

## GOVERNORS' COUNCIL

**Minutes of a Meeting of the Sheffield Teaching Hospitals NHS Foundation Trust  
GOVERNORS' COUNCIL held on Tuesday 29<sup>th</sup> September, 2009, in the Undergraduate  
Common Room, Medical Education Centre, Northern General Hospital**

**PRESENT:** David Stone (Chair)

### **PATIENT AND PUBLIC GOVERNORS**

Yvonne Challans	Shirley Lindley	Phil Seager
Richard Chapman	Andrew Manasse	Graham Thompson
George Clark	Christina Wakefield	Christina Wakefield
Anne Eckford	Danny Roberts	Michael Warner
John Holden		

### **STAFF GOVERNORS**

Frank Edenborough	Mark Hattersley	Vivien Stevens
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### **PARTNER GOVERNORS**

Rhiannon Billingsley	Heather MacDonald	Jeremy Wight
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### **APOLOGIES**

Joe Abson	Annette Laban	Martin Rosling
Georgina Bishop	John Laxton	Paul Scriven
Rose Bollands	Kaye Meegan	John Warner

### **IN ATTENDANCE**

Andrew Cash	John Panell (item 4)	Mike Richmond
John Donnelly	Jane Pellegrina	Hilary Scholefield
Mark Gwilliam	Vic Powell	Julie Wright (items 4 & 5)
Chris Linacre	Neil Riley	
Damian Murray (item 4)	Iain Thompson	

### **MEMBERS OF THE PUBLIC/STAFF MEMBERS**

Claudia Morris  
Steve Westby  
1 Member of the Public

Prior to commencement of business, the Chairman welcomed the following newly elected Governors:-

- Yvonne Challans - Public Governor, South East Sheffield

- Frank Edenborough – Staff Governor, Medical & Dental
- Shirley Lindley – Patient Governor
- Andrew Manasse – Public Governor, South West Sheffield
- Vivien Stevens – Staff Governor, Allied Health Professionals, Scientists & Technicians
- Danny Roberts – Public Governor, South East Sheffield
- Michael Warner – Patient Governor

He also reported that the following Governors had retired:

- Susan Coldwell – Patient Governor
- Mike Collins – Staff Governor, Medical & Dental
- John Hulse – Public Governor – South East Sheffield
- Clare Rawding – Patient Governor
- Steve Westby – Staff Governor, Allied Health Professionals, Scientists & Technicians
- Susan Wilson – Public Governor, South West Sheffield

The Chairman and Governors congratulated Andrew Cash on being awarded a Knighthood in the Queen's Birthday Honours. The Chairman said that this was a personal honour for the Chief Executive but that the honour also reflects well on Sheffield Teaching Hospitals.

## **GC/09/20**

### **Minutes of the previous Meetings**

The Minutes of the Meeting held on 2<sup>nd</sup> June 2009 were approved and signed by the Chairman as a correct record subject to noting that:

Mr Iain Thompson was present at the Meeting.

## **GC/09/21**

### **Matters arising**

#### (a) Annual Plan – Feedback from Monitor (GC/09/12)

The Chief Executive reported that at its meeting on 20 May 2009 the Board had approved the Annual Plan for 2009/2010 and the document had been submitted to Monitor.

The Trust received the following risk ratings from Monitor:

Financial – three  
 Governance – green  
 Mandatory Services – green

The Chief Executive said that this was a very satisfactory result for the Trust.

#### (b) Investigations into Mid-Staffordshire and Birmingham Children's Hospital NHS Foundation Trusts – STHFT Assurance Review (GC/09/16)

The Trust Secretary introduced the item.

He said that, as reported at the last Governors' Council Meeting, following the publication of the Healthcare Commission's reports into investigations at Mid-Staffordshire and Birmingham Children's Hospitals NHS Foundation Trusts identifying significant failings relating to quality of care, governance and leadership, the Trust had commissioned an Assurance Review of the key issues raised in the Healthcare Commission's report. The review had been undertaken by the Head of Patient and Healthcare Governance, Chris Morley, and the Assurance Manager,

Andy Challands, under the Trust Secretary's leadership. The review had been undertaken to provide assurance of the adequacy of the Trust's quality of care but not as a review of excellence.

He said that overall the Assurance Review provided a very positive assurance to the Trust about the adequacy of current practice and strength of assurance in the 88 key issues identified by the reviewers and did not identify any major failings in the quality of care. The majority of issues 56 (62%) investigated identified no concerns about practice or assurance. Where the review identified gaps in practice or assurance the Trust was aware of most of them 23 (26%) and they were being addressed. Where the review identified a small number 10 (11%) where there are gaps in practice or assurance recommendations have been made to address them.

Frank Edenborough said that he had concerns about staffing levels and adequacy of medical cover. Phil Seager and Michael Warmer raised concerns about mental health issues in some areas. The Chairman suggested that Governors wishing to raise concerns should correspond with the Trust Secretary direct. It was **AGREED** that the Trust Secretary would respond directly to the issues of individual Governors with full feedback to the next Governors' Council Meeting.

#### **GC/09/22**

##### **Annual Governance Report**

The Deputy Finance Director introduced paper C. She said that the Annual Governance Report summarises the findings from the Audit Commission's 2008/09 audit and provides assurance to the Trust. She then asked Damian Murray, Engagement Lead at the Audit Commission, to present and elaborate on the Audit Commission's written report.

Damian Murray reminded Governors that Governors' Council had appointed the Audit Commission to undertake the external audit of the Trust's annual accounts and the purpose of his attendance was to report on the outcome of the audit for the 12 months to 31<sup>st</sup> March 2009.

He confirmed that the audit of the accounts had been completed in accordance with the National Health Service Act 2006 and with the Audit Code for NHS Foundation Trusts issued by Monitor.

He also confirmed that, in his opinion, the financial statements gave a true and fair view of the state of affairs of the Trust as at 31<sup>st</sup> March 2009. He confirmed that he had reported his findings to the Management Audit Committee, a Board Committee charged with governance.

He said that no material errors had been identified as a result of his audit, but a small number of relatively minor issues had been noted.

He then asked Governors if there were any questions.

Danny Roberts asked whether there were any significant implications associated with the reclassification of Superannuation payments? It was confirmed that although a large sum was involved, this adjustment was simply the reclassification of the item which historically had been wrongly classified.

The Governors resolved to **NOTE** the Annual Governance Report.

## GC/09/23

### Appointment of External Auditors

The Deputy Finance Director introduced paper D. She said that in 2005 the Trust had undertaken a full tender process to secure the services of an External Audit service. The Audit Commission was awarded the contract for three years 2006/07 to 2008/09 with an option to tender for a further two years. She said that the Trust now needed to consider whether to secure the services of the Audit Commission for a further two years or whether to undertake another full tender process.

She said that the issue had been considered by the Management Audit Committee at its Meeting in August 2009. In considering the matter the Committee had assessed the quality of the service provided by the Audit Commission and had confirmed that it was very satisfied with the service provided. Cost had also been discussed. The original three year tender had contained a fixed price with an annual inflation uplift. The fee for 2008/09 was £74,600 plus VAT. Following discussion with the Audit Commission an annual fee for 2009/10 and 2010/11 of £47,500 plus VAT (with inflation uplift for 2010.11) was proposed. She said that there were operational benefits from maintaining the existing audit provider and the Audit Commission policy of rotating auditors provided a good balance between continuity and independence.

John Pannell and Damian Murray left the Meeting. The Chairman invited questions from Governors.

George Clarke said that the reduction in fees was significant and asked how it was possible to reduce the fee by almost half? Julie Wright said that the reduction would be achieved by a modification in the way the audit was carried out. John Holden asked if this new method of operating the audit would provide an effective service to the Trust? John Donnelly, Chair of the Management Audit Committee, confirmed that the Committee were satisfied that the service will not lose any quality or validity. Vic Powell also expressed his support and said that, in his view, that the system was robust.

With this reassurance the Governors' Council **APPROVED** that the current contract with the Audit Commission for External Audit services be extended for a further two years (2009/10 and 2010/11) and that the fee proposal submitted should be **ACCEPTED**.

## GC/09/24

### Trust Operations

The Chief Executive presented and elaborated upon his written report previously circulated with the agenda papers.

#### Performance

Overall in the first five months the Trust continued to perform well.

#### Emergency Services

There had been an improvement in performance in Emergency Services with the performance against the 98% target for those patients seen, admitted or discharged within four hours from emergency service locations now at 98.4% for the quarter. However there are some emerging issues concerning medical staffing, particularly middle grade junior doctors.

### 18 weeks

For the Trust as a whole the targets for admitted and non-admitted patients were achieved in August 2009. However at specialty level the challenge of delivery continues with Neuro Surgery unable to meet the target for admitted and non-admitted patients and Orthopaedics missing the target on admitted patients. All other specialties were now meeting the targets. He said that the Trust must achieve the targets by July 2010 but that the Trust is aiming to achieve them by March 2010. He confirmed that plans are in place to address the remaining challenges.

### Financial

The situation at month 5 had improved with a £1.2 million overspend, an improvement on a £2.3 million overspend at the end of month 4. There is a need to significantly improve performance on Productivity and Efficiency plans with eight Directorates still of particular concern. 65% of STH work comes from NHS Sheffield. The Trust is over-achieving on this work which raised issues for discussion with NHS Sheffield.

### Swine Flu

The Chief Executive asked Jeremy Wight, Director of Public Health, NHS Sheffield, to provide details of the current position. Jeremy said that there had been a peak in confirmed cases at the end of the 2009 school term and it was anticipated that there would be a recurrence in line with normal influenza cases and the return to school following the summer holiday. Within a week of children returning to school there had been a substantial outbreak, with 12 schools now recording significant (10%) absences, 500 – 600 children over the last two weeks. He said that the adult population as yet was affected only to a small extent. It is important that the vaccination programme is rolled out in time to priority groups and the vaccination will be offered to front line NHS staff, possibly in the next two to three weeks. The Chief Executive said that for STH the major issues will be in critical care.

### Infection Prevention and Control

The Trust continued to perform well. MRSA screening in August remained above 100%. With 4 bacteraemia reported in July and August.

### Health Check 2008/09

Results of the 2008/09 Health Check would be made available to the Trust on 13 October with wider availability from 16 October.

### Development

The Trust was exploring the potential benefits and opportunities of a formal collaboration with Pfizer, a leading pharmaceutical company. Representatives from STH and the University of Sheffield had met the UK team at Pfizer HQ at the beginning of September and it had been agreed that there would be mutual benefits in establishing a formal collaboration. A high level steering group would be established to oversee a range of specific projects to include Pfizer non-executive involvement in the development of the Biomedical Research Centre, Pfizer involvement in Health Innovation and Education Cluster proposal, marketing and commercial support for spin-out ventures, research office development to improve productivity and speed up processes, international benchmarking and analysis (starting with cancer services), reciprocal staff secondments and service redesign projects including integrated care across generalist/specialist boundaries. The benefits of the collaboration would be evaluated and reviewed.

The collaboration had the potential to significantly enhance STH's aims to gain BRC and eventually AHSC status and was fully in line with the Government's expectations that Foundation Trusts should work more collaboratively with the pharmaceutical industry in order to benefit patients, accelerate innovation and boost the wider economy.

#### DH proposal for de-authorisation of NHS Foundation Trusts – consultation document

The Trust had responded to the consultation document and had expressed concerns about the way in which the Secretary of State might become involved with a Foundation Trust if it is shown to have failed and had suggested that it would be helpful if the respective roles of the Secretary of State and Monitor could be clarified.

#### Let's Talk events

The first of the Let's Talk events had taken place with up to 200 members of staff, including Staff Governors, giving their views to the Chief Executive on how the Trust could achieve excellence as standard for both patients and employees. The events had been very successful with everyone invited taking a real interest in topics from staff wellbeing to reshaping services. There had been some excellent suggestions and sharing good practices which the Board of Directors would be discussed.

The Chief Executive invited Governors' questions.

With regard to the financial position, Andrew Manasse asked why Orthopaedics had such a problem. The Chief Executive said that the position in Orthopaedics is quite complex and he confirmed that the Directorate had a deficit of £896, 600, he said that all of the red star Directorates have had meetings with the Director of Finance and the Chief Executive and they have been requested to provide revised plans stipulating, where possible, a 1% surplus in 2009/10. The revised plans would be discussed with the Clinical Management Board. Monthly monitoring arrangements for delivery of the Productivity and Efficiency programme were in place. **IT WAS AGREED THAT** a further update be provided to the next Governors' Council.

Anne Eckford expressed concern about the collaboration with Pfizer, commenting that as a profit-making organisation Pfizer would have its own agenda and asked if the Trust could be sure that any potential benefits would be for STH and not Pfizer. The Chief Executive said that it was essential that research stayed within the UK and this collaboration provided an excellent opportunity to increase research and development. There are potentially very significant benefits for the Trust. Mike Richmond said that the collaboration had been approached with some caution with all the pitfalls in mind. The arrangements take us closer to Pfizer but do not join us to them. The Trust will ensure that there are no conflicts of interest and that the interests of STH are protected.

#### **GC/09/25**

##### **Governors' Matters**

###### (a) Results of Elections to Governors' Council

The Governors' Council **RECEIVED** and **NOTED** the report on the results of the 2009 Elections to the Governors' Council.

###### (b) Meetings of the Governors' Forum held on 15<sup>th</sup> July and 27<sup>th</sup> August 2009

The Governors' Council **RECEIVED** and **NOTED** the notes of the Governors' Forum Meetings held on 15<sup>th</sup> July and 27<sup>th</sup> August 2009.

(c) Governors' Visit Reports

The Governors' Council **RECEIVED** and **NOTED** reports on Governors' visits to Surgical Services and Weston Park Hospital.

With regard to Surgical Services, it was noted that Governors' concerns raised in the visit report regarding the Burns and Hand Unit developments would be addressed in the following presentation updating Governors on Service Reconfiguration.

(d) Update on progress on Service Reconfiguration

The Governors' Council **RECEIVED** and **NOTED** a presentation from the Medical Director and the Director of Service Development on the internal service reconfiguration programme. A copy of the presentation is attached to these Minutes.

The Chairman thanked Mike Richmond and Chris Linacre for the presentation and suggested that if Governors had any queries these should be communicated outside the Meeting direct to Mike and Chris.

It was **AGREED** that a further update would be presented to the next Governors' Council.

(e) Update from Governors' Council Nominations Committee

The Vice-Chairman of the Governors' Council Nominations Committee, John Holden, reported that following the guidelines set out in the Trust Constitution the Nominations Committee had confirmed the reappointment of Professor Tony Weetman as a Non-Executive Director for a further four year term from 1 July 2009.

He also reported that, following due process and open competition, the Nominations Committee, had agreed to reappoint Ms Vickie Ferres for a further four year term from 1 July 2009.

He said that the appraisal of the Chairman is currently in progress and on completion of the process a report will be provided to the Governors' Council at its next Meeting.

The Chairman reported that two members of the Governors' Council Nominations Committee had left the Committee as they had completed their terms of office as Governors and that John Laxton, Patient Governor, and Mark Hattersley, Staff Governor, had replaced them on the Nominations Committee.

(f) Governors' Time Out "Role of Governors at SHT" – feedback

Anne Eckford reported that, following the Time Out, a small sub-group of Governors, Chaired by John Laxton, was meeting on 12 October to formulate an action plan to capture the main priority issues raised at the Time Out and to produce a realistic time frame and strategy to take the priorities forward. The action plan will be discussed by all Governors at the Governors' Forum.

(g) Nomination of a Lead Governor

The Trust Secretary introduced this item. He said that Monitor had written to all Foundation Trusts proposing the idea of a 'lead governor'. A copy of Monitor's letter had been circulated with the Agenda. Monitor expect Foundation Trusts to comply or

explain their decision not to appoint a lead governor. He said that whilst there are some concerns about the complexity of the proposal it does have some merit.

The Governors' Council **AGREED** that the Chairman should contact all Governors seeking expressions of interest in becoming the Trust's lead Governor.

#### **GC/09/26**

##### **STH Response to Monitor Regarding Planning for the Financial Downturn**

The Chief Executive introduced paper L. He said that the submission to Monitor would include detailed financial plan pro formas for the 3 years to 2010/11 to 2012/13 and a commentary setting out the Trust's strategy, actions, assumptions etc for planning and addressing the challenges of the next three years. He said that in common with all areas of the private and public sectors the Trust faces very challenging times in the coming years and this plan remains work in progress. The Board will continue to refine the plans and Governors will be kept informed of developments.

Jeremy Wight said that Governors should be aware that the current financial challenges do not just affect the provider organisations within the NHS but that NHS Sheffield as a commissioner is under considerable financial pressure this year and going forward also.

#### **GC/09/27**

##### **Review of Constitution – Membership Constituencies**

The Trust Secretary introduced paper M. He said that the Governors' Council Nominations Committee had considered and given outline approval to the paper. He said that in order to ensure that Membership of the Trust was available to a wider group of the community the suggested amendment to Membership Constituencies was proposed. The benefits of the amendment were highlighted in the paper.

If the Governors' Council approved the proposed amendment of the Constitution the Trust Secretary confirmed that the proposed amendment would need to be submitted to Monitor for approval.

Staff Governors were discussed. The Trust Secretary said that, although the paper did not address issues relating to Staff Governors. Staff Governor for Managerial, Administrative and Clerical Staff, Mark Hattersley was asked to lead the review.

Following further discussion it was noted that in section 3 of the paper the number of Governors to be Elected to each of the Constituencies A B C and D should be three rather than four.

The Governors' Council **APPROVED** the proposal to amend the Trust Constitution for submission to Monitor for approval.

#### **GC/09/28**

##### **Annual General Meeting**

The Chairman confirmed that the Annual General Meeting would be held at 4.00 pm on Monday 5<sup>th</sup> October 2009 in the Lecture Theatre, Weston Park Hospital.

**GC/09/29**

**Date and time of next Meeting**

The next Meeting of the Governors' Council would be held at 5.00 pm, Tuesday 1<sup>st</sup> December, 2009, in the Undergraduate Common Room, Medical Education Centre, Northern General Hospital.

Signed: .....  
Chairman

Date: .....