East Kent Hospitals University NHS Foundation Trust

COUNCIL OF GOVERNORS PUBLIC MEETING
MONDAY 5 AUGUST 2019, 9.30am

This meeting will be conducted in line with the Trust Values below:

People feel **cared** for as individuals

People feel **safe**, reassured and involved

People feel teamwork, trust and **respect** sit at the heart of everything we do

People feel confident we are **making a difference**

AGENDA

This meeting will be preceded by an informal meeting of the Council, starting at 9.00am.
Refreshments will be available for this meeting.

Reference 19/ **Paper CoG 19/**

HOUSEKEEPING				
18.	**Chair's introductions**	To note	9.30 (10)	*Stephen Smith Trust Chair*
19.	**Apologies for Absence and Declarations of Interest**	To note		*Stephen Smith Trust Chair*
20.	**Minutes from the last Council of Governors' Public meeting held on 24 May 2019.**	To agree 020		*Stephen Smith Trust Chair*
21.	**Matters arising:** **a) Process for managing requests for governors to sit on groups or committees**	To agree 021a 021b		*Stephen Smith Trust Chair*
PRESENTATION				
22.	EKHUFT Youth Forum		9.40 (20)	*Jonah Barrett Co-Chair*
BUSINESS				
23.	Chair's Report	To discuss 023	10.00 (10)	*Stephen Smith Trust Chair*
24.	Chief Executive Officer's Report	To note Verbal	10.10 (10)	*Liz Shuttler Deputy Chief Executive Officer*
25.	Board of Directors' Committee Report: Finance and Performance Committee	To discuss 025	10.20 (20)	*Sunny Adeusi NED Chair, FPC*
26.	Board of Directors' Committee Report: Strategic Workforce Committee	To discuss 026	10.40 (20)	*Jane Ollis NED Chair, SWC*
BREAK – 11.00 (15)				

We care

27.	Council of Governors Membership Engagement and Communication Committee report	To discuss 027	11.15 (10)	*Nick Wells Partner Governor, MECC Chair*
28.	Members and Membership Engagement Strategy	To Ratify 028	11.25 (20)	*Nick Wells Partner Governor, MECC Chair*
29.	Effectiveness Survey Analysis	To discuss 029	11.45 (15)	*Alison Fox Group Company Secretary*
30.	Annual Reports *Philip Johnstone, Auditor, in attendance*	To discuss 030	12.00 (30)	*Alison Fox Group Company Secretary*
31.	Council of Governors Audit and Governance Committee update	To discuss Verbal	12.30 (10)	*John East Public Governor, Dover AGC Chair*
32.	Council meetings schedule for 2020/21	To agree 032	12.40 (05)	*Alison Fox Group Company Secretary*
CLOSING ITEMS				
33.	**ANY OTHER BUSINESS** Please notify Committee Secretary of matters to be raised deadline 48 hours before the meeting. a) Request: to consider holding all Council of Governors meetings in the evening Alex Lister	To discuss Verbal	12.45 (10)	*Stephen Smith Trust Chair*
34.	**QUESTIONS FROM THE PUBLIC**		12.55 (05)	*Stephen Smith Trust Chair*
35.	**DATE OF NEXT PUBLIC MEETING** See below		Close: 13.00	*Stephen Smith Trust Chair*

RESOLUTION TO MOVE INTO PRIVATE SESSION
That pursuant to the Trust's Constitution the Council of Governors is moving into closed session. All members of the public, including press, are to be excluded due to the confidential nature of the business to be discussed concerning contracts, negotiations and staff.

There will be a short break at the end of the meeting followed by a working lunch with a Dementia Friend training session. The closed session, is scheduled to start at 14.00.

Dates of remaining 2019/20 meetings:

DATE	DAY	TIME	TYPE	VENUE
2019				
3 September	Monday	17.30	Annual Members Meeting	Spitfire Cricket Ground Canterbury
3 October	Thursday	All day	Training day	WHH Boardroom
12 November	Tuesday	09.30	Closed & Public	QEQM Boardroom
2020				
21 January	Tuesday	09.30	Strategy meeting	WHH Boardroom
27 February	Thursday	All day	Closed & Public - morning Joint with NEDs - afternoon	TBC Canterbury area

UNCONFIRMED MINUTES OF THE COUNCIL OF GOVERNORS MEETING
24 May 2019 10.50
Boardroom, Kent and Canterbury Hospital, CT1 3NG

PRESENT:

Jane Ollis	Acting Trust Chair	
Sarah Andrews	Elected Governor Dover	SAn
Julie Barker	Elected Governor Rest of England	JBa
Mandy Carliell	Elected Governor Staff	MCa
Jenny Chittenden	Elected Governor Swale	JCh
John East	Elected Governor Dover	JEa
Sharon Hatfield-Tugwell	Elected Governor Staff	SHT
Alex Lister	Elected Governor Canterbury	ALi
Ken Rogers	Elected Governor Swale	KRo
Marcela Warburton	Elected Governor Thanet	MWa
Nick Wells	Partnership Governor Volunteers	NWe
Philip Wells	Elected Governor Canterbury	PWe
Junetta Whorwell	Elected Governor Ashford	JWh

IN ATTENDANCE:

Susan Acott	Chief Executive Officer For items 1 4 & 6	CEO
Barry Wilding	NED	BW
Wendy Cookson	NED	WC
Andrea Ashman	Acting Director of HR For item 10	AA
Alison Fox	Trust Secretary	AF
Amanda Bedford	Committee Secretary (minutes)	AB

MINUTE NO. CoG/19/	ITEM	ACTION
01	**CHAIRMAN S WELCOME** The Acting Trust Chair welcomed Governors and Non-Executive Directors to the meeting and provided housekeeping information.	
02	**APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST** Apologies were received from Debra Towes, John Sewell and David Bogard. Roy Dexter and Chris Wells were not in attendance.	
03	**MINUTES FROM THE LAST COUNCIL OF GOVERNORS MEETING** The minutes of the previous meeting held on 14 February 2019 were accepted as a true and accurate representation of the meeting, with the following amendment. **67/18: BOARD OF DIRECTORS COMMITTEE REPORT: STRATEGIC WORKFORCE (SWC)** ..HCAs in the ENT department.. should read HCAs in the Endoscopy department .	

Chair s initials .....

04	**MATTERS ARISING** 55/18(a) Board of Directors Quality Committee Report AB advised the meeting that the Quality Review visits were introduced after the CQC inspection, following on from the ward visits undertaken to prepare for the inspection, as these had been deemed to be very useful. The original intent had been to run a programme of review visits, however, with changes in the senior management the programme had not been carried forward. The outcome of the initial visits had been fed back to the staff involved. Close action. 55/18 (b) Board of Directors Quality Committee AB reported that an independent reviewer had been identified to carry out the review into the Trust's Complaints Process. A meeting date had been agreed to confirm the terms of reference and timeframe for the review. Further updates would be provided to Council via matters arising. Item to be kept open. 66/18 (b) Finance and Performance Report AB advised the meeting that Ursula Marsh, Head of Midwifery & Nursing, had explained that historically use of overtime was high in the Maternity Department and action was being taken to reduce this. At the time of the last Council meeting, there had been pre-thought discussions with staff about overtime being managed via NHS Professionals, one advantage being the introduction of better control. Systems were in place to ensure that staff levels were maintained at a safe level. The department had a longer term objective of managing staffing levels so that the need for staff to work extra hours was kept to a minimum and managed via time off in lieu rather than overtime payments. This was a change process and staff were adapting. SHT commented that a similar situation was occurring in the Emergency Departments and that staff there were also concerned. It was agreed to keep the action open for further updating to Council about the nursing staff's response to the change. The updates on the remaining actions were noted and the proposal to close them agreed.	
05	**CHAIR'S REPORT** **Council Vacancies** AF clarified the detail of the proposal for managing the existing Council vacancies. Governors elected to the vacancies arising in February next year would commence their term of office on 1 March 2020. Only the governors elected to fill the current vacancies, arising from the resignation of two governors, would start immediately after the elections. The proposal was supported as: • the current vacancies would be filled without delay meaning that there would not be two new governors for the Folkestone and Hythe constituency; • there would be time to re-group if candidates did not come forward for all the vacancies; and • the induction process could begin immediately so the new governors would be better prepared when their term of office started.	

	KRo commented that the value of the Council should be recognised by the Trust; a decision taken solely on the basis of reducing cost would not do this. The Council **AGREED** to the proposal that the elections for vacancies arising in February 2020 be run at the same time as those to fill the two current vacancies on Council for public governors. Those elections to be completed by September 2019. **Governors on other Groups and Committees** It was **AGREED** that requests for Governors to sit on other groups or committees would be considered on a case by case basis. The request would be agreed when there was clear need for Governor representation, linking to the statutory roles, rather than looking for public or patient representation. It would not be appropriate for Governors to be part of a Trust operational group. When sitting on such a group/committee, the governor would be representing the Council and would need to ensure minutes of those meetings were brought to Council and, as appropriate, views sought from fellow governors. A process for making these decisions would be brought to the next meeting. The request for a Governor to join the Pathology Group was considered and it was **AGREED** that this did meet the criteria for acceptance; this was a meeting within the STP and it was important for the trust to be represented. The request would be circulated to governors inviting expressions of interest. The Council re-considered whether there should be governor representation on the Trust's Equality and Diversity Group and decided that this did not meet the criteria. AB noted that JWh's membership of the Group had been greatly valued and the terms of reference of the Group was going to be reviewed to decide whether to introduce a public/patient representative. If she wished, JWh could return to the group in this capacity. **ACTIONS:** 19/01: bring a draft process for assessing requests for Governors to join other groups/committees to the next Council meeting. 19/02: circulate an expression of interest request for a Governor to sit on the Patient, Public and Stakeholder Group, Kent and Medway Pathology Programme. **Patient/Staff presentations at Council meetings** The Council welcomed the suggestion that the staff/patient presentations were included as part of their meetings. It was recognised that the presenter may not wish to appear twice, if not then a summary could be provided to the public Council meeting. It may also be of value for a different presentation to be brought to the Council, perhaps linked to an area of specific interest for them. The Acting Chair confirmed that a patient/staff presentation would be included in the agenda for the August meeting. **ACTION:** 19/03: include a patient/staff presentation in the agenda for the August Council meeting. **Members meetings** The Council welcomed the re-introduction of the Member evening meetings	AB AB AB

	and the intention to run a rolling programme regularly through the year across all three sites. It was agreed that the events needed to be publicised more; the Canterbury meeting had been mainly attended by governors, although public attendance at Ashford had been better. It might be useful to try and understand why this was the case. It had been disappointing that the Margate event had been cancelled. NWe noted that the Members meetings would form part of the Council's Members and Membership Engagement Strategy and as such he would welcome greater involvement for governors in choosing the meeting topics and some time for a governor to speak. As Chair of the Membership Engagement and Communication Committee, NWe agreed to work with the Acting Chair and AB on implementing this for the July meetings. **ACTION** 19/04 NWe to work with the Acting Chair and AB on planning for the July members meetings. **Joint Site Visits** The Acting Chair noted that the joint site visit programme had embedded well. There was still some work to be done to ensure that actions were followed through in a timely fashion and that the outcomes from the visits were routinely fed through to the Board and Council.	NWe/ Acting Chair / AB
06	**CEO'S REPORT** The CEO highlighted the following items in her verbal report. • Year-end performance. Significant improvements had been made in the three areas identified as the focus for 2018/19: reducing waiting times in o Emergency Departments; o Cancer, which was particularly pleasing as it had required a trust wide response with a strong ethos for team working and had moved the Trust to the best position it has been in for some time; and o Routine appointments, particularly eliminating the backlog of patients waiting over a year reduced from around 250 to 3 patients waiting for cancer treatment from Maidstone and Tunbridge Wells. The aim was to maintain this positive position in 2019/20 which would require a disciplined approach to chronological booking together with a lot of work to reduce the size of the waiting lists. • The CEO noted that it was important for staff to be able to see a positive outcome from the amount of hard work being put in to improving services. She felt that there was potential for further improvement to be made via pathway change both internally and with partners. • The performance outcome for 2018/19 had shown that it was possible to make progress if the focus was maintained on a small number of specific objectives QI (Quality Improvement) methodology. The plan was to use the QI approach for 2019/20 focussing on: o Falls; o the deteriorating patient; and o Medicines optimisation, while ensuring that the progress made in the previous year was maintained. For this to succeed it was important that the focus was maintained on the identified areas, not allowing attention to stray to responding to other issues.	

	• Effectively the focus would be moving from access to services onto patient safety and quality issues. Nationally, the three areas identified were considered to be those that contribute the most to patient harm. • The CEO said that she would be seeking support from the Council with this work, for example by asking governors to focus their attention during ward visits on performance in the three priority areas. • The CEO talked about the first ten projects run under the Listening into Action (LiA) programme. One was run by the administration staff at the QEQM Emergency Department who had achieved their aim to improve the patient experience. The recent 'walking bus' tours of the projects had shown the value of empowering all levels of staff and focussing on areas where they could influence change and not worrying about those beyond their control. • The focus for improvement around the staff survey was going to be improving the Friends and Family test result and staff feeling proud of the service. Staff were being encouraged to take responsibility for tackling problems and also for highlighting good practice and successful episodes, such as the management of a recent paediatric trauma case at the QEQM. • There would also be a focus on increasing staff awareness of their role in maintaining patient safety, linking back to the three priority areas for the year. The following points were raised in the ensuing discussion. • SAn noted that the deteriorating patient and medicines optimisation were whole system issues which would support the need to develop close partnership working. Focussing on these issues would help to keep the acute hospital resources available for those who truly need them. • The CEO confirmed that medicines optimisation was recognised as a significant problem in the community; in particular, patients not taking prescribed medication correctly. The role of community pharmacists was critical to meeting the challenges. • JWh noted that she had been in the WHH Emergency Department recently and from her observations she thought it would be good if the work done at QEQM could be rolled across to the WHH. **ACTION:** 19/05 feedback this suggestion to the Chief Operating Officer. • JWh gave brief details of a positive patient experience which had been described at a recent community event relating to care at the QEQM Emergency department. • KRo asked whether the MRI scanner being off line at the WHH would have an impact on cancer targets. The CEO said that cancer patients would always be prioritised so any impact would be on routine investigations. The management team in the Cancer Services Care Group were very experienced; two had been MacMillan Nurses, which was putting the Trust in a good position to maintain the progress made. • JBa asked whether it was possible to say yet whether the move to the organisation being clinically led had had an impact. The CEO confirmed that all the triumvirate lead teams were now in place; she felt that it was helping to ensure that decisions taken were underpinned by good clinical practice and were the best that they could be. It was challenging for clinicians to step into management roles and it was important to encourage junior clinical staff to consider this as part of their career path. • WC commented that she had been impressed by the Care Group management staff who attended the Board's Quality Committee. BW	AB

	added that there was a renewed vigour and keenness to overcome the challenges.	
07	**GOVERNANCE** **Lead Governor Election** The Council noted the outcome of the 2019 election for the Lead Governor which took place in March. The successful candidate was Sarah Andrews, public governor for Dover, and the result was shared with Governors in an email on 11 March. The term of office will run from 11 March 2019 to 10 March 2020, as per the decision taken at the Council meeting on 14 February 2019. **Fit and Proper Persons Declaration** **Register of Interests** AF reported that returns on both these items had been receive from the majority of Governors. Once all returns had been received a confirmation will be sent to Council and the revised Register of Interests published on the Trust Website. **ACTION** 19/06 Send a confirmation to Governors that all returns on the annual Fit and Proper Person declaration and confirmation of governor interests had been received. Updated register to be published on the Trust's website. **Travel and Expenses Policy** The Council **AGREED** that the text of the policy as circulated for virtual ratification on 15 March 2019, could be transferred to the updated version of the template for Trust policies without bringing the document back to Council for further ratification.	AB
08	**REPORT FROM THE CoG AUDIT AND GOVERNANCE COMMITTEE** JEa presented the report which updated the Council on the meetings of the new Audit and Governance Committee (AGC) particularly in relation to drafting the Governors' Commentary on the Trust's Quality report. The AGC had been disappointed that some data was very late in coming through; the results of the Governor indicator audit had not been confirmed until very recently. JEa explained that the AGC would be meeting quarterly; timed so that the quarter performance report on the Quality Targets would be available. The aim was to look at the performance through the year so as to be better prepared to draft the Governors' Commentary. This would also put the Council in a better position to challenge the NEDs on quality issues. There were no questions.	
09	**REPORT FROM THE BOARD OF DIRECTORS' INTEGRATED AUDIT AND GOVERNANCE COMMITTEE (IAGC)** BW presented the report reminding the Council that the purpose of the Committee was to ensure that the governance processes in the Trust were fit for purpose and working well. It was noted that the Board Assurance Framework (BAF) was a snapshot presented to the last IAGC meeting and as such was older that the latest snapshot presented at the public Board meeting. SAn noted that on this occasion the BAF included in the papers was from December, which was not	

	as useful as it could be. BW replied that this did show the Council how the Committee operates; the Committee was looking at the overarching control and process, rather than the detail within the registers. BW added that the IAGC did consider that this process was coming to the end of its useful life and there was a new risk management system being introduced which would dovetail into an action plan system and a policy system. This would allow the Trust to recognise what the obstacles were to achieving its stated objectives and see more clearly how these could be mitigated or overcome. In response to a question, BW clarified that the deep dives carried out at the request of the IAGC did not focus on never events; these were related more to efficiency. AF noted that there is a report due to go to the Board's Quality Committee on never events. NWe commented that this was an area which he felt Council was likely to want to hold NEDs strongly to account and seek an assurance that their expectation would be that there were no never events in 2019/20. PWe commented that where colour ratings were used in a report, such as the BAF, there must be a key to the definition. **ACTION** 19/07: request that a key is included for the colour coding used in the BAF paper. AF noted that the timings of the Integrated Audit and Governance Committee had slipped out of synchronisation with the production of the data reports. This would be taken into account with the planning for next year so the situation would improve. Priorities and objectives had been set for 2019/20 and the Executives had been identifying the risks against these. A report would be going to the Board in June at private session and to the Council when confirmed.	
10	**STAFF SURVEY** AA joined the meeting and provided a summary of the Trust's plans and work relating to improving the organisational culture and working environment. The following points were noted. • The annual Staff Survey provided important data on the way that the organisation is perceived by staff and the areas where action is needed. The Board were very focussed on this work. • There were areas of good practice where morale was high, as well as areas where change was required. There was a lack of consistency across the organisation. • The Executive wanted to encourage an open approach to culture issues; staff were the best source of information to draw attention to the areas where improvement was needed. • AA explained that the Board had anticipated that the 2019 staff survey results would not be satisfactory and had taken pre-emptive action. The Listening into Action programme was an example of this and ensured that staff were at the centre of the changes. • The Trust's QI methodology continues the approach of listening to staff as they will know where, and how, change is needed. One of the key outcomes of this was that a change was needed in the methodology for staff engagement starting from the top with the Board, and Council, and	

	through the whole organisation. It is about moving to a more coaching style as opposed to an accusatory approach. This has worked effectively in other NHS organisations and organisations abroad. • This approach emphasises the importance of learning when things go wrong, celebrating when things go well and sharing the knowledge gained. The approach empowers staff and gives them confidence that they will be heard. The Acting Chair invited questions or comments from Governors. The following points were noted. • NWe concurred that the survey was very important. He highlighted that only 45% of staff would recommend the Trust as a place to work and 10% of staff referring to bullying. He asked the NEDs whether they were assured that the plans being made would result in the step change needed to move the Trust out of a situation which had been unchanged for too long. • The Acting Chair said that the CEO's plan for following a QI approach, across the Trust had been shown to be highly effective. This would require a significant change in methodology for the Board, and would also impact on the Council; the focus for improvement would be kept strictly on the areas identified for change. • BW agreed that he fully supported the QI approach, which had been in use in the private sector for a long time, and allowed for underlying cultural issues to be addressed. While it would not guarantee improvements in the staff survey results in 2020, he was of the view that it was the best approach and that the organisation now had a Board capable of delivering. • AA commented that it could be difficult for some staff to adapt to this approach and providing support was an important part of the process. • JEa commented that he had experience of the QI methodology in other organisations and it did work well. It was important to develop a team ethos across the organisation with strong leadership and recognition of individual contributions. • MCa said that from her point of view as a member of staff, the need for culture change had been talked about for years yet it seemed that the situation had continued to deteriorate. Morale was now very low and she felt that a lot of staff were retiring early as a consequence. She commented that all staff were dedicated to making the improvement, albeit that they were not always clear how to achieve this. • SHT said that her role gave her the opportunity to speak with a lot of staff and she was not confident that the actions being taken would lead to the required improvements. Her perception was that the focussing of resources on the EDs had not resulted in significant improvement; there was still a long way to go. • SHT added that at present there was a lack of equity; the focus always seemed to be on the nursing staff to deliver improvements. Doctors and other staff groups also held responsibilities and they should also be held to account for delivering those. AA commented that the QI approach required all staff to be involved and committed. • SHT and JCh both commented on the impact of inequality of pay rates between staff, NHS Professionals and Agency staff when working extra hours. JCh gave a specific example ; AA confirmed she would speak with JCh about this issue outside of the meeting. **ACTION** 19/08: AA to speak with JCh outside of the meeting with respect to the	AA

	specific staff pay issue she raised. • JCh noted that where change was discussed and planned it was important that this was followed through and implemented effectively. She cited the Maternity App as an example; it was not functioning properly and changes planned for some staff roles had been withdrawn. This was demoralising for staff. • AA noted that the survey had been undertaken just as the organisation was moving to the Care Group model, so the impact of that change would not be reflected in the results, although the transition process might have had an impact. • JWh asked whether there was any recognisable bias with incidents of bullying, for example with BME or staff grade. AA said that she was confident that action was being taken whenever concerns of bullying were raised. Regrettably, bullying behaviour was reported as arising from all staff levels. • AA said that her worry was that staff might not feel able to raise such concerns; it was essential to create an environment where staff were comfortable to speak out and then there could be confidence that any themes or trends would be recognised and dealt with appropriately. • JCh said that it was important for staff to see that change did happen when concerns had been reported and were substantiated. • NWe commented that there was a practical and a behavioural element to the cultural problems and both would need to be addressed and would involve investment. The Acting Chair confirmed that the Trust was in discussion with NHS I in relation to investment. • The Acting Chair summarised the discussions: the staff survey results were not acceptable from the Council's point of view; the low percentage of staff who would recommend the Trust as a place to work was of particular concern along with the 10% of staff experiencing bullying; and the Council expected to see a tangible improvement in the next staff survey results. The Acting Chair confirmed that she would report this feedback at the next Board meeting. **ACTION** 19/09 Report Council feedback on the staff survey results to the next meeting of the Board.	JO
11	**REPORT FROM BOARD OF DIRECTORS' QUALITY COMMITTEE** BW presented the report noting that the Committee was primarily concerned with gaining assurance around patient safety, the Quality Strategy and the quality of service delivery. A number of items were received on a regular basis, including looking at the risk register to gain assurance that risks were properly managed with appropriate mitigation if needed. The Committee also looked at performance against the Quality targets and had been disappointed to see the number that had not been achieved in year. The Committee had changed its approach in recent months, looking to the Care Group representatives to provide assurance on the management of risk and quality in their areas as opposed to the functionality approach taken previously. This seemed to be working well and he was impressed with the renewed vigour evident in the Care Groups. BW explained that he had taken on the Chair of the Quality Committee on an interim basis. WC would be taking on the role from the following month.	

	There were no questions from Council.	
12	**REPORT FROM CoG MEMBERSHIP COMMUNICATION AND ENGAGEMENT COMMITTEE (MECC)** NWe introduced the report noting that the key item discussed at the MECC meeting had been the Members and Membership Engagement strategy, which was to be discussed under the next item on the Council agenda. The Council **AGREED** to the recommendation that at the end of all Council and Council Committee meetings consideration should be given as to the information to be fed back to FT members via the Governor Newsletter. It was important for FT members to understand what the Council does, so later editions of the newsletter should show what had been achieved as a result. On a practical basis it was recognised that linking the issue date of the newsletter to MECC meetings and perhaps have an editorial team. The details would need to be confirmed as part of the discussion around the Strategy. **ACTION** 19/10: add an item to the agenda for all Council and Council Committee meetings to identify items to be mentioned in the Governor Newsletter and outcomes reported in due course.	AB
13	**MEMBERS AND MEMBERSHIP ENGAGEMENT STRATEGY 2019/22** NWe explained that the draft of the document presented to the meeting had been distilled down from a lot of discussion by the task and finish group and at the MECC meetings. There was a fundamental decision for Council to take: was engagement going to be planned on the basis of meeting the minimum statutory requirement or were Governors willing to commit to having a strategy for genuinely engaging with the membership and the public and adding value. The communication had to be two way: governor to members/public and vice versa, and then relayed to the Trust to support innovation and change. Engagement was also needed to provide the information to hold NEDs to account. If the strategy was to be based on genuine engagement there had to be real commitment from all governors. NWe invited comment on the list of tangible objectives to take forward. There was general agreement that engagement should be greater than the statutory minimum, and recognition that this needed governors to commit to engagement events and processes. JCh commented that engagement activities would help new governors to settle in faster. KRo commented that it was positive that the strategy recognised the need to communicate with the public as well as the members. AB emphasised that the Council needed to provide feedback on what engagement tasks they saw as a priority. There were not the resources in the corporate team to support all the suggestions, decisions would have to be taken on which would be taken forward within the strategy. NWe endorsed this strongly; governors needed to indicate which methods they wanted to use and the strategy had to focus on a small number. **ACTION** 19/11: list of engagement tasks to be circulated to governors with a request for	

	them to be prioritised. MCa noted that as part of her engagement work she visited one school a month with a team from the Trust; governors were welcome to attend if they wished. She had also done a lot of work with the Youth Forum and had built up a group of 16 to 19 year olds who were particularly interested in health issues. They would be very pleased to attend a Council meeting. **ACTION** 19/12 Arrange for the Youth engagement group to attend a Council meeting.	
14	**EFFECTIVENESS REVIEW** AF noted that it would be helpful to do some more detailed analysis; a high level view suggests that there are some concerns about the Council working with the Trust. She felt that the work being done on the next version of the Members and Membership Engagement Strategy should ensure that the areas of the survey relating to engagement would improve. There had been eleven responses to the survey from sixteen active governors; it would be helpful if those who had not responded did so. It would also improve the value of the survey if more comments were made in addition to scoring the question; particularly where the score was low. AF agreed to re-circulate the survey for members to add comments if required. The analysis should focus on the areas where the response was most negative. The item to be brought back to the next meeting. **ACTION** 19/13: effectiveness survey questions to be circulated and governors who had already completed the survey to be encouraged to add comments. Those who had not completed the survey to be asked to do so. Item to be brought back to the next meeting.	Governors
15	**ANY OTHER BUSINESS** The Acting Chair congratulated John East on his appointment as a Professor for research, training and development into Neuroscience and surgery by Institute of Neurosciences at the University of Nicosia. The Council noted the sad passing of John Smith, who had been an advocate for health care services in East Kent for many years. The Council AGREED the proposal made by KRo that consideration be given to naming a ward or department in John Smith's name in recognition of the contribution he had made. **ACTION** 19/14: trust to consider naming a ward or department in John Smith's name in recognition of the contribution he made to health care services in East Kent. JCh said that she had concerns she wished to register outside of the meeting, particularly in relation to paediatric services. The Acting Chair confirmed that she would be happy to receive these. **ACTION** 19/15: JCh to provide details of her concerns to the Acting Chair. NWe confirmed that he had taken note of items discussed at the Council meeting for inclusion in the next Governors' newsletter. The Acting Chair thanked everyone for attending the meeting and for their	AB JCh

	contribution.	
16	**QUESTIONS FROM THE PUBLIC** There were no members of the public present.	
17	**DATE OF NEXT PUBLIC MEETING** 5 August 2019, WHH	

The meeting closed at 13.00

Future meetings

DATE	DAY	TYPE	TIME	LOCATION
2019				
5 August	Monday	Closed and Public Council	0930 – 1300	WHH
September	TBC	Annual Members Meeting	TBC	TBC
12 November	Tuesday	Closed and Public Council	0930 – 1300	QEQM
2020				
24 January	Thursday	Strategy development	0930 – 1230	WHH
27 February	Thursday	Closed and Public Council Joint meeting with NEDs	0930 – 1600	TBC

Signed _____

Date _____

EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST - COUNCIL OF GOVERNORS, PUBLIC							
Action No.	**Date of Meeting**	**Min No.**	**Item**	**Action**	**Target date**	**Action owner**	**Progress Note (to include the date of the meeting the action was closed)**
55/18 (b)	06.11.19	55/18	Board of Directors Quality Committee Report	Update the Council on the progress with the review of the Trust's Complaints process.		AB	14.02.19 An independent reviewer has been identified and will shortly agree a terms of reference for the review and timetable. **Udate 05.08.19: the initial findings of the review are due to be provided on 30 July. No significant risks have been escalated for immediate attention. The outcome of the review and any action plan will be reported via the Board's Quality Committee.** **PROPOSE: close action**

66/18 (b)	14.02.19	66/18	Finance and Performance Report	Further clarification to be sought regarding midwives and overtime procedures		AB	24.05.19: Overtime spend in Maternity has historically been very high and the Care Group are taking action to reduce and control this. At the time of the last Council meeting the Management team were having pre-thought sessions with staff about encouraging them to work overtime via the NHS Professionals bank. This would help improve control of overtime and is cost effective. There are clear escalation processes in place to ensure safe staffing levels and overtime is agreed as needed. The Care Group has an objective to have nil spend on overtime; in future it will all be undertaken on a time in lieu basis. This is a change and the staff are going through an adaptation process. **Udate 05.08.19: controlling overtime is part of the action being taken to reduce agency spend. The aim is to move to a position of no overtime with additional hours being worked via the Bank. Work is also being done on looking at Bank staff pay rates. This work will be ongoing for some time and is also an element of the work on culture change.** **Propose: close action**
19 / 01	24.05.19	19 / 05	Chair's report	Bring a draft process for assessing requests for Governors to join other groups/committees to the next Council meeting.		AB	**Udate 05.08.19: on agenda, item 19/21b.** **Propose: close action**
19 / 02	24.05.19	19 / 05	Chair's report	Circulate an expression of interest request for a Governor to sit on the Patient, Public and Stakeholder Group, Kent and Medway Pathology Programme.		AB	**Udate 05.08.19: update in Chair's report. Item 19/23.** **Propose: close action**
19 / 03	24.05.19	19 / 05	Chair's report	Include a patient/staff presentation in the agenda for the August meeting.		AB	**Udate 05.08.19: on agenda.** **Propose: close action**

19 / 04	24.05.19	19 / 05	Chair's report	NWe to work with the Acting Chair and AB on planning for the July members meetings.		NWe/ Acting Chair/AB	**Udate 05.08.19: meetings complete.** **Propose: close action**
19 / 05	24.05.19	19 / 06	CEO's Report	Feedback to the Chief Operating Officer the suggestion that the work done on improving the patient experience at the ED at QEQM be rolled across to the WHH.		AB	**Udate 05.08.19: the Chief Operating Officer confirms that the work done at QEQM is being rolled out at WHH.** **Propose: close action**
19 / 06	24.05.19	19 / 07	Governance	Send a confirmation to Governors that all returns on the annual Fit and Proper Person declaration and confirmation of governor interests had been received. Updated register to be published on the Trust's website.		AB	**Udate 05.08.19: all returns received. Website updated.** **Propose: close action**
19 / 07	24.05.19	19 / 09	Integrated Audit and Governance Committee report	Request that a key is included for the colour coding used in the BAF paper.		AF	**Udate 05.08.19: the colour coding will be described in the coversheet or attached appendix.** **Propose: close action**
19 / 08	24.05.19	19 / 10	Staff Survey	AA to speak with JCh outside of the meeting with respect to the specific staff pay issue she raised.		AA	**Udate 05.08.19: conversation has taken place.** **Propose: close action**
19 / 09	24.05.19	19 / 10	Staff Survey	Report Council feedback on the staff survey results to the next meeting of the Board.		JO	**Udate 05.08.19: report to meeting.**
19 / 10	24.05.19	19 / 12	MECC Chair's report	Add an item to the agenda for all Council and Council Committee meetings to identify items to be mentioned in the Governor Newsletter and outcomes reported in due course.		AB	**Udate 05.08.19: done.** **Propose: close action**
19 / 11	24.05.19	19 / 13	Members and Membership Engagement Strategy	List of tangible objectives to be circulated to governors with a request for them to be prioritised.		AB/ Council	**Udate 05.08.19: done.** **Propose: close action**
19 / 12	24.05.19	19 / 13	Members and Membership Engagement Strategy	Arrange for the Youth engagement group to attend a Council meeting.		AB	**Udate 05.08.19: on agenda.** **Propose: close action**

19 / 13	24.05.19	19 / 14	Members and Membership Engagement Strategy	19/13 Effectiveness survey questions to be circulated and governors who had already completed the survey to be encouraged to add comments. Those who had not completed the survey to be asked to do so. Item to be brought back to the next meeting.		Governors	**Udate 05.08.19: done.** **Propose: close action**
19 / 14	24.05.19	19 / 15	Any other Business	Trust to consider naming a ward or department in John Smith's name in recognition of the contribution he made to health care services in East Kent.		AB	**Udate 05.08.19: email sent to Natalie Yost, Lee Martin and Liz Shutler registering the Council's suggestion for future consideration.** **Propose: close action**
19 / 15	24.05.19	19 / 15	Any other Business	Provide details of concerns about patient care to the Acting Chair.		JCh	**Udate 05.08.19: conversation has taken place.** **Propose: close action**

East Kent Hospitals University NHS Foundation Trust

REPORT TO:	**COUNCIL OF GOVERNORS**
DATE:	**5 AUGUST 2019**
REPORT TITLE:	**REQUESTS FOR GOVERNORS TO SIT ON NON-COUNCIL GROUPS**
PAPER AUTHOR:	**GROUP COMPANY SECRETARY**
PURPOSE:	**DISCUSSION**
APPENDICES:	**Annex A – proposed process**

BACKGROUND AND EXECUTIVE SUMMARY

Executive Summary

At the May Council meeting it was agreed that there were circumstances where it would be appropriate for Governors to sit on non-Council groups. This paper proposes a process to manage requests for Governors to sit on such groups so that there is a consistent approach and the governor's responsibilities are clear. The proposed process is laid out at Annex A.

This links to action CoG 19/01.

LINKS TO STRATEGIC OBJECTIVES:	• **Getting to good:** Improve quality, safety and experience, resulting in **Good** and then **Outstanding** care. • **Higher standards for patients:** Improve the **quality and experience** of the care we offer, so patients are **treated in a timely way** and **access the best care** at all times. • **A great place to work:** Making the Trust a **Great Place to Work** for our current and future staff. • **Delivering our future: Transforming** the way we provide services across east Kent, enabling the whole system to offer **excellent integrated services.** • **Right skills right time right place:** Developing teams with the **right skills** to provide care at the **right time**, in the **right place** and achieve the **best outcomes for patients.** • **Healthy finances:** Having Healthy Finances by providing better, **more effective patient care** that makes resources go further.

RECOMMENDATIONS AND ACTION REQUIRED:

The Council is asked to consider and the proposed process for Governors sitting on non-Council groups.

Ratified at the Council meeting on:

East Kent Hospitals University NHS Foundation Trust

Annex A

Process for managing requests for Governors to sit on non-Council groups.

Purpose

The Council of Governors has agreed that there are limited circumstances when it would be appropriate for Governors to sit on non-Council groups. This process sets out the criteria for when this is appropriate, the method by which the Governor will be chosen and that Governor's responsibilities.

Criteria
The following criteria would need to be met for a Governor to be appointed to represent the Council on the group.

- The role of the Governor on the group links to the Council's Statutory duties.
- The role extends beyond simple patient or public representation – if it can be undertaken by a patient or member of the public, then Governor representation is not appropriate.
- It is not a Trust operational group.

Appointment method
When a request for Governor involvement in a non-Council group is received and meets the criteria above, the Governor and Membership Lead will circulate details of the meeting to the Council. These will include the following.

- Terms of Reference for the group.
- Summary of how the role links to the Council's Statutory duties
- Housekeeping details – frequency and length of meetings and venue.
- Examples of agendas and minutes where possible.

The Council will then vote on the proposal, as per the constitution. Governors will be asked to indicate whether they would be willing to take the position if the proposal is agreed, explaining the skills that they would bring to the role.

If an urgent decision is needed, this process will be conducted virtually and the outcome recorded at the next meeting of Council.

If the proposal is agreed, the Trust Chair will decide which Governor will be asked to represent the Council on the group. The Trust Chair will take into account the nature of the group, the significance of the role the Governor will fulfil and the skills required. The Chair will consider all members of Council, and may ask a governor who has not volunteered to consider the role.

Governor responsibilities
The Governor taking up a position on a non-Council group will be representing the Council. The agenda for meetings will be shared in advance with Governor colleagues and comments requested. The Governor will be expected to reflect these comments at the meeting where appropriate.

The Governor will not agree to any actions on behalf of the Trust or Council.

The Governor will provide a short written summary of the meeting to the next Council meeting.

Ratified at the Council meeting on:

East Kent Hospitals University NHS Foundation Trust

REPORT TO:	**COUNCIL OF GOVERNORS**
DATE:	**5 AUGUST 2019**
REPORT TITLE:	**TRUST CHAIR'S REPORT**
PAPER AUTHOR:	**TRUST CHAIR**
PURPOSE:	**DISCUSSION**
APPENDICES:	**NONE**

BACKGROUND AND EXECUTIVE SUMMARY

Executive Summary

This report provides an update to the Council on key issues.

Background

Welcome

I am pleased to welcome Councillor Bob Bayford to his first meeting. Bob is the Leader of Thanet Council and has been nominated by the six local authorities as the partner governor to represent them on Council.

Council Elections

The election process opened formally on 24 July with the notification of the elections going to public members via the post and to staff members via the Trust's internal communications. Nominations close on 9 August and ballot packs will be issued on 27 August; the poll closes on 19 September and the results should be announced the following day. I will provide an update on the number of nominations received at the meeting.

Two of the newly elected governors will start immediately to cover the vacancies created by the resignation of Philip Bull and John Bridle. The other new governors will start on 1 March 2020 when the terms of office of the current governors come to an end.

There are eight vacancies arising for 1 March 2020, of these five will be new governors as the incumbents have all reached their maximum service on Council: Junetta, John Sewell, Philip, Mandy and David.

All the new governors will be invited to attend the morning session of the training day on 3 October, which will focus on the way the Council works and skills relating to this. The afternoon session will look more towards strategic issues and only the two new governors taking the current vacancies will attend. The Non-Executive Directors are also in the Trust that day so we hope they will join us for the lunch break. I hope that current governors will attend for the whole day – this will be a rare opportunity for the Council to benefit from the experience of long serving, outgoing governors while making an early start to building relationships with new colleagues.

Well Led Review

The Well-Led review being undertaken by Deloitte is due to report shortly and it is anticipated that the Board will receive a presentation of their findings at the development session on 1 August. I will share information from this session with Governors during the closed session later today.

Pathology Patient, Public and Stakeholder Group

Following the agreement at the last Council meeting that a governor would joint the above Stakeholder group, the terms of reference and housekeeping details were circulated to

governors, on 10 July, inviting volunteers. Only one reply was received; Sarah said that she would join the group if no other volunteers stepped forward. Sarah has worked on an earlier version of this group and is therefore familiar with the issues, so this is a valuable appointment. A paper has been brought to the Council earlier in this meeting which outlines the way in which governors representing Council will need to ensure their colleagues have an opportunity to contribute and that a report on meetings attended is provided.

Members meetings

The staff who presented at Kent and Canterbury, on Urology Services, and at the QEQM, on Paediatric Services, gave extremely interesting talks highlighting the quality of the services being provided and the innovative thinking going forward.

Unfortunately, as happened previously, one of the three planned meetings was cancelled as there had been no pre-bookings from public members. The public attendance at the QEQM session was low, although much better at the Kent and Canterbury. I am sure that this will be considered further as part of the discussions on the next Members and Membership Communications Strategy later in the agenda.

Joint site visits

The following information on Joint Site Visits was included in my reports to the Board since the last Council meeting:

Joint site visits

One visit took place on 10 June at the Kent and Canterbury hospital. The team visited the Speech and Language Department, Rheumatology, the Elective Orthopaedic Centre, Neurosciences and both the Colposcopy and Age Related Macular Degeneration outpatient clinics. The enthusiasm shown by all the teams visited was inspiring and their passion for the services they deliver clearly evident. Staffing challenges were mentioned by several of the teams, along with their determination to resolve these. The Speech and Language Therapy staff in particular were very pleased with the service developments they had been able to make now that the staffing was at full strength.

There was also a Joint Site Visit to the William Harvey Emergency Department in the evening on 19 July. The team followed the patient pathway through the department and had the chance to meet many of the staff on duty. The team also learned how training was delivered in this busy environment and about the monthly lunches held to support team development. This was a very positive visit demonstrating how the ED team have worked hard together to tackle the difficult challenges they have been faced with.

Harmonia Village

I am pleased that some members of the Council are joining with the Board to visit the Harmonia Village site on 1 August. You will be aware from Susan's messages that the Trust is aiming to be the first in the Country to have all its staff trained as Dementia Friends. I hope that you will find the training session arranged for Governors today to be of value.

We are all aware of the growing numbers of people who will be affected by these conditions in years to come; changing our own behaviours and learning to recognise and interact with those affected will go a long way to making life easier for them, their families and carers. This ambitious plan truly does epitomise the Trust's values in a very real way.

LINKS TO STRATEGIC OBJECTIVES:	• **Getting to good:** Improve quality, safety and experience, resulting in **Good** and then **Outstanding** care. • **Higher standards for patients:** Improve the **quality and experience** of the care we offer, so patients are

	treated in a timely way and **access the best care** at all times. • **A great place to work:** Making the Trust a **Great Place to Work** for our current and future staff. • **Delivering our future: Transforming** the way we provide services across east Kent, enabling the whole system to offer **excellent integrated services.** • **Right skills right time right place:** Developing teams with the **right skills** to provide care at the **right time**, in the **right place** and achieve the **best outcomes for patients.** • **Healthy finances:** Having Healthy Finances by providing better, **more effective patient care** that makes resources go further.

RECOMMENDATIONS AND ACTION REQUIRED:

The Council is asked to note the contents of the report.

East Kent Hospitals University NHS Foundation Trust

REPORT TO:	**BOARD OF DIRECTORS (BoD)**
DATE:	**4 JULY 2019**
REPORT TITLE:	**FINANCE AND PERFORMANCE COMMITTEE (FPC) CHAIR REPORT**
BOARD SPONSOR:	**SUNNY ADEUSI, CHAIR FPC**
PAPER AUTHOR:	**BOARD SUPPORT SECRETARY**
PURPOSE:	**APPROVAL**
APPENDICES:	**APPENDIX 1: MONTH 2 FINANCE REPORT**

BACKGROUND AND EXECUTIVE SUMMARY:

The purpose of the Committee is to maintain a detailed overview of the Trust's assets and resources in relation to the achievement of financial targets and business objectives and the financial stability of the Trust. This will include:-

- Overseeing the development and maintenance of the Trust's Financial Recovery Plan (FRP), delivery of any financial undertakings to NHS Improvement (NHSI) in place, and medium and long term financial strategy.
- Reviewing and monitoring financial plans and their link to operational performance overseeing financial risk evaluation, measurement and management.
- Scrutiny and approval of business cases and the capital plan.
- Maintaining oversight of the finance function, key financial policies and other financial issues that may arise.

The Committee also has a role in monitoring the performance and activity of the Trust.

2 July 2019 Meeting

The Committee reviewed the following matters:

Month 2 Finance Report:

1 The Committee received the month 2 finance report, provided as Appendix 1, the key points to note are below:
- 1.1 Month 2 ended with a consolidated deficit of £3.2m in line with the planned position, year-to-date deficit of £7.9m that is £0.1m ahead of plan;
- 1.2 The final year-end forecast remains in line with the planned position of a consolidated £37.5m deficit excluding technical adjustments;
- 1.3 The EKHUFT's subsidiaries position remains on plan in month;
- 1.4 The East Kent Clinical Commissioning Groups (CCGs) contract is an aligned incentive contract, meaning income (excluding high cost drugs) is fixed at £420m for the year;
- 1.5 The Cost Improvement Programme (CIP) target for the year is £30m, and the level of CIP delivery increases significantly throughout the year. If EKHUFT continued the current financial run-rate by maintaining the average Year to Date (YTD) Income & Expenditure (I&E) position for the remainder of the financial year, adjusted to reflect the fixed £420m aligned incentive contract, it would generate a year-end deficit of £52m as compared to the £37.5m plan. This

demonstrates the required financial run-rate improvement required to deliver the £30m CIP target. The Trust is currently ahead of its CIP plan to date but a number of challenges remain, particularly the schemes around reducing agency spend. The Trust has not yet reached its target for CIP schemes to be fully green and these are currently at 70% (£21m), and continues to work hard on moving amber at 20% (£6m) and red at 10% (£3m) schemes to green. A key priority is having robust plans and controls in place to deliver the CIP target for 2019/20;

1.6 The focus on delivering the financial position and achieving the CIP target is being maintained by a combination of monthly Executive Performance Review (EPR) meetings and Confirm and Challenge meetings led by the Chief Operating Officer (COO) and Director of Finance and Performance;

1.7 Agency costs remain an area of concern and the main CIP scheme in relation to reducing agency spend. Continued focus is required around monitoring pay costs;

1.8 The Trust's cash balance at the end of M2 is £18.8m, £6.2m above plan;

1.9 The Committee will receive a forecast report following closure of the quarter one period.

Integrated Performance Report (IPR): for Emergency Access, Referral to Treatment (RTT), Cancer and Diagnostics

2 The FPC received highlight reports on the National Constitutional Standards for May 2019 – more details are provided in the Integrated Performance Report (IPR) which is a main item on the Board agenda. The Committee was provided with actions in place to improve performance:

2.1 Accident & Emergency (A&E) 4 hour access standard at 81.22% against the NHS Improvement (NHSI) trajectory of 81.9%, excluding Kent Community Health NHS Foundation Trust (KCHFT) Minor Injury Unit (MIU). This represents an improvement in performance compared to the previous month of 4.1% (from 77.13%). Overperformance in emergency activity due to 7.5% higher than planned levels that has led to an increase in admissions in the new observation bays. No trends have been identified for this level of increase, which has put additional pressure on the Trust's bed stock. The Trust continues to focus on taking forward the Emergency Department (ED) improvement plan;

2.2 There were no 12 Hour Trolley Waits in May;

2.3 Patient flow continues to be the main area of concern due to the high number of >7 and >21 day patients, many of whom are reportable delayed transfers of care (DTOC). The actions in place to mitigate the risk of patient delay are around proactively reviewing all delayed patients by Multi-disciplinary Team (MDT) with escalation at Director level;

2.4 There has been a deterioration in ambulance handover performance. The Trust continues to focus on taking forward the improvement plan that is in place to address this and achieve sustained improvement;

2.5 18 Week Referral to Treatment (RTT) at 80.65% against the trajectory of 79%. 52 week wait patients reported 4 in the month and these patients are being actively managed. The waiting list has increased from 45,867 to 46,331, the size of backlog has reduced and improved from 9,564 to 8,964. Performance is monitored via review of the primary care referrals and daily oversight of the 52 week wait patients;

2.6 62 day Cancer Standard at 80.18% against the improvement trajectory of 85.71%. Actions are in place to reduce >62 day breaches and overall the number of long waiting patients is decreasing and review at Director level will continue. There were 6 patients waiting 104 days or more for treatment or

potential diagnosis;

2.7 Achievement of the 6 week diagnostic standard with a compliance of 99.45%. At the end of the month 84 patients had been waiting over 6 weeks for their diagnostic procedure;

2.8 A review has been undertaken regarding new and follow-up appointments around addressing the number of Did Not Attends (DNAs) to improve the DNA rate. This included ensuring utilisation of text messages regarding appointment notifications. The current DNA rate for new is 7% and for follow-up is 9%, this remains a priority of the Trust to reduce DNAs, and patient appointments are fully booked out.

Aligned Incentive Contract

3 The FPC received and discussed a report regarding an Aligned Incentive Contract with the CCGs, in relation to a fixed contract value for activity of £420m and a variable contract value of £20m for high cost drugs and homecare. This will provide system wide benefits, supporting EKHUFT and the CCG to work together as a system as well as forward planning, and reduce financial risks as well as ensuring action plans are monitored and are being progressed. It was suggested that a joint FPC meeting be held with the CCG in the Autumn:

3.1 The Committee approved:

3.1.1 In principle to commit to an Aligned Incentive Contract for the next 3 to 5 years in alignment with the Joint System Recovery Plan;

3.1.2 To work towards a Joint Programme Management Office (PMO) to deliver improvements across the system.

2018/19 National Costs Collection Submission Report

4 The FPC received, discussed and noted a report regarding the submission of the 2018/19 National Costs Collection by the deadline of 8 July. The Committee received assurance that robust internal processes are in place, strengthened by continuous review and improvements in systems and data quality. Care Group Operational Directors had been engaged in the sign-off process. The final submission would be signed off by the Director of Finance and Performance.

IDENTIFIED RISKS AND MANAGEMENT ACTIONS:	Failure to achieve financial plans as agreed with NHS Improvement (NHSI) under the Financial Special Measures Regime.
LINKS TO STRATEGIC OBJECTIVES:	**Healthy finances:** Having Healthy Finances by providing better, **more effective patient care** that makes resources go further.
LINKS TO STRATEGIC OR CORPORATE RISK REGISTER	SRR5: Failure to achieve financial plans as agreed with NHS Improvement (NHSI) under the Financial Special Measures Regime.
RESOURCE IMPLICATIONS:	None
COMMITTEES WHO HAVE CONSIDERED THIS REPORT	None
SUBSIDIARY IMPLICATIONS:	N/A

PRIVACY IMPACT ASSESSMENT: *NO*	**EQUALITY IMPACT ASSESSMENT:** *NO*

RECOMMENDATIONS AND ACTION REQUIRED:

The Board is asked to **APPROVE** the Finance and Performance Committee Chair Report.

East Kent Hospitals University NHS Foundation Trust

Finance Performance Report 2019/20

May 2019

Director of Finance and Performance Management
Philip Cave

Contents and Appendices

Month 02 (May) 2019/20

Contents

Appendices

Executive Summary
Month 02 (May) 2019/20

Executive Summary

The Trust generated a consolidated deficit in month of £3.2m which is in line with the planned position. The year-to-date deficit of £7.9m is £0.1m ahead of plan. The final year-end forecast remains in line with the planned position of a consolidated £37.5m deficit excluding technical adjustments.

The main drivers of the in-month position were:
- EKHUFT Clinical income overperformance of £0.2m driven by £0.8m of overperformance in emergency activity due to 7.5% higher than planned levels YTD which has led to an increase in admissions driven by the new Observation Bays at QEQM and WHH. This overperformance is partially offset by £0.5m of underperformance in outpatient activity due to lower than planned referral rates.
- EKHUFT Pay underspend of £0.5m due to £0.7m of overspends in mainly medical agency staffing due to continued operational pressures, being entirely offset by £1.2m underspend in bank & substantive pay categories.
- EKHUFT Non-pay overspend against plan of £0.7m. The main drivers for the overspend are supplies and services - non clinical and drugs which are adverse to plan by a total of £1.6m in month and £1.9m YTD. The overspend on non-clinical supplies relates to the subjective impact of a change control notice with 2gether which transferred over the management of EME non pay and Modular Theatre rental budgets to them along with funding for 19-20 pay inflation.
- The subsidiaries position was on plan in month, but further work is required to ensure that key drivers of the position are understood and described as part of the Finance Performance report.

	This Month			Year to Date		
£'000	**Plan**	**Actual**	**Variance**	**Plan**	**Actual**	**Variance**
EKHUFT Income (inc PSF)	52,719	52,941	222	102,953	102,654	(299)
EKHUFT Pay	(34,136)	(33,682)	454	(67,954)	(67,355)	599
EKHUFT Non-Pay	(21,823)	(22,480)	(657)	(43,351)	(43,392)	(41)
EKHUFT Financial Position (inc PSF)	**(3,240)**	**(3,221)**	**20**	**(8,352)**	**(8,092)**	**260**
Subsidiaries Financial Position	16	22	5	277	122	(155)
Consolidated I&E Position (inc PSF)	**(3,224)**	**(3,199)**	**25**	**(8,075)**	**(7,970)**	**105**
Impairments/ Donated Assets Adjustment	32	46	14	64	93	29
PSF Funding	0	0	0	0	0	0
Consolidated I&E Position (excl PSF)	**(3,192)**	**(3,153)**	**39**	**(8,011)**	**(7,877)**	**134**

The East Kent CCGs contract is an aligned incentive contract which means that income (excluding high cost drugs) is fixed at £420m for the year.

Overall clinical income was £0.2m favourable to plan, although the East Kent CCG contract was in line with the plan excluding high cost drugs which was above plan by £0.4m, this was offset by an underperformance against plan with the NHSE specialised services contract of £0.3m driven by lower than anticipated NICU and ITU activity.

There are issues with the allocation of clinical income between reporting categories due to changes from the national allocation software and ensuring the new observation bay activity is coded correctly and allocated to the correct specialty / care group. Following a detailed review central adjustments have been applied to non-elective activity between care groups to ensure a more reasonable position is reported.

While the financial Month 2 position is positive, the level of CIP delivery increases significantly throughout the year. If EKHUFT continued the current financial run-rate by maintaining the average YTD I&E position for the remainder of the financial year, adjusted to reflect the fixed £420m aligned incentive contract, it would generate a year-end deficit of £52m as compared to our £37.5m plan. This demonstrates the required financial run-rate improvement required to deliver the £30m CIP target so having robust plans and controls in place to deliver this remains a key priority.

This focus on delivering the financial position is being maintained by a combination of monthly Executive Performance Review meetings and Confirm and Challenge meetings led by the COO and FD.

Income and Expenditure G

EKHUFT income was slightly ahead of plan in May by £0.2m, due to a combination of high cost drugs being above plan by £0.4m offset by the NHSE specialised services activity being below plan by £0.3m due to lower than anticipated NICU and ITU activity. With the majority of Trust income included in an aligned incentive contract with East Kent CCGs increased focus is required on delivering activity which remains on a cost and volume payment basis.

There remains an on-going focus on ensuring we deliver the required elective and outpatient activity to hit our access targets so weekly meetings are held with the COO and FD to monitor performance. Further improvement in monthly elective and outpatient activity will be required to deliver our challenging plan for 2019/20. Elective capacity is currently being supported by outsourcing to the independent sector and there are plans developed by each care group to ensure we minimise this.

Pay performance is favourable to plan in May by £0.5m. This was driven by an agency overspend of £0.7m due to above plan usage of agency staff for medical and nursing cover offset by underspends on substantive and bank staffing costs of £1.2m. Total expenditure on pay in May was £33.7m, a £0.1m reduction from April. Excluding the effect of lump sum payments for non-consolidated pay award in April and clinical excellence awards in May, there is an underlying increase in spend of £0.6m which relates mainly to bank holiday enhancements and temporary staff usage.

Non Pay expenditure is adverse to plan in May by £0.7m. This is predominantly due to an overspend on non-clinical supplies relating to a change control notice with 2gether which transferred over the management of EME non pay and Modular Theatre rental budgets to them along with funding for 19-20 pay inflation.

Cash G

The Trust's cash balance at the end of May was £18.8m which is £6.2m above plan. The main drivers for this position were higher than planned payments received from Health Education England of £4.5m combined with £1m lower than planned payments to 2SS.

The Trust did not borrow any cash in May therefore total Trust borrowings remained at £96.5m. The planned 19/20 loan is £37.2m in line with the plan pre technical deficit.

Capital Programme G

Total expenditure at the end of May 2019 is £0.2m (16.5%) above plan. This is mainly due to legacy spend from 2018/19 schemes in A&E and equipment replacement. It is expected that spend will fall back in line with the YTD plan for Month 3.

Cost Improvement Programme G

The target for the year is £30m. The Trust has achieved £2.8m of savings YTD against a plan of £2.1m. Within this £0.5m of savings were delivered non-recurrently.
The forecast CIP achievement for the year is £30m, but as the target increases throughout the year the Trust is maintaining confirm and challenge meetings to ensure robust delivery plans are in place.
As at the time of reporting, c.70% of schemes forecast were delivered or 'green' rated. Care Groups, supported by the PMO, continue working up schemes for 2019/20 focusing on delivery of planned target and moving Red and Amber schemes to Green.

Income and Expenditure Summary
Month 02 (May) 2019/20

Unconsolidated	This Month			Year to Date			Annual
£000	Plan	Actual	Var.	Plan	Actual	Var.	Plan
Income							
Electives	8,268	8,443	175	15,899	15,926	27	97,761
Non-Electives	15,687	16,519	832	30,653	31,161	508	180,314
Accident and Emergency	2,910	2,997	87	5,616	5,872	256	33,838
Outpatients	7,298	6,785	(513)	13,823	13,150	(673)	82,026
High Cost Drugs	4,489	4,887	398	8,837	9,253	416	53,027
Private Patients	45	22	(24)	89	63	(26)	528
Other NHS Clinical Income	10,192	9,359	(833)	20,379	19,609	(770)	122,658
Other Clinical Income	148	232	84	297	274	(23)	1,781
Total Clinical Income	**49,038**	**49,243**	**205**	**95,593**	**95,308**	**(285)**	**571,932**
Non Clinical Income	3,681	3,698	17	7,360	7,346	(14)	44,856
Total Income	**52,719**	**52,941**	**222**	**102,953**	**102,654**	**(299)**	**616,788**
Expenditure							
Substantive Staff	(30,452)	(29,318)	1,134	(60,562)	(59,049)	1,513	(353,473)
Bank	(1,477)	(1,416)	61	(2,907)	(2,682)	225	(24,941)
Agency	(2,207)	(2,948)	(741)	(4,485)	(5,624)	(1,139)	(18,585)
Total Pay	**(34,136)**	**(33,682)**	**454**	**(67,954)**	**(67,355)**	**599**	**(396,999)**
Non Pay	(19,877)	(20,928)	(1,050)	(39,458)	(39,632)	(173)	(233,850)
Total Expenditure	**(54,013)**	**(54,609)**	**(596)**	**(107,412)**	**(106,987)**	**426**	**(630,849)**
Non-Operating Expenses	(1,946)	(1,553)	394	(3,893)	(3,760)	133	(24,554)
Income and Expenditure Surplus/(Deficit)	**(3,240)**	**(3,221)**	**20**	**(8,352)**	**(8,092)**	**260**	**(38,615)**

Consolidated	This Month			Year to Date			Annual
£000	Plan	Actual	Var.	Plan	Actual	Var.	Plan
Income							
Clinical Income	49,745	50,110	365	96,963	96,887	(76)	580,458
Non Clinical Income	3,669	4,401	732	7,336	8,261	925	44,710
Total Income	**53,414**	**54,511**	**1,097**	**104,299**	**105,148**	**849**	**625,168**
Expenditure						-	
Pay	(36,677)	(36,190)	487	(72,877)	(72,531)	346	(426,208)
Non Pay	(18,070)	(19,977)	(1,907)	(35,728)	(36,901)	(1,173)	(212,244)
Total Expenditure	**(54,747)**	**(56,167)**	**(1,420)**	**(108,605)**	**(109,432)**	**(827)**	**(638,452)**
Non-Operating Expenses	(1,891)	(1,543)	348	(3,769)	(3,686)	83	(24,247)
Income and Expenditure Surplus/(Deficit)	**(3,224)**	**(3,199)**	**25**	**(8,075)**	**(7,970)**	**105**	**(37,531)**

Clinical Income

East Kent CCGs contract is an aligned incentive contract which means that income (excluding High cost drugs) is fixed at £420m for the year. Public Health Screening contracts are also fixed values for the year with all other contracts operating on a PbR basis.

Elective income overall is performing to plan, whilst Non Elective income is higher than plan due in large part to the opening of the observation bays at QEQM and WHH. The trust planned for £3m additional income for the year from these bays and actual income generated is forecast to be in excess of this based on the first two months. It is important to note that under a PbR contract this activity would have been subject to a local tariff and that this activity is currently being costed at an artificially high tariff. In addition, under a PbR contract, over performance would have been capped at 20% and therefore payable income overperformance would have been nearer £100k ytd.

Other NHS clinical income is under performing due to lower than plan activity in both NICU and ITU. This type of activity is typically difficult to forecast due to unpredictable variations month to month.

Non Clinical Income and Expenditure

Non clinical income is marginally favourable to plan in May and marginally adverse to plan ytd.

Total expenditure is adverse to plan by £0.6m in May and favourable by £0.4m ytd. In month, non pay is the main driver for the overspend at £1.1m with pay under spending by £0.5m. Substantive staff are underspent by £1.1m and this is partially offset by an overspend on agency and directly engaged staff of £0.7m. There was an increase in pay spend of £0.6m when compared to April, mainly in substantive staff which incurred £0.3m of bank holiday enhancements.

The main drivers for the non pay overspend in month are supplies and services - non clinical and drugs which in total are adverse to plan by £1.6m in month and £1.9m ytd. These overspends are offset by a favourable performance on the purchase of healthcare from external organisations of £0.4m.

Actual expenditure on non pay increased by £2.2m when compared to April, with increased spend on drugs of £1.0m, clinical supplies £0.4m, non clinical supplies £0.4m and other operating expenses £0.4m.

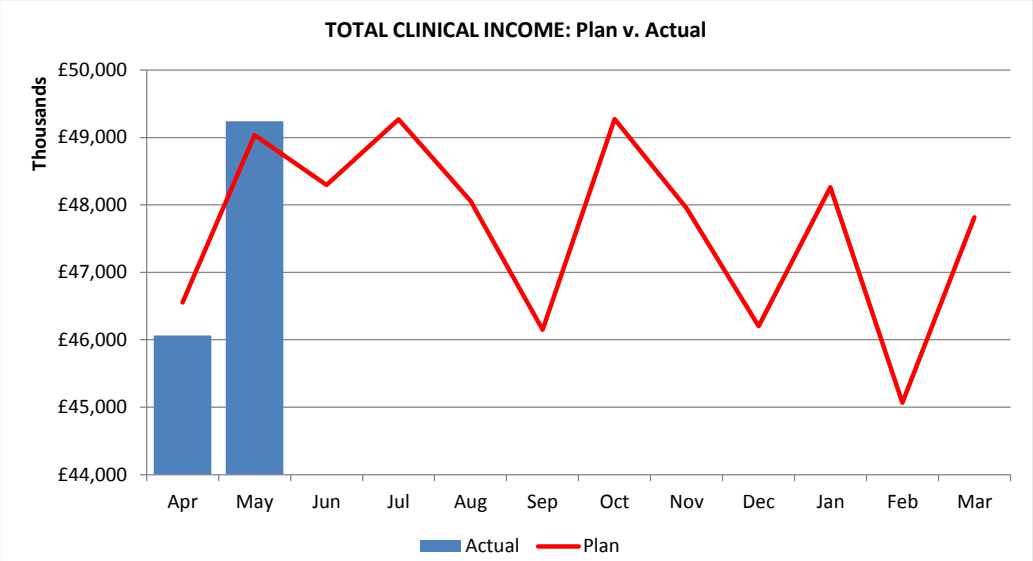
Key Highlights
Month 02 (May) 2019/20

CLINICAL INCOME

Pressure on A&E departments continues as activity is 7.5% higher than planned levels YTD and 6% in May. This has led to an increase in admissions. However, the actual increase in short stay non elective patients is also being driven by the new Observation Bays at QEQM and WHH.

Long stay patients non elective patients are showing a richer case mix than planned and there is concern at the increasing number of super stranded patients due to pressures on community and social services. The Trust is in negotiations with commissioners to find suitable solutions at pace to solve this issue.

PbR income in month is under performing by £391k with to specialised services provided by Cardiology and Neonatology under plan. This type of activity is typically difficult to forecast due to unpredictable variations month to month.



ACTIVITY

A&E demand is ahead of plan by 7% this month.
Non-elective activity is 991 over plan in month. However the mix between short and long stay patients has favoured shorter stays during the month, this is likely a result of the introduction of the Observation Bay at QEQM and WHH.
Outpatient activity is slightly below plan in month, new appointments are on plan (+72) but we are showing 2% under plan (-473) for follow up appointments.

Total Elective activity is 3% ahead of plan in month, and on plan YTD.

COMMISSIONER ANALYSIS

East Kent CCGs contract is an aligned incentive contract which means that income (excluding High cost drugs) is fixed at £420m for the year. Drugs Expenditure is planned at £20m however this will be monitored and paid on a variable basis depending on actual spend. Any over or underperformance against drugs will have an offsetting effect against expenditure so is net nil position to the bottom line.

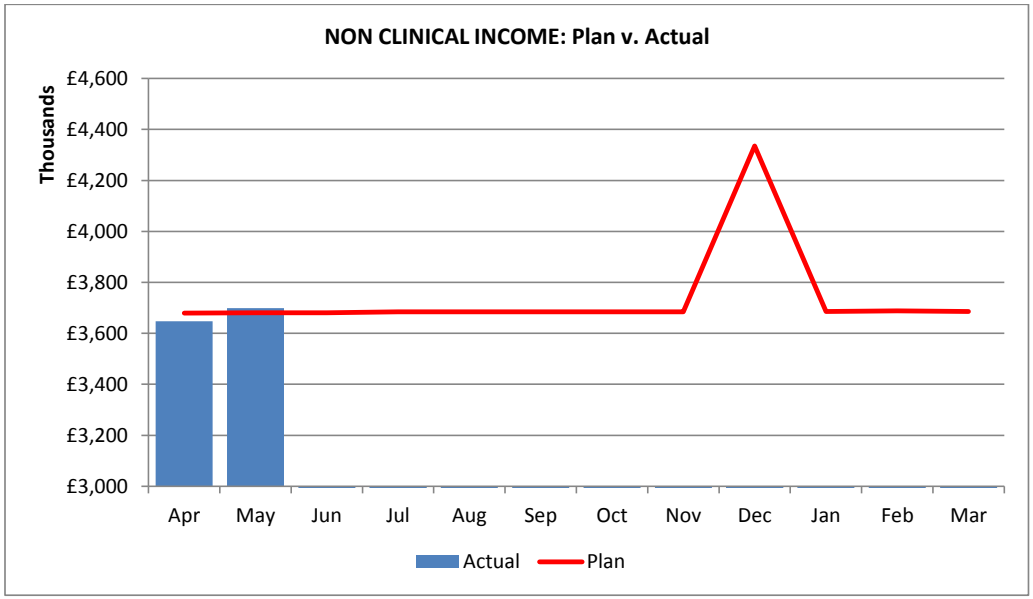
Public Health Screening contracts are also fixed values for the year with all other contracts operating on a PbR basis.

NHSE contract value for the year is £84.8m within which is an expectation of commissioner QIPP of £2.8m. The Trust will support commissioners in the delivery of this QIPP, however the risk of non delivery sits with the commissioner.

Key Highlights
Month 02 (May) 2019/20

NON CLINICAL INCOME

Non clinical income is marginally favourable to plan in May and marginally adverse to plan ytd. In month, profits on the sale of assets of £0.1m are offset by an adverse variance on non patient care income (theatre services provided to Spencer Wing currently under investigation) of £0.1m. These themes are reflected in the ytd position with profits on the sale of assets totalling £0.3m being offset by an underperformance against plan for non patient care services, car parking and property rental income totalling £0.3m.

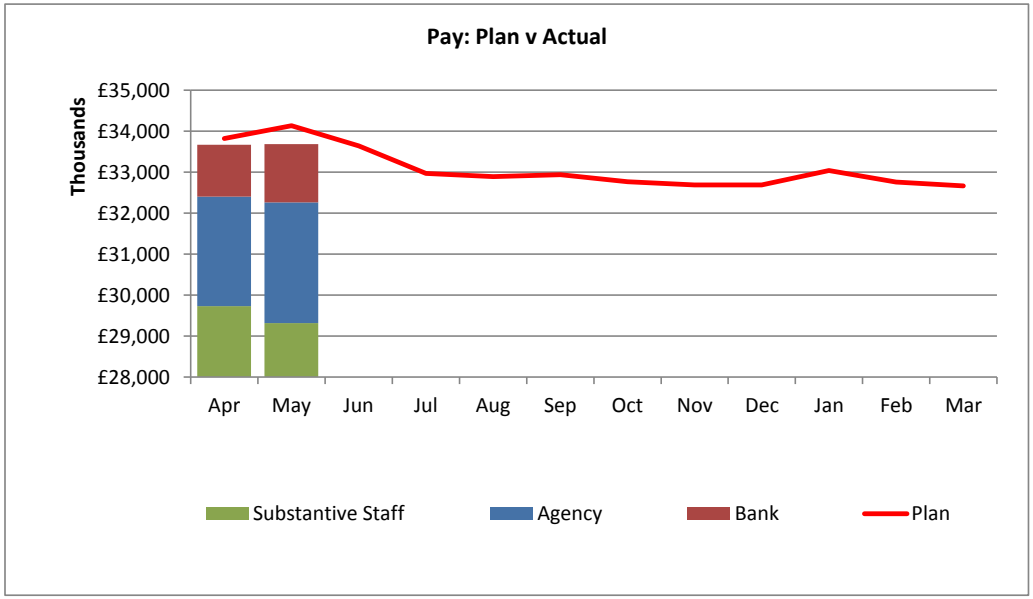


PAY

Pay performance is favourable to plan in May by £0.5m (0.88%) and by £0.6m ytd. Pay CIPs are adverse to plan by £0.4m in month and by £0.9m ytd.

In month, underspends on substantive staff and medical locum sessions including waiting list payments and bank staff totalling £1.2m offset an overspend on agency and directly engaged staff, mainly medical staff, totalling £0.7m.

Total expenditure on pay in May was £33.7m, showing only a marginal movement in expenditure when compared to April. Excluding the effect of lump sum payments for non consolidated pay award in April and clinical excellence awards in May, the underlying increase in spend of £0.6m relates mainly to bank holiday enhancements and temporary staff usage.



Key Highlights
Month 02 (May) 2019/20

NON-PAY
Non pay expenditure is adverse to plan in May by £1.1m and by £0.2m yd. (0.44%). Non pay CIP schemes are favourable to plan in month by £0.1m and adverse to plan ytd by £0.3m.

The main drivers for the overspend in month are supplies and services - non clinical and drugs which are adverse to plan by a total of £1.6m in month and £1.9m ytd. The overspend on non clinical supplies relates to the subjective impact of a change control notice with 2gether which transferred over the management of EME non pay and Modular Theatre rental budgets to them along with funding for 19-20 pay inflation. The drug overspend is split equally between rechargeable and other drugs. These overspends are offset by a favourable performance on the purchase of healthcare from external organisations of £0.4m.

Actual expenditure on non pay increased by £2.2m when compared to April, with increased spend on drugs of £1.0m, split equally between rechargeables and other drugs, clinical supplies £0.4m, non clinical supplies £0.4m and other operating expenses £0.4m.

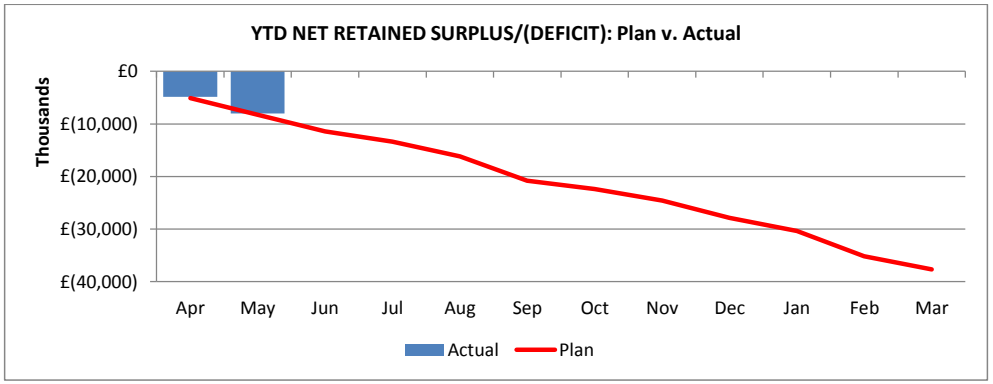
DEBT
Total invoiced debtors have reduced in month by £3.9m to £18.2m. The largest debtors at 31st May were 2gether Support Solutions £3.9m and NHS England £1.9m.

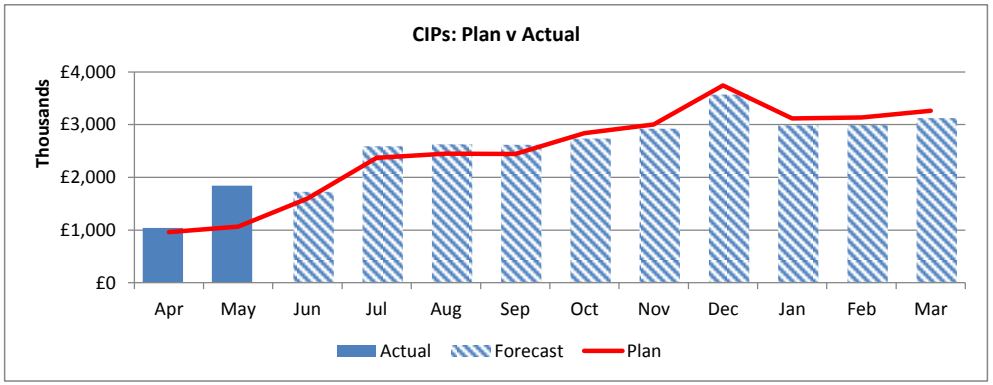
CAPITAL
Total YTD expenditure for Mth 2 2018/19 is £1.5m.

EBITDA
The Trust is reporting a year to date deficit EBITDA of £4.3m

CASH
The closing cash balance for the Trust as at 31st May was £18.8m.
The value of aged debt was £15.9m, a reduction of £755k in month.

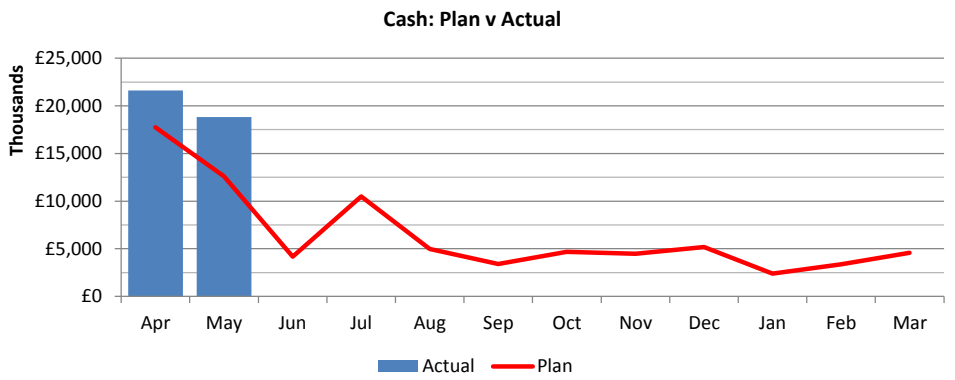
FINANCING
£413k of interest has been incurred year-to-date in respect of the drawings against working capital facilities.





CIPS
The target for the year is £30m. The Trust is maintaining confirm and challenge meetings. As at the time of reporting, c.67% of schemes forecast were 'green' rated. Care Groups, supported by the PMO, continue working up schemes for 2019/20 focusing on delivery of planned target and moving Red and Amber schemes to Green.

Cash Flow
Month 02 (May) 2019/20



Unconsolidated Cash balance was £18.8m at the end of May 2019, £6.2m above plan.

Total receipts in May 2019 were £4.2m above plan
- Receipts from East Kent CCGs were consistent with plan
- VAT reclaim £0.2m above plan
- Receipts from Health Education England £4.5m above plan
- Other receipts £0.5m below plan

Total Payments in May 2019 were £1.8m above plan
- Monthly payroll (inc Tax/NI and Pensions) was £1.0m above plan
- Creditor payments inc Capital were £1.8m above plan
- Payments to 2gether Support Solutions were £1.0m below plan

Provider Sustainability Funding

As a result of the Trust not agreeing to a control total, the Trust is not eligible for any PSF funding in 2019/20.

Working Capital Facility

Loan Schedule	Loan Value £'000	Facility Type	Repayment date	Interest rate	Total Interest if full term £'000
2016/17 Received	22,736	ISRWF	17/05/2021	3.5%	3,688
2017/18 Received	23,492	ISUCL	2020/21	3.5%	2,485
2018/19 Received	42,122	ISUCL	2021/22	3.5%	4,447
April 2019 (Received)	8,147	ISUCL	2022/23	3.5%	859
June 2019 (Agreed)	2,972	ISUCL	2022/23	3.5%	TBC
July 2019 (Requested)	1,769	ISUCL	2022/23	3.5%	TBC
Aug' 2019 (Plan)	2,737	ISUCL	2022/23	3.5%	TBC
Sept' 2019 (Plan)	4,502	ISUCL	2022/23	3.5%	TBC
Oct' 2019 (Plan)	1,597	ISUCL	2022/23	3.5%	TBC
Nov'2019 (Plan)	2,157	ISUCL	2022/23	3.5%	TBC
Dec' 2019 (Plan)	2,983	ISUCL	2022/23	3.5%	TBC
Jan' 2020 (Plan)	2,634	ISUCL	2022/23	3.5%	TBC
Feb' 2020 (Plan)	4,644	ISUCL	2022/23	3.5%	TBC
Mar' 2020 (Plan)	2,858	ISUCL	2022/23	3.5%	TBC

Planned 19/20 Loan is £37.2m in line with the plan pre technical deficit.

Borrowings of £8.1m in April 19 have been received and a further £3.0m has been agreed for June. Borrowings of £1.8m have been requested for July.

Creditor Management
- At the end of May 2019 the Trust was recording 42 creditor days (Calculated as invoiced creditors at 31st May/ Forecast non pay expenditure x 365)
- The Trust has continued to pay supplier to due date throughout May 19.

- ISRWF Single Currency Interim Revolving Working Capital Support Facility
- ISUCL Uncommitted Single Currency Interim Revenue Support - this facility replaces the ISRWF as the Trust is in Financial special measures and has a variable interest rate

Risks and Opportunities
Month 02 (May) 2019/20

Risk/Opp	Area	Description	Narrative	Full Year (Risk)/Opp £000	Probability	Impact £,000
Risk	CIP Delivery	Red and Amber Schemes to be fully developed	Schemes which do not yet have a fully finalised plans have a higher risk of non delivery	(2,800)	50%	(1,400)
			Total Risk			(1,400)
			Total Opportunity			
			NET (RISK)/OPPORTUNITY			(1,400)

Some risks have been realised and are now included in the Forecast, only remaining risks are shown in the table.

Clinical Income

Month 02 (May) 2019/20

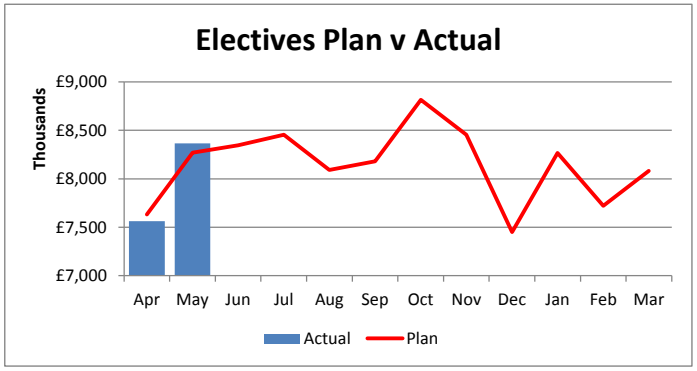
	This Month				Year to Date				Annual
£000	Plan	Actual	Variance		Plan	Actual	Variance		Plan
Electives	8,268	8,365	97	1.2%	15,899	15,926	27	0.2%	97,761
Non-Electives	15,687	15,819	132	0.8%	30,653	31,161	508	1.7%	180,314
Accident and Emergency	2,910	2,985	75	2.6%	5,616	5,872	256	4.6%	33,838
Outpatients	7,298	6,659	(639)	(8.8%)	13,823	13,150	(673)	(4.9%)	82,026
High Cost Drugs	4,489	4,792	303	6.7%	8,837	9,253	416	4.7%	53,027
Private Patients	26	21	(5)	(20.9%)	51	62	11	22.1%	318
Other NHS Clinical	10,212	10,139	(73)	(0.7%)	20,418	19,610	(808)	(4.0%)	122,867
Other Clinical	148	153	5	3.5%	296	274	(22)	(7.5%)	1,781
Prior Month Adjustment		309	309	0.0%				0.0%	
Total	**49,038**	**49,242**	**204**	0.4%	**95,593**	**95,308**	**(285)**	(0.3%)	**571,932**
			Favourable					Adverse	

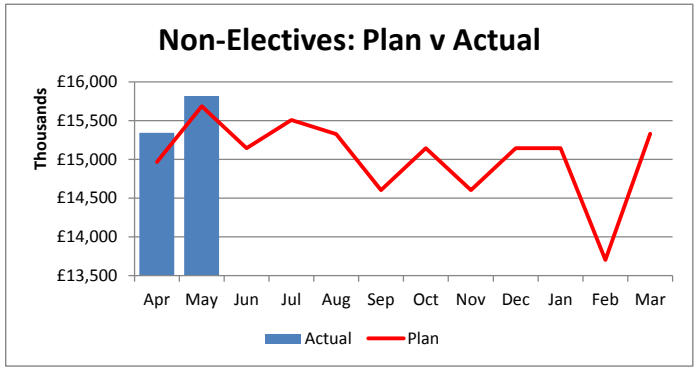
Income is over plan in May however under plan YTD.

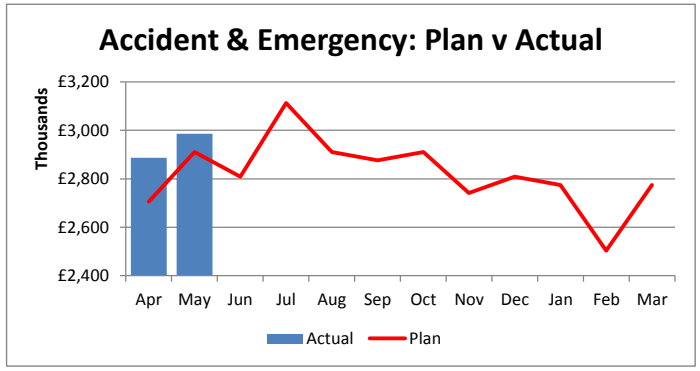
Within May the primary over performance is within A&E (£75k), short stay non elective (£338k), day cases (£274k) and first outpatient procedures (£110k), with patients being treated and discharged quicker across the Trust when compared to the plan.

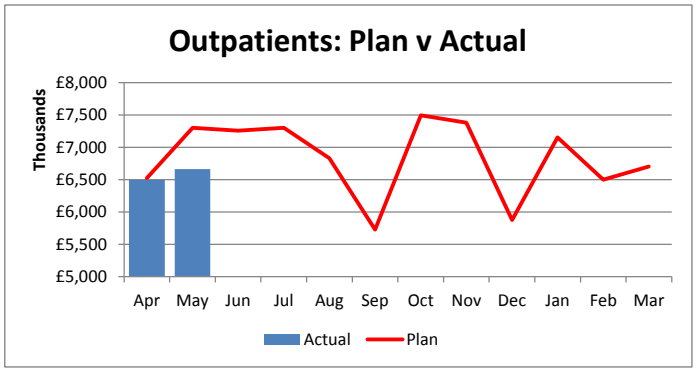
Elective activity overall has over performed in month, meaning YTD it is roughly on plan this is because Day cases and regular day attenders are over performing, with long stay inpatients underperforming.

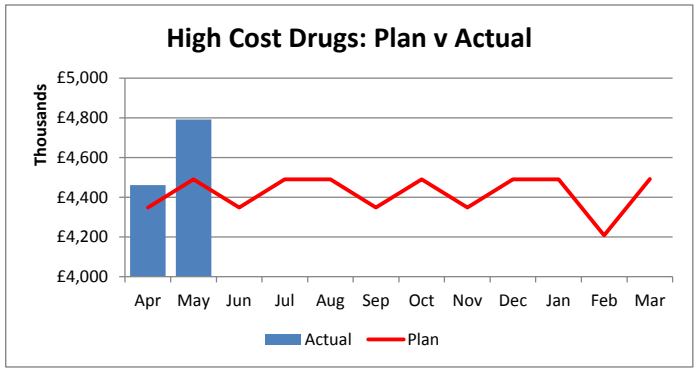
Rechargeable income for drugs, devices and haemophilia blood products is above plan YTD, however £200k of this is due to our contracted benefit share of the reduced costs of the Trust prescribing biosimilar products. This improves the Trusts bottom line. The remaining £216k over performance does not impact the bottom line as the costs are pass-through and therefore are offset by a similar increase in drugs expenditure.

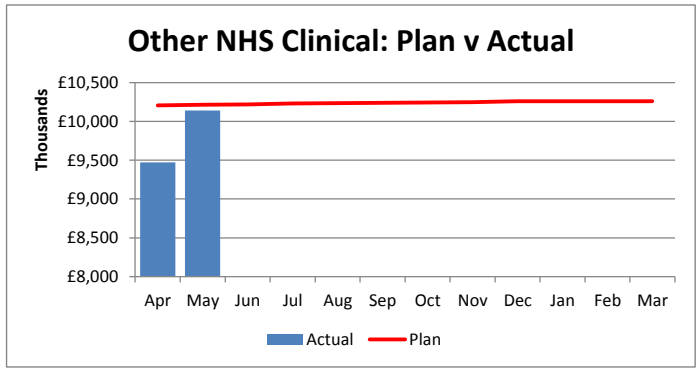












Clinical Activity
Month 02 (May) 2019/20

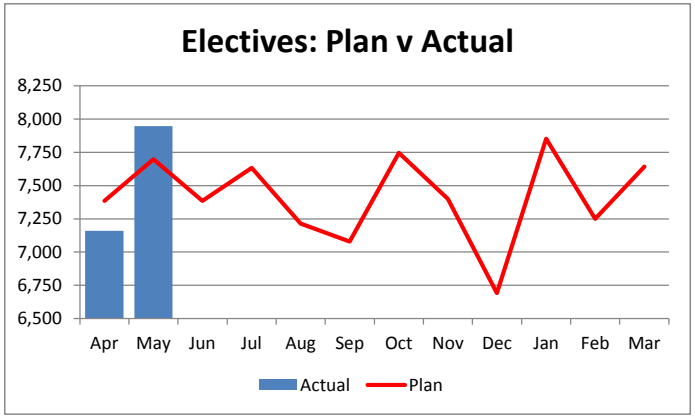
	This Month				Year to Date				Annual
Activity Units	Plan	Actual	Variance		Plan	Actual	Variance		Plan
Electives	7,698	7,948	250	3.2%	15,084	15,107	23	0.2%	88,976
Non-Electives	6,794	7,788	994	14.6%	13,233	15,102	1,869	14.1%	79,574
Accident & Emergency	18,766	19,882	1,116	5.9%	36,248	38,955	2,707	7.5%	221,719
Outpatients	64,859	63,413	(1,446)	(2.2%)	122,483	125,569	3,086	2.5%	772,072
Other NHS Clinical	490,202	510,213	20,011	4.1%	964,288	996,380	32,092	3.3%	5,802,718
Total	**98,117**	**99,031**	**914**	0.9%	**187,048**	**194,733**	**7,685**	4.1%	**1,162,341**
				Favourable				Favourable	

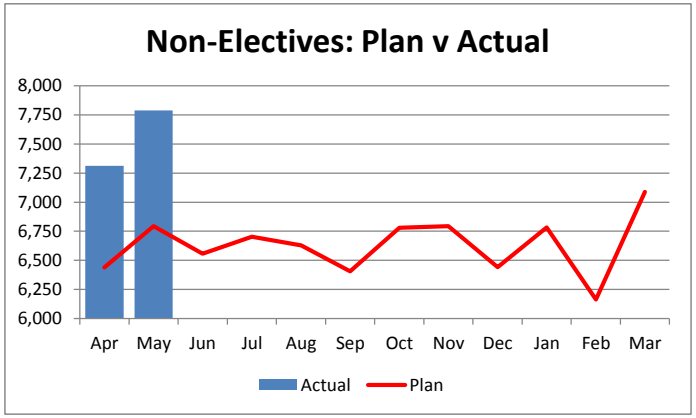
Total Elective activity is on plan YTD, with Day Cases being 1% under, inpatients being 15% under, this however is countered by Regular Day Attenders being 30% over plan in month. The specialties with notable variances from plan are Urology by 135, Ophthalmology by -198, general medicine by -170 and Rheumatology by 236.

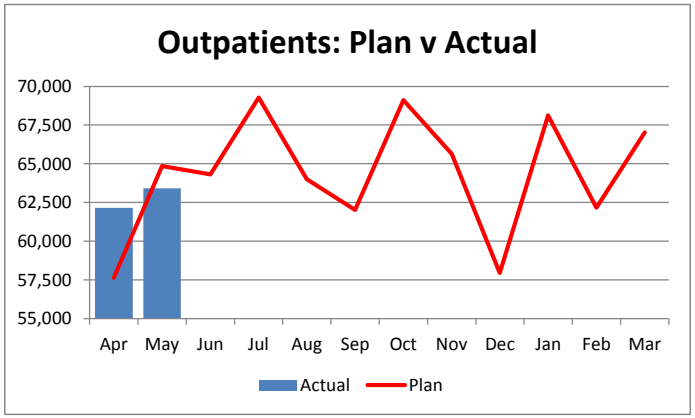
Outpatient activity is over performing YTD by 6% in new and 3% in follow up attendances.

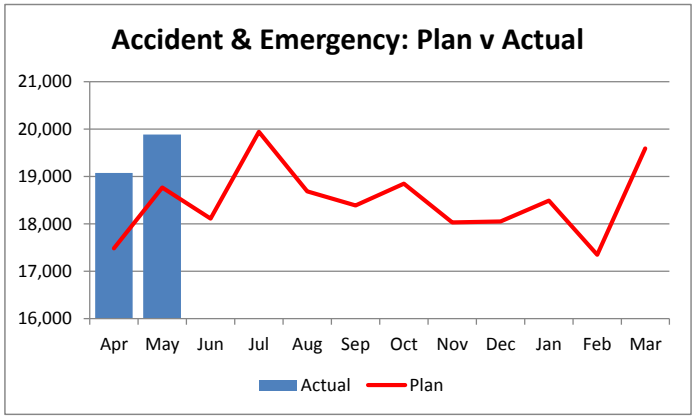
For new appointments the notable variances are Cardiology by -310, Colorectal Surgery by+ 254, T&O by +490, ENT by -169 and Ophthalmology by +240.

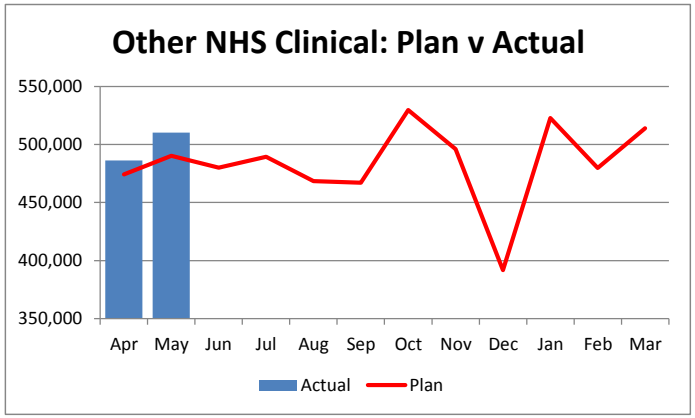
For Follow up appointments the notable variances are Urology by +383, Cardiology by -290, Community Paeds by -264, Dermatology by +136, Gynaecology by +336, Orthoptics by +798 and Ophthalmology by -597.





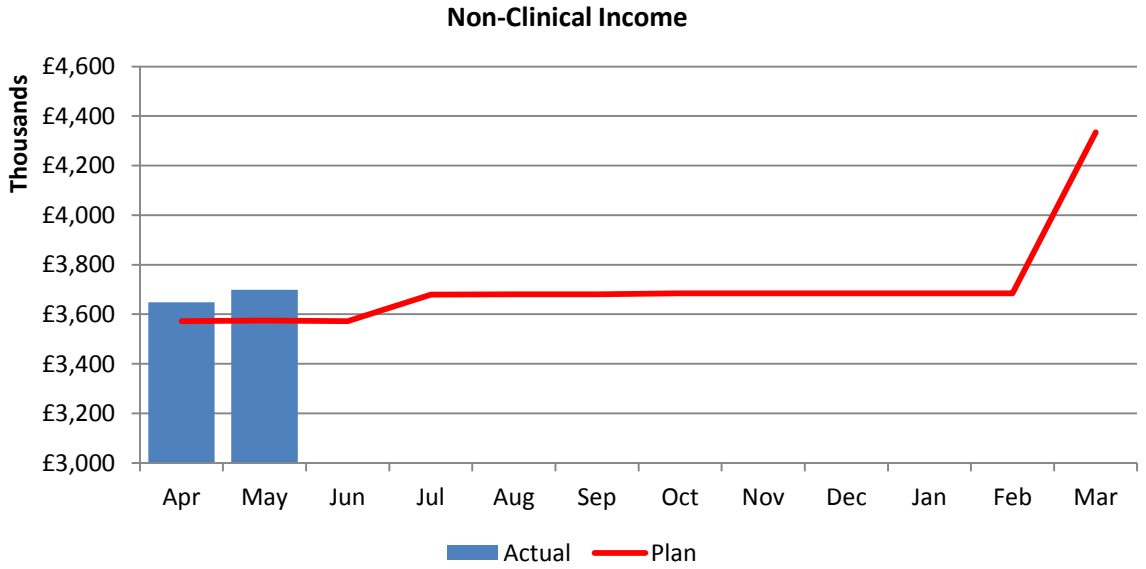






Non Clinical Income
Month 02 (May) 2019/20

Non-Clinical Income	This Month			Year to Date			Annual
£000	Plan	Actual	Variance	Plan	Actual	Variance	Plan
Non-patient care services	1,348	1,274	(74)	2,696	2,498	(198)	16,180
Research and development	241	267	26	482	525	43	2,924
Education and Training	1,286	1,271	(15)	2,570	2,615	45	15,430
Car Parking income	429	421	(8)	858	816	(42)	5,156
Staff accommodation rental	195	182	(13)	390	393	3	2,342
Property rental (not lease income)	18	()	(18)	36	2	(34)	213
Cash donations / grants for the purchase of capital assets	38	38	(1)	76	75	(1)	450
Charitable and other contributions to expenditure	12	13	1	24	25	1	143
Other	114	233	119	228	397	169	2,018
Total	**3,681**	**3,698**	**17**	**7,360**	**7,346**	**(14)**	**44,856**
			0.47%			-0.19%	
			Favourable			Adverse	



Non clinical income is marginally favourable to plan in May and marginally adverse to plan ytd. Non clinical income CIPs are also marginally adverse to plan in May and ytd.

In month, profits on the sale of assets released in May of £0.1m are offset by an adverse variance on non patient care income (theatre services provided to Spencer Wing currently under investigation) of £0.1m. These themes are reflected in the ytd position with profits on the sale of assets totalling £0.3m being offset by an underperformance against plan for non patient care services (mainly Spencer Wing as above), car parking and property renal income totalling £0.3m.

Pay
Month 02 (May) 2019/20

Pay Expenditure	WTE This Month			This Month			Year to Date			Annual
£000	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan
Permanent Staff										
Medical and Dental	1,147	1,075	72	(9,492)	(8,992)	500	(18,877)	(17,704)	1,173	(112,507)
Nurses and Midwives	2,450	2,120	331	(8,554)	(8,264)	290	(17,011)	(16,729)	282	(101,388)
Scientific, Therapeutic and Technical	1,467	1,384	84	(4,774)	(4,595)	178	(9,494)	(9,382)	112	(56,585)
Admin and Clerical	1,465	1,339	126	(2,895)	(2,896)	(1)	(5,758)	(5,911)	(153)	(34,320)
Other Pay	1,526	1,421	105	(4,105)	(4,179)	(74)	(8,165)	(8,446)	(281)	(48,673)
Permanent Staff Total	**8,056**	**7,339**	**717**	**(29,820)**	**(28,926)**	**893**	**(59,304)**	**(58,171)**	**1,133**	**(353,473)**
Waiting List Payments										
Medical and Dental	0	0	0	(362)	(206)	156	(721)	(418)	303	(4,296)
Waiting List Payments Total	**0**	**0**	**0**	**(362)**	**(206)**	**156**	**(721)**	**(418)**	**303**	**(4,296)**
Medical Locums/Short Sessions										
Medical and Dental	0	23	(23)	(270)	(185)	85	(537)	(460)	77	(3,201)
Medical Locums/Short Sessions Total	**0**	**23**	**(23)**	**(270)**	**(185)**	**85**	**(537)**	**(460)**	**77**	**(3,201)**
Substantive	**8,056**	**7,362**	**694**	**(30,452)**	**(29,318)**	**1,134**	**(60,562)**	**(59,049)**	**1,513**	**(360,970)**
Bank										
Medical and Dental	0	14	(14)	(377)	(265)	112	(742)	(440)	301	(4,450)
Nurses and Midwives	0	107	(107)	(386)	(457)	(71)	(760)	(864)	(104)	(4,562)
Scientific, Therapeutic and Technical	0	6	(6)	(24)	(32)	(9)	(47)	(62)	(15)	(280)
Admin and Clerical	0	52	(52)	(207)	(146)	62	(408)	(285)	123	(2,448)
Other Pay	0	181	(181)	(483)	(516)	(33)	(951)	(1,031)	(80)	(5,704)
Bank Total	**0**	**361**	**(361)**	**(1,477)**	**(1,416)**	**61**	**(2,907)**	**(2,682)**	**225**	**(17,444)**
Agency										
Medical and Dental	36	142	(106)	(1,225)	(1,809)	(584)	(2,490)	(3,541)	(1,051)	(10,318)
Nurses and Midwives	0	163	(163)	(671)	(813)	(143)	(1,363)	(1,535)	(172)	(5,647)
Scientific, Therapeutic and Technical	0	18	(18)	(153)	(107)	46	(312)	(234)	78	(1,292)
Admin and Clerical	0	3	(3)		(15)	(15)		(30)	(30)	
Other Pay	0	8	(8)	(47)	(18)	28	(95)	(18)	76	(392)
Agency Total	**36**	**334**	**(298)**	**(2,096)**	**(2,763)**	**(667)**	**(4,259)**	**(5,359)**	**(1,100)**	**(17,649)**
Direct Engagement - Agency										
Medical and Dental	0	14	(14)	(111)	(186)	(75)	(226)	(264)	(38)	(936)
Direct Engagement - Agency Total	**0**	**14**	**(14)**	**(111)**	**(186)**	**(75)**	**(226)**	**(264)**	**(38)**	**(936)**
Agency	**36**	**348**	**(312)**	**(2,207)**	**(2,948)**	**(741)**	**(4,485)**	**(5,624)**	**(1,139)**	**(18,585)**
Total	**8,092**	**8,071**	**21**	**(34,136)**	**(33,682)**	**454**	**(67,954)**	**(67,355)**	**599**	**(396,999)**
						1.33%			0.88%	
						Favourable			Favourable	

Pay performance is favourable to plan in May by £0.5m and by £0.6m ytd (0.88%). Pay CIPs are adverse to plan by £0.4m in month and by £0.9m ytd.

Total expenditure on pay in May was £33.7m, showing only a marginal movement from expenditure in April. However the pay bill in April included £0.9m of cost relating to the non consolidated pay award lump sum paid to substantive staff at top of scale. In May, lump sum clinical excellence award costs were paid or accrued totalling £0.3m, suggesting an underlying increase in spend of £0.6m. Excluding the effect of the movement in lump sum payments, increases in spend can be seen in most pay headings, particularly substantive staff which increased by £0.4m, mainly relating to bank holiday enhancement costs of £0.3m. Expenditure on overtime costs and locum medical sessions fell by a total of £0.2m when compared to April.

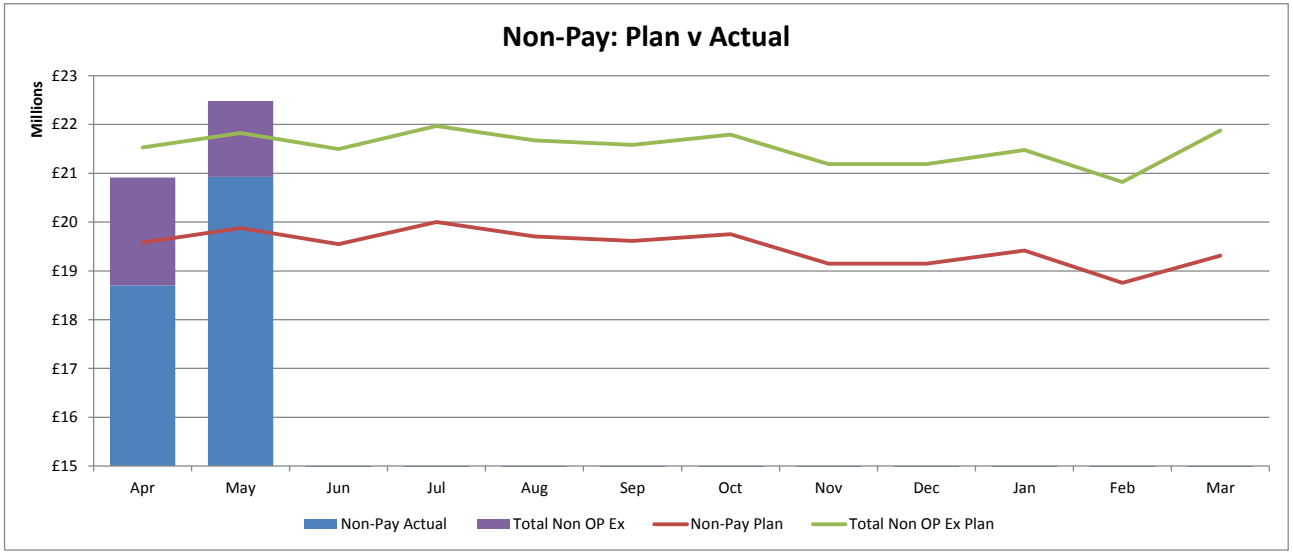
Expenditure on substantive staff is favourable to plan in May by £1.1m and by £1.5m ytd including payments relating to locum medical sessions and waiting list activity. All clinical staff groups are favourable to plan, partially offset by overspends on admin and clerical and other staffing groups including HCAs.

Expenditure on bank staff is favourable to plan by less than £0.1m in May and by £0.2m ytd, predominantly relating to medical and dental staff. Actual expenditure on bank staff increased by £0.1m when compared to expenditure in April.

Expenditure on agency staff including directly engaged agency staff is adverse to plan in May by £0.7m and by £1.1m ytd. The main driver for the overspend is medical staff, again mainly relating to staff in General and Specialist Medicine, Urgent and Emergency Care and Surgery and Anaesthetic care groups. Agency CIP schemes are behind plan by £0.1m in May and by £0.4m ytd. Actual expenditure on agency staff increased by £0.3m when compared to spend in April.

Non-Pay
Month 02 (May) 2019/20

	This Month			Year to Date			Annual
£000	**Plan**	**Actual**	**Var.**	**Plan**	**Actual**	**Var.**	**Plan**
Drugs	(5,518)	(6,084)	(566)	(10,856)	(11,143)	(287)	(65,019)
Clinical Supplies and Services - Clinical	(2,506)	(2,604)	(98)	(4,887)	(4,812)	75	(28,530)
Supplies and Services - Non-Clinical	(6,949)	(7,978)	(1,029)	(13,925)	(15,535)	(1,610)	(82,903)
Purchase of Healthcare	(793)	(344)	449	(1,562)	(788)	774	(9,473)
Education & Training	(282)	(165)	117	(564)	(298)	266	(3,383)
Consultancy	(73)	(97)	(24)	(151)	(121)	30	(883)
Premises	(908)	(659)	249	(1,817)	(1,473)	344	(10,336)
Clinical Negligence	(1,814)	(1,814)		(3,628)	(3,628)		(20,899)
Transport	(240)	(215)	25	(480)	(383)	97	(2,879)
Establishment	(298)	(371)	(73)	(596)	(609)	(13)	(3,576)
Other	(496)	(597)	(101)	(992)	(843)	149	(5,969)
Total Non-Pay Expenditure	**(19,877)**	**(20,928)**	**(1,050)**	**(39,458)**	**(39,632)**	**(173)**	**(233,850)**
Depreciation & Amortisation-Owned Assets	(1,281)	(1,332)	(51)	(2,562)	(2,665)	(103)	(16,071)
Impairment Losses							(500)
Profit/Loss on Asset Disposals							
PDC Dividend	(291)	(291)		(581)	(581)		(3,487)
Interest Receivable	214	230	16	428	458	30	2,568
Interest Payable	(589)	(160)	429	(1,177)	(972)	206	(7,064)
Other Non-Operating Expenses							
Total Non-Operating Expenditure	**(1,946)**	**(1,553)**	**394**	**(3,893)**	**(3,760)**	**133**	**(24,554)**
Total Expenditure	**(21,823)**	**(22,480)**	**(657)**	**(43,351)**	**(43,392)**	**(41)**	**(258,404)**



Non pay expenditure is adverse to plan in May by £1.1m and by £0.2m ytd. (0.44%). Non pay CIP schemes are favourable to plan in month by £0.1m and adverse to plan ytd by £0.3m.

Drug expenditure is adverse to plan by £0.6m in May and by £0.3m ytd. Pass-through drugs are adverse to plan in month by £0.2m and by £0.1m ytd, offset by a favourable position on clinical income. All other drugs are adverse to plan by £0.4m in May and by £0.2m ytd with most clinical care groups showing an overspend. Drug CIPs are favourable to plan in month and ytd by less than £0.1m.

Supplies and Services - Clinical are adverse to plan in month by £0.1m and favourable to plan ytd by £0.1m. CIP schemes are adverse to plan by £0.1m in month and by £0.3m ytd, predominantly in General and Specialist Medicine. In month, an adverse position on referred diagnostics to Viapath of £0.2m is under investigation, and estimated costs relating to the MRI breakdown at WHH of £0.1m are offset by a favourable position on medical equipment and disposables £0.3m.

Supplies and Services - Non-Clinical are adverse to plan in April by £1.0m and by £1.6m ytd. This is mainly driven by the subjective impact of an approved change control notice with 2gether which transferred over the management of EME non pay and Modular Theatre rental budgets to them and funding for 19-20 pay inflation. These changes create a subjective movement between categories as they are enacted. CIP schemes are marginally favourable to plan in month and are adverse £0.1m ytd.

Purchase of healthcare from external organisations is favourable to plan £0.4m in month and £0.8m ytd, which continues to reflect slippage on planned activity change. CIP schemes are ahead of plan by £0.2m in may and by £0.3m ytd.

Education and training is favourable to plan by £0.1m and £0.3m ytd, mainly in post graduate medical education.

Expenditure on premises costs are favourable to plan in May by £0.2m and by £0.3m ytd, mainly relating to modular theatre rental - see above offset to non clinical supplies re CCN with 2gether.

The favourable variance for other expenditure of £0.1m ytd relates predominantly to slippage on planned investments.

Actual expenditure on non pay increased by £2.2m when compared to April, with increased spend on drugs of £1.0m, split equally between rechargeables and other drugs, clinical supplies £0.4m, non clinical supplies £0.4m and other operating expenses £0.4m.

Non-Operating Expenditure is £0.1m better than plan. The Trust has incurred £1.0m interest charges in respect of the £96.5m (no movement from April's value as no borrowing incurred in month) cumulative facility utilised to date.

Cost Improvement Summary

Month 02 (May) 2019/20

Delivery Summary	This Month			Year to Date			Forecast	
Programme Themes £000	**Plan**	**Actual**	**Variance**	**Plan**	**Actual**	**Variance**	**Outturn**	**Variance**
Patient Flow/LOS	-	-	-	-	-	-	1,000	-
Agency	129	685	556	252	936	684	7,913	(49)
Workforce *	335	234	(101)	659	599	(60)	2,720	(2,722)
Procurement	41	173	132	82	179	97	1,892	(108)
Medicines Value	140	285	145	279	309	30	2,027	262
Theatres	193	278	85	307	467	160	4,175	1,363
Care Group Schemes **	229	188	(41)	450	389	(61)	9,033	1,255
Sub-total	**1,067**	**1,842**	**775**	**2,030**	**2,880**	**850**	**28,759**	**-**
Central	-	-	-	-	-	-	1,241	-
Grand Total	**1,067**	**1,842**	**775**	**2,030**	**2,880**	**850**	**30,000**	**-**

*** Smaller divisional schemes not allocated to a work stream*

Delivered £000

Month	Target	Actual
April	963	1,039
May	1,067	1,842
June	1,602	
July	2,371	
August	2,452	
September	2,446	
October	2,836	
November	3,000	
December	3,746	
January	3,118	
February	3,135	
March	3,264	
	30,000	**2,880**
		9.6%

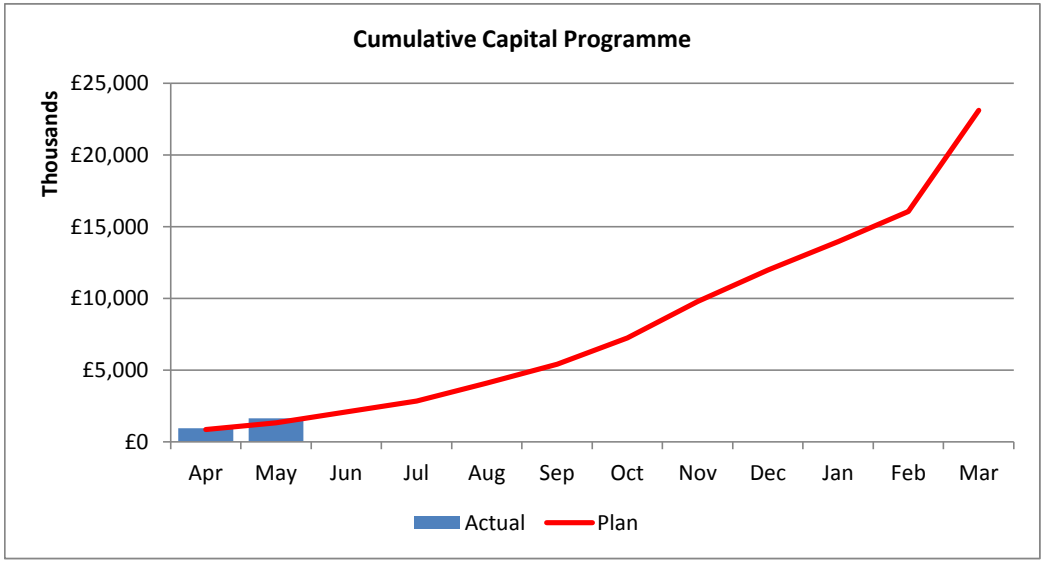
CIPs

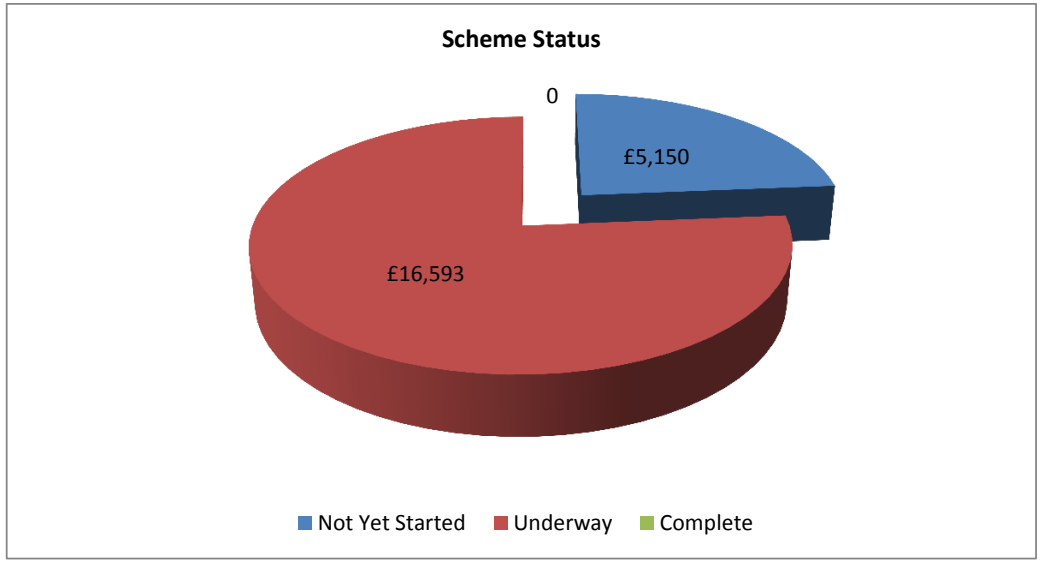
The CIPs Plan of £30.0m is net of the cost of delivery. CIPs achieved in M02 amounting to £1.8m were above forecast and Plan. Agency, Procurement Medicines Value and Theatres over performed in month. CIPs in May amounted to £1.6m recurrent and £0.2m on a non-recurrent basis. The YTD position is recurrent £2.4m and non-recurrent £0.5m

Capital Expenditure
Month 02 (May) 2019/20

Capital Programme	Annual	To Date		
£000	Plan	Plan	Actual	Variance
Dementia Village	1,829		604	(604)
Clinical Strategy Plans			7	(7)
CT/CT SPECT Replacement	1,790			
Observation Areas	4,983		448	(448)
Energy Efficiency	4,602	634	92	542
Medical Devices Group	2,500	50	235	(185)
PEIC/H & S/CQC	2,200	171		171
IDG	1,800	310	157	153
T3	1,243	274	3	271
Other Building Schemes	1,465		3	(3)
Other Equipment Schemes	120			
Other IT Schemes			(19)	19
All Other	1,040	(37)	105	(142)
Total	23,572	1,402	1,634	(232)

- Total expenditure at the end of May 2019 (Month 2) is 16.5% above plan. This is mainly due to legacy spend from 2018/19 schemes in A&E and equipment replacement. It is expected that spend will fall back in line with the YTD plan for Month 3.
- As planned, the 2019/20 capital plan has been through a reprioritisation process, with various additional schemes expected to start in June funded by a re-phasing of the CT SPECT scheme.





Statement of Financial Position
Month 02 (May) 2019/20

£000	Opening	To Date	Movement	
Non-Current Assets	**340,662**	**339,216**	**(1,446)**	▼
Current Assets				
Inventories	3,658	3,727	69	▲
Trade and Other Receivables	29,500	32,053	2,553	▲
Assets Held For Sale			-	
Cash and Cash Equivalents	18,700	18,844	143	▲
Total Current Assets	**51,858**	**54,624**	**2,766**	▲
Current Liabilities				
Payables	(37,252)	(27,253)	9,998	▼
Accruals and Deferred Income	(33,933)	(46,248)	(12,316)	▲
Provisions	(799)	(836)	(37)	▲
Net Current Assets	**(20,126)**	**(19,714)**	**412**	▲
Non Current Liabilities				
Provisions	(3,094)	(3,057)	37	▼
Long Term Debt	(181,626)	(188,721)	(7,094)	▲
Total Assets Employed	**135,816**	**127,724**	**(8,092)**	▼
Financed by Taxpayers Equity				
Public Dividend Capital	200,706	200,706	-	
Retained Earnings	(117,989)	(126,081)	(8,092)	▼
Revaluation Reserve	53,098	53,098	-	
Total Taxpayers' Equity	**135,816**	**127,724**	**(8,092)**	▼

Non-Current asset values reflect in-year additions (including donated assets) less depreciation charges of £1.3m (£1.3m April). Non-Current assets also includes the loan and equity that finances 2gether Support Solutions c.£99.3m

Trust closing cash balances for May was £18.8m (£21.2m April) £6.2m above revised plan. See cash report for further details.

Trade and other receivables have increased from the 2019/20 opening position by £2.6m (£5.2m increase in April). Invoiced debtors have decreased from the opening position by £6.6m to £18.2m (£22.1m April) at the end of May.

Payables have decreased by £10.0m (£2.0m increase in April). Creditors have increased by £14.1m from the opening position to £38.0m. 55% (45% April) relates to current invoices with 5% (7% April) or £1.7m (£2.3m April) over 90 days.

The long term debt entry reflects drawings against working capital facilities. Total drawing to date £96.5m (£96.5m April) see cash report for details. The balance relates to the long term finance lease debtor with 2gether.

The movement in Retained earnings reflects the year-to-date unadjusted deficit.

Working Capital
Month 02 (May) 2019/20

Creditors

Invoiced creditors have increased by £6.4m from the opening position to £30.2m. 55% relates to current invoices with 5% or £1.7m over 90 days.

Over 90 days NHS creditors have decreased by £136k in Month.

- Maidstone & Tunbridge Wells NHS Trust (RWF) - £220k
- Kent Community Health NHS Foundation Trust (RYY) - £(66)k

YTD the Trust has paid 64% of NHS and 77.1% of non NHS invoices by value to 30 days compared to last year where the Trust paid 70% and 41.6% respectively.

Debtors

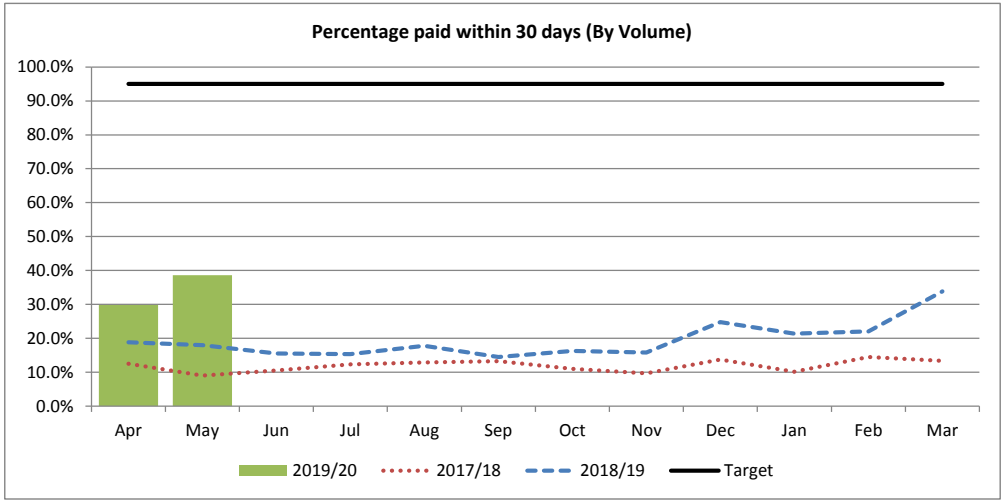
Total invoiced debtors have decreased from the opening position of £24.8m by £6.6m to £18.2m.
At 31st May there were 6 debtors owing over £1m.

- East Kent CCGs owing: Thanet CCG £1.5m, South Kent Coast CCG £0.1m, Canterbury & Coastal CCG £0.4m
- East Kent Medical Services outstanding balance: £1.7m (Healthex £0.6m)
- NHS England £2.9m; 1819 overperformance
- 2gether Support Solutions £3.9m; £1.1m IHSS Decontamination Contract
- West Kent CCG £1.5m; £0.9m 1819 overperformance invoices

The debtors team are focussing on collection of all debt to support the Trust cash position.

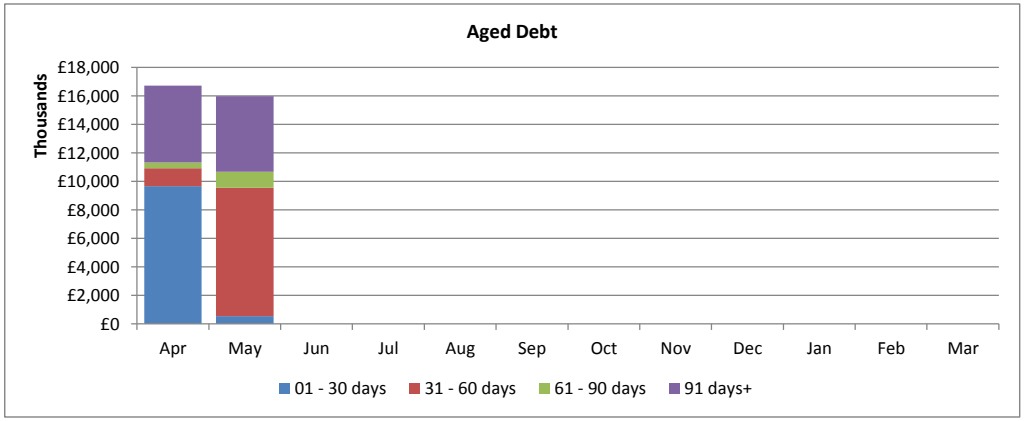
Better Payment Practice Code

	Year to Date		This Month	
	Non NHS Creditor Invoices	NHS Creditor Invoices	Non NHS Creditor Invoices	NHS Creditor Invoices
By Value £000				
0 - 30 days	(51,481)	(4,867)	(25,736)	(2,555)
30+ days	(15,316)	(2,739)	(8,298)	(2,270)
By Volume				
0 - 30 days	3,820	152	2,429	93
30+ days	7,053	464	3,785	261
% by Value £	77.1%	64.0%	75.6%	53.0%
% by Volume	35.1%	24.7%	39.1%	26.3%
Target	95.0%	95.0%	95.0%	95.0%



Aged Debt

£000	Current	01 - 30 days	31 - 60 days	61 - 90 days	91 days+	Total
Apr	5,378	9,666	1,254	411	5,401	16,732
May	2,203	539	9,024	1,120	5,294	15,977
Jun	0	0	0	0	0	0
Jul	0	0	0	0	0	0
Aug	0	0	0	0	0	0
Sep	0	0	0	0	0	0
Oct	0	0	0	0	0	0
Nov	0	0	0	0	0	0
Dec	0	0	0	0	0	0
Jan	0	0	0	0	0	0
Feb	0	0	0	0	0	0
Mar	0	0	0	0	0	0
		3%	56%	7%	33%	



Care Group Performance
Month 02 (May) 2019/20

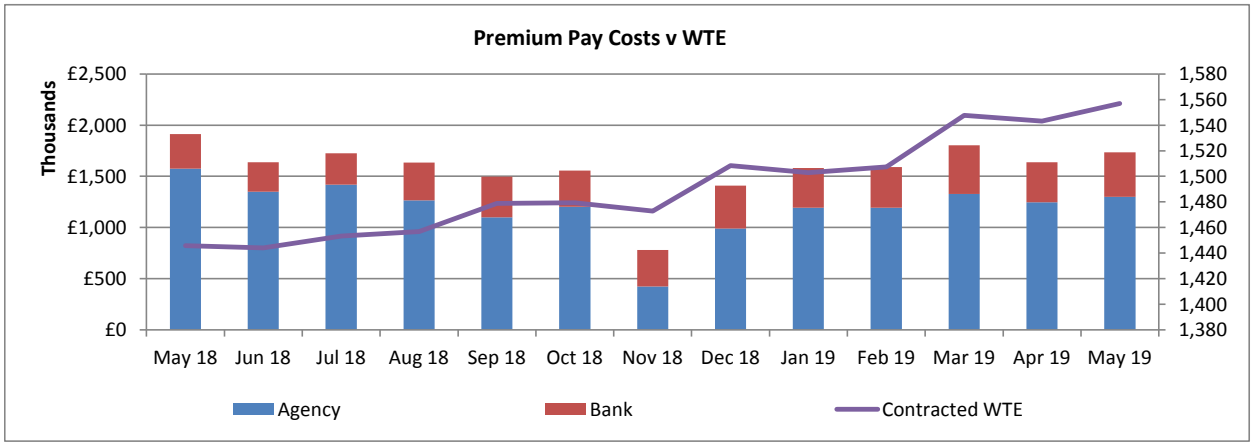
Year to Date Actual £000	Electives	Non-Electives	Accident & Emergency	Outpatients	High Cost Drugs	Private Patients	Other Clinical	All Other Income	Pay	Non Pay	Net Position
General and Specialist Medicine	3,555	16,334	0	4,006	1,527	6	3,852	150	(15,377)	(4,691)	9,362
Urgent and Emergency Care	3	1,125	5,872	0	3	0	161	10	(6,595)	(809)	(230)
Surgery and Anaesthetics	7,984	6,848	0	2,572	56	29	3,204	219	(15,450)	(4,441)	1,022
Surgery - Head and neck, Breast Surgery and Dermatology	2,404	379	0	3,303	1,250	9	256	24	(2,746)	(1,995)	2,885
Clinical Support	159	15	0	569	2,584	18	6,454	881	(10,789)	(7,569)	(7,678)
Cancer Services	747	23	0	1,411	3,759	0	1,574	160	(1,420)	(4,469)	1,784
Women's and Children's Services	1,076	5,483	0	1,481	28		5,135	166	(8,616)	(981)	3,772
Clinical Total	**15,926**	**30,208**	**5,872**	**13,343**	**9,208**	**62**	**20,636**	**1,610**	**(60,993)**	**(24,955)**	**10,917**
Strategic Development and Capital Planning	0	0	0	0	0	0	0	1,454	(1,080)	(9,323)	(8,949)
Corporate	0	0	0	0	0	0	0	3,038	(4,496)	(5,049)	(6,507)
Care Group Total	**15,926**	**30,208**	**5,872**	**13,343**	**9,208**	**62**	**20,636**	**6,101**	**(66,569)**	**(39,326)**	**(4,539)**
Central	0	953	0	(193)	45	0	(752)	1,245	(786)	(305)	207
							EBITDA				**(4,332)**
							Capital Charges and Interest			(3,760)	(3,760)
							Income and Expenditure Surplus/(Deficit)				(8,092)

Year to Date Variance to Plan £000	Electives	Non-Electives	Accident & Emergency	Outpatients	High Cost Drugs	Private Patients	Other Clinical	All Other Income	Pay	Non Pay	Net Position
General and Specialist Medicine	(258)	()	0	9	(60)	(9)	(20)	(27)	(437)	(510)	(1,312)
Urgent and Emergency Care	(3)		340	0	(11)	0	(69)		(149)	9	118
Surgery and Anaesthetics	47		0	154	5	15	(118)	(182)	(963)	449	(594)
Surgery - Head and neck, Breast Surgery and Dermatology	(353)		0	188	150	(1)	61	(6)	73	(205)	(92)
Clinical Support	99		0	(26)	(37)	5	108	(48)	(53)	84	132
Cancer Services	32	()	0	67	172	()	4	10	(2)	(239)	44
Women's and Children's Services	65		0	185	(22)	()	(167)	4	(233)	15	(153)
Clinical Total	**(372)**		**340**	**578**	**199**	**10**	**(202)**	**(249)**	**(1,764)**	**(397)**	**(1,858)**
Strategic Development and Capital Planning	0	0	0	0	0	0	0	14	(73)	(436)	(496)
Corporate	0	0	0	0	0	0	0	(71)	(249)	78	(242)
Care Group Total	**(372)**		**340**	**578**	**199**	**10**	**(202)**	**(307)**	**(2,086)**	**(755)**	**(2,596)**
Central	399	508	(84)	(1,250)	217	2	(628)	293	2,685	582	2,723
							EBITDA				**127**
							Capital Charges and Interest			133	133
							Income and Expenditure Surplus/(Deficit)				260

General and Specialist Medicine

Month 02 (May) 2019/20

Statement of Comprehensive Income	This Month			Year to Date		
£000	Plan	Actual	Var.	Plan	Actual	Var.
Income						
Electives	1,999	1,871	(128)	3,813	3,555	(258)
Non-Electives	8,242	8,242		16,334	16,334	()
Accident & Emergency	0	0	0	0	0	0
Outpatients	2,065	2,023	(43)	3,997	4,006	9
High Cost Drugs	806	777	(29)	1,587	1,527	(60)
Private Patients	7	4	(3)	15	6	(9)
Other NHS Clinical	1,949	1,969	19	3,846	3,831	(15)
Other Clinical	13	11	(2)	26	21	(5)
Prior Month Adjustment	0	167	167	0	0	0
Total Clinical Income	**15,082**	**15,064**	**(18)**	**29,619**	**29,280**	**(338)**
Non Clinical Income	53	39	(15)	177	150	(27)
Total Income	**15,136**	**15,103**	**(33)**	**29,796**	**29,431**	**(365)**
Expenditure						
Substantive Staff	(5,897)	(6,033)	(136)	(11,698)	(12,005)	(307)
Bank	(366)	(437)	(71)	(731)	(825)	(94)
Agency	(1,269)	(1,299)	(30)	(2,511)	(2,547)	(36)
Total Pay	**(7,532)**	**(7,768)**	**(236)**	**(14,940)**	**(15,377)**	**(437)**
Non Pay	(2,235)	(2,349)	(114)	(4,182)	(4,691)	(510)
Total Expenditure	**(9,767)**	**(10,117)**	**(350)**	**(19,122)**	**(20,068)**	**(947)**
Contribution	**5,369**	**4,985**	**(383)**	**10,674**	**9,362**	**(1,312)**



The Care Group is £0.4m adverse in May and £1.3m adverse ytd.

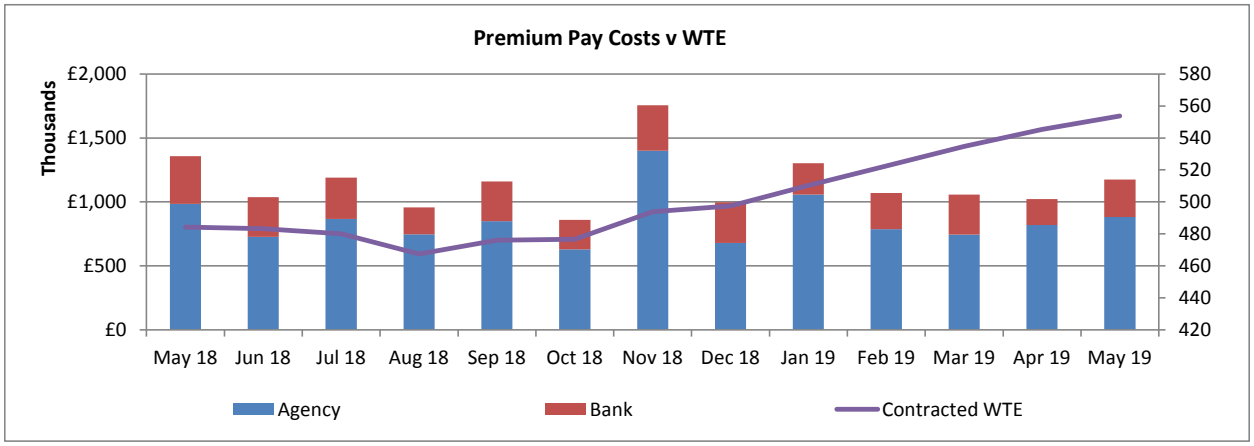
Income for Care Groups is reflective of PbR performance, with the aligned incentive adjustment being held centrally. The NEL favourable variance of £0.2m has been reduced to nil whilst Obs Ward activity changes are worked through and the plan realigned with UEC. Elective income reflects an under-performance of endoscopy; in addition to this Speciality activity coded as Gen Med is being re-aligned to the relevant speciality with the balance being Ambulatory Care and transferrable to UEC.

Pay overspent by £0.2m in May. Agency spend increased by £0.1m to £1.3m, attributable to junior doctors; an analysis of this workforce shows a spend in April/May above the trend of 18/19 despite a lower vacancy level. Discussions are on-going with UEC Care Group who currently manage these posts, a joint workshop is planned for June to review every post and agree controls.

Non-pay overspent by £0.1m in May and £0.5m ytd. The outlier recharge stands at £0.4m and is being reassessed for Mth 2. Drugs overspent by £150k this month across all areas; detailed Pharmacy information will be reviewed. The shortfall in CIP plans is phased in 12ths and causing a £0.3m adverse ytd position across pay and non-pay.

Urgent and Emergency Care
Month 02 (May) 2019/20

Statement of Comprehensive Income	This Month			Year to Date		
£000	Plan	Actual	Var.	Plan	Actual	Var.
Income						
Electives	4	3	(2)	6	3	(3)
Non-Electives	617	617	()	1,125	1,125	
Accident & Emergency	2,864	2,985	121	5,532	5,872	340
Outpatients	0	0	0	0	0	0
High Cost Drugs	7	3	(4)	13	3	(11)
Private Patients	0	0	0	0	0	0
Other NHS Clinical	0	0	0	0	0	0
Other Clinical	115	78	(37)	230	161	(69)
Prior Month Adjustment	0	339	339	0	0	0
Total Clinical Income	**3,607**	**4,026**	**419**	**6,906**	**7,163**	**257**
Non Clinical Income	5	8	3	10	10	
Total Income	**3,612**	**4,034**	**422**	**6,916**	**7,173**	**258**
Expenditure						
Substantive Staff	(2,151)	(2,184)	(33)	(4,330)	(4,398)	(69)
Bank	(265)	(293)	(28)	(560)	(496)	63
Agency	(859)	(881)	(21)	(1,557)	(1,700)	(143)
Total Pay	**(3,275)**	**(3,358)**	**(83)**	**(6,446)**	**(6,595)**	**(149)**
Non Pay	(411)	(402)	8	(817)	(809)	9
Total Expenditure	**(3,686)**	**(3,761)**	**(75)**	**(7,264)**	**(7,404)**	**(140)**
Contribution	**(74)**	**273**	**347**	**(348)**	**(230)**	**118**



A&E attendance income is significantly above plan, reflecting the continuation of higher than expected attendances over the past 12 months. May' s activity was 6 % higher than planned.

Due to issues with the non-elective plan, all variances (plus or minus), have been adjusted to zero. Work continues to review the plan prior to publication of the month 3 position. The favourable variance adjusted to zero in May was £0.94m - £1.97m year to date.

Other NHS Clinical Income is under performing due to lower CRU (Compensation Recovery Unit) receipts. Income fluctuates significantly in this area and did partially recover in May.

Negotiations are also taking place with colleagues in the GSM Care Group to ensure income and expenditure plans and budgets have been fairly allocated following the separation of the former Urgent and Long Term Conditions Division into the two care groups.

Pay was overspent in month and overall the average pay run rate this month has increased by £230k on the 18/19 average. Agency actuals in May were £30k higher than 18/19 average with improvements in nursing usage offset by higher medical costs. Bank actuals were comparable to average whereas locum costs were £55k lower.

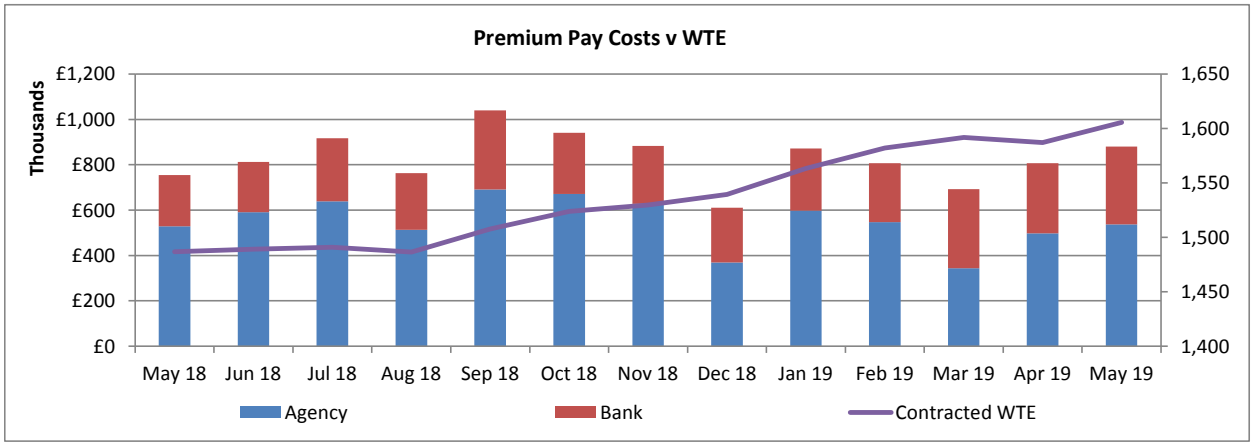
Substantive actuals are £260k higher than the 18/19 average. This is predominantly due to the investments that have been made in Observation Bay and ED Paediatric Nursing staff, which started during 2018/19, and the national pay award. Vacancies have been recognised as non recurrent savings but savings targets are causing pressures on the budget. Further analysis on pay position is being undertaken.

Non-pay was break-even in the month. Drugs are marginally overspent. This can be linked to the additional activity performed. Lower ad hoc discretionary costs and recruitment fees are offsetting overspends in non-clinical supplies relating to patient transport charges and security.

The annual CIP target for the care group is £2.2m. Performance was on plan in month, albeit a significant percentage of savings achieved were non recurrent and the month 2 target was relatively low. Achievement of the target is heavily reliant on sustained reductions in temporary staffing spend. Recruitment pipeline data indicates that savings will be insufficient to meet the target in full. The Care Group is planning a further international recruitment drive and is working on identifying non-recurrent measures that can be used to bridge the gap .

Surgery and Anaesthetics
Month 02 (May) 2019/20

Statement of Comprehensive Income	This Month			Year to Date		
£000	Plan	Actual	Var.	Plan	Actual	Var.
Income						
Electives	3,925	4,070	145	7,937	7,984	47
Non-Electives	3,498	3,498	()	6,848	6,848	
Accident & Emergency	0	0	0	0	0	0
Outpatients	1,259	1,260		2,419	2,572	154
High Cost Drugs	26	27	1	51	56	5
Private Patients	7	1	(7)	14	29	15
Other NHS Clinical	1,923	1,518	(405)	3,305	3,155	(149)
Other Clinical	9	49	40	18	49	31
Prior Month Adjustment	0	147	147	0	0	0
Total Clinical Income	**10,648**	**10,569**	**(78)**	**20,592**	**20,694**	**102**
Non Clinical Income	206	98	(108)	402	219	(182)
Total Income	**10,854**	**10,668**	**(187)**	**20,994**	**20,913**	**(80)**
Expenditure						
Substantive Staff	(6,572)	(6,856)	(284)	(13,045)	(13,764)	(719)
Bank	(267)	(343)	(76)	(515)	(652)	(137)
Agency	(464)	(537)	(73)	(927)	(1,035)	(107)
Total Pay	**(7,303)**	**(7,736)**	**(433)**	**(14,487)**	**(15,450)**	**(963)**
Non Pay	(2,389)	(2,193)	196	(4,890)	(4,441)	449
Total Expenditure	**(9,693)**	**(9,929)**	**(237)**	**(19,377)**	**(19,891)**	**(514)**
Contribution	**1,161**	**738**	**(423)**	**1,616**	**1,022**	**(594)**



The Care Group is £594k adverse to plan.

Elective income is now above plan (£47k), with small under performances in Orthopaedics & General Surgery offset with a large over performance in Urology.

Outpatient performance is favourable (£154k) in all specialties apart from a small under performance in Urology.

Other NHS Clinical Income is adverse (£149k) solely due to ITU, where the phasing of the activity plan (based on last year actuals) was considerably higher in May than for any other time this year . Fully expect this performance to improve back to favourable next month when the monthly plan drops by £550k.

Pay is adverse (£963k) with an unmet CIP target (£603k), partly offset with non pay CIPs. In addition there continued to be high medical agency costs for middle grade vacancies in Urology and Vascular, but appointments have been made with some start dates in June. Nursing agency costs continue to reduce , however bank costs have risen.

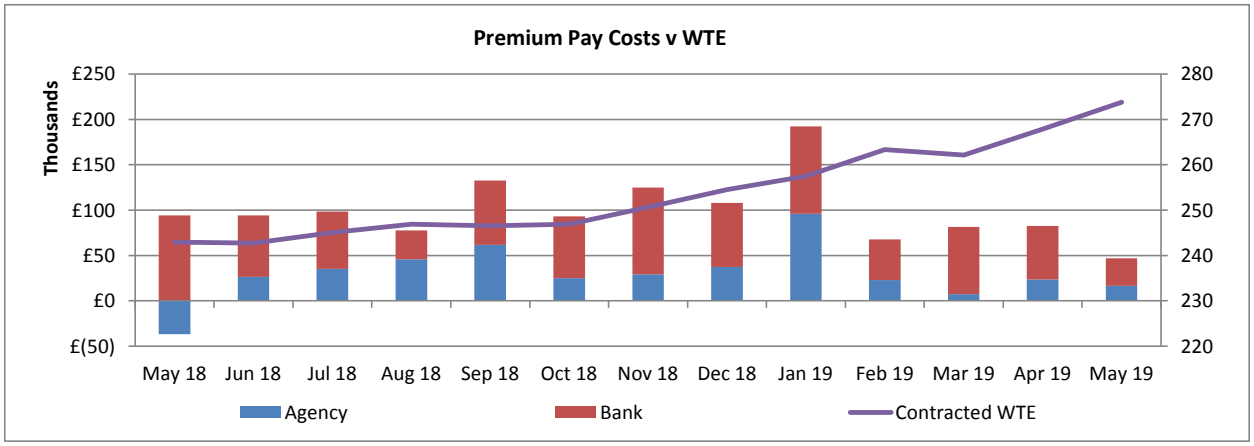
Non Pay is favourable (£449k) with CIPs over performance £(274k) and net recharge benefit for patient outliers (£306k).

CIPs target of £868k is underachieved by £282k.

Surgery - Head and neck, Breast Surgery and Dermatology

Month 02 (May) 2019/20

Statement of Comprehensive Income	This Month			Year to Date		
£000	Plan	Actual	Var.	Plan	Actual	Var.
Income						
Electives	1,374	1,357	(17)	2,756	2,404	(353)
Non-Electives	178	178		379	379	
Accident & Emergency	0	0	0	0	0	0
Outpatients	1,694	1,708	13	3,115	3,303	188
High Cost Drugs	559	834	275	1,100	1,250	150
Private Patients	5	2	(3)	11	9	(1)
Other NHS Clinical	102	118	16	194	255	61
Other Clinical	1	1		1	1	(1)
Prior Month Adjustment	0	47	47	0	0	0
Total Clinical Income	**3,915**	**4,245**	**331**	**7,556**	**7,601**	**45**
Non Clinical Income	15	11	(4)	30	24	(6)
Total Income	**3,929**	**4,256**	**327**	**7,586**	**7,625**	**40**
Expenditure						
Substantive Staff	(1,340)	(1,318)	22	(2,634)	(2,617)	17
Bank	(63)	(30)	33	(126)	(89)	37
Agency	(30)	(17)	13	(60)	(40)	20
Total Pay	**(1,433)**	**(1,364)**	**68**	**(2,820)**	**(2,746)**	**73**
Non Pay	(898)	(1,266)	(367)	(1,789)	(1,995)	(205)
Total Expenditure	**(2,331)**	**(2,630)**	**(299)**	**(4,609)**	**(4,741)**	**(132)**
Contribution	**1,598**	**1,626**	**27**	**2,977**	**2,885**	**(92)**



The Care Group is £92k adverse to plan YTD.

Below plan elective income (£353k) is across all specialties and mostly relates to April. The largest under performances are in Ophthalmology and ENT. The activity plan phasing was set very high in April despite the Easter bank holidays, and activity has been lost in ENT and MaxFax with theatre staffing shortages.

Outpatient performance is favourable (£188k), in all specialties apart from a small under performance in ENT.

High Cost Drugs over performance (£150k) is solely in relation to Ophthalmology AMD patients, and is offset with an overspend in expenditure.

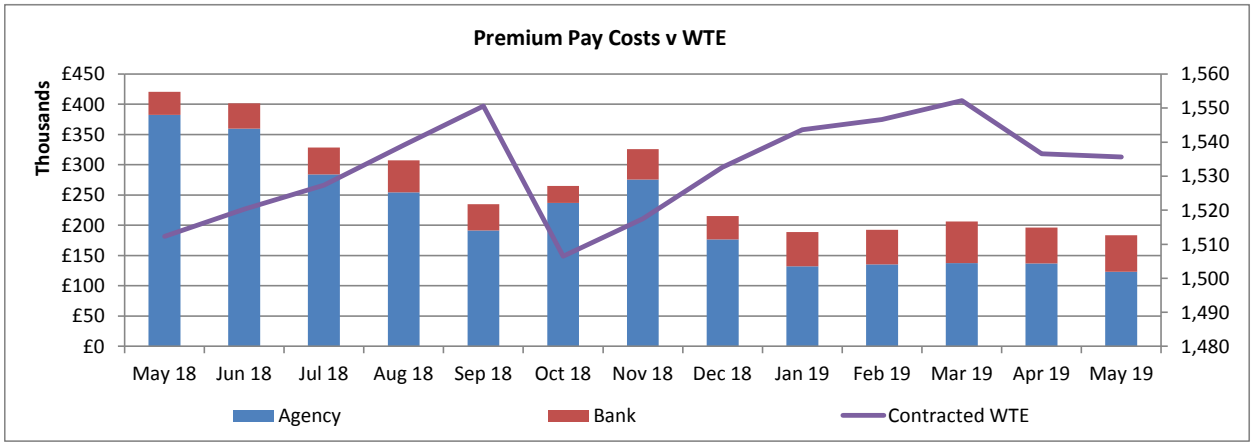
Pay is favourable (£73k).

Non Pay is adverse (£205k) primarily due to the overspend on high cost drugs (offset in income).

CIPs target of £125k has been over achieved by £61k.

Clinical Support
Month 02 (May) 2019/20

Statement of Comprehensive Income	This Month			Year to Date		
£000	Plan	Actual	Var.	Plan	Actual	Var.
Income						
Electives	33	101	68	60	159	99
Non-Electives	7	7		15	15	
Accident & Emergency	0	0	0	0	0	0
Outpatients	321	291	(30)	595	569	(26)
High Cost Drugs	1,332	1,207	(125)	2,622	2,584	(37)
Private Patients	6	14	7	12	18	5
Other NHS Clinical	3,219	3,295	76	6,346	6,454	108
Other Clinical		0	()			
Prior Month Adjustment	0	(669)	(669)	0	0	0
Total Clinical Income	**4,919**	**4,246**	**(673)**	**9,650**	**9,799**	**149**
Non Clinical Income	464	438	(27)	929	881	(48)
Total Income	**5,383**	**4,684**	**(699)**	**10,579**	**10,680**	**101**
Expenditure						
Substantive Staff	(5,061)	(5,098)	(37)	(10,315)	(10,409)	(93)
Bank	(27)	(60)	(33)	(54)	(120)	(66)
Agency	(183)	(123)	60	(366)	(260)	106
Total Pay	**(5,271)**	**(5,281)**	**(11)**	**(10,735)**	**(10,789)**	**(53)**
Non Pay	(3,931)	(3,906)	25	(7,652)	(7,569)	84
Total Expenditure	**(9,201)**	**(9,187)**	**14**	**(18,388)**	**(18,357)**	**30**
Contribution	**(3,818)**	**(4,503)**	**(685)**	**(7,809)**	**(7,678)**	**132**



The Care Group is now meeting its overall financial plan. Income is in excess of the year to date plan and expenditure is within budget.

There is over performance against plan in Radiology particularly in Interventional Radiology electives, CT and MRI unbundled outpatient and direct access. Nuclear Medicine and Ultrasound are not meeting plan (-10%), these deficits are in relation to workforce capacity issues. Pathology is also above plan (5%). This is mainly due to direct access and the GUM contract. Therapies is not meeting plan at the moment, 2% overall, which is being driven by a reduction in physiotherapy referrals.

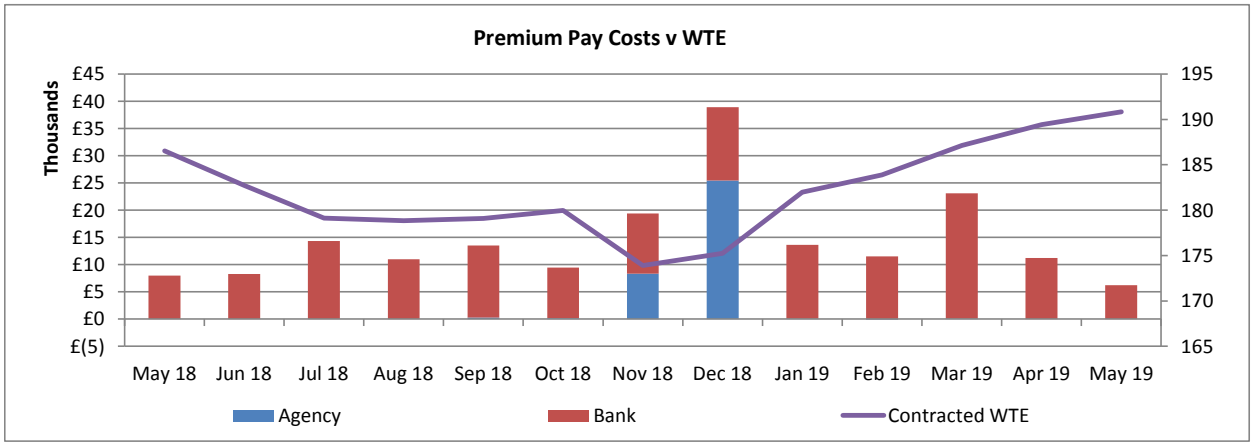
There are overspends relating to the PAMs Prof & Tech staff group caused by the improvement in staff recruitment and retention since the last financial year versus the relative outturn funding. This has resulted in a more expensive monthly pay bill. Overtime cost is running higher than the closing months of last financial year particularly in Radiology. The General Manager for Radiology is focussing on tightening controls to reduce this expense. Agency cost in the Care Group, particularly Radiology both Medical and PAM's staff has reduced significantly.

Non-pay is underspent overall in the Care Group mainly due to Pharmacy Homecare drugs underspend. Pathology, Radiology and Therapies are currently overspent, the main drivers being high diagnostics demand referred to specialist centres and allergy testing for Pathology. The main driver for the overspend in Radiology non-pay is the recent breakdown of the MRI scanner at the WHH for which £0.08m was recognised in Month 2. In Therapies there is a relatively small over spend on license fees which is more a phasing issue rather than a true overspend.

The CIP plan has been exceeded so far with 99% recurrent efficiencies.

Cancer Services
Month 02 (May) 2019/20

Statement of Comprehensive Income	This Month			Year to Date		
£000	Plan	Actual	Var.	Plan	Actual	Var.
Income						
Electives	376	384	7	715	747	32
Non-Electives	11	11		23	23	()
Accident & Emergency	0	0	0	0	0	0
Outpatients	692	705	13	1,344	1,411	67
High Cost Drugs	1,817	1,909	92	3,587	3,759	172
Private Patients		0	()		0	()
Other NHS Clinical	819	820	1	1,569	1,572	2
Other Clinical		1	1		2	2
Prior Month Adjustment	0	92	92	0	0	0
Total Clinical Income	**3,716**	**3,923**	**206**	**7,238**	**7,513**	**275**
Non Clinical Income	75	95	20	150	160	10
Total Income	**3,791**	**4,018**	**226**	**7,388**	**7,673**	**285**
Expenditure						
Substantive Staff	(698)	(698)		(1,394)	(1,402)	(8)
Bank	(12)	(6)	6	(24)	(17)	6
Agency	()	0		()	0	
Total Pay	**(710)**	**(704)**	**6**	**(1,418)**	**(1,420)**	**(2)**
Non Pay	(2,128)	(2,309)	(181)	(4,230)	(4,469)	(239)
Total Expenditure	**(2,838)**	**(3,013)**	**(175)**	**(5,648)**	**(5,889)**	**(241)**
Contribution	**953**	**1,005**	**51**	**1,740**	**1,784**	**44**



CCHH has a balanced position at the end of month 2.

There is surplus income above plan in Clinical Oncology mainly in relation to pass-through High cost drugs recharge and also outpatient attendances, chemotherapy and Saturday clinics.

Haemophilia is above income plan whilst Clinical Haematology is below. These are not material variances, however the outpatient follow up attendances in Clinical Haematology are 10% behind as at month 2.

The Care Group continues to control its pay cost well with minimal overspend and no agency expense.

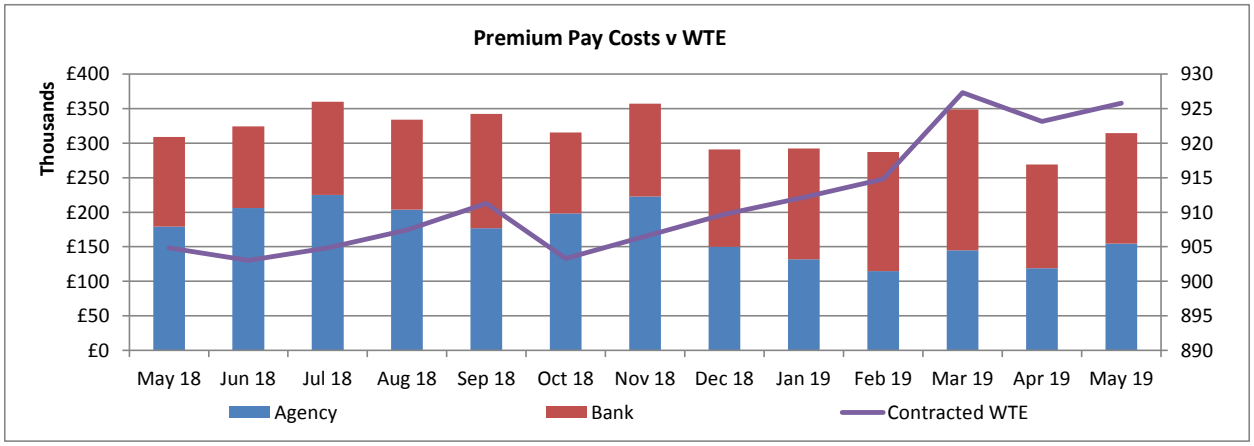
The Non-pay overspend is mostly pass-through high cost drugs and Haemophilia blood products. There is also an unmet non-pay CIP target, an overspend on the Infloflex system, Computer Hardware and a small overspend on breast prosthesis.

Overall the CIP plan is so far exceeded mainly due to income overperformance in relation to Outpatients and Saturday clinic attendances (Regular Day attenders). These are funded via Specialised commissioning.

Women's and Children's Services

Month 02 (May) 2019/20

Statement of Comprehensive Income	This Month			Year to Date		
£000	Plan	Actual	Var.	Plan	Actual	Var.
Income						
Electives	525	579	54	1,011	1,076	65
Non-Electives	2,906	2,906	()	5,483	5,483	
Accident & Emergency	0	0	0	0	0	0
Outpatients	704	770	66	1,296	1,481	185
High Cost Drugs	25	16	(10)	50	28	(22)
Private Patients						()
Other NHS Clinical	2,633	2,597	(35)	5,290	5,114	(177)
Other Clinical	6	13	7	12	22	9
Prior Month Adjustment	0	(48)	(48)	0	0	0
Total Clinical Income	**6,800**	**6,833**	**34**	**13,143**	**13,204**	**61**
Non Clinical Income	80	86	6	162	166	4
Total Income	**6,880**	**6,920**	**40**	**13,305**	**13,370**	**65**
Expenditure						
Substantive Staff	(4,003)	(3,985)	18	(7,926)	(8,033)	(107)
Bank	(71)	(160)	(89)	(142)	(310)	(167)
Agency	(159)	(155)	4	(315)	(274)	41
Total Pay	**(4,234)**	**(4,300)**	**(66)**	**(8,384)**	**(8,616)**	**(233)**
Non Pay	(493)	(506)	(13)	(997)	(981)	15
Total Expenditure	**(4,727)**	**(4,806)**	**(79)**	**(9,380)**	**(9,598)**	**(217)**
Contribution	**2,152**	**2,114**	**(39)**	**3,925**	**3,772**	**(153)**



Elective income is on track and reflects a more realistic plan as well as successful work focused on improving theatre utilisation and productivity.

The non-elective plan is being re-evaluated. In the meantime all variances (plus or minus), have been adjusted to zero. The total adverse variance adjusted for is £480k in month and £860k year to date.

New outpatient activity is significantly above plan, again a reflection of a more realistic plan and work to ensure clinics are fully booked. Follow up underperformance is marginally below plan in both specialties. However, this is expected to recover over the course of the year.

Other NHS Clinical Income predominantly includes NICU/SCBU and Maternity Pathway activity. Maternity Pathway was £68k above plan in month and is £33k above plan year to date. Insulin pump/consumables overperformance is £66k. Insulin pumps/consumables are recharged so any income overperformance translates into an overspend. These areas of overperformance are offset by NICU/SCBU bed days underperformance which was £270k below plan in month and cumulatively-April's activity was over-estimated and this exacerbated May's reported adverse variance.

Overall pay was overspent and the run rate increased by £190k on the 18/19 average. Overall agency actuals are marginally lower than the average, reflecting improvements in Gynaecology middle/junior grade rota cover because of recruitment successes. Padua agency expenditure is higher than average and is not expected to improve until September. Medical locum costs and bank actuals were slightly higher so overall temporary staffing costs were relatively unchanged.

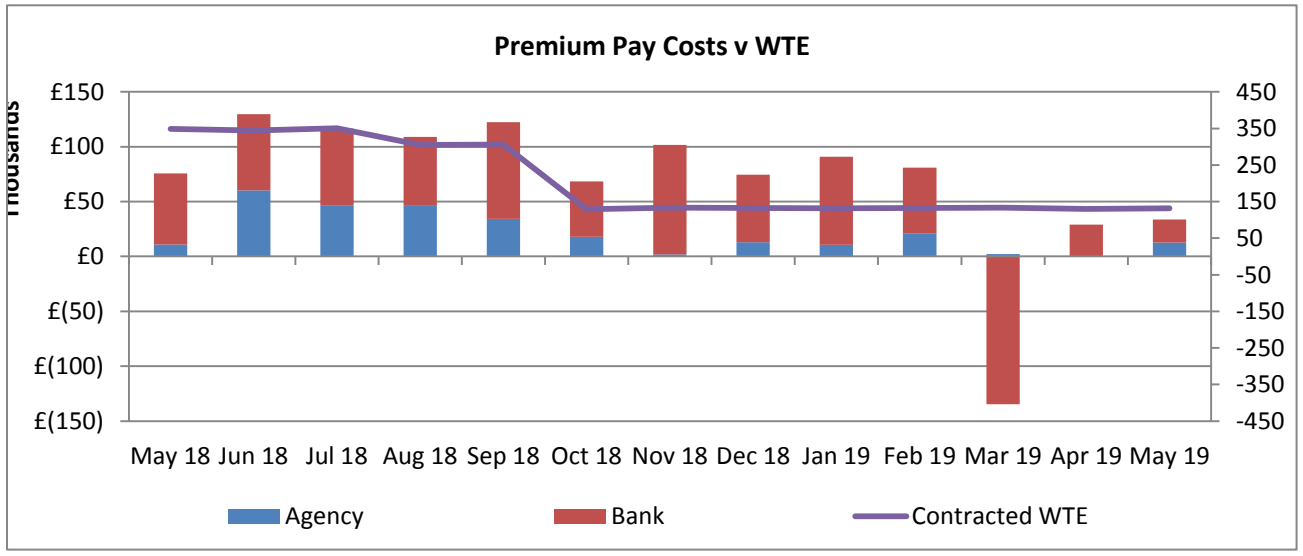
Substantive actuals were £190k higher than the 18/19 average and are overspent cumulatively. This is due to a number of factors. Firstly, the national pay award. Secondly, a higher run rate towards the end of 18/19 compared to the average for the year (the budget is set according to the average). Thirdly, a shortfall in recurrent pay savings is causing budgetary pressures. Further analysis on the pay position is being undertaken.

Non-pay is marginally overspent. A favourable £60k outlier adjustment offsets a £40k overspend caused by a CNST bonus booked as a non-recurrent CIP last year. Ordinarily this kind of non-recurrent saving would be adjusted for at budget setting but funding principles set this year mean this wasn't possible. A further £35k overspend is caused by the continued use of an external dictation service beyond the dates scheduled for a CIP scheme to begin.

The annual CIP target for the Care Group is £3.0m. Performance was on plan in month, albeit a significant percentage of savings achieved were non recurrent and the month 2 target was relatively low.

Strategic Development and Capital Planning
Month 02 (May) 2019/20

Statement of Comprehens	This Month			Year to Date		
£000	Plan	Actual	Var.	Plan	Actual	Var.
Income						
Non Clinical Income	741	754	13	1,440	1,454	14
Total Income	**741**	**754**	**13**	**1,440**	**1,454**	**14**
Expenditure						
Substantive Staff	(439)	(510)	(71)	(938)	(1,017)	(80)
Bank	(32)	(21)	11	(64)	(50)	14
Agency	(5)	(13)	(8)	(5)	(13)	(8)
Total Pay	**(476)**	**(544)**	**(68)**	**(1,007)**	**(1,080)**	**(73)**
Non Pay	(4,700)	(5,073)	(373)	(8,887)	(9,323)	(436)
Total Expenditure	**(5,176)**	**(5,617)**	**(441)**	**(9,893)**	**(10,403)**	**(509)**
Contribution	**(4,435)**	**(4,864)**	**(428)**	**(8,453)**	**(8,949)**	**(496)**



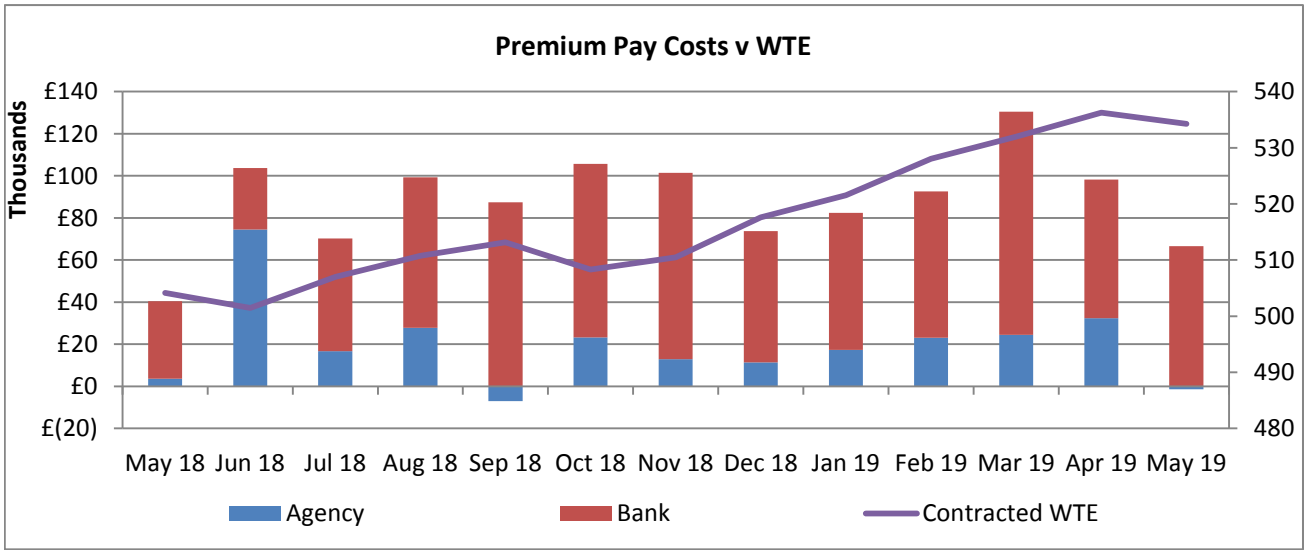
The Strategic Development and Capital Planning position as at month 2 is £(428)k adverse in month and adverse £(496)k YTD.

Income is favourable by £13k in month and £14k YTD. Car Parking is favourable by £37k in month and £48k favourable YTD but this is currently being offset by the shortfall in site tenancy income, this is being reconciled and discussions taking place with 2gether for final resolution. The position YTD is mostly due to Accommodation income over-achievement - mainly at WHH.

Pay is adverse £(68)k in month and adverse £(73)k YTD most of which is due to savings not being achieved.

Non Pay is adverse £(373)k in month and adverse £(436)k YTD. The position in month can be broken down as follows:
£(117)k due to the 2gether OHF/EMS report due to an issue with the billing model being used, potentially over-charged for utilities and using incorrect margin percentage. This is to be raised with 2gether.
£(52)k postage mostly franking machines - this to be queried with the budget holder for validation.
£(19)k is due to IT non-pay
The rest is mainly attributable to savings.
The position YTD is mainly due to savings and 2gether billing issue (see above).
Performance against savings, forecast plan £118k and achieved £55k in month. Forecast plan £291k and achieved £55k YTD. Some of this is due to the profiling , where there were no plans the balance was profiled in 12ths. A meeting is scheduled for the 21st June in order to close the Gap.

Statement of Comprehensi	This Month			Year to Date		
£000	Plan	Actual	Var.	Plan	Actual	Var.
Income						
Non Clinical Income	1,519	1,541	22	3,109	3,038	(71)
Total Income	**1,519**	**1,541**	**22**	**3,109**	**3,038**	**(71)**
Expenditure						
Substantive Staff	(2,104)	(2,104)		(4,267)	(4,332)	(66)
Bank	6	(67)	(73)	19	(133)	(152)
Agency	16	1	(15)	0	(31)	(31)
Total Pay	**(2,082)**	**(2,169)**	**(88)**	**(4,247)**	**(4,496)**	**(249)**
Non Pay	(2,556)	(2,619)	(64)	(5,127)	(5,049)	78
Total Expenditure	**(4,637)**	**(4,789)**	**(151)**	**(9,374)**	**(9,545)**	**(171)**
Contribution	**(3,118)**	**(3,248)**	**(130)**	**(6,265)**	**(6,507)**	**(242)**



The position is adverse £(130)k in month and adverse £(242)k YTD. This is almost wholly attributable to non achievement of savings. Following the corporate performance review the leads were tasked to compile plans to rectify this. Meetings are currently taking place in order to take this forward.

Non Clinical income is showing a favourable position of £22k in month and an adverse position of £(71)k YTD.
The position YTD is due to Post Grad outturn adjustment on income. This is currently being reconciled and adjusted with the Directorate and it is anticipated that this will be complete by month 3 following a meeting with the Chief Executive, in order to improve subjective analysis.

Pay is also showing an adverse variance of £(88)k in month and adverse £(249)k YTD of which the split between substantive and temporary staffing is shown in the table. £(102)k in month and £(206)k YTD is attributable to savings. £(32)k YTD is attributable to an overspend at Hospital Management QEQM, the funding is for 13.30 WTE against 15.56 WTE paid, this is a mixture of overtime and over establishment following the recruitment of additional posts of which funding is to be drawn down. The costings have been completed, therefore, it is anticipated that the pay budget adjustment will be actioned for month 3.

Non Pay is adverse £(64)k in month and favourable £78k YTD. The adverse position in month is made up of overspends on HR work permits, Legal Services solicitor costs and HR CIPs under-achievement.
The favourable YTD position is mostly due to CQ&PS Management underspend on training and outturn funding.

Year on Year Analysis
Month 02 (May) 2019/20

	Year to Date	Prior Year to Date	Year on Year	
	Actual	**Actual**	**Variance**	**Variance %**
Income				
Electives	15,926	15,118	809	5.3%
Non-Electives	31,161	28,103	3,058	10.9%
Accident and Emergency	5,872	4,815	1,057	22.0%
Outpatients	13,150	12,727	423	3.3%
High Cost Drugs	9,253	8,700	552	6.3%
Private Patients	63	46	17	36.2%
Other NHS Clinical Income	19,609	17,963	1,646	9.2%
Other Clinical Income	274	288	(15)	(5.1%)
Total Clinical Income	**95,308**	**87,761**	7,547	8.6%
Non Clinical Income	7,346	7,240	106	1.5%
Total Income	**102,654**	**95,001**	7,653	8.1%
Expenditure				
Substantive Staff	(57,272)	(51,837)	(5,435)	(10.5%)
Overtime	(899)	(994)	94	9.5%
Waiting List Payments	(418)	(569)	151	26.6%
Medical Locums/Short Sessions	(460)	(468)	8	1.7%
Bank	(2,682)	(2,383)	(299)	(12.6%)
Agency	(5,359)	(6,610)	1,251	18.9%
Direct Engagement - Agency	(264)	(28)	(236)	(832.2%)
Total Pay	**(67,355)**	**(62,889)**	(4,466)	(7.1%)
Non-Pay				
Drugs	(11,143)	(10,263)	(880)	(8.6%)
Clinical Supplies and Services - Clinical	(4,812)	(11,161)	6,350	56.9%
Supplies and Services - Non-Clinical	(15,535)	(3,674)	(11,861)	(322.8%)
Purchase of Healthcare	(788)	(1,359)	571	42.0%
Education & Training	(298)	(323)	25	7.8%
Consultancy	(121)	(90)	(31)	(34.9%)
Premises	(1,473)	(3,684)	2,211	60.0%
Clinical Negligence	(3,628)	(3,705)	78	2.1%
Transport	(383)	(562)	179	31.8%
Establishment	(609)	(613)	4	0.7%
Other	(843)	(647)	(196)	(30.2%)
Total Non-Pay	**(39,632)**	**(36,082)**	(3,549)	(9.8%)
Total Expenditure	**(106,987)**	**(98,971)**	(8,015)	(8.1%)
EBITDA	**(4,332)**	**(3,970)**	(362)	(9.1%)
Non-Operating Expenses	(3,760)	(4,289)	529	12.3%
Income and Expenditure Surplus/(Deficit)	**(8,092)**	**(8,259)**	167	2.0%

Clinical Income

- Non Elective is showing a move from long stay patients to short stay patients against plan, however a richer case mix in long stay patients is offsetting the reduced activity from a financial point of view.
- A&E Activity is higher, but case mix is slightly lower than plan.
- Elective activity is also showing a move to more same day treatment with RADAY activity over performing and long stay activity under performing.

Non Clinical Income

- Contract uplifts 19-20
- Non recurrent benefits 19-20

Pay

- Pay inflation AfC
- AFC non consolidated pay award 19-20 paid in full in April and Clinical Excellence Awards for 19-20 accounted for in full in May
- Medical Pay Award 18-19 FYE and 19-20 estimate
- Increased substantive in post year on year including the impact of approved investments

Non Pay

- Drugs - mainly growth in rechargeables 19-20
- Clinical Supplies - Consumables 19-20 now form part of OHF as shown in Supplies and Services - Non-Clinical
- Supplies and Services - Non-Clinical impact of OHF contract including approved Change Control Notices
- Purchase of Healthcare - reduced outsourcing and insourcing usage in 19-20
- Premises - Utilities 19-20 now part of OHF as shown in Supplies and Services - Non-Clinical

Cash Flow

Month 02 (May) 2019/20

Year to Date		This Month			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Actual		Plan	Actual	Variance	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
18,603	**Opening Bank Balance**	17,750	21,628	3,877	18,700	21,628	18,844	6,598	10,318	4,996	3,390	4,675	4,477	5,198	4,898	8,014
12,646	Ashford CCG - Main	6,881	6,867	(14)	5,780	6,867	5,447	5,477	6,024	6,024	6,024	6,024	6,024	6,024	6,024	6,024
20,744	C4G - Main	11,144	11,125	(19)	9,619	11,125	11,488	11,096	10,739	10,739	10,739	10,739	10,739	10,739	10,739	10,739
23,276	South Kent Coast CCG - Main	12,337	12,358	21	10,918	12,358	10,914	11,353	11,353	11,353	11,353	11,353	11,353	11,353	11,353	11,353
16,708	Thanet CCG - Main	8,888	8,964	76	7,745	8,964	8,918	8,550	8,550	10,044	8,550	8,550	8,550	8,550	8,550	8,550
	Additional Income															
83	Dartford, Gravesham & Swanley CCG	38	45	7	38	45	42	39	39	39	39	39	39	39	39	39
357	Medway CCG	164	176	12	181	176	230	192	192	192	192	192	192	192	192	192
609	Swale CCG	306	304	(2)	305	304	63	286	286	286	286	286	286	286	286	286
920	West Kent CCG	449	454	5	466	454	486	482	482	482	482	482	482	482	482	482
16,814	NHS England	9,249	8,756	(493)	8,058	8,756	8,346	8,346	9,146	8,346	8,346	8,346	8,346	8,346	8,346	8,346
6,335	All Other NHS Organisations	974	4,947	3,972	1,388	4,947	1,037	5,633	987	947	5,673	947	966	5,612	966	967
0	Capital Receipts										2,144				2,007	
0	All Other Receipts	2,678		(2,678)												
	Revenue Loans															
	Loans Repaid															
116,759	**Total Receipts**	**53,108**	**57,282**	**4,175**	**59,477**	**57,282**	**51,245**	**57,325**	**53,469**	**55,595**	**60,781**	**51,777**	**55,056**	**59,494**	**56,231**	**52,312**
	Payments															
(57,853)	Monthly Payroll inc NI & Super	(28,309)	(29,292)	(983)	(28,561)	(29,292)	(29,170)	(28,557)	(28,799)	(28,399)	(29,095)	(29,579)	(29,579)	(29,927)	(30,168)	(30,168)
(46,516)	Creditor Payment Run	(27,909)	(29,452)	(1,543)	(17,064)	(29,452)	(31,653)	(23,727)	(28,383)	(23,268)	(25,913)	(19,628)	(22,541)	(27,385)	(20,735)	(20,517)
(12,102)	Capital Payments	(1,932)	(1,234)	698	(10,868)	(1,234)	(2,547)	(1,224)	(1,452)	(2,537)	(4,286)	(2,683)	(2,041)	(2,353)	(2,002)	(2,010)
	PDC Dividend Payment									(1,950)						(1,950)
(145)	Interest Payments	(88)	(88)		(56)	(88)	(122)	(95)	(158)	(1,046)	(202)	(85)	(174)	(130)	(209)	(1,108)
(116,616)	**Total Payments**	**(58,238)**	**(60,066)**	**(1,828)**	**(56,550)**	**(60,066)**	**(63,492)**	**(53,604)**	**(58,791)**	**(57,200)**	**(59,497)**	**(51,975)**	**(54,335)**	**(59,794)**	**(53,115)**	**(55,753)**
143	**Total Movement In Bank Balance**	**(5,130)**	**(2,784)**	**2,346**	**2,927**	**(2,784)**	**(12,246)**	**3,721**	**(5,322)**	**(1,606)**	**1,284**	**(197)**	**720**	**(300)**	**3,116**	**(3,441)**
18,844	**Closing Bank Balance**	**12,620**	**18,844**	**6,224**	**21,628**	**18,844**	**6,598**	**10,318**	**4,996**	**3,390**	**4,675**	**4,477**	**5,198**	**4,898**	**8,014**	**4,573**
	Plan				17,750	12,620	4,179	10,508	4,996	3,390	4,674	4,477	5,198	2,408	3,366	4,573
	Variance				3,877	6,224	2,419	(190)	()				()	2,490	4,649	

Clinical Income - by Commissioner

Month 02 (May) 2019/20

	This Month £000			Year to Date £000			Annual £000
Commissioner	**Plan**	**Actual**	**Variance**	**Plan**	**Actual**	**Variance**	**Plan**
NHS Ashford CCG	6,560	6,539	(21)	12,701	12,670	(32)	75,719
NHS Canterbury & Coastal CCG	10,710	10,763	53	20,810	20,729	(81)	124,356
NHS South Kent Coast CCG	11,975	12,014	39	23,276	23,249	(27)	139,038
NHS Thanet CCG	8,672	8,641	(31)	16,841	16,737	(104)	100,683
East Kent Overseas	17	17		33	33		203
East Kent CCGs	37,934	37,973	40	73,662	73,418	(244)	440,000
NCA - England	783	717	(66)	1,525	1,462	(63)	9,116
NHS England - Armed Forces	16	4	(12)	30	26	(4)	182
NHS England - Specialised Services	7,402	7,111	(292)	14,494	14,418	(77)	85,791
NHS England - Health In Justice		2	1	1	3	2	3
NHS England - Secondary Dentistry	591	555	(36)	1,137	1,048	(89)	6,905
NHS England - Public Health	701	781	80	1,401	1,381	(20)	8,409
Kings	23	22	(1)	45	44	(2)	272
NCA - Wales		7	7		11	11	
NCA - Northern Ireland		2	2		4	4	
NCA - Scotland		4	4		4	4	
Other Trusts	138	215	77	275	389	115	1,648
NHS Dartford, Gravesham & Swanley CCG	43	43		81	78	(3)	473
NHS Medway CCG	206	206		401	419	18	2,307
NHS Swale CCG	327	401	74	637	757	121	3,722
NHS West Kent CCG	558	596	39	1,085	1,187	102	6,362
Other Organisations	78	38	(40)	347	231	(116)	3,922
Cancer Drugs Fund	240	199	(41)	471	354	(118)	2,820
Prior year Income		58	58		73	73	
Local Authority							2
Total	49,038	48,933	(106)	95,593	95,308	(286)	571,932

East Kent CCGs contract is an aligned incentive contract which means that income (excluding High cost drugs) is fixed at £420m for the year. Drugs Expenditure is planned at £20m however this will be monitored and paid on a variable basis depending on actual spend. Any over or underperformance against drugs will have an offsetting effect against expenditure so is net nil to the bottom line.

Public Health Screening contracts are also block values for the year with all other contracts operating on a PbR basis.

NHSE contract value for the year is £84.8m within which is an expectation of commissioner QIPP of £2.8m. The Trust will support commissioners in the delivery of this QIPP, however the risk of non delivery sits with the commissioner. NHSE Specialised Services contract is on plan YTD but behind plan for NICU activity in May.

East Kent Commissioner contracts are under performing against plan due to the pass through costs of Drugs and Devices, however this is countered by a corresponding reduction in expenditure to the Trust. The position in May has improved as the drugs gainshare of £200k for the switch to biosimilars has been recognised.

The under performance within Public Health being down to the performance of bowel scoping. This is a change in recording which should mean that activity currently charged to EL CCGs in the aligned incentive contract, will actually be charged on a PbR basis to PHE. Therefore there is some potential upside in the published position.

The Cancer Drugs Fund is showing an underperformance which is offset reduced expenditure.

KPIs

Month 02 (May) 2019/20

		M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Clinical Income	**Plan**	47,218	49,745	49,002	50,019	48,806	46,814	50,066	48,697	46,823	49,014	45,731	48,523
Consolidated	**Actual**	46,777	50,110										
	Variance	-441	365										
	Quarterly rolling average spend	47,029	48,786										
Other Income	**Plan**	3,667	3,669	3,669	3,672	3,672	3,672	3,672	3,672	4,322	3,672	3,673	3,678
Consolidated	**Actual**	3,860	4,401										
	Variance	193	732										
	Quarterly rolling average spend	3,748	3,853										
Pay	**Plan**	-36,200	-36,677	-36,179	-35,352	-35,271	-35,397	-35,146	-35,072	-35,066	-35,582	-35,221	-35,045
Consolidated	**Actual**	-36,353	-36,190										
	Variance	-153	487										
	Quarterly rolling average spend	-35,578	-36,103										
Non Pay Operating Expenses	**Plan**	-17,658	-18,070	-17,740	-18,309	-18,007	-17,649	-18,172	-17,431	-17,041	-17,675	-16,754	-17,738
Consolidated	**Actual**	-16,912	-19,977										
	Variance	746	-1,907										
	Quarterly rolling average spend	-17,821	-18,756										
Non Operating	**Plan**	-1,878	-1,891	-1,892	-1,933	-1,937	-1,942	-2,017	-2,023	-2,021	-2,063	-2,073	-2,577
Consolidated	**Actual**	-2,143	-1,543										
	Variance	-265	348										
	Quarterly rolling average spend	-2,099	-1,775										
Agency	**Plan**	-2,163	-2,096	-1,871	-1,667	-1,535	-1,451	-1,193	-1,154	-1,098	-1,155	-1,155	-1,113
Unconsolidated	**Actual**	-2,675	-2,948										
	Variance	-512	-853										
	Quarterly rolling average spend	-2,745	-2,777										
CIPS	**Plan**	963	1,067	1,602	2,371	2,452	2,446	2,836	3,000	3,746	3,118	3,135	3,264
Unconsolidated	**Actual**	1,039	1,842										
	Variance	76	775										
Cash	**Plan**	17,750	12,620	4,179	10,508	4,996	3,390	4,674	4,477	5,198	2,408	3,366	4,573
Unconsolidated	**Actual**	21,628	18,844										
	Variance	3,877	6,224										

Cost Improvement Summary

Month 02 (May) 2019/20

Planned Summary	2018 - 2019			Target Variance	
Programme Care Groups £000	**Plan**	**Net**	**RAG Adj**	**vs Net**	**vs RAG**
Clinical Support	3,635	3,376	3,109	(259)	(526)
General & Specialist Medicine	6,138	5,531	4,980	(607)	(1,158)
Urgent & Emergency Care	2,170	1,823	1,578	(347)	(592)
Surgery & Anaesthetics	6,500	5,897	4,761	(603)	(1,739)
Surgery - Head and neck, Breast Surgery and Dermatology	1,000	1,186	844	186	(156)
Women's & Children's	3,000	3,209	3,101	209	101
Cancer	800	825	735	25	(65)
Corporate	1,800	489	147	(1,311)	(1,653)
SD&CP	1,752	1,167	941	(585)	(811)
Procurement	2,000	2,325	1,736	325	(264)
Medicines Value	1,765	2,027	1,825	262	60
Sub-total	**30,561**	**27,854**	**23,757**	**(2,706)**	**(6,804)**
Central	(561)	2,146	2,443	2,706	3,004
Grand Total	**30,000**	**30,000**	**26,200**	**-**	**(3,800)**

Planned Summary	2018 - 2019			Target Variance	
Programme Themes £000	**Plan**	**Net**	**RAG Adj**	**vs Net**	**vs RAG**
Patient Flow/LOS	1,000	1,000	250	-	(750)
Agency	7,962	7,913	7,422	(49)	(540)
Workforce *	5,442	2,720	3,262	(2,722)	(2,180)
Procurement	2,000	1,892	1,302	(108)	(698)
Medicines Value	1,765	2,027	1,825	262	60
Theatres	2,812	4,175	3,701	1,363	889
Division Schemes **	7,778	9,033	7,648	1,255	(130)
Sub-total	**28,759**	**28,759**	**25,410**	**-**	**(3,349)**
Central	1,241	1,241	790	-	(451)
Grand Total	**30,000**	**30,000**	**26,200**	**-**	**(3,800)**

Cost Improvement Phasing
Month 02 (May) 2019/20

Work stream Gross £'000	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Patient Flow/LOS	-	-	100	100	100	100	100	100	100	100	100	100	1,000
Agency	123	129	612	738	874	969	695	829	714	728	727	824	7,962
Workforce	324	335	337	448	401	396	414	391	525	628	617	627	5,442
Procurement	41	41	41	208	208	208	208	208	208	209	210	210	2,000
Medicines Value	139	140	140	149	149	149	150	150	150	150	150	150	1,765
Theatres	115	193	193	318	318	240	240	240	240	240	240	240	2,812
Clinical Support Services	35	35	35	79	79	79	94	94	95	110	110	110	956
General & Specialist Medicine	71	71	26	103	93	5	244	313	314	321	321	321	2,203
Urgent & Emergency Care	1	1	1	1	1	2	2	2	2	2	2	22	40
Surgery & Anaesthetics	17	17	17	52	52	52	52	52	52	52	52	52	523
Surgery - Head and neck, Breast Sui	8	8	14	20	20	20	20	20	20	20	20	20	208
Women's & Children's	11	19	19	25	27	32	169	169	169	169	170	170	1,147
Cancer Services	(7)	(7)	(19)	26	26	90	92	92	92	94	94	95	670
Corporate - Other	9	9	9	9	9	9	34	34	59	59	59	59	359
SD&CP	75	75	76	96	96	96	148	198	203	203	203	202	1,672
Sub-total	**963**	**1,067**	**1,602**	**2,371**	**2,452**	**2,446**	**2,662**	**2,892**	**2,943**	**3,085**	**3,075**	**3,202**	**28,759**
Central	-	-	-	-	-	-	174	108	803	33	60	62	1,241
Grand Total	**963**	**1,067**	**1,602**	**2,371**	**2,452**	**2,446**	**2,836**	**3,000**	**3,746**	**3,118**	**3,135**	**3,264**	**30,000**

Workstream RAG adj £'000	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Patient Flow/LOS	-	-	100	100	100	100	100	100	100	100	100	100	1,000
Agency	252	685	656	1,065	1,025	1,073	414	522	466	584	568	605	7,913
Workforce	365	234	(41)	24	128	50	485	518	354	295	163	145	2,720
Procurement	6	173	118	110	117	122	183	184	199	199	199	279	1,892
Medicines Value	24	285	161	156	164	164	165	166	186	186	186	186	2,027
Theatres	190	278	260	383	383	383	383	383	383	383	383	383	4,175
Clinical Support	38	27	91	158	158	165	181	181	181	196	196	195	1,767
General & Specialist Medicine	65	55	52	65	65	65	162	231	305	377	370	377	2,188
Urgent & Emergency Care	-	3	1	1	1	2	2	2	2	2	2	22	40
Surgery & Anaesthetics	3	16	56	148	148	148	160	160	160	163	163	163	1,489
Surgery - Head and neck, Breast Sui	(0)	2	9	14	14	14	14	14	14	11	11	11	126
Women's & Children's	11	15	25	30	32	39	175	175	175	175	176	176	1,207
Cancer Services	56	45	38	59	59	64	80	80	80	82	82	83	806
Corporate - Other	3	-	7	7	7	7	32	32	57	57	57	57	319
SD&CP	25	26	70	51	51	51	93	143	143	143	143	151	1,091
Sub-total	**1,039**	**1,842**	**1,603**	**2,371**	**2,453**	**2,446**	**2,628**	**2,890**	**2,804**	**2,953**	**2,798**	**2,934**	**28,759**
Central	-	-	-	-	-	-	174	108	803	33	60	62	1,241
Grand Total	**1,039**	**1,842**	**1,603**	**2,371**	**2,453**	**2,446**	**2,802**	**2,998**	**3,607**	**2,986**	**2,859**	**2,996**	**30,000**

Debtor Balances
Month 02 (May) 2019/20

Debtor	Top ten debtor balances outstanding as at 31/05/2019						Creditor balance as at 31/05/2019	Notes
	Current	1-30 Days	31-60 Days	61-90 Days	Over 90	Total		
76480-2GETHER SUPPORT SOLUTIONS LTD	504,489	1,099,006	1,658,351	569,228	35,547	3,866,621	16,448,306	Creditor balance reduced to nil in early June.
62138-NHS ENGLAND SOUTH EAST COMMISSIONING HUB (14G)	0	(584,575)	2,448,254	0	0	1,863,678		£2.3m 1819 overperformance
51136-EAST KENT MEDICAL SERVICES	27,633	204,047	96,971	276,041	1,102,492	1,707,184	1,152,019	Intercompany
62033-NHS THANET CCG	5,286	(302,781)	1,807,991	3,344	21,532	1,535,373	80,522	£1.8m Q4 1819 overperformance
62048-NHS WEST KENT CCG	293	(107,133)	869,006	0	689,826	1,451,992		On-going discussions with West Kent to resolve outstanding disputed on invoices over 90 days old
62140-NHS ENGLAND Q88 SOUTH EAST (KENT, SURREY AND SUSS	195,215	17,482	818,894	(539)	0	1,031,053		1819 Q2-4 overperformance
50010-MAIDSTONE AND TUNBRIDGE WELLS NHS TRUST	29,477	48,193	151,220	31,681	462,237	722,808	1,098,914	Large amount of debts cleared in Month but balance owing to MTW outweighs their debt
59742-HEALTHEX	12,187	12,187	12,187	12,187	572,778	621,525		Intercompany
61865-NHS CANTERBURY AND COASTAL CCG	6,139	(31,887)	359,456	4,091	106,029	443,828	141,762	£0.4m Q3 1819 overperformance
69345-WESSEX SPECIALISED COMMISSIONING HUB 13N	155,046	76,021	150,000	0	0	381,067		
Other Govn.	1,017,023	(78,706)	423,922	154,924	1,715,414	3,232,577		
Other Non Govn.	250,467	187,263	228,037	69,278	587,944	1,322,989		
	2,203,255	539,116	9,024,290	1,120,234	5,293,798	18,180,694	18,921,524	

Actions Taken To Reduce Value and Age of Debtors

The Finance Consortium provide a full Credit Control function with escalation to Assistant Finance Director at the Foundation Trust.

Inter-company debt is being specifically targeted (both debtors and creditors) with regular meetings with subsidiaries to resolve historic issues.

Comprehensive reporting of debtor, creditor and cash positions and KPI's being developed for regular reporting at the Financial Improvement Oversight Group (FIOG)

Creditor Balances
Month 02 (May) 2019/20

Top Ten Aged Creditor

Supplier Name	Current	1-30	31-60	60-90	90 +	Total
Other Creditors	6,785	2,189	714	733	582	11,003
2gether Support Solutions Ltd	8,735					8,735
NHS Professionals Ltd	1,767	1,048		9	47	2,872
NES Holdings (UK) Ltd	367	478	348	415	241	1,850
East Kent Medical Services Ltd T/a The Spencer Wing		202	449	438	64	1,152
Maidstone & Tunbridge Wells NHS Trust (RWF)	349	453	46	15	237	1,099
Medway NHS Foundation Trust (RPA)	145	8	79	45	574	850
Ashford Borough Council	730	2				732
Thanet District Council	672	2				674
Canterbury City Council	659					659
Healthcare At Home Ltd	637					637
Total	**20,845**	**4,382**	**1,635**	**1,655**	**1,745**	**30,262**

Aged Creditor By Reason

Reason Description	Current	1-30	31-60	60-90	90 +	Total
Current	19,952					19,952
Waiting on a GRN		1,399	632	680	589	3,300
Cash Flow	893	1,581				2,474
Disputed		184	285	22	1,345	1,836
Order Raised after Invoice Received		202	279	416	90	988
Not Recorded		742	195	119	128	928
Waiting on Authorisation		115	195	412	225	496
Purchase Order Value Exceeded		131	42	5	29	207
Price Query		32	6	1	43	82
Procurement Issue					3	3
Other		4			2	6
Total	**20,845**	**4,382**	**1,635**	**1,655**	**1,745**	**30,262**

At the last payment run of the period we paid invoices totalling £3m.

Aged Creditors now stands at £38m of which £12.7m is now over due.

The main two reason for our over due invoices are:

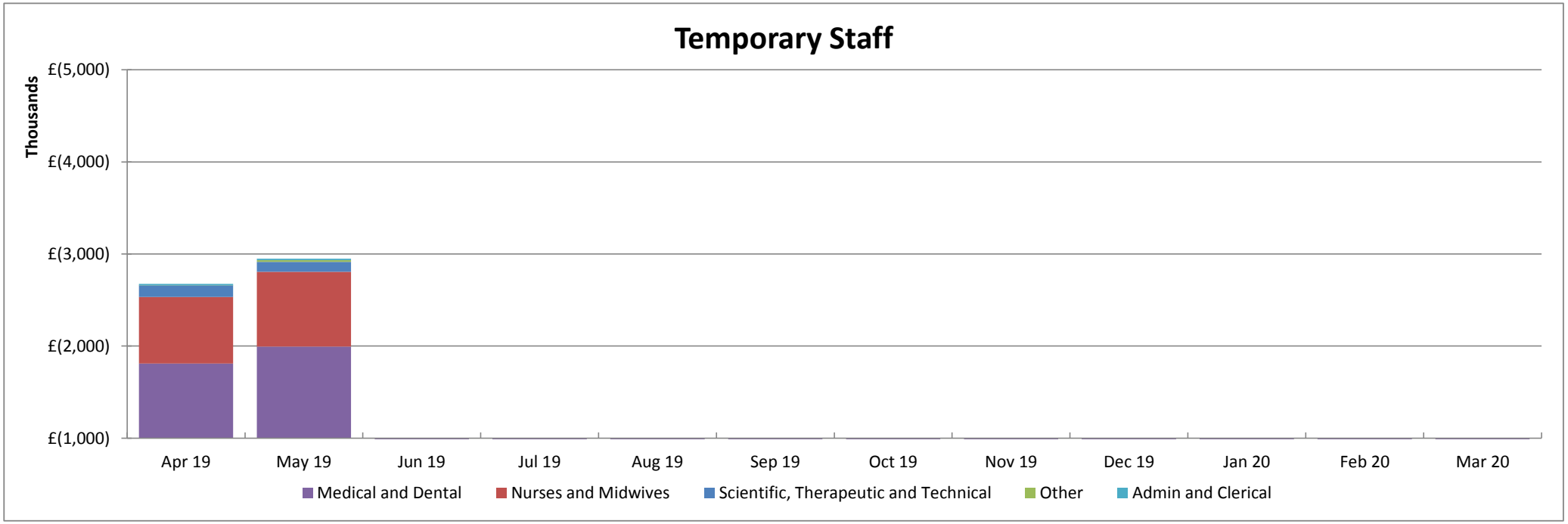
- Purchase Orders have no Goods Received Note - £1.9m
- Disputed Invoices - £1.6

The Accounts Payable team prioritises key suppliers and those threatening to restrict supplies.

Pay Analysis - Temporary Staff

Month 02 (May) 2019/20

In Month £000	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Medical and Dental	**(1,811)**	**(1,995)**										
Agency	(1,733)	(1,809)										
Direct Engagement	(78)	(186)										
Scientific, Therapeutic and Technical	**(127)**	**(107)**										
Agency	(127)	(107)										
Nurses and Midwives	**(722)**	**(813)**										
Agency	(722)	(813)										
Admin and Clerical	**(15)**	**(15)**										
Agency	(15)	(15)										
Other	**()**	**(18)**										
Agency	()	(18)										
Total	**(2,675)**	**(2,933)**										



Pay Analysis - Temporary Staff

Month 02 (May) 2019/20

Temporary Staff Actual £m	M & D	N & M	PAMS	A&C Other	Total	Variance v 2019/20	Variance v 2018/19
General and Specialist Medicine	1.02	0.27	0.01		1.30	0.03	0.10
Urgent and Emergency Care	0.47	0.40		0.01	0.88	0.03	0.03
Surgery and Anaesthetics	0.44	0.08	0.02		0.54	0.02	(0.01)
Surgery - Head and Neck, Breast Surgery and Dermatol	0.01	0.01			0.02		(0.02)
Clinical Support Services	0.04		0.08		0.12	(0.01)	(0.12)
Women's and Children's Services	0.10	0.05			0.16	0.02	(0.02)
Strategic Development and Capital Planning				0.01	0.01	0.01	(0.01)
Corporate	(0.02)			0.02		(0.02)	(0.02)
Central	(0.08)				(0.07)	0.06	(0.02)
0							
Total	**1.98**	**0.81**	**0.11**	**0.04**	**2.94**	**0.14**	**(0.09)**
Variance v 2019/20 average	0.09	0.05	(0.01)	0.01	0.14		
Variance v 2018/19 average	0.22	(0.13)	(0.10)	(0.08)	(0.09)		

Temporary Staff Year to Date £m	M & D	N & M	PAMS	A&C Other	Total	Average per Month
General and Specialist Medicine	2.00	0.53	0.02		2.55	1.27
Urgent and Emergency Care	0.85	0.85		0.01	1.70	0.85
Surgery and Anaesthetics	0.86	0.14	0.03		1.04	0.52
Surgery - Head and Neck, Breast Surgery and Dermatol	0.03	0.01			0.04	0.02
Clinical Support Services	0.08		0.18		0.26	0.13
Women's and Children's Services	0.18	0.09			0.27	0.14
Strategic Development and Capital Planning				0.01	0.01	0.01
Corporate				0.03	0.03	0.02
Central	(0.19)	(0.08)			(0.28)	(0.14)
0						
Total	**3.81**	**1.54**	**0.23**	**0.05**	**5.63**	**2.82**
Average per month	1.90	0.77	0.12	0.02	2.81	

REPORT TO:	**COUNCIL OF GOVERNORS' MEETING**
DATE:	**5 AUGUST 2019**
SUBJECT:	**Report from the Chair of the Board of Directors' Finance and Performance Committee (FPC)**
REPORT FROM:	**Chair, Board of Directors' Finance and Performance Committee** **Sunny Adeusi**
PURPOSE:	**DISCUSSION**
ANNEXES	**Annex A and B Report to July Board**

BACKGROUND AND EXECUTIVE SUMMARY

This report provides Council with an outline of the key issues that the FPC has been focussed on, highlighting to Governors how the Non-Executive Directors are seeking assurance about the performance of the Board.

Council last received a report from the Chair of the FPC at their meeting on 14 February 2019. The FPC has met on five occasions since then, the last meeting being on 2 July 2019. The agenda for this meeting was limited to essential items as it had been postponed from the scheduled date of 25 June when unexpected apologies from members meant that it would not be quorate on this date.

The meetings are now being held on the first Tuesday of the month, as opposed to the last in the month, so that they are better aligned to the timetable for collecting and presenting monthly data. The change means that the Committee will be considering the performance data at least two weeks earlier than under the previous meeting pattern. The next meeting is scheduled for 6 August 2019 and will include presentations from Surgery (Head, Neck, Dermatology and Breast) and Surgery & Anaesthetics.

LINKS TO STRATEGIC OBJECTIVES:	**Patients:** Help all patients take control of their own health. **People:** Identify, recruit, educate and develop talented staff. **Provision:** Provide the services people need and do it well. **Partnership:** Work with other people and other organisations to give patients the best care.

RECOMMENDATIONS AND ACTION REQUIRED:

The Council is asked to consider this report and take the opportunity to discuss with the NED Chair the contents, using the intelligence arising from Governors' engagement with FT members and the public which is relevant to the work of the Committee as reported to the Trust Board.

Background

The purpose of the Committee is to maintain a detailed overview of the Trust's assets and resources in relation to the achievement of financial targets and business objectives and the financial stability of the Trust. This includes:-

- Overseeing the development and maintenance of the Trust's Financial Recovery Plan (FRP), delivery of any financial undertakings to NHS Improvement (NHSI) in place, and medium and long term financial strategy.
- Reviewing and monitoring financial plans and their link to operational performance overseeing financial risk evaluation, measurement and management.
- Scrutiny and approval of business cases and the 2018/19 capital plan.
- Maintaining oversight of the finance function, key financial policies and other financial issues that may arise.

The Committee also has a role in monitoring the performance and activity of the Trust.

To deliver against this remit the Committee has the following items on all agendas.

- Divisional presentation – one per meeting on a rolling programme:
  - Clinical Support Services;
  - Urgent care and Long Term Conditions;
  - Specialist Services; and
  - Surgical Services.
- Integrated Finance and Performance report.
- Cost Improvement programme update
- Finance report.
- Update on the Emergency Department (ED) recovery programme. Going forward the Committee will also be receiving monthly reports relating to Referral to Treatment (RTT) and Cancer standards.
- Financial Special Measures update.
- Financial Risks review.

The Committee's latest report to the Board, for the meeting on 4 July 2019, is attached at Annexes A and B for information.

Chair's report to Council

At the last meeting of the FPC at the start of July, we received the month 2 finance report providing the financial situation as at the end of May, month 2. The key points are highlighted in my report to the July Board – page 4 of Annex A.

The Trust is currently ahead of the Cost Improvement Plan (CIP); this will be a challenge to maintain and key to success is delivering on the plans for reducing agency spend. The Committee asked the Director of Finance to report back at the next meeting on the status of the Care Group CIP agency spend control projects.

The highlights from the Committee's discussion on the Integrated Performance Report (IPR) are on page 2 of my report to the July Board, Annex A. In general performance is moving in the right direction. Emergency Department (ED) performance on the 4 hours access standard moving from 77% to 81% in month, despite a 7.5% higher than planned activity. Ambulance handover figures did decline in month although these are now improving again. ED performance remains a challenge with staff focussed on delivering the improvement plan. Benchmarking data will be published soon which will give the Trust the opportunity to assess its own performance against other similar organisations.

The Chief Operating Officer advised the Committee that planning is already underway to prepare for targets that will be introduced next year, in particular for the provision of diagnostic procedures within 28 days of request. There are also plans for changes to Cancer Targets in 2020 and the Cancer Alliance will provide additional funding to support the Trust's work to meet these targets.

The Committee spent some time discussing the Aligned Incentive Contract (AIC) being proposed by the CCGs. This is an alternative contract model to the Payment by Results contracts used in the past. Simply put, the Trust and the CCGs will agree the payment to be made for set activity level, high cost drugs and homecare. If this is delivered at less cost

than the contract then the monies remain with the Trust. If the cost exceeds the agreed contract no further monies will be due unless the increased activity exceeds a pre-agreed point. The AIC is aligned with the Joint System Recovery Plan. In addition, there is a proposal that the organisations involved with the AIC work towards establishing a joint Project Management Office to deliver improvements across the system.

The Committee agreed to this proposal and also to commit to the AIC for the next 3 to 5 years. It is also proposing to hold a joint meeting with the CCG in the Autumn.

Council will be aware that there have been concerns in the past about the robustness of data collection within the Trust, so the Committee was pleased to receive assurance about the internal processes in place to ensure the accuracy of the Trust's National Costs Collection Submission Report to NHS I. Improvements have been made in the collection system and these are strengthened by continuous review.

The Committee discussed one other item in depth at the meeting, which was not included in my report to the public board due to the sensitive nature of the topic. However, it is important for the Council to be aware that the Board is working through the options in relation to continuing to provide the benefits demonstrated by the elective orthopaedic centre. This opened at Kent and Canterbury Hospital last year, in temporary estate, and has proved to be an essential part of the management of pressures on our EDs. The Committee discussed the options available in depth and a report was taken to the closed session of the Board to ensure that these benefits are retained.

I look forward to meeting with you on 5 August to discuss the contents of this report and answer any questions you may have.

REPORT TO:	**COUNCIL OF GOVERNORS' MEETING**
DATE:	**5 AUGUST 2019**
SUBJECT:	**Report from the Chair of the Board of Directors' Strategic Workforce Committee (SWC)**
REPORT FROM:	**Chair, Board of Directors' Strategic Workforce Committee** **Jane Ollis**
PURPOSE:	**DISCUSSION**

BACKGROUND AND EXECUTIVE SUMMARY

This report provides Council with an outline of the key issues that the SWC has been focussed on, highlighting to Governors how the Non-Executive Directors are seeking assurance about the performance of the Board.

Council last received a report from the Chair of the SWC at their meeting on 14 February 2019. The SWC has met twice since then; the next meeting is scheduled for 13 August 2019.

LINKS TO STRATEGIC OBJECTIVES:	**Patients:** Help all patients take control of their own health. **People:** Identify, recruit, educate and develop talented staff. **Provision:** Provide the services people need and do it well. **Partnership:** Work with other people and other organisations to give patients the best care.

RECOMMENDATIONS AND ACTION REQUIRED:

The Council is asked to consider this report and take the opportunity to discuss with the NED Chair the contents, using the intelligence arising from Governors' engagement with FT members and the public as relevant to the work of the Committee as reported to the Trust Board.

Background

The Committee is responsible for providing the Board with assurance on all aspects relating to the workforce, including strategy, delivery, governance, risk management.

The Committee's latest report to the Board, for the meeting on 4 July 2019, is attached at Annex A for information.

Chair's report to Council

My report to the Board meeting on 4 July, at Annex A, provides a summary of the Committee's June meeting showing the concerns which were highlighted at the meeting and the assurances received about the corrective action being taken, as well as reference to what had gone well in the period.

In particular I would like to draw the attention of the Committee to the following.

- Staffing metrics are improving with the exception of sickness levels, which are creeping up gradually. A deep dive is to be carried out for a report to be brought to the August meeting of the Committee.
- Vacancies are reducing, recruitment is up and turnover down in month, with the balance of substantive staff to agency improving.

- The Committee sought assurance that the push to reduce agency spend was not at the detriment of patient care and, also, that systems were in place to monitor staff welfare for those who also worked bank shifts. The executive confirmed that this was monitored at the care group level.
- The Committee have requested that reporting on staff data be expanded to show trends over the last 2 – 3 years with a forecast to enable more robust decision making and identification of risk. The report should highlight what has been done well and what could be improved, and how.
- Presentations have been given to the Committee from the following care groups:
    - General and Specialist Medicine
    - Urgent and Emergency Care
    - Women's and Children
    - Cancer, Clinical Haematology and Haemophilia
- Over the two meetings the Committee considered a range of items, including: the Midwifery Workforce planning; statutory and essential training; a report from the Guardian of Safe Working; and Workforce Race and Disability Equality Standards. I am reassured that this provides the Committee with a good picture of the work being done in the Trust around developing and managing the workforce.
- This also provides reassurance that the Executive is fully focussed on the need to address the issues underlying the Trust's poor performance in the annual Staff Survey. The Committee itself has also spent much of its time focussed on how this work is progressing and understanding the milestones along the journey of improvement.
- A report on the Strategic Workforce Objectives was taken to the last Board meeting; which the Committee had been involving in discussing while in draft. These were approved by the Board and the point made that the delay in settling the objectives had occurred to allow the finer detail to be included so that there were clear, and measurable, milestones so that progress could be monitored through the year.
- It is pleasing to note that the objectives identified by the Trust are the same as those subsequently published for national adoption. The Committee consider that it will be important moving forward to ensure that the work on the Workforce Equality Standards (Race and Disability) is maintained as a priority.
- The Committee was very pleased to note the success of the Trust's Apprenticeship scheme – we are in the vanguard of this work and it is providing the opportunity to grow and nurture our own.

I look forward to meeting with you to discuss this report in greater depth and learn about views from your constituents which relate to these, and other workforce, issues.

East Kent Hospitals University NHS Foundation Trust

REPORT TO:	**COUNCIL OF GOVERNORS**
DATE:	**5 AUGUST 2019**
REPORT TITLE:	**MEMBERSHIP ENGAGEMENT AND COMMUNICATION COMMITTEE (MECC) CHAIR'S REPORT**
PAPER AUTHOR:	**MECC CHAIR NICK WELLS**
PURPOSE:	**DISCUSSION**
APPENDICES:	**Annex A: results of survey in the Governor Newsletter**

BACKGROUND AND EXECUTIVE SUMMARY

Executive Summary

This report provides a summary of the key items discussed at the MECC meeting held on 1 July 2019.

Background

The Committee wishes to bring the following information to the attention of Council.

- The major part of the meeting was given over to the Membership and Members Engagement Strategy. This is being considered as a substantive item on the agenda 19/28.
- The contents of the next Governor Newsletter was agreed and this was issued on 10 July. This included a survey for members to complete. The results to date are summarised at Annex A.
- Membership feedback summary this paper is presented at all MECC meetings and all governors receive a copy. The Committee did not note any themes or trends.
- During the meeting Alex Lister raised two items of additional business. One was a request that MECC agree to hold all meetings in the evening; he suggested that this would help to attract more people to the role of governor, especially those who were working. Alex explained that he had to use his annual leave to attend meetings and that this was difficult to sustain. The Committee were open to the idea of evening meetings, although there was a view that it would be better to have a mix of evening and daytime meetings. The Committee were supportive of Alex's intention to raise this issue at the Council meeting for a full discussion. This item is listed under any other business.

  The other item raised by Alex was his concerns about the effectiveness of the Council; he cited one example as the concerns that he has raised in several governor forums about the poor quality of the Trust's communications. He also felt that the Council had been unable to address the Trust's poor performance on quality of the service, as evidenced in the annual Quality Report, or the problems highlighted in the poor Staff Survey results. Alex advised the Committee that his new job, supporting a recently elected MEP, gave him the opportunity to meet with local MPs and he intended to raise his concerns with them directly.

  Alex was reminded that governors were required to work within the Council as a unit. As he had not been in attendance at the last Council meeting, a brief summary was given about the presentation given by Andrea Ashman, Acting HR Director, on the Trust's response to the poor survey results and the Council's request that the agenda for the next Council meeting allows for a significant period of time to be given to a discussion on the Trust's quality performance.

East Kent Hospitals University NHS Foundation Trust

LINKS TO STRATEGIC OBJECTIVES:	• **Getting to good:** Improve quality, safety and experience, resulting in **Good** and then **Outstanding** care. • **Higher standards for patients:** Improve the **quality and experience** of the care we offer, so patients are **treated in a timely way** and **access the best care** at all times. • **A great place to work:** Making the Trust a **Great Place to Work** for our current and future staff. • **Delivering our future: Transforming** the way we provide services across east Kent, enabling the whole system to offer **excellent integrated services.** • **Right skills right time right place:** Developing teams with the **right skills** to provide care at the **right time**, in the **right place** and achieve the **best outcomes for patients.**

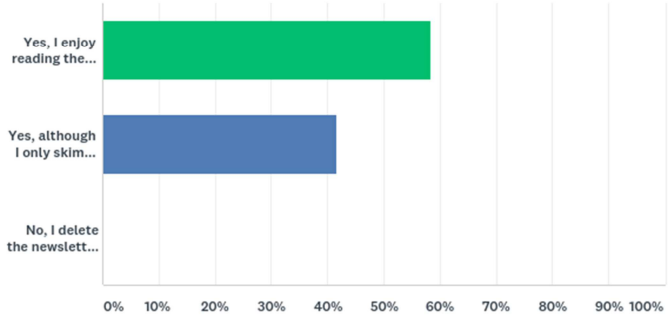
RECOMMENDATIONS AND ACTION REQUIRED:

The Council is asked to note this report.

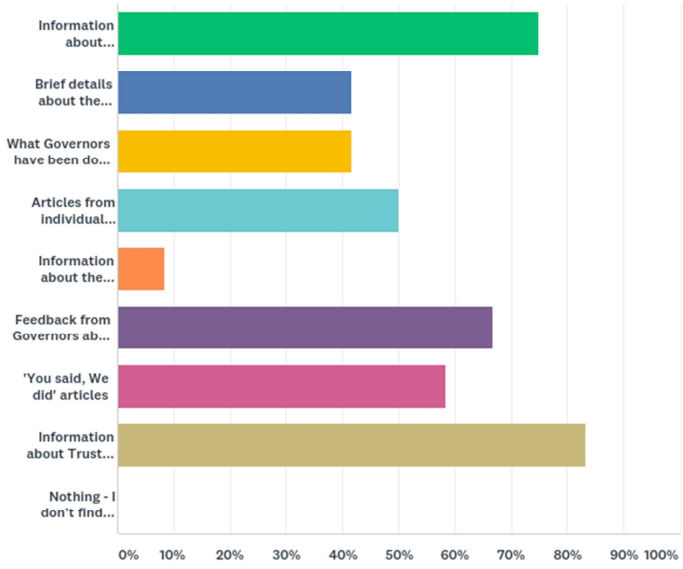
East Kent Hospitals University NHS Foundation Trust

Annex A
Results of the Member survey in the July GNL. Total responses: 12

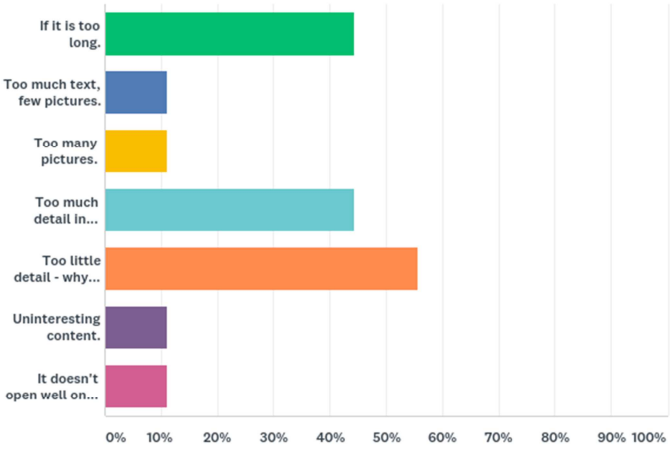
Q1 Do you read the East Kent Hospitals Governors Newsletter?



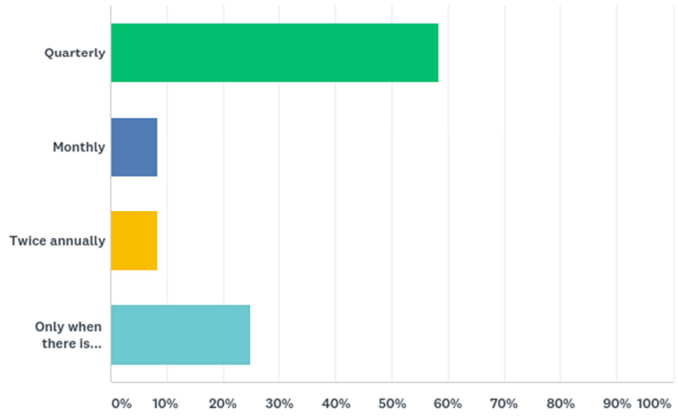
Q2 What do you want to read about in the newsletter? Please tick all that apply.



Q3 What discourages you from reading a newsletter? Tick any that apply.



Q4 How often should the newsletter be sent?



Analysis of Governor returns on engagement prioritisation

Seven responses received from 16 governors

Ref No	Proposed engagement method	Number of governors who marked as:	
		Essential	Not required
1	Piggyback Governor Communications on external systems, ie Council newsletters.	5	
2	Governor newsletter	4	
3	Ad hoc communications to members – in addition to the newsletter	2	
4	Ad hoc communications to members – replacing the newsletter	0	4
5	Members Evening meetings	3	1
6	Member surveys	5	
7	Meet the governor sessions – on site (pilot for off site sessions was not successful)	4	
8	Joint site visits	6	
9	Involvement in PLACE inspections	3	
10	Attending community arranged events	3	
11	Attending events with NHS partner organisations	4	
12	Giving talks to groups ie local branches of an association	2	
13	Linking to schools/colleges and meeting with students	1	

East Kent Hospitals University NHS Foundation Trust

Council of Governors

Membership and Members Engagement Strategy

September 2019 August 2022

CONTENTS

1. INTRODUCTION

The role of the Council of Governors is to work alongside the Board of Directors holding Non-Executive Directors to account for the performance of the Board. The Council also has a statutory duty to represent the interests of the FT members who elected them and the public as a whole.

- To be able to meet its statutory responsibilities there must be effective engagment between the Council and those it represents the members and the public. This has to be two-way process. The engaement has to be a two - way process:

  a) from governors to public members, staff and the general public in order to raise awareness of the role of Governors , provide updates on the work being done and the outcomes achieved and to encourage membership growth and involvement.

  b) to governors from staff and public members, and the general public in order to provide intelligence which will then be used to facilitate governor challenge of NEDs, to inform the Board and provide insights to inform service development opportunities.

This Strategy document lays out how the Council plans to use its resources over the coming three years to meet these responsibilities.

2. AIMS OF THE STRATEGY

The overarching aim of the strategy is:

To grow an engaged and informed membership that is representative of all parts of East Kent.

The purpose of the Strategy is to provide a framework for the Council to deliver this aim making best use of the resources available, recognising that these are finite and must be focussed to achive maximum effect.

The framework has been built around addressing the following key questions:

1. Why is it important to have a membership and a Council?
2. What are the benefits of being a member of the Trust?
3. What does the Council want to achieve?

Why is it important to have a membership and a CoG?

It is a Statutory requirement of FT status to have a membership, but beyond this there is the potential for paving the way for service improvements based on the insights from service users. They have knowledge, experience, skills and views which can be of immense value to the Trust. Opportunities to make best use of this resource should be maxised.

Furthermore, Governors represent their constituents on Council and can utilise members and the publics views to challenge NEDs about the Boards, and ultimately the Trusts, performance.

What are the benefits of FT membership to members?

To have an engaged and representative membership, people must be able to see how they will benefit from being a member.

The following are seen as member benefits.

- A regular newsletter and other ad hoc communication from the Council to keep members updated on the work the Governors are doing and how their feedback has supported this work.
- Regular communications from the Trust to keep members updated on service developments and hot issues.
- Opportunities to raise their concerns with Governors and learn what has happened as a result.
- Members meetings with presentations on interesting issues and the opportunity to engage with Governors and senior Trust managers.
- Access to the NHS discount scheme.

What does the Council want to achieve?

By increasing the understanding of the role of Governors and the purpose of the CoG, delivering the benfits of membership and ensuring effective means of engagement, the objective is to grow an engaged and informed membership that is representative of all parts of East Kent.

This in turn will enable the Council of Governors to carry out its key roles:

- represent the interests of members and the public.
- hold the Non-Executive Directors to account for the performance of the Board.

In order to realise the benefits of delivering the strategy, Governors will need to:

- Be clear about how the information gained from engagement is most effectively used to hold NEDs to account, can be utilised as evidence for Council to raise concerns or questions and to inform the agendas for Council meetings.
- Commit to ensuring there are a variety of opportunities to engage with members and to participate in these.
- Be active in promoting membership across the whole community.
- Be able to signpost members appropriately if the issues they raise are outside of the remit of the Council ie direct those with patient complaints to the Patient Experience Team.

3. SPECIFIC OBJECTIVES TO DELIVER THE STRATEGY

It is important that the strategy identifies clear and measurable objectives to justify the:

- time given by governors to engage with members;
- staff time and funding invested by the trust to support membership; and
- the time given by members and the trust placed in the governors that they will act on the information provided.

The objectives underpinning this strategy are:

1. Raise staff and public awareness of the role of Governors.
2. Public Membership to be developed to fully reflect the population that the trust serves.
3. Increase Member engagement.
4. Develop pro-active approaches to seeking the views of members and the public on service development which will inform Council and Board discussions on the issues.
5. Update members on the work that they do and the outcomes achieved.

6. Increase the proportion of public members who can be contacted electronically.
7. Ensure there is a clear process for managing the information gathered via engagement and that it is used to facilitate the Council's responsibilities.
8. Develop means of obtaining insights into the Trust's services, and how they might be improved, from the members and the public

The Action Plan below sets out in detail the way that Council intends to deliver the Strategy objectives during 2019 2022, the timelines for each action and the measures of successful delivery. The document will be amended, as may be necessary over time. It should be emphasised that the resources available to the Council are finite; govenors are volunteers who give of their own time and the Council is supported by a full time administrator within the Trust Secretary's office. It is therefore essential to prioritise the work of the Council to ensure that the best use is made of these resources in delivering the objectives.

It is considered that there are some tasks that Governors will participate in as part of their responsibilities to Council. These will provide data for tri-angulation, but are not public/member engagement per se. There are:

- Joint site visits undertaken by a team of one Board Director, one Non-exeuctive Director and two governors. Each visit last around two hours and tours four to six departments on one Trust site.
- Internal Trust inspection programmes where governors are requested to participate; such as mini-PLACE inspections to review the ward and department physical environments.
- External inspection programmes such as the annual National PLACE inspection programme.

4. ACTION PLAN

Agreed Engagment methods

Ref No	Action	Objective/s met	Measure of success	Time frame
1	Governor newsletter (GNL) Year 1: review system used to circulate GNL electronically so that it provides data on level of access. Establish a baseline for the GNL influence monitor events to determine how members/public heard about them via the GNL. Years 2 & 3: see an improvement in the measured effectiveness of the GNL.	1 6 & 8	a) Establish regular content and clear timelines for compling, reviewing and issuing GNL. b) Introduce system for assessing access to the GNL. c) Establish measures and baseline data for influence of the GNL. d) Improve performance against the measures. Deciding at the end of year 1 how much that improvement should be.	Year 1 Year 1 Year 1 Years 2 & 3
2	Members Evening meetings	1 5 & 8	a) Establish process for Governor involvment in the planning of the members evenings. b) Hold minimum of 6 meeetings per year; 2 at each of the main sites. c) Increase attendance at the meetings: i For each round ii For each site, per round	By December 2019 Annually Annually
3	On site Meet the governor sessions	1 5 & 8	a) Minimum of 2 Governors to attend every scheduled session 10 per year	Every session, report quarterly to MECC and Annually to Council

			b) Minimum of 10 contacts made per session. c) Evidence of change arising from contacts made at the sessions.	Every session, report quarterly to MECC and Annually to Council Report bi-annually to Council
4	Attending events with NHS partner organisations	1 5 & 8	a) Have a governor presence at 50% of the events the Council is invited to attend. b) At least two governors attending each event.	Annual report Every session, report quarterly to MECC and Annually to Council

It was also decided to fully scope and trial, two further engagment methods in the first year of the strategy and review the outcome when the first annual performance report is considered by the Council at their meeting in November 2020.

- Piggyback existing external communications systems, such as Council newsletters.
- Member/public surveys

5. CHALLENGES TO THE DELIVERY OF THE PLAN

The details of the action plan will need to be carefully balanced so that it can be delivered using the resources available. Governor agreement with, and commitment to, the plan will be essential to that delivery.

There will be Governor elections in February 2020 and 2021; understanding the Strategy will need to be included in the induction plan to ensure that momentum is not lost as the Council manages the changes in dynamics resulting from a change in membership. Simlarly, any changes to Trust staff involved in delivery of the plan will need to be managed to ensure continuity.

National changes to the role of Council and Governors may impact on the plan.

6. MONITORING THE PLAN

Progress against the plan will be reported at each of the quarterly meetings of the Council's Membership Engagement and Communication Committee. The MECC Chair will provide a report to Council after each meeting updating on progress against the plan and inviting discussion to ensure that the Council is in agreement with the plan as it develops.

The Strategy will be formally evaluated once a year, against the specified measures of succes, with a report provided to the Full Council meeting in August.

East Kent Hospitals University NHS Foundation Trust

REPORT TO:	**COUNCIL OF GOVERNORS**
DATE:	**5 AUGUST 2019**
REPORT TITLE:	**MEMBERS AND MEMBERSHIP ENGAGEMENT STRATEGY 2019 - 2022**
PAPER AUTHOR:	**NICK WELLS** **CHAIR, MEMBERSHIP ENGAGEMENT AND COMMUNICATION COMMITTEE (MECC)**
PURPOSE:	**RATIFICATION**
APPENDICES:	**Appendix A** – analysis of Governor returns on engagement prioritisation **Appendix B** – final draft of Strategy

EXECUTIVE SUMMARY

This paper presents the final draft of the Members and Membership Engagement Strategy for ratification by the Council. It takes into account the responses from Governors with respect to prioritising the range of engagement methods proposed. The Strategy is due to run from 1 September 2019 to 31 August 2022.

LINKS TO STRATEGIC OBJECTIVES:	• **Getting to good:** Improve quality, safety and experience, resulting in **Good** and then **Outstanding** care • **Higher standards for patients:** Improve the **quality and experience** of the care we offer, so patients are **treated in a timely way** and **access the best care** at all times • **A great place to work:** Making the Trust a **Great Place to Work** for our current and future staff • **Delivering our future: Transforming** the way we provide services across east Kent, enabling the whole system to offer **excellent integrated services** • **Right skills right time right place:** Developing teams with the **right skills** to provide care at the **right time**, in the **right place** and achieve the **best outcomes for patients** • **Healthy finances:** Having Healthy Finances by providing better, **more effective patient care** that makes resources go further

RECOMMENDATIONS AND ACTION REQUIRED

The Council is asked to consider and discuss this final draft of the Strategy, particularly with respect to:

a. being clear about the process for managing the information gathered via engagement and that it is used to facilitate the Council's responsibilities (objective 7);
b. the proposed engagement methods to be used;

and ratify the strategy for implementation from 1 September 2019.

Background

The Council of Governors tasked the MECC to draft the next Members and Membership Engagement Strategy, which will start in September this year and run for three years. A draft was taken to the April meeting of Council.

The draft included a range of possible engagement activities and it was recognised that the

Council did not have the resources to be able to undertake all of those listed. It was agreed that Governors would be asked to prioritise the list of activities to identify which would be included in the final draft of the strategy. This effectively provides Council with its operational plan with respect to Member/Public engagement.

An email was sent to Governors on 3 June requesting their view on prioritisation by 11 June with a reminder sent on 10 June. The final response was received on 13 June; seven of 16 active governors responded myself, Alex, Ken, Julie, Marcella, Sarah and Sharon. Junetta also responded to the email; unfortunately the return went astray in posting. This was a disappointing response rate given that engaging with members and the public is one of the two key statutory duties of governors.

A summary of the responses received is at Appendix A.

The MECC met on 5 August to agree the final draft of the Strategy to present to Council for ratification at this meeting. The final document is presented at Annex B.

In the discussion on this item at the meeting, Alex Lister said that the draft did not properly reflect the view had had expressed from the start of the process that the strategy should be explicit about the way Council meetings will be managed to ensure that the information gathered is used to inform the Council agenda.

He had proposed that Council consider adopting a model similar to that used for Local Authority meetings, where Councillors propose motions for Council to consider and there would then be a vote by the whole Council. It was essential for members and the public to see that the governors were able to make a difference; without this clear pathway, between the information gathered via engagement and Council decision making, he considered that the Strategy would be ineffective.

The draft strategy does make reference to the need to be clear about how information will be used:

> Page 4
> In order to realise the benefits of delivering the strategy , Governors will need to:
>
> - Be clear about how the information gained from engagement is most effectively used to hold NEDs to account, can be utilised as evidence for Council to raise concerns or questions and to inform the agendas for Council meetings.
>
> Page 5
> The objectives underpinning this strategy are: .
>
> 7. Ensure there is a clear process for managing the information gathered via engagement and that it is used to facilitate the Council s responsibilities.

Alex requested that the strategy should include the specific mechanism to be used.

The MECC discussed this point at length. The advice given at the meeting by the Governor and Membership Lead was that the details of the way in which the Council conducted its business was not within the remit of a strategy document on Membership Engagement and Communication. As currently drafted, the strategy acknowledged the importance of being clear how the information was to be used.

The consensus of the MECC meeting was that the point raised by Alex needed to be debated by the whole Council, and it would therefore be raised as a specific issue in this report; and I will invite Alex to speak to this at the Council meeting.

Council has seen previous versions of the draft strategy; the key changes within this final version are the choices made for inclusion in the Action Plan, page 6. The MECC are proposing the following four engagement methods:

- Governor newsletter
- Members evenings
- On-site meet the governor sessions
- Attending events with NHS partner organisations.

In addition two further methods should be fully scoped and trialled:

- Piggy-backing on existing external communications systems, such as Council newsletters.
- Member/public surveys

The assumption has been made that Joint Site Visits and PLACE inspections are part of the normal workload of a governor and not primarily an engagement exercise; these would be expected to continue.

Council is asked to consider the draft and ratify it for implementation as from 1 September 2019.

East Kent Hospitals University NHS Foundation Trust

REPORT TO:	**COUNCIL OF GOVERNORS**
DATE:	**5 AUGUST 2019**
REPORT TITLE:	**COUNCIL AND COUNCIL EFFECTIVENESS SURVEY**
PAPER AUTHOR:	**GROUP COMPANY SECRETARY**
PURPOSE:	**DISCUSS**
APPENDICES:	**Annex A: survey results** **Annex B: analysis outcome**

BACKGROUND AND EXECUTIVE SUMMARY

A paper on the annual Effectiveness Survey was brought to the Council meeting held on 24 May 2019, providing the raw data, together with comparative data from the previous two surveys.

Council requested the that the item be deferred to this meeting in order to provide more time for analysis and for governors to consider the results. The survey was also re-opened to give those who had not responded a chance to do so; an email to this effect was sent to Governors on 28 May. One more response was received making the total 12 responses from a possible 16.

The survey provided an opportunity to include comments against each of the statements; it was noted at the May meeting that very few comments had been made. It was agreed that anyone who wished to provide comments could do so directly to the Governor and Membership Lead. An email to this effect, together with a form to complete, was sent on 10 June. No further information was provided.

The updated results are presented at Annex A.

Data Analysis

It was suggested at the May Council meeting that the analysis of the data should focus on areas where the responses were most negative. The principles followed to achieve this were to look at the 2019 results and eliminate any questions where:

A. no-one scored 'Disagree' or 'Strongly disagree'; and
B. the combined score from the 'Strongly Agree' and 'Agree' is 50% or higher than the sum of the scores for other three categories (rounding up figures).
   For example if the sum of the 'other three' categories is 5, then the 'agree' categories would need to exceed 8 for it to be eliminated

The outcome of applying these filters is presented at Annex B: the first tab lists the statements remaining – those that elicited a more negative response; and the second tab contains those questions which were eliminated.

This suggests three themes:

- that the Council is not perceived as making a difference;
- engagement with members is a significant issue; and
- working with Board needs to be improved.

The analysis suggests that governors consider that they have:

- a good understanding of their roles and responsibilities;
- that Council meetings are run effectively – though more opportunity to influence the

agenda would be welcome; and
- the Council Committee arrangements are acceptable, although more work needs to be done to improve their effectiveness - the comment was made that the change from an Audit to an Audit and Governance committee may be beneficial in this regard.

Next steps

Council is invited to consider how to apply this information to effect change. The following questions are suggested to help prompt the discussion:

- The Members and Membership Engagement Strategy is being presented for ratification earlier in this meeting. How will the Council ensure that this is effectively implemented and results in improved engagement?
- Given that the role of the Council is to hold the NEDs to account, what does Council see as the benefit of having more time with the Executive?
- How can the Council make best use of their time with the NEDs? Currently the Chairs of the Board Committees each attend two Council meetings a year, there is an annual half day joint session of Governors and NEDs, NEDs are on the Joint Site Visit teams and the Senior Independent Director attends many meetings of the Council's Nomination and Remuneration Committee.
- How can Council measure the outcome of its work? How can it judge whether it is making a difference?

It is proposed that this survey is repeated in early February 2020 and the results brought to the joint meeting of the Governors and NEDs. This will be the final meeting for five of the current governors who will have served the maximum three terms of office.

Historic Context

The Council undertakes an effectiveness survey annually to assess how well it is performing and where improvements can be made. The 2018 survey was issued to Governors in May.

It was decided not present the results formally at Council as this was a significant period of change for the Trust with both the Chair and CEO having changed and a large proportion of the Council having been newly elected in February. A number of the new governors commented that they had been unable to answer questions relating to performance as they had not been in post long enough. The 2016 survey used the same questions and is presented here for comparison.

It was decided that the survey results would be used as a baseline comparison for the next survey undertaken. The corporate office did take note of the comments made

LINKS TO STRATEGIC OBJECTIVES:	• **Getting to good:** Improve quality, safety and experience, resulting in **Good** and then **Outstanding** care. • **Higher standards for patients:** Improve the **quality and experience** of the care we offer, so patients are **treated in a timely way** and **access the best care** at all times. • **A great place to work:** Making the Trust a **Great Place to Work** for our current and future staff. • **Delivering our future: Transforming** the way we provide services across east Kent, enabling the whole system to offer **excellent integrated services.** • **Right skills right time right place:** Developing teams with the **right skills** to provide care at the **right time**, in the **right place** and achieve the **best outcomes for**

	patients. • **Healthy finances:** Having Healthy Finances by providing better, **more effective patient care** that makes resources go further.

RECOMMENDATIONS AND ACTION REQUIRED:

The Council is asked to discuss the contents of the paper and agree the:

- changes it wishes to make in response to the outcome of the survey; and
- proposal to repeat the survey in early February 2020.

CoG 19/29 Annex A

COUNCIL AND COUNCIL COMMITTEE EFFECTIVENESS SURVEY							
Section 1: Roles & Responsibilities							
No.	Statement 2019 - 11 responders from 17 2018 - 13 responders from 19 2017 - 17 responders from 26	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Comments from 2019 survey
1	I have a clear understanding of the roles of the Governor, including those within the Health and Social Care Act 2012	5 2 4	3 8 10	1 2 3	1 1 0	1 0 0	8 years as governor & many training events
2	I have a clear understanding of what it means to hold the Trust's Board of Directors to account.	5 5 8	2 3 6	2 5 1	1 0 2	1 0 0	
3	The Council of Governors adopt a rigorous process for the appointment of new Non-Executive Directors.	2 5 9	4 6 6	5 2 2	0 0 0	0 0 0	Chair of Nom & Rem
4	The Council of Governors adopt a rigorous process for the appraisal of the Chair and Non-Executive Directors.	2 2 4	6 8 6	3 3 2	0 0 3	0 0 1	In transition to new system. It may be helpful to consider discussion in person as part of a closed Council session. This might be combined with the current e mail correspondence.
5	Overall, the Governors, via the Council or Committee meetings alongside other activities, make a valuable contribution to the Trust.	1 1 1	5 6 6	4 5 7	0 1 1	1 0 2	The revised Committee structure and reintroduction of visits and Members events alongside strengthened public Board meetings facilitate contributions made.
Section 2: Full Council of Governor Meetings							
No.	Statement	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Comments:
6	Agendas and supporting documents are circulated in sufficient time for each meeting.	2 1 5	8 9 5	0 3 1	2 0 5	0 0 1	Well supported by the admin team. With rare exceptions this is the case.
7	The agendas contain an appropriate mix of items.	0 1 4	9 8 8	1 4 3	1 0 1	0 0 1	
8	Governors have sufficient opportunity to identify 'topics of interest' to add to the Council of Governors programme/meeting planner.	0 1 2	5 7 9	5 5 2	1 0 4	0 0 0	
9	Meeting papers contain sufficient information to allow me to participate in discussions.	1 2 5	8 7 10	1 4 1	0 0 1	1 0 0	
10	Everyone has an opportunity to contribute to the discussion.	3 3 2	7 9 9	0 0 1	1 1 3	0 0 1	
11	Action points are followed up in a timely fashion	1 1 1	6 6 9	3 6 5	0 0 1	1 0 1	

12	The time allocated to Council of Governor meetings is adequate.	0 0 1	8 7 8	3 5 3	0 1 4	0 0 1	Hard to balance length of meetings with amount of material. However govetnors have access to a range of other sources of information. Public meetings yes. Closed sessions might benefit from more time for discussion.
13	The Council of Governors meet at the most appropriate time.	1 0 0	6 6 12	3 6 3	0 0 1	1 1 0	Since I was elected, the Council of Governors meetings have always been in the daytime. 9 am. Mindful that the time of day meeetings are arranged may not suit everyone.
14	The Council of Governors meet sufficiently regularly to discharge its duties.	0 0 0	5 5 6	5 4 4	0 1 4	0 0 1	The agenda of Council of Governors meetings is planned in time and the topics and agenda items together with with effective charing, the meetings are productive Based on the understanding that an extraordinary meeting can always be added if necessary.
15	Overall, Council of Governor meetings are productive.	0 0 1	7 7 9	2 5 1	2 1 4	0 0 2	Inevitably some meetings are more productive than others.
Section 3: Council of Governor Committees							
No.	Statement	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Comments:
16	Council of Governor Committees make an effective contribution to the work of the Governors.	0 0 4	7 7 8	3 6 5	1 0 0	0 0 0	With reenergised Membership Committee and reintroduced Quality element to Audit and Governance I believe this is so.
17	I have the opportunity to be involved in the Committees that interest me.	4 3 7	6 8 9	1 2 0	0 0 0	0 0 0	I think that as Governors we should at least be asked which committee we would like to be on and not just changed at the end of the year. Memberdhip Engagement Commincations Committee is of intrest because it deals with matters to Trust members. There are some committees which are operantional and so Governors are not allowed to be involed
18	The Committees receive appropriate support from the Trust.	2 1 3	8 5 13	1 6 0	0 1 1	0 0 0	
19	The current number and structure of Council Committees are appropriate to carry out the Council's statutory duties.	0 1 1	6 3 12	5 7 3	0 2 1	0 0 0	We are at the moment two Governors down so are we able to carry out our Statutory duties?
20	The Committees effectively engage with the Council of Governors as a whole in undertaking their work.	1 1 1	7 5 13	3 6 1	0 1 2	0 0 0	
Section 4: Effectiveness of the Council of Governors							
No.	Statement	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Comments:

21	As a Governor I am able to effectively communicate with members.	1 0 1	4 6 5	4 6 7	2 1 4	0 0 0	Thus is a very difficult thing to do and I'm not aware of any Trust that has satisfactorily solved this problem To some degree I agree. For example, meet the GOV sessions on Hospital sites enable me to personally meet and engage with the public and members
22	Governors effectively engage with and represent the views of the Trust membership.	1 0 0	3 0 4	4 12 5	3 1 7	0 0 0	I engage with people from all backgrounds and listen to their veiws and their feedback of the services and how satisfied they were with the care they received. Communication is probably partial as not all members choose to engage .
23	Governors are effective in communicating with the membership about the activities they undertake on its behalf.	1 0 1	3 5 3	5 7 9	2 1 3	0 0 1	I engage with people from all backgrounds and listen to their veiws and their feedback of the services and how satisfied they were with the care they received. This is so through the AMM and Governor Newsletter
24	The Council of Governors effectively discharges its role of holding the Board of Directors to account for the performance of the Trust.	1 2 1	5 3 9	4 6 5	0 2 1	1 0 1	As already mentioned we are Two governors down so are we effectively discharging our role?
25	The Council of Governors is able to influence the direction of the Trust's future strategy.	0 0 0	3 2 3	6 9 7	2 2 3	0 0 3	I am not sure how much of our opinions are taken forward In the present climate future strategy is significantly bound up with partners.
26	The Council of Governors is the appropriate size to effectively carry out its statutory duties.	2 0 2	5 9 9	4 4 2	0 0 3	0 0 1	Again we are two Governors down
27	I believe the role of the Lead Governor enhances the effectiveness of the Council of governors.	1 3 1	7 4 5	1 5 5	2 1 4	0 0 1	I do not think we need to have a Lead governor I feel that we are able to make comment, by putting ideas through a third party ones comment might be given a different slant.
28	Relationships within the Council are constructive and work effectively.	1 0 1	7 6 9	1 7 3	1 0 3	0 0 0	
29	The Council of Governors plays an active role in developing the Trust's membership strategy (recruitment and engagement).	2 0 2	5 5 12	4 8 3	0 0 0	0 0 0	Governors have the opportunity to sit on MECC and one talk undertaken in 2019 is to reveiw the Membership Engagement Strategy Via the committee
Section 5: Working with the Trust							
No.	Statement	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Comments:
30	Governors can readily approach the Chair with a query or issue.	3 2 6	5 7 10	2 4 1	1 0 0	0 0 0	By liasing with the Lead Governor who meet with the Chair regularly and raise issues by the Governors
31	Governors are able to approach any Board member with a query or issue.	2 1 5	3 6 9	6 5 3	0 1 0	0 0 0	We need to have a definitive contact list of all the Board members, contact details Monthly at the Board meetings when members of the public are able to ask queastions

32	The Board of Directors is supportive of the Council of Governors.	1 2 2	5 3 2	4 6 1	1 1 1	0 0 0	
33	Governors have sufficient contact with the Trust's Executive Directors	0 1 1	3 4 7	7 7 6	1 1 2	0 0 0	Monthly at Board meetings
34	Governors have sufficient contact with the Trust's Non-Executive Directors.	1 1 1	3 3 9	5 6 6	2 1 0	0 2 1	We need to have a definitive contact list Site visits are arranged and Governors jointly undertake these visits with the Executives and the Non- Executives
35	The Trust provides Governors with sufficient information to enable them to perform their roles.	1 2 1	4 4 10	5 5 5	0 1 0	1 1 0	Our roles need to be more defined
36	The Trust provides sufficient support to the Governors to enable them to effectively discharge their role.	1 2 2	5 4 9	5 6 6	0 1 0	0 0 0	
Section 6: Skills/knowledge development for Governors							
No.	Statement	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Comments:
37	I have sufficient skills, knowledge and experience to make an effective contribution as a Governor.	3 2 5	7 9 9	1 2 3	0 0 0	0 0 0	
38	Governor's specific training and development needs are identified and the appropriate training is provided.	0 1 1	8 1 9	3 5 5	0 1 2	0 1 0	More training needs to be given to new Governors The appropriate training us not always available Undecided because personally I have not had any specific training or deveoplment needs addressing. NHS Providers have provided training which all Governors were invited to
39	External development opportunities are drawn to Governors' attention and made available.	0 1 2	7 6 11	4 5 2	0 1 1	0 0 0	I am not aware of this or been involved Within financial limits
40	The induction programme for new Governors sufficiently meets their initial familiarisation needs.	0 0 0	6 6 8	3 4 5	1 2 1	0 1 2	Been a governor for many years. I understand from new governors that it is good.
	Comments						Comments:
41	Please enter any comments you have about this survey.						None

COG 19/29 Annex B - tab 1 retained

COUNCIL AND COUNCIL COMMITTEE EFFECTIVENESS SURVEY : more negative responses		
Section 1: Roles & Responsibilities		
No.	Statement	Comments from 2019 survey
5	Overall, the Governors, via the Council or Committee meetings alongside other activities, make a valuable contribution to the Trust.	The revised Committee structure and reintroduction of visits and Members events alongside strengthened public Board meetings facilitate contributions made.
Section 2: Full Council of Governor Meetings		
8	Governors have sufficient opportunity to identify 'topics of interest' to add to the Council of Governors programme/meeting planner.	
Section 3: Council of Governor Committees		
16	Council of Governor Committees make an effective contribution to the work of the Governors.	With reenergised Membership Committee and reintroduced Quality element to Audit and Governance I believe this is so.
Section 4: Effectiveness of the Council of Governors		
21	As a Governor I am able to effectively communicate with members.	Thus is a very difficult thing to do and I'm not aware of any Trust that has satisfactorily solved this problem To some degree I agree. For example, meet the GOV sessions on Hospital sites enable me to personally meet and engage with the public and members
22	Governors effectively engage with and represent the views of the Trust membership.	I engage with people from all backgrounds and listen to their veiws and their feedback of the services and how satisfied they were with the care they received. Communication is probably partial as not all members choose to engage .
23	Governors are effective in communicating with the membership about the activities they undertake on its behalf.	I engage with people from all backgrounds and listen to their veiws and their feedback of the services and how satisfied they were with the care they received. This is so through the AMM and Governor Newsletter
24	The Council of Governors effectively discharges its role of holding the Board of Directors to account for the performance of the Trust.	As already mentioned we are Two governors down so are we effectively discharging our role?
25	The Council of Governors is able to influence the direction of the Trust's future strategy.	I am not sure how much of our opinions are taken forward In the present climate future strategy is significantly bound up with partners.
Section 5: Working with the Trust		
32	The Board of Directors is supportive of the Council of Governors.	
33	Governors have sufficient contact with the Trust's Executive Directors	Monthly at Board meetings

34	Governors have sufficient contact with the Trust's Non-Executive Directors.	We need to have a definitive contact list Site visits are arranged and Governors jointly undertake these visits with the Executives and the Non- Executives
35	The Trust provides Governors with sufficient information to enable them to perform their roles.	Our roles need to be more defined
Section 6: Skills/knowledge development for Governors		

CoG 19/29 Annex B - tab 2 eliminated		
Eliminated as no-one scored as disagree or strongly disagree		
Eliminated as the the balance of scores was towards agree		
Section 1: Roles & Responsibilities		
1	I have a clear understanding of the roles of the Governor, including those within the Health and Social Care Act 2012	8 years as governor & many training events
2	I have a clear understanding of what it means to hold the Trust's Board of Directors to account.	
3	The Council of Governors adopt a rigorous process for the appointment of new Non-Executive Directors.	Chair of Nom & Rem
4	The Council of Governors adopt a rigorous process for the appraisal of the Chair and Non-Executive Directors.	In transition to new system. It may be helpful to consider discussion in person as part of a closed Council session. This might be combined with the current e mail correspondence.
Section 2: Full Council of Governor Meetings		
6	Agendas and supporting documents are circulated in sufficient time for each meeting.	Well supported by the admin team. With rare exceptions this is the case.
7	The agendas contain an appropriate mix of items.	
9	Meeting papers contain sufficient information to allow me to participate in discussions.	
10	Everyone has an opportunity to contribute to the discussion.	
11	Action points are followed up in a timely fashion	
12	The time allocated to Council of Governor meetings is adequate.	Hard to balance length of meetings with amount of material. However govetnors have access to a range of other sources of information. Public meetings yes. Closed sessions might benefit from more time for discussion.
13	The Council of Governors meet at the most appropriate time.	Since I was elected, the Council of Governors meetings have always been in the daytime. 9 am. Mindful that the time of day meeetings are arranged may not suit everyone.

14	The Council of Governors meet sufficiently regularly to discharge its duties.	The agenda of Council of Governors meetings is planned in time and the topics and agenda items together with with effective charing, the meetings are productive Based on the understanding that an extraordinary meeting can always be added if necessary.
15	Overall, Council of Governor meetings are productive.	Inevitably some meetings are more productive than others.
Section 3: Council of Governor Committees		
17	I have the opportunity to be involved in the Committees that interest me.	I think that as Governors we should at least be asked which committee we would like to be on and not just changed at the end of the year. Memberdhip Engagement Commincations Committee is of intrest because it deals with matters to Trust members. There are some committees which are operantional and so Governors are not allowed to be involed
18	The Committees receive appropriate support from the Trust.	
19	The current number and structure of Council Committees are appropriate to carry out the Council's statutory duties.	We are at the moment two Governors down so are we able to carry out our Statutory duties?
20	The Committees effectively engage with the Council of Governors as a whole in undertaking their work.	
Section 4: Effectiveness of the Council of Governors		
26	The Council of Governors is the appropriate size to effectively carry out its statutory duties.	Again we are two Governors down
27	I believe the role of the Lead Governor enhances the effectiveness of the Council of governors.	I do not think we need to have a Lead governor I feel that we are able to make comment, by putting ideas through a third party ones comment might be given a different slant.
28	Relationships within the Council are constructive and work effectively.	
29	The Council of Governors plays an active role in developing the Trust's membership strategy (recruitment and engagement).	Governors have the opportunity to sit on MECC and one talk undertaken in 2019 is to reveiw the Membership Engagement Strategy Via the committee
Section 5: Working with the Trust		

30	Governors can readily approach the Chair with a query or issue.	By liasing with the Lead Governor who meet with the Chair regularly and raise issues by the Governors
31	Governors are able to approach any Board member with a query or issue.	We need to have a definitive contact list of all the Board members, contact details Monthly at the Board meetings when members of the public are able to ask queastions
36	The Trust provides sufficient support to the Governors to enable them to effectively discharge their role.	
Section 6: Skills/knowledge development for Governors		
37	I have sufficient skills, knowledge and experience to make an effective contribution as a Governor.	
38	Governor's specific training and development needs are identified and the appropriate training is provided.	More training needs to be given to new Governors The appropriate training us not always available Undecided because personally I have not had any specific training or deveoplment needs addressing. NHS Providers have provided training which all Governors were invited to
39	External development opportunities are drawn to Governors' attention and made available.	I am not aware of this or been involved Within financial limits
40	The induction programme for new Governors sufficiently meets their initial familiarisation needs.	Been a governor for many years. I understand from new governors that it is good.

East Kent Hospitals University NHS Foundation Trust

REPORT TO:	**COUNCIL OF GOVERNORS**
DATE:	**5 AUGUST 2019**
REPORT TITLE:	**ANNUAL REPORTS**
PAPER AUTHOR:	**GROUP COMPANY SECRETARY**
PURPOSE:	**DISCUSS**
APPENDICES:	**See May meeting papers:** **CoG 19/05 APPENDIX 1: ANNUAL REPORT AND ACCOUNTS (INCLUDING ANNUAL GOVERNANCE STATEMENT AND QUALITY ACCOUNT)**

BACKGROUND AND EXECUTIVE SUMMARY

The item provides Council with the opportunity to discuss and review the following annual reports:

- Annual Report
- Quality Report
- Annual Accounts

It is in response to the discussions at the Closed meeting of Council on 24 May when the documents were provided, prior to laying before Parliament. The documents are now within the public domain and Governors have the opportunity to review and discuss the content.

The documents will be presented at the Annual Members Meeting on 3 September 2019.

LINKS TO STRATEGIC OBJECTIVES:	• **Getting to good:** Improve quality, safety and experience, resulting in **Good** and then **Outstanding** care. • **Higher standards for patients:** Improve the **quality and experience** of the care we offer, so patients are **treated in a timely way** and **access the best care** at all times. • **A great place to work:** Making the Trust a **Great Place to Work** for our current and future staff. • **Delivering our future: Transforming** the way we provide services across east Kent, enabling the whole system to offer **excellent integrated services.** • **Right skills right time right place:** Developing teams with the **right skills** to provide care at the **right time**, in the **right place** and achieve the **best outcomes for patients.** • **Healthy finances:** Having Healthy Finances by providing better, **more effective patient care** that makes resources go further.

RECOMMENDATIONS AND ACTION REQUIRED:
The Council is invited to discuss this paper.

East Kent Hospitals University NHS Foundation Trust

REPORT TO:	**COUNCIL OF GOVERNORS**
DATE:	**5 AUGUST 2019**
REPORT TITLE:	**COUNCIL AND COUNCIL COMMITTEE DATES 2020/21**
PAPER AUTHOR:	**GROUP COMPANY SECRETARY**
PURPOSE:	**AGREE**
APPENDICES:	**Annex A: dates schedule**

BACKGROUND AND EXECUTIVE SUMMARY

The proposed schedule of dates for Council and Council Committees for April 2020 to March 2021 is attached at Annex A.

This has been based on the pattern used for 2019/20 and takes into account the proposed dates for Board and Board Committees, which will be considered by the Board at their development session on 1 August.

There are 4 Public/Closed sessions in the year positioned, as far as possible, so that the Council Committees can report through in a timely fashion and they are spread as evenly as possible taking into account bank holidays etc. In addition there is a joint meeting of the Governors and NEDs, held on the same day as the February public meeting. A strategy meeting is planned in January and there is a training day set in July.

For the Council Committees the following principles have been used:

- MECC: quarterly and positioned so that the annual performance data for the Members and Membership Engagement Strategy can be considered and reported to November meeting of Council.
- Audit and Governance Committee: set to take place the week after the Board's Quality Committee. The August, November and February meetings will consider the QI, Q2 and Q3 performance data respectively. The April meeting will focus on the year end position and developing the draft of the Governors' Commentary on the Quality report. The May meeting is set to finalise the draft so that it can be ratified virtually by Council in time for the Joint meeting of the Board Committees, which agrees the drafts of the Annual reports.
- Nomination and Remuneration Committee: one date has been set in November to start the process for the vacancy which will arise in May 2021 when Barry Wilding comes to the end of his term of office. At this meeting the Committee may wish to consider benchmarking NED remuneration. There may be other meetings through the year depending on circumstances.

Once the dates have been agreed, dates for the following events will be fitted around them:

- Meet the governor sessions – monthly except for August and December
- Joint site visits – monthly
- Members evenings – frequency to be agreed with the MECC and proposed to Council.

LINKS TO STRATEGIC OBJECTIVES:	• **Getting to good:** Improve quality, safety and experience, resulting in **Good** and then **Outstanding** care. • **Higher standards for patients:** Improve the **quality and experience** of the care we offer, so patients are **treated in a timely way** and **access the best care** at all times. • **A great place to work:** Making the Trust a **Great Place to Work** for our current and future staff. • **Delivering our future: Transforming** the way we provide services across east Kent, enabling the whole system to offer **excellent integrated services.** • **Right skills right time right place:** Developing teams with the **right skills** to provide care at the **right time**, in the **right place** and achieve the **best outcomes for patients.** • **Healthy finances:** Having Healthy Finances by providing better, **more effective patient care** that makes resources go further.
RECOMMENDATIONS AND ACTION REQUIRED: The Council is asked to agree the proposed schedule of dates.	

2019 /20	Sa	Su	M	T	W	T	F	Sa	Su	M	T	W	T	F	Sa	Su	M	T	W	T	F	Sa	Su	M	T	W	T	F	Sa	Su	M	T	W	T	F	Sa	Su
Version: April 2019																																					
APR 2019			1	2	3	4 B W	5	6	7	8 MEC	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30 mtg W					
MAY					1	2	3	4	5	6	7	8	9 B K	10	11	12	13	14	15	16	17	18	19	20	21	22 mtg B	23	24 CoG - K	25	26	27	28	29	30	31		
JUN	1	2	3	4	5	6 B W	7	8	9	10	11	12	13	14	15	16	17	18 mtg Q	19	20	21	22	23	24	25	26	27	28	29	30							
JUL			1 MEC K&C	2	3	4 B W	5	6	7	8	9	10	11	12	13	14	15	16 MM - K&C	17	18 mtg K	19	20	21	22 MM - QEQ	23	24	25	26	27	28	29 MM - WH	30	31				
AUG						1	2	3	4	5 CoG - W	6	7	8	9	10	11	12	13	14	15 AGC WH	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
SEPT		1	2	3 AM M	4 NRC K&C	5 B K	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25 mtg R	26	27	28	29	30						
OCT				1	2	3 TRN - W	4	5	6	7 MEC	8	9	10	11	12	13	14	15 mtg W	16	17	18	19	20	21	22 MM WH	23	24	25	26	27	28 MM QEQ	29 MM K&C	30	31			
NOV							1	2	3	4	5	6 AGC K&C	7	8	9	10	11	12 CoG - Q	13	14 B Q	15	16	17	18	19	20	21 mtg B	22	23	24	25	26	27	28	29	30	
DEC		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31					
JAN 2020					1	2	3	4	5	6 MEC K&C	7	8	9 B K&C	10	11	12	13	14	15	16	17	18	19	20	21 strat - W	22	23	24	25	26	27	28	29 mtg K	30	31		
FEB	1	2	3	4	5	6 B WH	7	8	9	10	11 AGC K&C	12	13	14	15	16	17	18	19	20	21	22	23	24	25 mtg Q	26	27 CoG ??	28	29								
MAR		1	2	3	4	5 QEQ M	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26 mtg R	27	28	29	30	31					

KEY

CoG — Council meetings in public

CoG — Strat - strategy development
K&M - Kent & Meday Governors Event

AM — Annual Members Meeting

B / X — Public Board meetings X = Site

NRC — CoG Nominations and Remuneration Committee (ad hoc)

AC — Audit & Goverance Committee

MEC — Membership Engagement and Communication Committee

T&F — Task and finish group

mtg — Meet the Governor session - on Trust site

Bank Holiday X School Holiday

Members Evening

Normal meeting times
Check agendas to confirm

Council meetings:
Mornings

MECC:
11.00 - 1.00

NRC:
Check agenda

Meet the Governor:
10.00 - midday

Boards:
Check website

W = William Harvey, Ashford
K = Kent & Canterbury
Q = QEQM
B = Buckland
R = Royal Vicotria

Off Site
C = Canterbury area
A = Ashford area
D = Dover area
F = Folkestone area
T = Thanet area