To progress with planning for the realisation of the Healthier Together decision in line with GM defined timescales and investment
Corporate Objective 4c	To progress work streams relating to a)Theme 3 and b) Theme 4 in line with the GM Transformation Strategy
Strategic Objective 5	To secure full compliance with the requirements of the NHS Provider Licence through fit for purpose governance arrangements (non-financial)
Corporate Objective 5a	The Trust will complete an independently assessed Well Led Review by 30 September 2018
Corporate Objective 5b	The Trust will maintain the 18 week RTT standards and achieve compliance with the cancer standards in order to improve access to care by 30 September 2018
Corporate Objective 5c	The Trust will comply with its trajectory for improvement against the 4hr ED target, with actions identified in the Stockport System Urgent Care Plan
Corporate Objective 5d	The Trust will progress the economy-wide plan to deliver consistent provision of healthcare needs across 7 days a week

Strategic Objective 6	To develop and maintain an engaged workforce with the right skills, motivation and leadership
Corporate Objective 6a	To develop our medical leaders into leaders of the future through a targeted development programme, on-going participation in triumvirate decision making through EMG and active attendance at the Clinical Directors Forum
Corporate Objective 6b	To continue to implement clinical leadership programmes which support the development of an inclusive and compassionate leadership culture, increase resilience and facilitate continuous improvement
Corporate Objective 6c	To develop programmes of work to ensure the Health and Wellbeing Strategy is embedded across the Trust and supports all staff in improving their health and wellbeing, delivering an environment where staff wellbeing is integrated into day-to-day practices
Corporate Objective 6d	To develop a Workforce Strategy that reduces reliance and expenditure on contingent workforce through the continued streamlining of recruitment processes, improving nursing and AHP retention, expanding the medical bank and enhanced scrutiny of agency usage
Strategic Objective 7	To create an environment that maximises the use of resources to improve efficiency, patient experience and clinical quality
Corporate Objective 7a	To implement an Acute EPR in line with the programme timescales to improve efficiency of systems and technology resulting in a positive impact on patient experience
Corporate Objective 7b	To refresh the Estate Strategy based on the six facet survey and master planning information
Corporate Objective 7c	To manage investment relating to the Trust's capital programme relating to: i. Medical equipment ii. IT iii. Estate

11.2. VALUES AND BEHAVIOURS

Stockport NHS
NHS Foundation Trust

Demonstrating our values-based behaviours

Values	Values statements	Expect to see	Do not want to see
Quality and Safety	We deliver safe, high quality and compassionate care	I put patients first, recognising there is a patient behind everything I do. I always follow the Trust's practices, guidance and protocols. I take pride in the way I do things and take responsibility for my performance. I share my knowledge and offer practical support to help and develop others. I learn from mistakes when things go wrong and build upon successes.	I put my own interests or those of my service area first. I make excuses for my poor performance and look to blame others. My actions put the Trust at risk. I am inflexible and do not offer support to others.
	We ensure a clean and safe environment for better care	I do everything in my power to protect those who use our services from avoidable harm. I act immediately to raise any genuine concerns which may adversely affect patients, public or staff. I take pride in our surroundings and my appearance. I observe the confidential nature of information and circumstances. I demonstrate responsibility for my own, as well as others' wellbeing.	I act in a way that puts my personal or others' wellbeing at risk. I hide issues, do not share with the team and/or escalate issues to others. I demonstrate no interest in improving patient services.

Values	Values statements	Expect to see	Do not want to see
Communication	We treat our patients, their families and our staff with dignity and respect	I treat others as I would wish to be treated and challenge inappropriate or poor behaviour. I ask whether patients and others have everything they need, respond with kindness, carry out the things I can do, or find someone who can. I consider the needs and views of others and respect their opinion even if it is different from my own. I value other people's time by being punctual, responding to requests for information and queries promptly and delivering on commitments. I am accessible, approachable, professional and say thank you to colleagues for a job well done.	I ignore, judge, am rude to, or humiliate people. I am insensitive or dismissive to the needs of others from different cultures and backgrounds, or who have different views. I consider the patient as an inconvenience. I criticise other people or services without consideration of the impact on the reputation of the Trust or abuse my position or authority. I am often late for appointments, arrive unprepared or don't turn up; and often require chasing for agreed work and actions to be completed
	We communicate with everyone in a clear and open way	I introduce myself, welcome and listen to others, and show an interest in what they have to say. I use clear and plain language and check people's understanding. I involve others in decisions that affect them, give them information, and keep them informed. I engage with patients and colleagues to identify and resolve complaints and concerns. I am honest about my point of view and what I can and cannot do.	I am not always open and transparent about motives. I make assumptions without listening. I talk over people and do not allow them to express their opinions. I use unnecessary jargon or do not adjust my language to suit the person or situation. I hide behind email and take issues above colleague's heads without talking to them first.

Values	Values statements	Expect to see	Do not want to see
Service	We provide effective, efficient and innovative care	I strive to do the right thing, first time, every time and learn from mistakes to develop better and safer services. I look for solutions and encourage people to share their ideas, rather than accepting that nothing can be done. I embrace change and continually look for ways to improve how we work, putting forward and trying out new ideas. I offer, encourage and act on feedback as a way of learning and improving. I look for opportunities to develop and learn from those around me – and attend all relevant training and development for my role.	I do not raise concerns when noticing inefficiency in others, practices or systems. I am wasteful with Trust budgets, equipment or other resources. I am complacent about the services we provide and stand in the way of change. I say no without considering different options.
	We work in partnership with others to deliver the right care, in the right place, at the right time	I embrace involvement and work collaboratively with others in the patient's best interests. I consider the needs of other teams and partner organisations when carrying out my role. I try to help whenever possible, even when it's not my role. I offer to participate where my skills and experience will be of value, in and outside my service area.	I create barriers to collaborative working, intentionally or otherwise. I exhibit high levels of self interest and resist change. I am negative about other teams and partner organisations.

11.3. STAFF CONSULTATION

The intention is that this consultation document will be shared with internal and external stakeholders to obtain their input. This will include clinical and non-clinical colleagues. Once feedback is received from our stakeholders the Board of Directors will formally reconsider the document and its content.

We are consulting with our staff and stakeholders from October 2018. The timetable for consultation events from October to December 2018, which will include:

- Members AGM
- Staff drop in sessions
- Human Resources Managers Forum
- Business Group workshops
- Strategy Session
- Clinical Directors' Forum
- CCG Management Meeting (Stockport, East Cheshire and North Derbyshire CCGs)
- Governors Meeting
- Local Negotiating Committee Meeting
- NHS Improvement
- Viaduct
- Stockport Council
- GM Combined Authority
- Pennine Care
- Health Watch
- Staffside Union Representatives

11.4. ABBREVIATIONS

AHP	Allied Health Professionals
CQC	Care Quality Commission
DGH	District General Hospital
ED	Emergency Department
EPR	Electronic Patient Records
FT	Foundation Trust
GDPR	General Data Protection Regulations
GIRFT	Get it Right First Time
GM	Greater Manchester
GMCA	Greater Manchester Combined Authority
MCP	Multidisciplinary Care Provider
MUST	
PACs	Picture Archiving Communication system
SNC	Stockport Neighbourhood Care (formally known as Stockport Together)
STP	Sustainability and Transformation Plans
The Trust	Stockport NHS FT

NHS
Stockport
NHS Foundation Trust

Report to:	Council of Governors	**Date:**	25 October 2018
Subject:	Medium Term Financial Strategy (MTFS)		
Report of:	Director of Finance	**Prepared by:**	Director of Finance

REPORT FOR DISCUSSION

Corporate objective ref:	N/A
Board Assurance Framework ref:	N/A
CQC Registration Standards ref:	N/A
Equality Impact Assessment:	☐ Completed X Not required

Summary of Report

Identify key facts, risks and implications associated with the report content.

The purpose of this report is to share with the Council of Governors a draft Medium Term Financial Strategy (MTFS) for the Trust. The draft MTFS was considered by the Board of Directors on 27 September 2018 with the outcome that further development of the content was required. It was also noted that development would be informed by outcomes from an Enhanced Oversight meeting with NHS Improvement on 16 October 2018.

The Director of Finance will brief the Council of Governors on the latest position at the meeting on 25 October 2018. Governors will have the opportunity to comment on the intended approach set out in the draft MTFS document.

Attachments: Annex A – Draft Medium Term Financial Strategy

This subject has previously been reported to:

☒ Board of Directors	☐ PP Committee
☐ Council of Governors	☐ SD Committee
☐ Audit Committee	☐ Charitable Funds Committee
☐ Executive Team	☐ Nominations Committee
☐ Quality Committee	☐ Remuneration Committee
☐ F&P Committee	☐ Joint Negotiating Council
	☐ Other

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1. INTRODUCTION

1.1 The purpose of this report is to share with the Council of Governors a draft Medium Term Financial Strategy (MTFS) for the Trust.

2. BACKGROUND

2.1 The draft MTFS was considered by the Board of Directors on 27 September 2018 with the outcome that further development of the content was required. It was also noted that development would be informed by outcomes from an Enhanced Oversight meeting with NHS Improvement on 16 October 2018.

2.2 Governors will be aware of the scale of the financial challenges facing the Trust and, therefore, will appreciate the importance of having in place a fit for purpose financial strategy. Delivery of the strategy will be imperative in order to improve the Trust's financial position, and demonstrate financial sustainability, over the next 3-5 years.

3. CURRENT SITUATION

3.1 The Director of Finance will brief the Council of Governors on the latest position on development of the MTFS at the meeting on 25 October 2018. The Director of Finance will also provide an overview of how outcomes from the Enhanced Oversight meeting are influencing the Trust's approach to financial planning. Governors will have the opportunity to comment on the intended approach set out in the draft MTFS document.

4. RECOMMENDATIONS

4.1 The Council of Governors is recommended to:

- Consider and discuss the approach set out in the draft Medium Term Financial Strategy.

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Stockport
NHS Foundation Trust

MEDIUM TERM FINANCIAL STRATEGY

2018 – 2023

1. BACKGROUND

1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) has published an Insight Briefing entitled "Looking Forward"[1], which articulates the importance of Medium Term Financial Planning. The CIPFA document summarises a number of factors that required Public Sector Organisations to plan ahead.

1.2 Financial planning sits at the heart of good public financial management. Alongside budget preparation, performance management and stakeholder reporting, the ability to look strategically beyond the current budget period is a crucial process to support an organisation's resilience and long-term financial sustainability.

1.3 Given the current level of global economic uncertainty, fluctuating currency values, and the widespread pressures on public spending, it is more important than ever that public sector organisations have a thorough understanding of their financial outlook and are planning effectively for the future.

1.4 Despite, or perhaps because of, our current political, economic and resourcing challenges, taking a longer and more strategic approach to planning will provide a catalyst for more sustainable changes to services and provide a framework against which an organisation's budget should be produced.

1.5 Developing a medium-term financial strategy (MTFS) will help bring together all known factors affecting an organisation's financial position and its financial sustainability into one place. It allows the Board of Directors to balance the organisation's objectives against constraints in resources.

2. INTRODUCTION

2.1 In 2017/18, the Trust had a Review of Undertakings by NHSI as it was failing to deliver the Emergency Department performance, it had been given a rating of "requires improvement" by the CQC and there were concerns on the Trust's ability to deliver the financial plan in 2017/18. One of the urgent actions from the review was that the Trust needed to develop an MTFS to show how the Trust would return to a break-even position over the next five years.

2.2 In the development of the MTFS, the financial strategy was predicated on four options;

a) To only deliver 2% implicit improvement per year over the planning timeframe in line with national experience;
b) To develop improvement objectives to offset the inflationary challenges over the next four years;
c) To develop improvement objectives to half the overall deficit over the planning timeframe; or
d) To develop improvement objectives that delivered a financial break-even in the next five years.

2.3 Early analysis showed that starting with a pre-CIP deficit of £49m and the Trust incurring inflationary pressures of a further £44m in the next four years (average £11m per annum),

[1] Looking Forward, Medium Term Financial Planning in the Public Sector (10th November 2016)

the Trust's sustainability challenge would be £93m, equating to £18.6m per year (c6.7%) to achieve the breakeven which would impact upon the quality and safety of services.

2.4 The financial strategy therefore, focussed upon the Trust delivering improvement objectives to half the financial deficit over the planning period. The level of financial improvement to deliver this option is £70.4m, which is still considered to be challenging. This document describes the strategy to be employed to achieve this objective.

2.5 This MTFS includes:

- The Trust's recent financial performance including why is the Trust delivering a deficit (Section 3 and 4);
- The Initial Financial Forecast (Do Nothing Scenario) (Section 5);
- The Five Point Financial Improvement Plan to significantly strengthen the financial sustainability of the Trust (Section 6);
- The Financial Impact of the Improvement Strategy (Section 7)
- The delivery resources and mechanism (Section 8)
- Key Influencing Factors of Risk and Opportunity to the Strategy (Section 9).

2.6 The MTFS is intended to be reviewed in tandem with the overall Trust Strategy and other enabling strategies such as the Workforce Strategy and Estate Strategy. As internal and external factors change, the Trust needs to be able to respond appropriately to changes in its operating environment.

3. THE TRUST'S RECENT FINANCIAL PERFORMANCE

3.1 In order to appreciate the direction of travel for financial resilience and sustainability, it is important to understand the Trust's historic financial performance. Table 1 overleaf summarises the key financial metrics for the Trust

Financial Position	2013/14 (£'m)	2014/15 (£'m)	2015/16 (£'m)	2016/17 (£'m)	2017/18 (£'m)
Financial Plan (Surplus / (Deficit)	(4.0)	(4.9)	(13.1)	(6.0)	(27.4)
Reported Performance (Surplus / (Deficit)	1.0	3.7	(12.9)	(6.3)	(22.0)
Normalised Performance (Surplus / (Deficit)	1.0	(0.1)	(15.5)	(14.5)	(27.2)

CIP	2013/14 (£'m)	2014/15 (£'m)	2015/16 (£'m)	2016/17 (£'m)	2017/18 (£'m)
Target	8.4	13.3	11.8	25.7	15.0
Recurrent Delivery	7.1	6.6	9.1	8.1	6.3
Non-Recurrent Delivery	2.2	6.9	2.7	14.6	12.0
Achievement (Under / Over)	(0.9)	(0.2)	0.0	3.0	(3.3)
Recurrent Shortfall	1.3	6.7	2.7	17.6	8.7
Cumulative	*1.3*	*8.0*	*10.7*	*28.3*	*37.0*

Agency Costs	2013/14 (£'m)	2014/15 (£'m)	2015/16 (£'m)	2016/17 (£'m)	2017/18 (£'m)
Agency Spend (All Staff)	8.6	12.0	18.2	13.5	12.0
% of total pay costs	*4%*	*6%*	*8%*	*7%*	*6%*

Cash	2013/14 (£'m)	2014/15 (£'m)	2015/16 (£'m)	2016/17 (£'m)	2017/18 (£'m)
Yearend Cash Balance	46.6	44.6	31.4	23.7	15.5

Capital Programme	2013/14 (£'m)	2014/15 (£'m)	2015/16 (£'m)	2016/17 (£'m)	2017/18 (£'m)
Capital costs	9.4	9.9	16.4	8.8	6.6

Table 1 – Historical Key Financial Metrics

3.2 In 2016/17, the Government announced a £1.8bn Sustainability and Transformation Fund (STF), which was linked to the delivery of a financial control set by NHSI and the delivery of an agreed ED target (determined locally). The Trust's received £11.4m in 2016/17 from the STF including incentive and bonus payment.

3.3 The Trust historically delivered financial surpluses but as the external climate changed, largely as a result of the economic downturn and a squeeze on the public sector, the Trust has not adapted quickly enough to mitigate the impact of these changes. This includes developing and sustaining an environment of continuous improvement using an improvement methodology. As a result there has been an over reliance on one-off measures which in reality has inhibited the ability to change the Trust culture. By 2015/16, the underlying deficit had reached £15.5m partly explained by:

a) an unplanned increase in additional capacity required to deal with the urgent care demand, which has continued in the past two years;

b) the increase of agency costs from £12.0m in 2014/15 to £18.2m in 2015/16 representing 8% of total pay costs, resulting in the Trust having one of the highest medical agency spend in the country ; and

c) the cumulative effect of not delivering recurrent improvements in previous years. The recurrent cumulative shortfall reached £10.7m in 2015/16 and has continued to increase to £37.0m in 2017/18.

3.4 It was also during 2016/17, that the Trust was chosen of as one of twenty Trusts nationally to partake in Wave 1 of the Financial Improvement Programme (FIP). The Trust was supported by KPMG to help deliver the financial performance in 2016/17 however, the delivery of the performance was through extremely challenging one-off projects and failed to deliver significant clinical transformation change.

4. WHY IS THE TRUST DELIVERING A DEFICIT?

4.1 The Trust needs to understand why it is in the current financial position. NHSI use a provider controllability model review a Trust's financial position. The model illustrated in the diagram below assesses how much control an organisation has over its financial position to understand where the opportunity and accountability can be influenced.

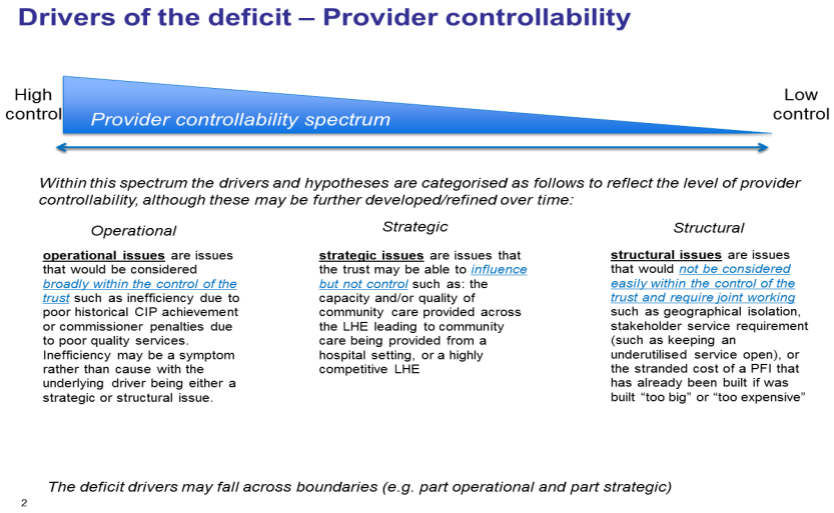

Diagram 1 – Provider Control of the Deficit

4.2 Using this approach we can break down the underlying issues that are causing the current deficit. Table 2 presents the main drivers of the deficit from a £1m surplus in 2013/14 to the planned £34m deficit in 2018/19. Operational issues are described as cost pressures, strategic issues are described as service investments and structural issues as contract changes.

Cost Pressures	£m
Agency medical staff based on out-turn	4.5
Delivering elective capacity with minimal contribution from outsourcing	2.1
Delivering diagnostic capacity at premium rates including endsocopy	1.3
Nurse and medical recruitment support	1.0
Nurse specialling in Medicine	0.8
Community consumable contracts	0.2
Nursing acuity	0.5
CIP non recurrent delivery - where balance sheet or other non recurrent means has met the shortfall	7.9
Reverse of CIP on car parking charges linked to salary sacrifice	0.3
Total	**18.6**

Service Investments	£m
Investment in nursing for safe staffing following Berwick & Francis reports	1.2
Additional investment in ED - medical	1.3
Additional CQC investment in nursing	1.4
Electronic Patient Record	3.0
D Block	1.0
Urology robot	0.3
Transformation Team / Exec Team / Management structure	1.5
GI bleed rota / Gastroenterology permanent posts	0.5
Stockport Together risk share	2.4
Total	**12.6**

Contract changes	£m
Transfer of Community Services to Tameside after incorporating into Stokcport Community and therefore loss of contribution	2.4
Loss of contracts for Sexual Health for Stockport (contribution)	0.3
Loss of contract for wheelchairs for Tameside (contribution)	0.4
Diagnostic angiography transfer to UHSM (loss of contribution	0.1
SMBC deflation on Health Visiting contract	0.6
Total	**3.8**

Grand total	**35**

Table 2 – Stockport FTs Spectrum of Deficit Controllability

4.3 The issues described above could be re-presented by individual specialty profitability. The Trust has invested in a patient level costing system (PLICs), to support operational and clinical leadership teams to understand the contribution to overheads that specialties make to the Trust financial position.

4.4 A summary of the specialty financial performance for 2017/18 is shown in Table 3. The table shows the overall contribution to the overheads as well as the overall surplus / deficit by specialty.

Service line description	Contribution to overheads £m	Overheads £m	Surplus / (deficit) £m	Overall Surplus/(Deficit) as percentage of Income
Emergency Department	(3.1)	(0.9)	(4.0)	-29%
Acute Medicine	5.2	(1.6)	3.6	23%
General Medicine	(1.4)	(5.2)	(6.7)	-22%
Other Medical specialties (inc. diabetes/rheu/chest)	3.7	(1.6)	2.1	13%
Care of the Elderly	(2.7)	(2.8)	(5.5)	-43%
General Surgery	(0.6)	(3.5)	(4.1)	-21%
Ophthalmology	0.3	(1.5)	(1.2)	-19%
Trauma & Orthopaedics	0.8	(4.5)	(3.8)	-14%
Urology	2.2	(2.2)	(0.1)	0%
Other surgery (inc breast, ent)	1.4	(3.1)	(1.7)	-12%
Adult Critical Care	0.4	(0.6)	(0.2)	-3%
Gynaecology	1.3	(1.1)	0.2	3%
Obstetrics	0.3	(2.4)	(2.1)	-14%
Paediatrics	2.8	(2.0)	0.9	7%
Community	2.0	(4.9)	(2.9)	-9%
Support Services (inc. pathology/ radiology/ pharmacy)	5.2	(0.6)	4.6	34%
Total	17.6	(38.5)	(20.8)	

Table 3 – Key Specialty Profitability in 2017/18

4.5 A different way of analysing the data would be to show this by "point of delivery" which refers to how a patient is treated e.g. outpatients, elective inpatient or day case or emergency admission. Point of delivery is analysed for each specialty and the following table shows a high level analysis of this for the Trust.

Point of delivery	Overall Surplus/(Deficit) £m
Elective admissions	(1.5)
Day cases	2.8
Non-elective admissions	(12.5)
Out patients	(6.6)
A&E attendances	(4.0)
All other	0.9
Total	**(20.8)**

Table 4 – PLICs 2017/18 by point of delivery

4.6 Table 4 shows that 60% of the Trust's deficit is related to non-elective admissions and 19% due to A&E admissions. This financial challenge was one of the key factors in the Trust's support for the Stockport Together Programme.

5. THE INITIAL FINANCIAL FORECAST (THE DO NOTHING SCENARIO)

5.1 In line with the NHSI Operational Planning Guidance of 2017/18, the Trust developed a two year Financial Plan, which was refreshed following the publication of the 2018/19 Planning Guidance. The main financial movement between the 2017/18 outturn and the 2018/19 Final Financial Plan is illustrated in the diagram below.

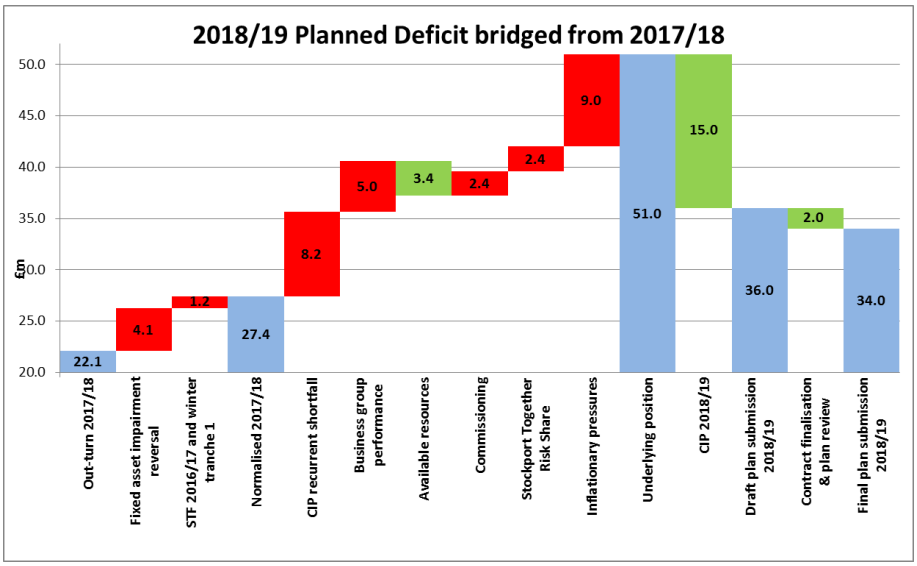

Diagram 2 – Key movements between 2017/18 and 2018/19

5.2 In developing the 2018/19 financial plan, the Board of Directors rejected the offer of £10.7m Provider Sustainability Fund (PSF) to deliver a surplus of £2.0m. The Trust would have needed to deliver a CIP of £40.3m (c14%) to achieve the required control total. The Board felt that this level of saving could not have been enacted without deterioration in quality and safety

5.3 Using the 2018/19 Final Operational Financial Plan as a foundation, the Trust has created a five year model which aligns to the reporting required for Greater Manchester Health and Social Partnership (GMH&SCP), where a "roll-up" of the ten localities is requested that incorporates Providers, Clinical Commissioning Groups (CCGs) and Local Authorities (LAs). This is to compare the latest financial forecast versus the original £2bn gap analysis undertaken previously as part of the GM devolution strategic financial case.

5.4 The Trust has used the NHSI national mandated planning assumptions in the development of the "do nothing" scenario. The underlying assumptions that have been used to develop the model are presented in Table 5 below.

Expenditure inflators	2019/20	2020/21	2021/22	2022/23	2023/24
Clinical supplies & services	3.10%	3.10%	3.10%	3.10%	3.10%
Drugs	4.10%	4.10%	4.10%	4.10%	4.10%
Other non pay costs	1.90%	1.90%	1.90%	1.90%	1.90%
Pay inflation and incremental drift (pre pay award 18/19 finalisation)	1.60%	2.90%	2.90%	2.90%	2.90%
Indicative hospital activity model (IHAM) growth	Published	Published	*Estimated*	*Estimated*	*Estimated*
A&E attendances	2.02%	2.11%	*2.07%*	*2.07%*	*2.07%*
Non elective	1.80%	2.00%	*1.90%*	*1.90%*	*1.90%*
Elective	1.70%	1.60%	*1.65%*	*1.65%*	*1.65%*
Out patients	3.50%	3.50%	*3.50%*	*3.50%*	*3.50%*

Table 5 – Inflation and growth assumptions

5.5 The headline financial forecast for the “do-nothing” scenario is summarised in Table 6 below.

Category	2018/19 (£'m)	2019/20 (£'m)	2020/21 (£'m)	2021/22 (£'m)	2022/23 (£'m)
Income	281.0	284.3	293.3	299.2	303.3
Expenditure	(330.0)	(328.1)	(341.2)	(352.3)	(361.6)
Underlying Deficit	(49.0)	(43.8)	(47.9)	(53.1)	(58.3)
Agreed Improvement	15.0				
Assumed 2% Improvement		6.2	6.7	6.8	6.9
Forecast "Do Nothing" Deficit	**(34.0)**	**(37.6)**	**(41.2)**	**(46.3)**	**(51.4)**

Table 6 – Do nothing base model

5.6 In developing the scenario, there are three assumptions that are subjective, all other assumptions such as the impact of Stockport Together have been agreed:

a) The latest NHS Pay Deal has been fully assessed and analysed. The Trust is incurring a £0.5m financial pressure in 2018/19 and is continuing discussions with NHSI. The assumption for planning purposes is that the increase in 2018/19 and beyond is fully funded and therefore assumed as being cost neutral in this model (this may change when final funding details emerge).

b) Any activity growth costs the Trust approximately 14% more than the income based on our current rate of overall loss; and

c) The 2% CIP in 2018/19 and beyond is assumed to be delivered on a recurrent basis based on historical trends and outcomes of national reviews.

5.7 As can be seen in Table 6, if the Trust only delivers 2% recurrent CIP (in line with all available historical national learning) the Trust financial deficit increases every year leading to a £51.5m deficit by 2022/23. This level of financial performance is not sustainable and the Trust needs to enact strategies to mitigate the scale of the forecast losses.

5.8 It is highly unlikely, given the experience of other Trusts in a similar position in recent years (once in a deficit position it can be stabilised but becomes persistent), that the Trust will be able to break even in the next 5 years unless there is a significant change in the economic operating context of the NHS for example enabling the Provider Sustainability Funding to be distributed on a more realistic basis. Using NHSIs 2017/18 Quarter 4 Performance Report 65% of acute providers ended the financial year in a deficit position.

6. THE FIVE POINT FINANCIAL IMPROVEMENT STRATEGY

The Five-Point Financial Improvement Strategy utilises all available information and knowledge to significantly reduce the forecast losses. The proposed improvements stem from the drivers of the deficit described at in section 4.2.

6.1 Objective 1 - Significantly reduce workforce costs and reliance upon non-substantive staff (Lead Director – Interim Director of Workforce & OD).

6.1.1 As with most other Trusts in the country, the Trust has struggled to recruit to key clinical posts across the Organisations.

6.1.2 The Trust has seen particular consultant gaps in areas such as Microbiology, Neuro Radiology, Cardiology, Respiratory and Histopathology where there are national shortages and the agency costs is significantly higher and in excess of the hourly rate set by NHSI.

6.1.3 The Trust is experiencing significant shortfalls in Doctor training grade rotas across the Board and therefore needs to utilise costly agency staff, coupled with approximately 170 nursing and midwifery vacancies that are predominantly filled by bank staff.

6.1.4 In order to address the issue, the Trust will have to undertake the following actions:

i. **Increase Retention** – The Trust is currently experiencing staff retention rates of approximately 10%-12%, which is average nationally however the Trust is struggling to recruit to these vacancies. The strategy involves:
   a. Increasing staff health and well-being, making staff much more resilient and reduce the overall numbers of staff leaving taking up posts in less stressful roles;
   b. Develop better progression prospects for staff either joining the hospital or have worked in the Trust for a considerable period. The Trust retention rate is symptomatic of staff not being able to progress into more senior roles;
   c. To develop job enhancement and allow staff to experience and develop into other roles across the Trust.

ii. **Increase Recruitment** – The Trust has struggled to recruit to individual posts and therefore may need to consider different approaches such as:
   a. Redevelop historically acute based services such as respiratory, cardiology and care for the elderly into more community focussed roles;
   b. Develop job share roles with tertiary centres and allow new recruits to spend some time in other Trusts;
   c. To give an overall focussed recruitment campaign recruiting significant number of posts to allow for a more flexible working pattern.

iii. **Redesign Traditional Job Roles** – The Trust, like many other Providers, still have the historic medical and nursing model. The Trust must focus upon the development of other staff groups to provide healthcare such as:
   a. develop more ANPs and Physician Associates for traditional Junior Doctor roles;
   b. better use of therapy staff to provide more generic nursing care;

c. develop Trust based development programmes that take HCAs into more experienced care workers.

6.1.5 The elements above must help solve the 7 day working programme and be an enabler to more safe and efficient care.

6.1.6 If the Trust was to reduce the agency spend as percentage of total pay costs in line with another GM DGH (Bolton NHSFT) then the estimated savings could be £5.4m per year[2] fully realisable in 2020/21.

6.2 Objective 2 – Drive all available opportunities in Model Hospital, CHKS and Reference Costs (Lead Director – Chief Operating Officer)

6.2.1 The key way in which the Trust assesses its financial opportunities is by using benchmarking information from services which the Trust subscribes to such as the Comparative Health Knowledge System (CHKS).

6.2.2 The national way forward with benchmarking is to use the Department of Health's Model Hospital which uses data from a variety of sources including Trust reference costs, annual accounts and the employee service records (ESR) to create a weighted activity unit (WAU) in order to compare every Trust in the country. The data also looks at findings from the Getting it Right First Time reviews (GIRFT) of clinical specialities in order to identify areas of unwarranted clinical variation.

6.2.3 It is planned to embed the model hospital principles throughout the Trust in order to challenge specialties to move from their current position by percentage points to a different quartile or to average or to upper quartile; each specialties circumstances will be different.

6.2.4 The Trust still shows a Potential Productivity Opportunity (PPO) of £21.8m opportunity in the presentation by NHSI North's Operational and Productivity Team. The main focus is regarding the pay costs per Weighted Activity Unit and the actions focussed in the Workforce Strategy should reduce this PPO to £16.4m. The software produces an overall productivity improvement chart which shows the potential within specialities from benchmarking nationally. The results currently available show the following for the Trust:

[2] Stockport FTs 2016/17 agency performance was 7% compared to Bolton NHSFT who experienced 4% in the same period.

Compartment Area	Spend	Indicative Potential Productivity Opportunity (PPO) in £	Potential Productivity Opportunity (%)
General Medicine	£39.7m	£3.5m	8.7%
Geriatric Medicine	£26.9m	£2.6m	9.6%
Orthopaedic & Spinal Surgery	£32.8m	£2.2m	6.7%
Obstetrics & Gynaecology	£22.4m	£1.2m	5.5%
Pathology	£10.7m	£1.1m	31.2%
General Surgery	£27.5m	£898k	3.3%
Ophthalmology	£7.1m	£766k	10.8%
Urology	£13.1m	£657k	5.0%
Cardiology	£6.5m	£546k	8.4%
Ear, Nose & Throat	£4.6m	£154k	3.3%
Breast Surgery	£2.7m	£92k	3.4%
Paediatrics	£9.7m	£66k	0.7%
Diabetes & Endocrinology	£1.8m	£56k	3.0%
Oral & Maxillofacial	£1.9m	£55k	3.0%
Cancer Services	£802k	£2k	0.2%

Table 7 – Model hospital opportunities June 2018 extract – 2016/17 reference costs

6.2.5 Sustainable change will come from clinical engagement and leadership. The Trust is developing a culture of improved quality of care through the leadership of the Chief Nurse and Director of Quality Governance. Improvement in the use of resources and the reduction in unwarranted clinical variation in the Trust will need to formulated and delivered through focussed Clinical Service Reviews that have commenced in 2017-18.

6.2.6 Whilst the model hospital will not be updated for 2017/18 reference costs until November 2018, the indicative productivity opportunities broadly match the specialties which have the greatest deficit.

6.2.7 When looking at the opportunities in the Model Hospital, the Trust has the opportunity to compare itself against all acute Trusts in the country or a specific peer group. Based on Acute Trusts with a similar turnover and delivering similar District General Hospital (DGH) services, the Trust has agreed a peer group summarised in Appendix A.

6.2.8 The Trust has established a specialty review programme which will in turn review each of the specialties within the Trust in order to identify all the opportunities available, challenge the data available and agree an action plan including a financial opportunity. It is planned to have a rolling programme of specialty reviews that ensures that there is a continuous improvement cycle.

6.2.9 The results of the first set of service reviews have highlighted a number of opportunities which are being pursued as actions through the current CIP themes. A summary can be shown in the following table:

		Cardiology	DMOP	General Surgery	Obstetrics	Rheumatology
Oversight & Delivery	FIG - Improving Patient Flow	6 beds	27 beds			
	FIG - Workforce	50% locum costs	50% locum costs			
	FIG - Theatres & Endoscopy			13% point improvement in Utilisation		
	FIG - Procurement & Clinical Standardisation			Potential £50k saving	Potential £35k saving	
	FIG - Clinical Support				Increased activity	
	FIG - Corporate & Estates & Facilities				Retail Opportunities	
	FIG - Medicines Management					Potential £129k saving
	Business Group to lead	Service options post-Cath Lab	Service model to improve profitability	Review of Non-Elective Pathway	Market share and birth rate analysis	Future model for service provision
		Coding review	Outpatient efficiency	Outpatient efficiency	Quality and Efficiency metrics	One-stop shop development
		Upskill Primary Care	Model for Day Hospital	Market share analysis	Departmental configuration	Outpatient efficiency

Table 7 – Matrix of opportunities through service reviews

6.2.10 Whilst the majority of focus is on front line clinical services, the Model Hospital also directs users towards opportunities in clinical support services and corporate services. The Trust is currently developing opportunities in:

a) Shared corporate services with either the local authority or other NHS Organisations in Greater Manchester dependent upon fit; and
b) Federated Pathology services to create resilience and sustainability.

6.2.11 Through these means, the Trust must develop plans to develop approximately 4% cost improvement over the planning period which should deliver approximately an extra £6m per year.

6.3 Objective 3 - Deliver the Stockport Together Benefits (Lead Director – Deputy Chief Executive)

6.3.1 In June 2017, the Board of Directors considered the Stockport Together Outline Business Cases and endorsed the development and implementation of new models of care. This decision was made on the basis the new models of care will deliver significant financial savings to the Health and Social Care Economy.

6.3.2 Since that date, the Health and Social Care Partners of Stockport Together (Partners) have been recruiting, mobilising and delivering parts of the new models of care. In July 2018, the Partners have reassessed the Stockport Together Benefits following challenge from the Greater Manchester Health and Social Care Partnership Team (GMH&SCP) and the CQC. One of the factors in the financial modelling is the impact of activity growth especially in

urgent care pathways. Stockport is an outlier in GM and nationally and the cost of delivering the urgent care pathways is negatively impacting the Trust by £16.5m as presented in table 4 above. The diagram below shows Stockport CCG's comparative position.

Diagram 3 – Stockport CCG Comparative Emergency Admissions

6.3.3 The Trust will receive investment of £7.9m recurrently to deliver increased service provision in ambulatory care and neighbourhood services.

6.3.4 The Stockport Together programme has a two-fold benefit to the Trust. It negates activity growth which reduces the need for increased capacity at costs above tariff but it also begins to reduce the requirement for loss making services contributing a net saving £0.5m per year.

6.3.5 The financial impact of achieving the refreshed benefits will require the Trust to contribute £2.4m and £2.3m in 2018/19 and 2019/20 respectively into the risk and gain share before receiving £2.0m and £3.6m in 2021/22 and 2022/23 respectively.

6.4 Objective 4 – Increase income opportunities through repatriation of planned daycase and elective activities, increase births and contract discussion (Lead Director – Director of Finance)

6.4.1 A recent review of Stockport CCG activity (2017-18) showed that a significant level of activity is being delivered at either an Independent Sector organisation or other Trust as per the table below:

	IS Provider	NHS Provider
Daycases	6,324	11,112
Elective Cases	570	2,481
Grand Total	**6,894**	**13,593**

Table 9 – Analysis of Stockport CCG Activity

6.4.2 Most of the activity undertaken at the Independent Sector Provider (IS Provider) will be low risk, low cost and high contribution activity. A closer review shows that the majority of activities are in Ophthalmology (Cataracts), Orthopaedics (Minor Procedures) and General surgery (Hernia Operations) or Scoping Procedures. Each activity is potentially cash cows in other Trusts.

6.4.3 Activity at other NHS Providers is significantly more complex predominantly due to the specialist activity such as cancer treatment, heart surgery etc. However the Trust needs to review referral patterns for non-specialist activity to undertake them at the Trust and aid the relative profitability.

6.4.4 A recent review found that the Trust waiting times was not updated and accurate at the time that patients were making decisions under the patient choice option and therefore were choosing to be treated at the Independent Sector provider.

6.4.5 If the Trust assumed that 50% of the work undertaken at the Independent Sector could be repatriated with an average tariff of £500 then the Trust could benefit from an injection of £1.7m per year however a fuller assessment is required to ascertain variable costs.

6.4.6 With regards to Maternity Services, the Trust has the consultant and estate capacity to undertaken 4,000 births however at present the Trust is only delivering 3,300 as many would be mothers choose to have their children elsewhere. If the Trust was able to attract 700 births that had a financial contribution of 70% than the Trust would benefit by £1m per year.

6.4.7 In both of these aspects, the Trust would benefit from expert marketing specialists as we are not intending to negatively impact CCGs but rather transfer available resources towards Stockport FT.

6.4.8 The Trust continues to be penalised for readmission penalties and non-elective threshold adjustments as per the national contract to the value of approximately £4m each year. Local health and social care economies have decided to phase out these adjustments in return for assured contracts (block). The Trust will aim to phase these adjustments out over the period.

6.5 Objective 5 – Exploit opportunities arising from Greater Manchester development and / or neighbouring Trusts (Lead Director – Deputy Chief Executive)

6.5.1 There are a number of services across the Trust that are seen as well led and are able to provider services over a larger geographical footprint. Whilst the GMH&SCP Theme 3 work may influence the overall strategy of where services develop, the Trust already has a number of highly regarded services that provides (will provide) services across a larger footprint such as services such as:

a) General Surgery – preferred provider of emergency complex care for the population of the South East Sector and the High Peaks (currently a number of years behind plan) ;
b) Urology Services – currently provide Consultant led care across the South East Sector;
c) Orthopaedic Services – currently the second largest provider in Greater Manchester.

6.5.2 The Trust continues to engage with neighbouring Trusts to review all available opportunities to consolidate services to create resilience from a workforce and financial basis.

7. FINANCIAL IMPACT OF THE IMPROVEMENT STRATEGIES

7.1 As described in Section 2.4 above, the Trust has a sustainability challenge of £93m over the next five years. The overall Five Point Improvement Plan will partially address the challenge and even with the assumption that the £10.7m Provider Sustainability Fund (PSF) becomes recurrent in 2020/21, the Trust will still have a residual gap as per Table 10 below

Category	Total (£'m)
2018/19 Underlying Deficit	(49.0)
Inflationary Pressures	(44.0)
2018/19 CIP	15.0
Benchmark Improvement	38.0
Income Improvement	6.7
Provider Sustainability Fund (PSF)	10.7
Residual Shortfall	**(22.6)**

Table 10 – Impact of Sustainability Challenge

7.2 For modelling purposes, it has been forecasted that improvements will passed equally over the next four years. The following table summarises the forecasted impact of the improvements along with the impact on the underlying deficit.

Category	2018/19 (£'m)	2019/20 (£'m)	2020/21 (£'m)	2021/22 (£'m)	2022/23 (£'m)
Deficit before CIP	(49.0)	(43.9)	(43.4)	(32.9)	(31.5)
Agreed Improvement	15.0				
Assumed 2% Improvement		6.2	6.7	6.8	6.9
Forecast "Do Nothing" Deficit	(34.0)	(37.7)	(36.7)	(26.1)	(24.6)

Category	2018/19 (£'m)	2019/20 (£'m)	2020/21 (£'m)	2021/22 (£'m)	2022/23 (£'m)
Improvement 1 - Workforce		1.4	1.4	1.4	1.4
Improvement 2 - Service Reviews		1.5	1.5	1.5	1.5
Improvement 3 - Stockport Together			0.5	2.0	1.6
Improvement 4 - Income Opportunities		1.7	1.7	1.7	1.7
Improvement 5 - Federation					
Provider Sustainability Fund (PSF)			**10.7**		
Total Improvement	**0.0**	**4.5**	**15.7**	**6.5**	**6.1**
Total Sustainability Plan	**15.0**	**10.7**	**22.4**	**13.3**	**13.0**
Revised Surplus / (Deficit)	(34.0)	(33.2)	(21.0)	(19.5)	(18.5)

Table 11 – Net Impact of Improvement Strategy

7.3 It is important to note that there will be duplicating factors involved in trying to deliver the current improvements under the "Do Nothing" Scenario and the values attributed to the Improvement Plan. The original assumption and the overall improvement strategy deliver approximately £70.4m (including the PSF) over the planning period and would approximately half the financial deficit.

7.4 The Prime Minister has also announced 3.6% real growth which may have a positive impact on the underlying deficit. At present, the Trust has to find savings to meet inflationary pressures

of £10m per year. The Trust could benefit of additional real growth in the autumn statement however it would be difficult to plan on this basis for the strategy.

8. DELIVERY RESOURCES AND MECHANISM

8.1 In order to support the development of transformation change, the Trust has made significant investment in the supporting infrastructure at the Trust. This cost has added significant pressure into the underlying deficit and therefore it is important that these assets are utilised to deliver the strategy. The investments in the supporting structure are:

- Medical Leadership
- Transformation Team
- Investment in Finance, HR and Corporate Nursing
- PMO
- Strategy and Planning
- Information Resource

8.2 In order to deliver sustainable change, the Trust has introduced two groups:

i. Operational Performance Group (OPG) chaired by the Chief Operating Officer (COO) reviewing all aspects of the Operational Performance including the delivery of key efficiency metrics such as length of stay and N:FUP Ratios. The COO will be supported by the Delivery Director and the Director of Transformation and Performance; and

ii. Strategy and Planning Group (SPG) chaired by the Deputy Chief Executive (DCEO) reviewing all aspects of Strategic change at Specialty level as depicted in the Trust's Strategy. The DCEO will be supported by the Strategy and Planning Team.

8.3 Over and above the resources described above, the Trust has additional senior operational capacity to develop sustainable clinical change in the system. Using the AQUA's PDSA methodology the Trust needs to develop the clinical improvement journey to deliver at least 5% efficiency recurrently in the next two to three years.

9. KEY INFLUENCING FACTORS OF RISK AND OPPORTUNITY TO THE STRATEGY

9.1 There are a number of key internal influencing factors of risk and opportunity that need to be considered:

a) **Operational Performance** – The single biggest issue facing the Trust is that Stockport FT has not delivered the 95% Emergency Department target since 2013, and is the main focus of regulatory action from NHSI at the moment. More recently the Trust is failing RTT and cancer and these issues are diverting much needed attention from quality of care or the financial challenge;

b) **Care Quality Commission – Requires Improvement Rating** – Linked to the above, the Trust has a Requires Improvement Rating following unannounced visits in 2016 and 2017. The Trust is currently being assessed against the Well-Led Domian and has had the latest CQC unannounced visit in September as well as the Use of Resources assessment.

c) **Workforce -** The greatest challenge to the Trust is to have sufficient workforce in order to be able to deliver its priorities. As demonstrated in Table 4 the Trust incurred £12m in agency costs, 6% in 2017/18 but also incurred a further £12.2m in bank costs. The Trust therefore has costs equivalent to 12% of pay costs. This does not include the substantial level of activity undertaken using waiting list initiatives. If included, the Trust reliance on non-substantive workforce costs would rise to 26%. The Government has asked businesses to plan for the impact of exiting the European Union however this is risk that had yet to be assessed.

d) **Changes in leadership** – Since the retirement of the Chief Executive in December 2017, the Trust has yet to secure a permanent replacement and with other interim Executives in place.

e) **Capacity and Capability –** The Trust has recently restructured the clinical departments into revised Business Groups in preparation for the development of Integrated Care Organisation. Medical Leaders have been appointed in the form of Associate Medical Directors (AMDs) and Clinical Directors (CDs). The challenge for the leadership team is how to make the Triumvirate (Operational Manager, AMD and Associate Nurse Director (ANDs) work together to deliver across quality, workforce, operational and financial objectives.

f) **Condition of the Trust's Estate and IM&T Infrastructure -** The current condition of the Trust's estate and IM&T Infrastructure is not conducive to the delivery of efficient care and therefore the development of the these supporting strategies will need to focus upon a reduction the overall footprint, reduce utility usage and support efficient working practices is crucial. The Trust is continuing to develop the acute and community Electronic Patient Record (EPR) as an enabler to delivery safe and efficient care. Furthermore, the Trust has submitted bids to the Department of Health for Urgent Care monies however due to restricted investment funds, the safest option to raise funds is to request investment from the Independent Trust Financing Facility (ITFF) on the premise that land can be freed up to develop social low cost or key worker housing.

g) Commissioning Landscape - There is continual change in the commissioning landscape with Clinical Commissioning Groups and Local Authorities creating Joint Strategic Commissioning Boards and devolving "tactical" commissioning to Providers. The Trust should see this development as an opportunity and influence the patient pathways for the future.

APPENDIX A – AGREED PEER GROUP TO BENCHAMRK SERVICES

- St Helen's & Knowsley Hospital Services NHS Trust (RBN)
- North Lincolnshire & Goole NHS Foundation Trust (RJL)
- University Hospital of South Manchester NHS Foundation Trust (RM2)[3]
- Bolton NHS Foundation Trust (RMC)
- University Hospitals of Morecambe Bay NHS Foundation Trust (RTX)
- Medway NHS Foundation Trust (RPA)
- North Cumbria University Hospitals (RNL)
- Countess of Chester Hospital NHS Foundation Trust (RJR)
- Mid-Cheshire Hospitals NHS Foundation Trust (RBT)
- Burton Hospitals NHS Foundation Trust (RJF)
- Kingston Hospital NHS Foundation Trust (RAX)

[3] To be reviewed when new dataset is released as now part of the Manchester University Foundation Trust however, could be replaced with Aintree Hospitals NHS.

NHS
Stockport
NHS Foundation Trust

Report to:	Council of Governors	**Date:**	25 October 2018
Subject:	Proposed Amendments to Constitution		
Report of:	Director of Corporate Affairs	**Prepared by:**	P Buckingham

REPORT FOR APPROVAL

Corporate objective ref:	N/A
Board Assurance Framework ref:	N/A
CQC Registration Standards ref:	N/A
Equality Impact Assessment:	☐ Completed X Not required

Summary of Report
Identify key facts, risks and implications associated with the report content.

The purpose of this report is to seek approval of proposed amendments to the Trust's Constitution.

The proposed amendments relate to:

- Meeting Attendance Requirements
- Nominations Committee Membership

The report also seeks a view from the Council of Governors on the subject of Tenure of Governors.

Attachments: Appendix 1 – Extract from Annex 5, Trust Constitution

This subject has previously been reported to:

☒ Board of Directors	☐ PP Committee
☐ Council of Governors	☐ SD Committee
☐ Audit Committee	☐ Charitable Funds Committee
☐ Executive Team	☐ Nominations Committee
☐ Quality Committee	☐ Remuneration Committee
☐ F&P Committee	☐ Joint Negotiating Council
	☐ Other

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1. INTRODUCTION

1.1 The purpose of this report is to seek approval of proposed amendments to the Trust's Constitution.

2. BACKGROUND

2.1 Potential amendments to the Constitution, relating to Meeting Attendance Requirements for Governors were initially considered at a meeting of the Governors' Governance & Membership Committee held on 3 September 2018. In addition, the Committee considered an amendment relating to membership of the Nominations Committee following policy guidance received from NHS Improvement. The Committee made recommendations to the Council of Governors to approve the proposed amendments.

2.2 Amendments to the Constitution require initial approval from the Board of Directors and final approval by the Council of Governors. The Board of Directors approved the proposed amendments at the meeting held on 27 September 2018.

3. CURRENT SITUATION

3.1 <u>Meeting Attendance Requirements</u>

The current meeting attendance requirements are set out at s8.2, Annex 5 of the Trust's Constitution. A copy of the relevant section is included for reference at Appendix 1 to this report. Removal of a Governor can currently be effected as a result of an individual failing to attend two formal meetings of the Council of Governors in any Governor Year unless the other Governors are satisfied that the absences were due to reasonable causes and that he/she will be able to start attending meetings within such a period as they consider reasonable.

3.2 The current requirements could result in the removal of a Governor if an individual failed to attend meetings over a relatively limited 3-month period. While the Governance & Membership Committee agreed a process which would be followed in such cases, to ensure that any extenuating circumstances are taken into account, it was agreed that an approach based on absence from two meetings was overly draconian.

3.3 A review of the Constitutions' of a number of local NHS Foundation Trusts suggest that the attendance requirement is commonly based on either failure to attend three meetings in a Governor Year or three consecutive Council of Governors meetings. Consequently, the Committee agreed to propose an amendment to the Constitution to reflect failure to attend three consecutive Council of Governors meetings. This proposal was supported by the Board of Directors on 27 September 2018 and the Council of Governors is recommended to approve the proposal.

3.4 Nominations Committee Membership

The Trust recently received correspondence from NHS Improvement on the subject of Nominations Committee membership as reflected in the Trust's Constitution. This was part of a national review of NHS Foundation Trust Constitution documents carried out by NHS Improvement.

3.5 The correspondence required the Trust to comply with the NHS Improvement policy position on membership of the Nominations Committee. Specifically, the policy position requires that a Chief Executive should not have formal membership of a Nominations Committee but may advise and/or offer views to the Committee. Annex 6, Section 4 of the Trust's Constitution currently states:

The Nominations Committee will comprise the Chairman (or, when a Chair is being appointed, the Deputy Chair unless they are standing for appointment, in which case another Non-Executive Director), Deputy Chairman, five Governors and the Chief Executive. The Chairman of another Foundation Trust will be invited to act as an independent assessor to the Nominations Committee.

3.6 It is proposed that this section of the Constitution be amended as follows:

The Nominations Committee will comprise the Chairman (or, when a Chairman is being appointed, the Deputy Chairman unless they are standing for appointment, in which case another Non-Executive Director), Deputy Chairman and five Governors. The Chairman of another Foundation Trust will be invited to act as an independent assessor to the Nominations Committee. The Nominations Committee will consult the Chief Executive.

3.7 Board members should note that, in stating its policy position, NHS Improvement referred to the NHS Foundation Trust Code of Governance and Director-Governor Interaction in NHS Foundation Trusts. The guidance is not clear in either instance and the Director of Corporate Affairs has suggested to NHS Improvement that greater clarity be provided in any subsequent revisions of the publications. That said, the rationale for ensuring that an individual has no decision-making powers in relation to appointment of their immediate superior is sound, and the Board of Directors supported the proposed amendment on 27 September 2018. The Council of Governors is recommended to approve the proposed amendment. A subsequent amendment to the Nominations Committee Terms of Reference would also be required.

4. OTHER MATTERS

4.1 Council of Governors - Tenure

Section 14 of the Constitution states that an elected governor may hold office for a

period not exceeding three years and shall be eligible for re-election at the end of his/her term. There is currently no upper limit on the overall tenure of Governors raising the possibility that individuals could serve ad infinitum.

4.2 This position is unusual, as the majority of NHS Foundation Trust's will have an upper limit for the tenure of Governors. Where applied, the rationale for such a limit is similar to that applied to Non-Executive Directors, whom are subject to a maximum term of office, in that it is reasonable to expect that an individual's degree of independence and objectivity will deteriorate over an extended period of time. There is also the benefit which results from periodic refresh of composition to balance alongside arguments relating to continuity of experience.

4.3 The Governance & Membership Committee was requested to consider the inclusion of the following at s14 of the Constitution:

A Governor may not hold office for more than nine consecutive years, and shall not be eligible for re-election if they have already held office for more than six consecutive years.

4.4 The discussion at the Committee meeting was inconclusive, with differing views expressed as to whether a maximum term of office should be adopted. The argument against this approach was based on the assertion that extended tenure resulted in experienced Governors and that suitability for re-election was a matter for the membership to determine through the election process. The outcome of the Committee's deliberation was that the matter should be referred to the Council of Governors for consideration.

4.5 The Board of Directors considered this matter at the meeting held on 27 September 2018 and endorsed the proposal at s4.3 of the report on the basis that the proposed approach reflects good governance practice. A review of relevant entries in the Constitutions of Foundation Trusts in Greater Manchester identified the following:

NHS Foundation Trust	**Maximum Tenure**
Bolton	9 years
Wrightington, Wigan & Leigh	9 years
Salford Royal	9 years
Manchester University	9 years
Tameside & Glossop	9 years
The Christie	9 years
Pennine Care	No limit
Stockport	No limit

5. RECOMMENDATIONS

5.1 The Council of Governors is recommended to:

- Approve the proposed amendments set out at s3.3. and s3.6 of the report.
- Consider the subject of Tenure of Governors and, in particular, the proposal included at s4.3 of the report.

Appendix 1

Extract from Annex 5, Trust Constitution

Termination of office and removal of Governors

8 A person holding office as a Governor shall immediately cease to do so if:

8.1. He/she resigns by notice to the Trust Secretary;

8.2. He/she fails to attend two formal meetings of the Council of Governors in any Governor Year unless the other Governors are satisfied that:

8.2.1. The absences were due to reasonable causes; and

8.2.2. He/she will be able to start attending meetings of the Trust again within such a period as they consider reasonable.

For the purposes of this paragraph, a "Governor Year" runs from one Annual Members' Meeting until the next.

8.3. He/she has failed without reasonable cause to undertake any training which the Council of Governors requires all Governors to undertake;

8.4. He/she has failed to sign and deliver a statement to the Trust Secretary in a form required by the Trust confirming acceptance and agreement to abide by the Trust's statement of roles and responsibilities in relation to the Council of Governors, the Trust's Code of Conduct for Governors and the Trust's Stewardship Standards for Governors;

8.5. He/she is removed from the Council of Governors under the following provisions.

9 A Governor may be removed from the Council of Governors by a resolution approved by two thirds of the remaining Governors present and voting at a General Meeting on the grounds that:

9.1. He/she committed a serious breach of the code of conduct; or

9.2. He/she has acted in a manner deemed to be detrimental to the interests of the Trust,

and the Council of Governors considers that it is not in the best interests of the Foundation Trust for them to continue as a Governor.

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STOCKPORT NHSFT
Council of Governors

Report of: Les Jenkins **Date of Meeting: 25 October 2018**

Report of the Governance & Membership Committee

1. Present

Governors Present	Governor Observers	Trust Representatives
Les Jenkins	Gerry Wright	Adrian Belton
Eve Brown	Caroline Mitchell	Paul Buckingham
Robert Cryer		Helen O'Brien
Tom McGee		
Roy Greenwood		

2. Meetings held on

A meeting of the Committee was held on 3 September 2018.

3. Agenda Items

1. Membership Report
2. Proposed Amendments to Constitution
3. Assessing Collective Performance
4. Governor Elections 2018
5. Electronic Patient Record – Financial Briefing
6. Strategic Updates

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

1. Membership Report

Mrs H O'Brien, Communications Manager, presented a Membership Report which covered the following subject areas:

- Membership Numbers
- Stepping Up – September Edition
- Annual Members' Meeting
- Members Survey
- Members Health Talk Evaluation

The Committee noted positive opening rates for e-mail communication and considered an overview of content for the September 2018 Stepping Up publication. The Committee discussed revised arrangements for the Annual Members' Meeting, which will be held on 9 October 2018 at Edgeley Park, Stockport, and will follow a 'Devo Difference' event being hosted by Stockport CCG and Stockport Healthwatch. The Committee noted the potential to attract a different audience, the benefit of cost sharing for the event and endorsed the revised approach. The Committee also discussed means of presenting Annual Report information in a more user-friendly format at the Annual Members' Meeting.

The Committee considered the Trust's approach to size of membership and noted a total of 11,390 public members as at 31 August 2018. The Committee discussed the

respective merits of growth and maintenance approaches to membership numbers and agreed to consider the Membership Strategy as a substantive agenda item at the next meeting on 5 November 2018.

2. EPR Financial Briefing

Mr F Patel, Director of Finance, joined the meeting and briefed the Committee on financial matters relating to the Electronic Patient Record programme. He provided clarification on the associated values recorded in the 2017/18 Annual Accounts in response to questions from Governors. With regard to the Annual Accounts, the Committee noted constraints with regard to format and stipulated requirements but suggested that explanatory narrative for subjects such as the EPR and car parking income could be included in the Finance section of the Annual Report. The Director of Finance agreed to take these suggestions into account when preparing the 2018/19 Annual Report.

3. Proposed Amendments to Constitution

Mr P Buckingham, Director of Corporate Affairs, presented a report which detailed proposals for amendments to the Trust's Constitution in the following areas:

- Meeting Attendance Requirements
- Nominations Committee Membership

The Committee recommended proposed amendments to the Council of Governors for approval and this will be the subject of a substantive agenda item at the next Council of Governors meeting.

The Committee also considered a proposal relating to the maximum tenure for Governors. Colleagues will be aware that, at present, there is no upper limit on Governors tenure provided that individuals are successfully re-elected. The Director of Corporate Affairs advised the Committee that this practice is inconsistent with the approach adopted by the majority of NHS Foundation Trust. Discussion by the Committee proved inconclusive with differing views expressed as to whether a maximum term of office should be adopted. Consequently, the Committee agreed that this particular matter should be referred to the full Council of Governors for further consideration.

4. Governor Elections 2018

The Committee received a report which detailed progress with the 2018 Governor Elections and noted that contested elections would be held in the Tame Valley & Werneth, Outer Region and Staff constituencies. The election in the High Peak constituency will be uncontested with Mrs L Woodward and Mr L Dowson being automatically re-elected as the only nominees. The election process is scheduled to conclude on 1 October 2018 with results available on 2 October 2018.

5. Collective Performance

The Committee noted a requirement in the FT Code of Governance for the Council of Governors to periodically assess their collective performance. The Committee discussed how such an assessment should be approached and agreed that the Director of Corporate Affairs would prepare a template assessment pro forma for discussion at a future Council development session.

6. Strategic Updates

Mr P Buckingham briefed the Committee on the current position for the following subject

areas:

- Urgent Care Performance
- CQC Well Led Review
- Development of Refreshed Trust Strategy

The Committee was advised by the Director of Corporate Affairs on difficulties experienced in scheduling meetings of the Patient Experience Committee as a result of the commitments of various Committee members. The Committee recommended that that the current PEC should be dissolved and reconstituted. Mr A Belton suggested that the Council should reflect on Committee arrangements in general as part of the 'Ways of Working' development. He also noted that consideration could include means of effecting more informal interaction between Governors and Non-Executive Directors.

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