Ashford and St. Peter's Hospitals NHS
NHS Foundation Trust

SPECIAL MEETING OF THE COUNCIL OF GOVERNORS
15th July 2015 in Chertsey House, St Peter's Hospital

PRESENT:	Brian Catt	Public Governor – Spelthorne	**BC**
	Richard Docketty	Staff Governor – Volunteers	**RD**
	David Frank	Public Governor – Surrey Heath	**DTF**
	Aileen McLeish	Chairman	**AMcL**
	Steve McCarthy	Public Governor – Elmbridge	**SM**
	Judith Moore	Public Governor – Woking and Guildford	**JM**
	Andrew Ryland	Public Governor – Runnymede	**AR**
	Paul Wills	Staff Governor – Allied Health Professionals	**PW**
APOLOGIES:	Roderick Archer	Public Governor – Elmbridge	**RA**
	Maureen Attewell	Appointed Governor – Spelthorne BC	**MA**
	Simon Bhadye	Public Governor – Spelthorne	**SB**
	Keith Bradley	Public Governor – Woking and Guildford	**KB**
	Maurice Cohen	Public Governor – Woking	**MC**
	Godfrey Freemantle	Public Governor – Hounslow	**GF**
	Ann Gallagher	Appointed Governor – University of Surrey	**AG**
	Arun Gupta	Staff Governor – Medical and Dental	**AG**
	Sue Harris	Staff Governor – Nursing and Midwifery	**SH**
	Chris Howorth	Appointed Governor – Royal Holloway University	**CH**
	Samantha Lamb	Staff Governor – Admin/Managerial/Ancillary	**SL**
	Margaret Lenton	Public Governor – Windsor and Maidenhead	**ML**
	Hugh Meares	Appointed Governor – Runnymede BC	**HM**
	Barbara Mogensen	Public Governor – Elmbridge	**BM**
	Denise Saliagopoulos	Public Governor – Spelthorne	**DS**
	Danny Sparkes	Public Governor – Runnymede	**DSp**
	Michael Smith	Appointed Governor – Woking BC	**MS**
	Bhupendra Vyas	Public Governor – Hounslow	**BV**
	Tracy Ward	Public Governor – Runnymede	**TW**
IN ATTENDANCE:	Philip Beesley	Non Executive Director	**PB**
	Heather Caudle	Associate Director of Quality/Deputy Chief Nurse	**HC**
	Charlotte Goodrich	Audit Manager, KPMG	**CG**
	Neil Hewitson	Director, KPMG	**NH**
	Simon Marshall	Director of Finance and Information	**SM**
	Bob Peet	Director of Strategic Development	**BP**
	Terry Price	Non Executive Director	**TP**
	Suzanne Rankin	Chief Executive	**SR**
	Anu Sehdev	Membership and Engagement Manager	**AS**
	Peter Taylor	Non Executive Director	**PT**

Minute **Action**

The Chairman welcomed the Governors noting that this was a special single topic meeting for the Council of Governors to be presented with the Annual Report and Accounts 2014/15 prior to the Annual Members meeting on 21st July 2015.

COGS-1/15 Declarations of Interests in the Proceedings

There were no declarations of interest in the proceedings.

COGS-2/15 Annual Audit Report and External Assurance on the Quality Report

Neil Hewitson, Director of KPMG, introduced the Annual Audit Report to the Council of Governors.

In accordance with Monitor's Code of Audit Practice, the external Auditors were required to review and report on three matters; the Accounts, the Use of Resources and the Quality Report.

Neil advised that KPMG had checked the amounts the Trust had received and spent and money it owed and was owed were correctly recorded. KPMG had also checked that judgements by the Board were well thought through and appropriate.

Neil further advised that KPMG had looked at how the Board worked and that the Trust's main regulators had indicated no significant concerns with the Trust. This part of the review looked at the Trust's resilience and how it secured value for money.

On the Quality Report, KPMG provided limited assurance on the content but no opinions were given on the 18 week referral to treatment and 62 day cancer wait indicators. In relation to the 18 week referral to treatment indicator, Neil advised that this was consistent across the vast majority of foundation trusts and as a result Monitor would be issuing some reflections on this indicator.

David Frank referred to the sepsis bundle and expressed his concern that this was the second time an indicator had been selected by the Governors which had not received assurance from the auditors. David queried whether there were any other weaknesses KPMG had come across. Neil advised that the assurance framework thoroughly examined quality across trusts and confirmed that KPMG had no further concerns.

Neil advised that in relation to the 62 day cancer wait concerns were around the system design and data accuracy and not patient care or patient treatment time.

It was advised that KPMG was not required to issue an opinion on the sepsis bundle, but if KPMG had been then it would not be able to issue a limited assurance opinion due to system design and data accuracy concerns. It was advised that areas could improve their data collection and the ways in which data was collected. The Chairman advised that

systems were manual and there were margins for error. The Chief Nurse added that the definition of clinical measurements, such as urine output, needed to be clarified further.

The Chief Executive advised that the sepsis bundle had been chosen, not because it was considered to be the easier option, but because there were problems in this area and it was now clear that quality of care had since been improved and the Trust could evidence this. Additional information on how to improve the service even more had also been gleaned. The Trust could have picked one of a number of indicators and would have come across the same issues. The Trust was reliant on clinicians updating records free-hand. Andrew Ryland queried whether these issues were common to other foundation trusts and Neil advised that they were. It was suggested that clinicians should be encouraged to standardise their recordings.

The Chief Executive advised that the Trust would be able to demonstrate full compliance when recordings became digital. Trusts had a high turnover of staff with junior doctors continually moving. It was also important that resources were not taken away from patient care. Andrew Ryland felt that going back to some sort of a tick box exercise may be necessary to ensure nothing was missed. Philip Beesley, Non-Executive Director, advised that the Trust was not complacent and that it was moving forward with investment into electronic medical records.

Finally, Neil Hewitson advised that KPMG had considered three areas when assessing the Trust's use of resources:

1. Annual Governance Statement – balanced narrative that reflects KPMG's understanding of the Trust's operations and risk management arrangements.

2. The work of other regulators – CQC inspection in December resulted in a "good" overall rating; Monitor's financial and governance risk ratings are positive; no regulatory action required.

3. Any other work required – KPMG reviewed the alternative plans that management is considering to secure a sustainable financial future if the merger does not go ahead.

Charlotte Goodrich, Audit Manager at KPMG, advised that the 18 week referral to treatment target had proved difficult to report on with it being necessary to combine data from other organisations and the definition of the target only being finalised by Monitor in month 12. Of the 52 trusts KPMG provided external audit to, only 9 achieved a limited assurance opinion. There were also many data errors.

In relation to the 62 week cancer wait target, there were a number of data errors with data not matching up and this was also the same for the sepsis bundle.

David Frank queried whether there were any areas the Governors

Minute **Action**

should be alerted to. Nick Hewitson advised that there were two low priority recommendations and three or four high priority recommendations. Terry Price confirmed that a timetable for addressing the issues was in place which would be monitored at the Audit Committee and Information Governance and Assurance Committee (IGAC).

The Council of Governors NOTED receipt of the Annual Audit Report.

COGS-3/15 Annual Report and Accounts 2014/15

The Director of Finance and Information introduced the Annual Report and Accounts providing brief highlights of headline achievements during the year, noting that the Trust had:

- Reported a deficit of £1million after one off asset write down of £1.4million and merger transaction costs of £1.5million.
- Maintained Monitor risk rating of 3
- Delivered £14.9million of savings via the cost improvement plan
- Achieved lower margins driven by activity pressures, recruitment difficulties and increased agency spend

The Director of Finance and Information advised that the bulk of the Trust's income came from activities associated with the CCG and that income from private patients and car parking helped to subsidise healthcare.

The Director of Finance and Information further advised that 62% of the Trust's income was spent on staffing, a slight rise of 2% from the previous year, due to the increase in the number of staff employed by the Trust. 4% of income was outsourced to partner organisations, such as InHealth.

Steve McCarthy queried how much of the Trust's income was spent on locums and it was advised that this was around 9 - 11%. This was in part due to the changes in the market with many preferring to work as agency staff.

David Frank referred to page 223 of the Annual Report and Accounts where a 10% increase in administrative and estates staff had been highlighted and queried why this was the case. The Director of Finance and Information advised that this was due to a variety of reasons, namely the Trust's strengthening of administrative processes in the 18 week referral to treat target and the employment of more front-line staff. Simon added that increased activity meant there was an increased need for more medical records' staff to pull and prepare records.

The Director of Finance and Information highlighted the slide representing clinical income and advised that just over 50% of clinical income was spent on A&E, critical care and emergency inpatients. Slightly less than 50% was spent on outpatients and planned inpatients.

Minute **Action**

The Director of Finance and Information moved to the Trust's Cost Improvement Programme which had seen the best ever year for efficiency improvements with £14.9million delivered. The Trust's target for next year was £12million.

Finally, the Director of Finance and Information highlighted the information on investment in services. During 2014/15 the Trust had invested in the Midwifery Led Unit, Admissions Lounge, Vital Signs and Car Parking. During 2015/16 and 2016/17 the Trust would be investing in electronic medical records, an Endoscopy expansion, theatre upgrades and power supply upgrades. The Trust would continue with Imaging upgrades, ie the purchase of three CT scanners, ward refurbishments, backlog maintenance and rolling equipment replacements. David Frank queried whether replacing equipment was a regular programme of work and the Director of Finance and Information advised that it was. Andrew Ryland queried whether there was a market for items that were replaced and the Director of Finance and Information advised that there was and this was mainly in third world countries and small values could be realised.

It was clarified that on occasions items were replaced before they reached their sell by date and the residual value of the asset was then written off.

David Frank referred to page 220 in the Annual Report and Accounts and queried why staff benefits had risen and it was advised that 140 extra full time staff had been employed by the Trust over the year and hence income had risen. David Frank further highlighted page 236 where clinical negligence liabilities had risen from £51million to £62million and it was advised that these were the same cases which had been revalued/reassessed. It was also clarified that the two doctor appeals were backdated claims and two single claims.

It was further advised that the Trust conducted no transactions with Woking Borough Council and this was why it was not mentioned.

Clarification was sought on third party assets and it was advised that these were monies being looked after by the Trust on behalf of patients whilst they were ill and in hospital.

Brian Catt queried the Trust's process on write-offs and the Director of Finance and Information advised that every five years he undertook the opportunity to go through equipment so that there was nothing overlooked.

Brian Catt further queried why the major investment in A&E had not been mentioned and Terry Price, Non-Executive Director, advised that a decision on which scheme the Trust would be investing in had not been made at this stage.

The Council of Governors NOTED receipt of the Annual Report and Accounts 2014/15.

Minute		Action
COGS-4/15	**Quality Account Review 2014/15**	
	The Chief Nurse advised that she concurred with the findings by the KPMG. The slide on the sepsis measure was highlighted which advised that: • 14/15 Sepsis Measure data was still being collected and the Acute Medicine and Emergency Services division planned to analyse and audit this data with more robust sampling. The measure was not being formally reported. • The 14/15 bundle was being refined to address the definition of clinical measurements such as urine output. • 15/16 CQUIN in 2 parts – screening and antibiotic administration for patients with suspected severe sepsis or shock. The Chief Nurse advised that the CCG had helped to conduct the audit. Terry Price added that it was important that the Trust audited during the year and not right at the end and Nick Hewitson agreed that beginning at month 6 or 9 would allow time to ensure data was correct and complete. Terry Price further highlighted that the two national indicators had not been decided on by Monitor until February 2015. It was suggested that Monitor should be advised of the issues being faced to deliver targets by trusts when the specification is set so late in the year. The Chief Executive highlighted that the indicator chosen by the Trust was not chosen because it was foreseen that it would be provide a good audit but because it would deliver improvement in patient care in an area that required improvement. The Chairman advised that she would be happy to write to NHS Providers on the issues faced by the Trust.	**AMcL**
	Brian Catt queried how many patients died of sepsis. The Chief Executive advised that this was not a figure she had at this moment but that the Trust had good mortality rates overall when compared to other foundation trusts. It was reiterated that it was important to raise the profile of sepsis as young people often outwardly seemed to be healthy when suffering from sepsis but then deteriorated rapidly. It was agreed that a presentation on sepsis would feature at the next Quality Account Workshop which several of the Governors regularly attended.	**HC**
COGS-5/15	**Any Other Business**	
	The Director of Strategic Development advised that preliminary findings from the Competition and Markets Authority (CMA) had been expected on 23rd July 2015 but it was anticipated that preliminary findings would now not be received until 4th August 2015. It was also envisaged that the CMA would not publish final findings on 12th August as previously advised and would most likely extend this deadline.	

Minute **Action**

Date of Next Meeting

8th September 2015 at Ashford Hospital, 6.00 – 8.00 pm

Signed:

Aileen McLeish
Chairman

KEY	
✔	Complete
ND	Not due
---	On track

Summary Action Points

Meeting Date	Minute Ref	Topic	Action	Lead	Due Date	September 2015 Update	Status
15 July 15	**COGS-4/15**	**Quality Account Review 2014/15**	Write to NHS Providers on the issues faced with trying to achieve targets.	AMcL	9 Sep 2015	Actioned. This will be discussed at the next Quality Group meeting in September	✔
15 July 15	**COGS-4/15**	**Quality Account Review 2014/15**	Include a presentation on the Sepsis bundle in the next Quality Accounts Workshop	HC	9 Nov 2015 (QA Workshop agenda)	Qtr 3 Accounts Workshop	---