

GOVERNORS' COUNCIL

**Minutes of a Meeting of the Sheffield Teaching Hospitals NHS Foundation Trust
GOVERNORS' COUNCIL held on Tuesday 21st September, 2010, in the Undergraduate
Common Room, Medical Education Centre, Northern General Hospital**

PRESENT: David Stone (Chair)

PATIENT AND PUBLIC GOVERNORS

Yvonne Challans	Shirley Lindley	Graham Thompson
George Clark	Hetta Phipps	Christina Wakefield
John Holden	Andrew Manasse	John Warner
Caroline Irving	Kaye Meegan	Susan Wilson

STAFF GOVERNORS

Rose Bollands	Frank Edenborough	Vivien Stevens
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PARTNER GOVERNORS

Rhiannon Billingsley	Heather McDonald	Jeremy Wight
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APOLOGIES

Councillor Ayris	Mark Hattersley	Neil Riley
Georgina Bishop	John Laxton	Danny Roberts
Hilary Chapman	Andy Riley	Richard Webb

IN ATTENDANCE

Andrew Cash	Chris Linacre	Neil Priestley
Sue Coulson	Richard Parker	Mike Richmond
Mark Gwilliam	Jane Pellegrina	

Damien Murray – item GC/10/22

PUBLIC

2 members of the public

Prior to the commencement of business, the Chairman welcomed new Governors, Caroline Irvine, Hetta Phipps and Susan Wilson to the meeting and also congratulated Kaye Meegan on being re-elected.

GC/10/20

Minutes of the Previous Meeting

The Minutes of the Meeting of the Governors' Council held on Tuesday 8th June, 2010, were approved as a correct record and signed by the Chairman.

Matters arising

(a) Transforming Community Services

(GC/10/13) Sir Andrew Cash, Chief Executive, updated Governors on the position around transforming community services.

He explained that NHS Ministers had asked existing provider arms of PCTs to be examined in order to consider if they could be moved into other organisations, as a result of which PCT's would become purely Commissioners. This included services for long term conditions, emergency care and frail elderly. The Trust would move away from just having an episodic relationship with the patient into a longer term relationship and providing care within the home environment.

He reported that since the last meeting of the Governors' Council, NHS Sheffield had made the decision to go ahead in principle with the proposal to transfer community services to the three Foundation Trusts in Sheffield. The inaugural Meeting of the Shadow Provider Partnership Board had taken place on 14th September 2010, and he had been elected Chair of the Board until March 2011. The Board comprised one representative from the 4 GP Consortia, Local Authority, Care Trust and STH as well as the Managing Director of the Provider Arm. At that meeting the Board agreed the Terms of Reference for the next 3 – 6 months, the Project Implementation Document including the governance and clinical service vision.

He explained that this was a difficult area for GPs as they were independent bodies but it was essential that the Trust had their full commitment to the way in which the Trust was planning to change its structure.

He explained that, internally, the acquisition process would be managed as a formal project by a project team. He reported that 10 workstreams had been set up, 8 of which related to the transition including undertaking a due diligence exercise, legal requirements, financial planning, governance and operational management arrangements, estates and asset transfer, business continuity, human resources aspects and communications.

Specialist advisors had been appointed as follows:-

- PriceWaterhouse Coopers had been appointed to undertake the due diligence exercise. The findings of that exercise would be reported to the Board of Directors at their December 2010 meeting. It was also noted that a Sub Committee of the Board of Directors had been set up to oversee the Transforming Community Services Project.
- Beachcroft Wansbroughs, Solicitors, had been consulted to give support on the legal aspects and had produced a lengthy questionnaire of matters to be looked into.

He emphasised that there was a significant amount of work to be undertaken on this agenda in a very tight timescale and it was essential that the Trust identified all the risks. However, he stated that the main organisations in the city including the Local Authority, the 2 Foundation Trusts, the 4 GP consortia and the provider arm were all unanimous in the view that this was the right direction of travel.

The Chairman supported that view and emphasised that this was an extremely important issue for the Trust if it took the decision to extend its services beyond the hospital facilities into the community. He pointed out that the Board of Directors

were acutely aware of the significant change, both clinically and financially, and that was why the Trust was undertaking its own due diligence exercise. He emphasised that the Board of Directors would only decide to go ahead if it was satisfied that it was going to work and that it was financially viable and that clinical standards and services would be improved. It was noted that the Board would make its decision at its meeting on Wednesday 15th December, 2010.

During discussion the following points were raised:-

- (i) If the Trust decided not to go ahead with this direction of travel what were the alternative options for community services?

The Chief Executive stated that the some of the options might be:-

- To got with the Care Trust
- Become a Social Enterprise
- Become a Community Foundation Trust
- Independent Sector

- (ii) Had patients been involved in the process?

The Chief Executive reassured Governors that patients had been heavily involved in the process.

- (iii) How much experience and knowledge of community services did the specialist advisors have in this type of work?

The Director of Finance explained that PriceWaterhouse Coopers were an extremely large organisation who could call on staff from all over the country who had the necessary expertise in that area. However, he pointed out that much of the financial due diligence was relatively formally driven.

He also reported that Beachcroft Wansbroughs had worked on a number of similar projects and that they had drawn up a due diligence questionnaire on HR and contractual issues to be addressed.

- (iv) Concern was expressed at the number of representatives of Community Services on the Shadow Partnership Board, about the Trust's level of understanding of community services and the uncertainty of how much the Trust would be paid to run the services.

The Chief Executive explained that the Shadow Board had been established for the next 6 months and comprised one representative of each organisation. In addition to the Shadow Board there was an Operational Executive Group which sat beneath it and each of the partner organisations were represented on it. The focus of the Operational Group was to run the Work Streams and an independent review had just been commissioned to review governance arrangements

(b) Quality Accounts

(GC10/14) Mike Richmond, Medical Director, reported that further to discussions at the previous meeting work on producing this year's Quality Accounts was due to commence with the first meeting being held on 8th October. He also reported that 7 Governors had volunteered to be involved in the process and although he had originally felt that 3 Governors would be sufficient he was happy for all 7 to be involved.

He agreed to keep the Governors updated on progress during the production period (between now and March 2011).

(c) Review of A&E Position

(GC/10/05) Richard Parker, Deputy Chief Operating Officer, reported that further to discussions at the last meeting a follow up visit by Governors to the Accident and Emergency Department had taken place on 14th September, 2010. Governors had received presentations including one from Francis Morris, Clinical Director, which had addressed the issues and recommendations arising from the Governors' earlier visit to the department.

John Holden asked if there were plans to expand the Accident and Emergency Department given the statement made at the last Governors, Meeting that the Department was nearly at the limit of the number of patients it could deal with. The Director of Service Development responded by explaining that there were many outside influences which affected the number of patients attending the Accident and Emergency Department and all these need to be addressed to ensure that only patients suffering an accident or an emergency were allowed through the doors of the department.

He stated that the business case would not include the expansion of the Accident and Emergency Department. The proposals was to rationalise services in order to have a proper Accident and Emergency Department with a minor injuries stream. He also emphasised that patients presenting with general conditions which would be more appropriately dealt with by their GPs would not be allowed access to the department.

STH's view was that minor injuries should be treated in a Minor Injuries Unit but within a hospital environment.

(d) Equality and Human Rights

(GC/10/09) The Director of Human Resources reported that following discussion at the last Governors' Meeting he had given a presentation to Governors in August on Equality and Human Rights.

GC/10/22

Annual Governance Report

The Director of Finance introduced this item and Damien Murray, Engagement Lead for External Audit, was in attendance.

Mr. Murray referred to his written report circulated with the agenda papers (Enclosure D). He explained that the purpose of External Audit's work was to ensure that the accounts for 2009/10 were a true and fair view of the Trust's financial position and reported under IFRS and as directed by Monitor in the Financial Reporting Manual. He reported that he had conducted the audit in accordance with the NHS Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor. The report was made solely to the Governors' Council in accordance with the NHS Act 2006 although it had been previously discussed by the Trust's Audit Committee.

He reported that:-

Financial Statements - There were no material errors identified from the audit of the financial statements. The majority of amendments to the accounts related to improvements

in the disclosure of information, in particular following the transition to International Financial Reporting Standards (IFRS). He emphasised that this was a significant achievement on the part of the Finance Directorate given that this was the first full year of reporting under IFRS and the timescale for producing the accounts had been tighter than previous years.

Value for Money – no matters had been identified to indicate that the Trust did not have in place adequate arrangements for securing economy, efficiency and effectiveness.

Audit Fees – no matters had arisen which would require an increase in the audit fee

He reported that his opinion was:-

- that the financial statements gave a true and fair view of the state of affairs of Sheffield Teaching Hospitals NHS Foundation Trust as at 31st March 2010 and of its income and expenditure for the period then ended in accordance with the accounting policies adopted by the Trust;
- that the financial statements and the part of the Remuneration Report to be audited had been properly prepared in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts; and
- that the information which comprised the Finance Director's Report, included in the annual report, was consistent with the financial statements.

He also took the opportunity to inform Governors that on Friday 13th August, 2010, the Secretary of State had announced the abolition of the Audit Commission from the end of 2012. The intention was that audit practice would be transferred into the private sector. Obviously that announcement had created a period of uncertainty for the staff involved and more information was awaited on the new model for audit services. He emphasised that he would continue to provide a service to the Trust over the next 12 months.

GC/10/23

Reappointment of External Auditors

The Director of Finance referred to his written paper circulated with the agenda papers (Enclosure E) regarding the re-appointment of External Auditors for 2010/11.

He explained that last September the Governors approved the extension of the contract for External Audit Services for a further two years up until 2011/2012. However, he felt it was good practice to review the standard of service received by the Trust in 2009/10.

He reported that:-

- (a) A review had undertaken and the standard of External Audit Services for 2009/10 had been reviewed against key criteria of professional standards, integrity and independence, confidentiality, liaison with Internal Audit services and discharge of duties.
- (b) The proposed audit fee level for 2010/11 was confirmed as competitive.
- (c) The disbandment of the Audit Commission from 2012/13 onwards was noted, as were the assurances from the Audit Commission as to their ability to complete the 2010/11 audit.
- (d) The requirement under Monitor's Audit Code for NHS Foundation Trusts to competitively tender audit services at least every five years was enacted and a full

tender undertaken during summer 2011 for the appointment of auditors for 2011/12 onwards. That process would be undertaken by the Audit Committee on behalf of the Governors' Council.

The results of the review were assessed by the Audit Committee as satisfactory at its meeting in August 2010. The Audit Committee's recommendations to the Governors were:-

(a) that the Audit Commission be re-appointed as auditors for the 2010/11 financial year

and

(b) that a full retender of audit services be undertaken in the summer of 2011 for financial years 2011/12 onwards.

The Governors' Council **APPROVED** the Audit Committee's recommendations.

The Chairman encouraged Governors to get involved in the retendering exercise. Any one interested should contact Jane Pellegrina.

GC/10/24

Governors' Matters

(a) Notes of Governors' Forum Meeting held on 17th August 2010

Susan Wilson referred to the notes of the Governors' Forum Meeting held on 17th August, 2010 and highlighted the following points:-

- Welcomed the attendance of Shirley Harrison, Non Executive Director, and was pleased that she stayed for the entire meeting.
- Membership – there was concern that a Staff Governor vacancy remained unfilled. The Director of Human Resources was looking into ways of raising the profile of the role of a Staff Governor and ensuring that staff were allowed the time to carry out the Governor duties.

It was **AGREED** that it would be helpful for staff Governors to meet with the Chairman to discuss these issues and also to consider whether the number of Staff Governors were adequate for the size of the organisation.

Action: Mr. D. R. Stone

- Lead Governor – Although Governors were more than happy with John Holden being named as the Lead Governor, they expressed a wish to be more involved in the process and decision making for selecting a Lead Governor in future.

(b) Report on Governors' presentation and visit to Surgical Services

The Governors' Council **RECEIVED** and **NOTED** the Governors' Report on the visit to Surgical Services on 20th May, 2010.

(c) Report on Governors presentation and visit to Vascular

The Governors' Council **RECEIVED** and **NOTED** the Governors' Report on the visit to the Vascular Institute on 27th May, 2010.

Trust Operations

Chief Executive's Report

The Chief Executive presented his report (Enclosure I) previously circulated with the agenda papers and elaborated upon the following topics:-

- Emergency Services Target – the Trust had continued to face challenges in meeting the 98% target for quarter 2 and as at week commencing 6th September, 2010, performance stood at 97.8% for the quarter to date. Throughout this quarter the challenges had been mainly within the department itself due to difficulties with medical staffing and the high number of referrals. The challenge for the remainder of the quarter was that the Trust would need to achieve 98.9% in order to achieve 98%.
- 18 Weeks – the Trust continued to achieve this target across all specialties and orthopaedic admitted patient performance in August was 82.7% (unvalidated). In future months the increase in orthopaedic referrals may lead to a further deterioration in the position.
- Mention was made about the Cancer waiting time standards where most were being met consistently but the choices expressed by patients not to attend an appointment offered in 2 weeks particularly for the non-cancer breast referrals were causing these standards not to be met in some months. In addition, the impact of a small number of breaches arising from the cancer screening programmes will always be problematic because of the 'small numbers' effect.
- Financial position – the month 4 position showed a deterioration of £1.1m during July, 2010, leading to a deficit of £3.8m which equated to 1.5% of turnover. This compared to a year to date deficit of £2.3m (0.9% of turnover) at month 4 of 2009/10. The significant changes which have led to this position were as follows:-
 - A cumulative £2.6m income "lost" on outpatient follow up (£1.75m) and marginal emergency target income (£0.9m).
 - Major deteriorations in OSSCA, Neurosciences, Oral and Dental, Specialised Medicine and Specialised Cancer Services Directorates.
 - Major improvements in Medical Imaging and Medical Physics and Chief Nurse/Chief Operating Officer budget.

The Chief Operating Officer and Director of Finance had now implemented the new performance management process and arrangements were in place to meet with all the red star Directorates to discuss their financial recovery plans including the issue of reducing the number of outpatient follow ups and emergency admissions.

- MRSA – Although the Trust continued to have a lower rate of MRSA than most other hospitals in the UK, August had been a disappointing and unusual month with 5 bacteraemia recorded. Three of these cases were Trust attributable and two cases were community attributable. The year to date performance was now 8 MRSA bacteraemia against a target of 13 cases. The 5 cases were not linked by time or place but 3 out of 5 were caused by contamination which occurred whilst the blood culture was being taken. As a result a change to the product used to decontaminate the skin prior to intravenous cannulation and the taking of blood cultures had been introduced. It was thought that this change may help reduce the number of contaminated blood culture samples. The infection control team were also considering what other measures could be introduced. The Deputy Chief Operating Officer explained that it was not possible for these 3 cases to be removed from the Trust's performance even though they were not positive MRSA cases.

The Chief Executive also drew attention to the following items which were not contained within his written report as follows:-

- Sheffield First Partnership - Following changes in central government and the implications for local government, a review of the Sheffield First Partnership Group had been undertaken. The emerging view was that the City's larger organisations would benefit from a more focussed city Executive Board that brought the accountable officers together to set the strategic direction for Sheffield to ensure that the City was in a strong position to deal with the current economic challenges and emerge from the downturn in a stronger position.

It had been agreed, therefore, to dissolve the Sheffield First Partnership Board and establish a Sheffield City Executive Board. The new Board would:-

- provide the space for strategic discussions between strategic leaders
 - be responsible for the development and implementation of City Strategy
 - a strategic overview of localist arrangements
 - develop and pursue opportunities for the city and decide how to best tackle key challenges
 - lead on the collaborative use of resources including place based budgets and commissioning
- Sheffield City Region Local Enterprise Partnership - Much of the work carried out by Regional Development Agencies was transferring to new City Region Local Enterprise Partnerships. A significant amount of work had been undertaken by private and public sector colleagues in developing the Sheffield city Region proposal. The final proposal was submitted to Government on 3rd September, 2010
 - IT Programme – A strategic decision had been taken nationally to disband the IT programme. The Trust was considering the ramifications of that decision for the organisation.
 - Comprehensive Spending Review – Details of this would become available on 20th October, 2010.
 - Professor David Crossman, Director of the Cardiac BRU, had accepted a new job as Dean of the Medical School at the University of East Anglia. The Trust would be looking to recruit a new Professor before Christmas.

GC/10/26

External Assurance on Quality Report

The Medical Director referred to the External Assurance on Quality Report circulated with the agenda papers (Enclosure J).

Detailed guidance published by Monitor for a dry run of external assurance on Quality Reports as specified in 2009/10 Annual Reporting Manual required the Trust's Auditors to auditors to:-

- review and report on arrangements the Board had put in place to prepare and publish the 2009/10 Quality Report against Monitor's published guidance,
- undertake sample testing of systems to support the preparation of 3 performance indicators included in the Quality Report (i.e. MRSA, 62-day cancer waiting time and 18 week wait)
- provide a report to the Board of Directors of their findings and recommendations for improvement

- review that the Trust had in place a corporate framework for management and accountability of data quality in relation to quality performance with a commitment to secure a culture of data quality throughout the organisation.

He explained that the report had been produced by Nick Mapstone of the Audit Commission and had been submitted to Monitor by 30th July, 2010. The report was presented to the Governors' Council for information.

The key points to note were:-

- overall the Auditors had found that the Quality Report was well presented and presented a balanced picture of the Trust's performance
- they had made a few suggestions to take into consideration when preparing the next Quality Report as detailed in the report
- robust management arrangements were in place

The Medical Director reported that the four recommendations as set out in the report (Page 27) had been fully accepted and endorsed and would be taken forward as part of the production of this year's Quality .

GC/10/27

Results of Elections to Governors' Council 2010

The Governors' Council **RECEIVED** and **NOTED** the results of the Elections of Governors.

GC/10/28

Annual General Meeting

The Chairman announced that the Annual General Meeting would be held at 2.00 pm, Monday 4th October, 2010, in the Medical Education Centre at the Northern General Hospital. Governors were encouraged to attend wherever possible.

GC/10/29

Any Other Business

Reconfiguration

Dr. Edenbrough commented that he was surprised that agendas did not include Any Other Business and therefore he was unsure of how he should raise a particular matter.

The Chairman explained that he did not include Any Other Business on the agendas in order to avoid meetings running late. However, it was agreed that in future if Governors had specific questions they wished to raise, they should notify Jane Pellegrina in advance of the meeting so that items could be built into the agenda.

Dr. Edenbrough asked if was there anything associated with the reconfiguration of services which had led to the Accident and Emergency Department struggling in the past few months.

The Deputy Chief Operating Officer and the Medical Director gave a detailed response but emphasised that the main problems related to internal issues such as vacant posts, locum cover, the large number of medical outliers.

It was also pointed out that there had been 2 full briefings of Governors about the clinical reconfiguration and that two Governors were members of the Programme Board and were well placed to raise concerns from their colleagues.

The Chairman reported that 2 Clinical Reconfiguration Briefing Sessions were to be held on the following dates and Governors were more than welcome to attend:-

- 11th October 2010, at 1.00 pm – 2.00 pm in the Lecture II, Medical School, Royal Hallamshire Hospital
- 13th October, 2010, at 1.00 pm – 2.00 pm in Lecture Theatre II, Medical Education Centre, Northern General Hospital.

Given the complexity of the question posed by Dr. Edenbrough, it was **AGREED** that it would be helpful for Governors to receive a report on the impact issues associated with the clinical configuration and that this matter should be included on a future agenda.

GC/10/30

Date and Time of Next Meeting

The next Meeting of the Governors' Council would be held at 5.00 pm on Tuesday 7th December, 2010, in a venue to be confirmed