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

SPECIAL MEETING OF THE COUNCIL OF GOVERNORS
12th July 2016 in Chertsey House, St Peter's Hospital

PRESENT:	David Bittleston	Appointed Governor, Woking Borough Council	**DB**
	Keith Bradley	Public Governor, Woking and Guildford	**KB**
	Maurice Cohen	Public Governor, Woking and Guildford	**MC**
	Richard Docketty	Staff Governor, Hospital Volunteers	**RD**
	Lilly Evans	Public Governor, Runnymede, Windsor & Maidenhead	**LE**
	David Frank	Public Governor, Surrey Heath	**DTF**
	Godfrey Freemantle	Public Governor, Hounslow and Richmond-upon-Thames	**GF**
	Chris Howorth	Appointed Governor, Royal Holloway University	**CH**
	Samantha Lamb	Staff Governor, Admin/Managerial/Ancillary	**SL**
	Aileen McLeish	Chairman	**AMcL**
	Steve McCarthy	Public Governor, Elmbridge	**SM**
	Judith Moore	Public Governor, Woking and Guildford	**JM**
	Bhagat Singh Rupal	Public Governor, Hounslow and Richmond-upon-Thames	**BSP**
	Andrew Ryland	Public Governor, Runnymede, Windsor & Maidenhead	**AR**
	Danny Sparkes	Public Governor, Runnymede, Windsor & Maidenhead	**DSp**
APOLOGIES:	Roderick Archer	Public Governor, Elmbridge	**RA**
	Maureen Attewell	Appointed Governor, Spelthorne BC	**MA**
	Simon Bhadye	Public Governor, Spelthorne	**SB**
	Brian Catt	Public Governor, Spelthorne	**BC**
	Paul Darling-Wills	Staff Governor, Allied Health Professionals	**PW**
	Arun Gupta	Staff Governor, Medical and Dental	**AG**
	Sue Harris	Staff Governor, Nursing and Midwifery	**SH**
	Mark Maddox	Appointed Governor, Runnymede Borough Council	**MM**
	Barbara Mogensen	Public Governor, Elmbridge	**BM**
	Denise Saliagopoulos	Public Governor, Spelthorne	**DS**
	Jill Shawe	Appointed Governor, University of Surrey	**JS**
IN ATTENDANCE:	Valerie Bartlett	Deputy Chief Executive	**VB**
	Heather Caudle	Associate Director of Quality/Deputy Chief Nurse	**HC**
	David Fluck	Medical Director	**DF**
	Charlotte Goodrich	Audit Manager, KPMG	**CG**
	Keith Malcouronne	Non Executive Director	**KM**
	Simon Marshall	Director of Finance and Information	**SM**
	Terry Price	Non Executive Director	**TP**
	Anu Sehdev	Membership and Engagement Manager	**AS**
	Peter Taylor	Non Executive Director	**PT**
	Meyrick Vevers	Non Executive Director	**MV**

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 2015/16 prior to the Annual Members' Meeting on 19th July 2016.

COGS-1/16 Declarations of Interests in the Proceedings

There were no declarations of interest in the proceedings.

COGS-2/16 Annual Audit Report and External Assurance on the Quality Report

Charlotte Goodrich, Manager 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.

Charlotte 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. It was advised that KPMG had issued an unqualified (clean) opinion on the financial statements.

Charlotte 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. It was advised that KPMG had issued an unqualified (clean) opinion on the Value for Money.

On the Quality Report, KPMG provided limited assurance on the content and further details would be provided later on with regards to the two mandatory indicators.

Charlotte referred Governors to the report where financial statements on the Accounts, Annual Report, Remuneration Report and Long form audit report were highlighted in her report and also further commentary on the long form audit report.

With reference to Value for Money, it was advised that progress had been good against the action plan since the CQC inspection in December 2014 and that KPMG were satisfied with the response to the NHSI for the Trust's financial risk rating falling to 2 in the last month of the financial year. The Director of Finance and Information advised that the liquidity pressures had resulted in the change in rating but this was expected to recover in 2016/17 due to the additional Sustainability and Transformation Plan funding which was expected. Andrew Ryland highlighted that it was only a small deficit and it was added that in the previous two years the Trust had made a surplus before merger costs.

Charlotte referred to the Quality Report and advised that a good first draft had been received and a clean limited assurance opinion had been issued. There were two mandatory national indicators – 18 week referral to treat

(RTT) and 4 hour A&E target. The local indicator chosen by the Council of Governors had been 28 day emergency readmissions. Charlotte considered the two mandatory indicators were very complex and difficult to achieve with the 18 week RTT had received a qualified opinion in 2014/15 and the issues identified during 2014/15 were still present in the first quarter of 2015/16. Reduced error rates were identified in this year's sample testing. It was advised that concerns were about data accuracy and not patient care. Terry Price added that improvements had been realised by the end of the year. David Frank highlighted that two errors which resulted in 4% of patients seen was not too bad an outcome.

Richard Docketty queried whether the errors were the result of the system design and if so, whether these had now been rectified. Charlotte advised that the systems were now much more robust.

Charlotte referred to the second mandatory national indicator and advised that the 4 hour A&E target had been very challenging. She was not aware that many trusts had achieved a clean opinion. There were system issues and issues with how breaches were validated and all these would be taken forward. David Frank queried whether KPMG were confident issues had been resolved and Charlotte advised that it was a little too soon to be able to make a judgement. The Director of Finance and Information advised that it was down to the design of the system as the nature of clinical work meant that it was difficult to always effectively "stop the clock" when a patient had been seen. There would be more scrutiny on the process of collecting data.

Andrew Ryland queried whether there was a standard control system and the Director of Finance and Information advised that the Trust would like to update systems but currently did not have the resources to do so, although eventually it was intended to do so. Currently the main priority was to improve upon the 4 hour target from around 88% to 95% (the national target) as further improving upon patient care was important.

Finally, Charlotte referred to the local indicator chosen by the Governors: 28 day emergency readmissions, where no opinion was required to be given by KPMG although should it be required, KPMG would provide a limited assurance opinion which was the best that could be given.

David referred to the 4 hour A&E target and queried whether issues that had been raised last year had been addressed and it was advised that they had. David referred to page 19 in the Annual Report and Accounts – Objective 4: Top Productivity – Key Risks – 4.6 *The Trust in its existing configuration may not be clinically or financially viable in the long term…* and considered this to be a blunt statement and it was advised that the Trust should be able to achieve a financial risk rating of at least 3 in its present state. However, in the future, finances would be more of an issue and this was why other options of working, for example a potential merger, were being considered.

Charlotte advised that the disclosure statement on page 20 was standard required text. Meyrick Vevers understood that all trusts were having to operate within reduced funds and were required to change their ways of working in order to provide the same level of treatment and care to patients.

Minute **Action**

David then referred to page 233 and the section on clinical negligence provisions and noted the amount had risen by £40million. The Director of Finance and Information explained that every trust had to pay into the central pot for a year's liabilities and these reflected potential liabilities of £100million. The Trust was currently paying a £5million insurance premium and this compared favourably against other trusts. However, premiums were expected to increase in the future.

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

COGS-3/16 Annual Report and Accounts 2015/16

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 £0.6million including merger costs which was a year ahead of plan.
- Delivered £13.79million of savings via the cost improvement plan taking the Trust's total over the last three years to £38.6million.
- Achieved lower financial margins although compared strongly against other trusts.

The Director of Finance and Information further advised that the Trust was in the top 10% of trusts for performance.

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

The Director of Finance and Information further advised that 63% of the Trust's expenditure was on staffing, a slight rise of 1% from the previous year. 3% of income was outsourced to partner organisations. 21% of money was spent on clinical supplies which was the same as last year. Maurice Cohen queried whether the Trust sought the cheapest supplier when procuring supplies and it was advised that the Trust continued to do well against Lord Carter's recommendations around procurement although it was considered there was adequate scrutiny on individual items.

The Director of Finance and Information advised that over half of the Trust's clinical income for 2015/16 had been spent on emergency inpatients. The Council members were referred to the slide highlighting the savings the Trust had made during 2015/16 and then the slide on productivity and efficiency where the Trust came out joint first as the most efficient of all providers. The Director of Finance and Information advised that there were still opportunities out there and that it was important to maintain good finances in order to be able to reinvest into services. In 2015/16 investments in theatre upgrades had taken place and during 2016/17 investments would continue in:

- Electronic Medical Record
- Imaging Managed Equipment Service

- Ward refurbishments
- Backlog maintenance
- Rolling equipment replacements

And further investment would take place in:

- Endoscopy expansion
- Power supply upgrades

In response to Maurice's query the Director of Finance and Information advised that back-up power did not currently cover the whole site and that this work needed to be done.

In response to Lilly Evans' query on the Trust's future plans it was advised that the Trust was working closely with the CCG to meet patient demand as effectively as possible. The Deputy Chief Executive reminded attendees that there was a meeting to look more closely at the Sustainability and Transformation Plan (STP) on 26th July 2016 where further information would be shared with the Governors. It was further added that it was anticipated that the population would grow by 1.8% with a further 1% increase in the elderly population.

The Director of Finance and Information advised that the Trust had been fortunate enough to have received 40% funding from the Department of Health for the eMR project.

Andrew Ryland referred back to the KPMG presentation and queried what level of comfort the Governors could obtain from the findings. Charlotte advised that the Trust was in a healthy position and was doing well. The Director of Finance and Information advised that the next year would see more challenges in relation to MSK (musculoskeletal) services and the further CCG savings that were anticipated. Terry Price clarified that the non-executive directors needed to be aware of the Trust's financial position in order to deal with any issues head on.

The Council of Governors NOTED receipt of the Annual Report and Accounts 2015/16.

COGS-4/15 Quality Account Review 2014/15

The Chief Nurse referred to the headlines listed in her presentation:

- Quality report content – fully met regulations and clean limited assurance opinion given by the auditors;
- 18 week incomplete pathway – limited assurance opinion unable to be issued by the auditors due to exceptions found during sample testing which found clock start and stop dates, patient referral letters and a patient incorrectly included on the incomplete pathway;
- 4 hour A&E target – limited assurance opinion unable to be issued due to errors in breach and non-breach classifications;
- 28 day emergency readmissions – clean limited assurance opinion given by the auditors.

Minute **Action**

The Chief Nurse referred to 4 hour A&E target and advised that work was underway to review the validation process to ensure a consistent codified approach was taken and procedure notes were documented and communicated to staff.

The Chief Nurse advised of the improvements in relation to the actions from last year 2014/15 and advised that a more robust data assurance framework had been developed for the following indicators:

- Cancer
- RTT
- MRSA
- C-difficile
- VTE (Venous Thromboembolism)

Applicable local indicators were being reviewed on a rolling basis. In 2016/17 there would be an internal audit to review VTE and learning disability care. The Chief Nurse advised that currently the Trust shared a learning disability nurse with the Royal Surrey and that staff needed to be educated on what to look out for in order to provide effective patient care.

During 2015/16 improvements had been made in the RTT pathway with further areas to be implemented during 2016/17:

- Positive clock stop validation
- Controls over adequacy of documentation for incoming tertiary referrals

The Chief Nurse provided an update on Sepsis and advised that Sepsis remained a CQUIN.

The Chief Nurse then advised of the Quality Account priorities for 2016/17 which included:

- Implementing the KSS AHSN safety culture, leadership and improvement capability test site pilot programme (the Trust was one of three pilot sites in the region);
- Progressing the reducing variability programme to support delivering clinical care which does not vary by day of the week, including the Keogh Standards national data audit;
- Implementing three specific “Always Events” (using NHS England scheme).

The Chief Nurse expressed the importance of improving patient experience, especially in vulnerable groups and maintaining patient survey improvements. The Chief Nurse further advised of the importance of making improvements in Diabetes care.

The Medical Director advised how the Education Strategy which would bring learning to the centre of Trust workings. The appointment of Professor Pankaj Sharma as Director of Research and Development would be key in this approach.

Minute **Action**

The Chairman referred to Healthwatch Surrey's comments in relation to the Quality Account and advised that despite being invited, Healthwatch had not attended the regular Quality Account Workshops. Subsequent to their letter the Chairman and Chief Executive had met with the Chief Executive of Healthwatch Surrey, Kate Scribbens, and discussed how engagement could be improved upon.

Maurice Cohen noted how much data collection took place and queried whether it was all necessary when clinicians had limited time. It was advised that the Trust was adhering to Department of Health requirements. The Medical Director advised that all information gathering was good but what was relevant or important needed to be considered and that it was important to automate how data was collected in order to make the whole process much easier. The Chairman advised that the scale of the report had been brought up previously and ways of streamlining it were being considered, although this would take some time.

Lilly Evans referred to the costs of collecting data and what the Trust was getting back. Lilly suggesting placing terminals at exit points so that patients could input their feedback and any issues raised addressed immediately.

David Frank felt the Annual Report and Accounts was much improved upon from the previous year and it was suggested that everyone involved in putting the document together should be congratulated on their efforts. **AMcL**

Finally, the Chief Nurse reminded Governors that they were welcome to attend the regular Quality Account Assurance Group meetings.

COGS-5/15 Any Other Business

The Membership and Engagement Manager reminded the attendees that the Annual Members' Meeting was taking place on Tuesday 19th July from 6.00 – 8.30 pm in the Postgraduate Education Centre at St Peter's Hospital and the Deputy Chief Executive advised that the meeting to discuss the STP was taking place the following week on 26th July 2016 from 5.00 to 6.30 pm in Chertsey House.

Date of Next Meeting

Wednesday 7th September 2016 at Ashford Hospital, 6.00 – 8.30 pm

Signed:

Aileen McLeish
Chairman

KEY	
✔	Complete
ND	Not due
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Summary Action Points

Meeting Date	Minute Ref	Topic	Action	Lead	Due Date	September 2015 Update	Status
12.07.16	**COGS-4/15**	**Quality Account Review 2014/15**	Congratulate all involved in putting the Annual Report and Accounts together	AMcL	ASAP	Complete	✔