

**UNCONFIRMED MINUTES FROM THE THIRTIETH MEETING OF THE
 COUNCIL OF GOVERNORS
 FRIDAY 8 MAY 2015, THE GLO CENTRE, GILGAL CAFÉ, UNIT 2, WESTWOOD BUSINESS
 PARK, STRASBOURG STREET, MARGATE, CT9 4JJ**

PRESENT:

Jonathan Spencer	Acting Chairman	JSp
David Bogard	Elected Staff Governor	DB
Mandy Carliell	Elected Staff Governor	MC
Paul Durkin	Elected Governor – Swale	PD
Brian Glew	Elected Governor – Canterbury	BG
Eunice Lyons-Backhouse	Elected Governor – Rest of England and Wales	ELB
Dr John Sewell	Elected Governor – Shepway	JS
Philip Wells	Elected Governor – Canterbury	PW
Matt Williams	Elected Governor – Swale	MW
Carole George	Elected Governor – Canterbury	CG
Jane Burnett	Elected Governor – Ashford	JB
Junetta Whorwell	Elected Governor – Ashford	JW
Sarah Andrews	Elected Governor – Dover	SA
Susan Seymour	Elected Governor – Shepway	SSe
Marcella Warburton	Elected Governor – Thanet	MWa
Chris Warricker	Elected Governor – Ashford	CW
Debra Teasdale	Nominated Governor – Representing Christ Church University and University of Kent	DT
Margo Laing	Elected Governor – Dover	ML
Pauline Hobson	Elected Governor – Canterbury	PH

IN ATTENDANCE:

Chris Bown	Interim Chief Executive	CB
Christopher Corrigan	Non Executive Director	CC
Peter Presland	Non Executive Director	PP
Valerie Owen	Non Executive Director	VO
Dr David Hargroves	Clinical Chair of the Improvement Board (<i>Minute No 34/15</i>)	DH
Dr Paul Stevens	Medical Director (<i>from 11:30 onwards</i>)	PS
Rachel Jones	Director of Strategy and Business Development	RJ
Karen Miles	Associate Director of Operations (<i>Minute No 26/15 to 29/15</i>)	KM
Alison Fox	Trust Secretary	AF
Sarah Swindell	Assistant Trust Secretary (Minutes)	SS
Luke Underdown	Community Fundraising Manager	LU

PUBLIC ATTENDEES:

There were no members of the public present.

Item 34/15 was taken as the first item. Part of Item 31/15 (CoG Nominations and Remuneration Committee Report) was taken out of order to accommodate Governor attendance. However, the minutes reflect the order of the agenda for consistency.

MINUTE NO.		ACTION
26/15	CHAIRMAN'S INTRODUCTIONS JS welcomed members of the Council of Governors and Board of Directors to the meeting. He extended a specific welcome to three new Governors, Margo Laing (elected Governor, Dover) and Pauline Hobson (Elected Governor, Canterbury) who were successfully elected at a recent by-election. Robert Goddard was appointed as staff governor but was unable to make today's meeting.	

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JS also introduced Chris Bown, the Trust's Interim CEO.

27/15 **APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies were noted from:

Roy Dexter, Elected Governor – Thanet
Vikki Hughes, Elected Governor – Staff
Geraint Davies, Nominated Governor – SECAMB
Reynagh Jarrett, Elected Governor – Thanet
Dr Philip Bull, Elected Governor – Shepway
Jane Martin, Nominated Governor – Local Authorities
Michael Lyons, Nominated Governor – Volunteers Working with the Trust
Richard Earland, Non Executive Director (attended PM closed session)

No declaration of interests were declared.

28/15 **MINUTES FROM THE LAST JOINT MEETING HELD ON 16 JANUARY 2015**

The minutes of the meeting were agreed as an accurate record, with the following amendments:

- Page 7, PD clarified the 'mystery shopper' was a member of his constituency and not a member of the press.

The updates on actions were noted.

Matters arising

PD highlighted that Nicholas Wells, previous Trust Chairman, was member of the Trust's complaints Steering Group and asked if the new Chair would continue this role.

JSp responded the new Chair would want to review Non Executive Director membership of all Committees/steering groups on joining the Trust.

JSp reported the CQC would be holding a focus group session at the Council meeting on 9 July (afternoon closed session) prior to their re-inspection visit to the Trust.

29/15 **CEO AND PERFORMANCE UPDATE**

CB presented the report which had been extended to include a personal commentary on the previous month. This commentary was included in the last CEO report to the Board and would be included in future Governor reports.

CB drew attention to the four main challenges facing the Trust this year and going forward:

CQC special measures

Core to this was the issue of culture and behaviour. CB reported a number of staff had shared their experiences. Cultural change was a key priority area for the Trust.

Financial performance

The Trust ended 2014/15 in a deficit position, the first time since 2006. The Trust was losing £1m a month. A financial recovery plan was being established. The Trust's financial performance was also a concern for Monitor, the Trust's regulator.

A&E and Referral to treatment waiting times

The Trust had submitted a referral to treatment plan which had been accepted by Monitor. There were challenges around some of the cancer waits and improvement plans were in place.

In terms of A&E, for the first time a whole systems recovery plan had been put in place, agreed by all partners. However, there were some internal issues to resolve around patient flow.

Clinical Strategy

The Trust needed to progress this work to move to public consultation, ensuring the strategy was clinically viable and affordable. Staff recognised that the current service configuration needed to change. The timetable for consultation was for the Autumn this year. The Trust needed to ensure engagement with key partners and that the options and case for change were clearly articulated to the public, politicians and media.

The clinical strategy had been the subject of recent media attention.

Council of Governors discussion:

CG referred to the recent media coverage which had not been helpful for staff and the wider population. The Trust did not often get good representation in the media and asked what strategy would be put in place to prevent this from happening.

PD relayed positive news stories which had appeared in the media: Dr Foster Awards; Chemotherapy bus.

CB responded he was reviewing the Trust's communications structure. With major initiatives linked to the clinical strategy, communications needed to be augmented and the highest level of communications support in place to manage this.

CB would be participating in a number of media interviews to report factually the Trust's intentions going forward. In addition, the Trust had already embarked on a number of initiatives to engage with staff over a period of time and this would continue.

CB agreed it was increasingly important to try to communicate good news stories, particularly as the Trust moves into challenging times.

JW asked a question around training for junior staff and whether appraisal and supervision had been built into training plans.

CB responded the Trust reported 75-80% of staff having appraisals in place. He

was looking to increase this rate to ensure all staff had objectives set to work towards. In addition, the Trust was increasing opportunities for staff to raise concerns. Workforce buddies had been established and hot lines were in place.

CG stressed the importance of ongoing dialogue with managers rather than at yearly appraisal and objective setting meetings.

CB agreed and stated there was 7,500 staff who needed to be 'well led' and reported the Trust was working to strengthen its leadership development.

JS referred to the legal requirement of Trusts to go out to public consultation for service reconfiguration. He referred to reconfigurations which had been undertaken in other parts of the country due to clinical safety issues.

CB agreed patient safety was the main priority of the Trust and the Board of Directors would take appropriate action if required.

Council of Governors decision/agreed actions:

The Council noted the report and four key priority areas highlighted by the CEO.

30/15

NON EXECUTIVE DIRECTOR REPORTS FROM BOARD COMMITTEES

Board Committee Chairs were asked to report the highlights from the latest meetings, together with assurances to the Council of Governors.

Integrated Audit and Governance Committee (IAGC)

PP presented the report from the 14 April Committee meeting. The following was noted:

- In-year review of quarterly self-certifications to Monitor was a standing agenda item. The aim was to review forecast performance positions and to identify learning.
- The IAGC was heavily involved in reviewing the Trust's Annual Report and Accounts, to include the Annual Governance Statement and Quality Report.
- The Trust's Corporate Risk Register was reviewed as a standing item. One addition was agreed by the IAGC: loss of corporate memory due to the number of personnel changes at Board level. The Trust was also evaluating a risk with the external auditors in terms of its going concern in light of the overall financial position.
- The losses and special payments report was reviewed periodically. The Trust had written off a substantial sum related to aseptics stock. An internal audit was undertaken which identified governance and process issues. Assurance had been received at the Committee mitigating actions had been put in place.
- The Committee received an update on the clinical coding and costing audit. Improvement work was being taken forward by health records.
- The Committee approved the clinical audit plan for 2015/16.

Council of Governors discussion (IAGC):

BG asked for assurance that issues of poor management and poor governance had been addressed and there were no further examples uncovered and the role of internal/external audit. He referred to the Chair's report which highlighted the Standing Financial Instructions had not been reviewed annually.

PP responded by providing assurance there had been no detrimental effect as a

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result of the Standing Financial Instructions not being reviewed.

He added that internal auditors were directed to areas of focus by the Executive Team through a planned programme of audit. There were excellent examples where the Executive Team had been concerned about a particular area and requested a specific audit.

DT commented that there should be standard operational procedures in areas of practice to ensure all standards were met regardless of turnover in management in staff. She specifically referred to the stock write off in aseptics.

PP responded by stating the IAGC had received assurance that appropriate systems were now in place within the Pharmacy Department. The IAGC would monitor this at regular intervals.

DT referred to the improvement work being taken forward by health records linked to the clinical coding and costing audit. She asked how consultants were held to account to ensure teams were creating notes that were legible to ensure the Trust claimed the correct income.

SSe referred to systems used in theatre to code patients which were electronic.

PS responded the medical records department undertake regular audits. The Trust was working towards an electronic patient record. This was complex and would require interfaces between systems. The coding department code directly from notes as the electronic discharge notes do not always capture co-morbidity. This was important to ensure the Trust received the higher income tariff. The system in theatres (Theatreman) was linked to national audits.

CG referred to concerns she had raised at a previous Council of Governors meeting that manual coding was open to errors.

BG reported Governors had agreed to ask for an update on the Trust's back office review as a future agenda item for the CoG Strategic Committee.

Finance and Investment Committee (FIC)

JS presented the report from the 21 April Committee meeting. The following was noted:

The Committee received the financial performance for month 12 – EBITDA £12m adverse to plan. This was in line with information provided to the Council of Governors. Financial performance had deteriorated from October 2014. Key drivers: shortfall in CIP; and additional costs linked to the CQC improvement plan. The Committee would continue to provide monthly scrutiny to the Trust's recovery plan.

The operating plan for the coming year (2015/16) was at high risk with less contingency, a less ambitious CIP and more reliance on service improvement.

The Committee received an update on the ICT review. The Trust's IT Director was looking to bring support in-house with aim of improving internal IT.

Council of Governors discussion (FIC):

BG reported the Council of Governors had received a good level of exposure to the Trust's financial performance and challenges.

BG referred to the delivery of Kent Pathology Partnership (KPP). He asked for assurance from the Non Executive Directors sufficient information had been received from the Trust and the KPP Board to establish whether KPP was viable and still on plan. He referred to assurances sought previously which suggested staff were fully engaged. He asked if this assurance was still valid.

JSp reported potential concerns were noted at the March Board of Directors meeting regarding staff engagement. A new Interim Director of KPP had commenced and was reviewing the current position.

CB added the KPP Board was meeting today (8 May 2015) to review progress. The KPP Board and Board of Directors were not assured the numbers in the original plan were robust. In addition, the Board of Directors needed to ensure the service would remain competitive, ensuring pathology was provided as cost efficiently as possible.

JSp reported Richard Earland, Non Executive Director, was attending the KPP Board today.

CWa was concerned financial performance was not as visible on the Board agenda. He felt from a Governors point of view more information was required on cost improvement programme and the Trust's financial recovery plan to fulfil their role to hold to account. He added he would expect similar visibility of this to the CQC improvement plan at Governor level.

JSp responded the Non Executive Directors needed to provide stronger assurance to Governors on the robustness of the Trust's Financial Recovery Plan. The first draft plan would be received by the Finance and Investment Committee in June 2015.

In terms of monitoring CIP, Governors needed assurance a solid programme was in place and to be informed if this was not being delivered to plan (to include key drivers and mitigating actions). He reminded CWa and the Governors the cost improvement programme was an element of the overall operational plan. The Finance and Investment Committee would be monitoring delivery of the operational plan closely this year given the increasing financial challenges.

AF added financial performance was one of the annual objectives measured by the Board of Directors. She referred Governors to the Board Assurance Framework which details the level of assurance reported at Board level and risks identified.

CWa requested a breakdown of the CIP be included in future reports.

JS/CB

Remuneration Committee and Nominations Committee

PP presented the report from the 19 March 2015 Committee meeting.

The Committee received an update on performance of Executive Directors. In addition, terms of reference were reviewed to include succession planning. The Committee also requested the Trust to commission a benchmarking exercise for both very senior managers and executive directors as the review was due for

updated.

No questions or discussion points were raised by the Council of Governors.

Quality Committee

CC presented the report from the 21 April 2015 Committee meeting. The following was noted:

- The Committee reviewed its role and structure of future meetings. The Committee would focus its attention on performance trends going forward.
- Update on recovery plans for A&E, referral to treatment and cancer were received.
- The new Duty of Candour compliance needed to be strengthened.
- Monitoring of the Clinical Audit Plan would be undertaken by the Quality Committee going forward. Work was ongoing to further strengthen divisional and clinician engagement.
- The Committee received a report providing assurance that all cost improvement schemes were assessed to ensure quality was not compromised.
- Recommendations and the Trust's response to the Savile Inquiry was received. A report would go to the Board in May 2015.
- The Committee received the Integrated Claims/Incidents/Complaints report analysing the themes and trends for quarter 3.

No questions or discussion points were raised by the Council of Governors.

Charitable Funds Committee

VO presented the report from the 23 February 2015 Committee meeting. She drew attention to the following:

The Major Appeal (Dementia) had been launched. The Appeal would identify tangible projects on a site by site basis in the context of the financial and clinical strategy.

The Committee receives regular updates on finance and expenditure as at the end of January 2015. VO drew attention to the comparison of administration and governance costs to other NHS bodies with similar sized NHS Charities. It was recognised it was difficult to make direct comparisons due to the differences in structure.

General discussion points:

JSp reminded Governors this was the first time these reports had been built into the Council of Governor agenda. He asked for feedback.

BG stated Governors also need to ensure they were fulfilling their role and pursuing the right level of assurance. Going forward, it would be helpful to present issues which were likely to be of concern to Governors, members and the wider public in terms of assurance.

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31/15 **COUNCIL OF GOVERNOR COMMITTEES**

Communications and Membership Committee

BG reminded of the role of this Committee for the benefit of new Governors.

BG presented his report which summarised the current methods used for membership engagement. The Committee also had undertaken an early review of the conclusions from the KPMG Governor survey (related to membership engagement) and a review of the new Monitor Guidance representing interests of members of the public. The Committee had identified four/five areas of focus.

BG reminded the Council engagement with membership was the responsibility of all Governors. He suggested Governors read the latest Monitor guidance and this be the focus of discussions at the July Governor forum with the Chair.

BG/All

The Committee will circulate revised updated guidance on production of articles for the membership newsletter.

- PB agreed to work with new governor colleagues to produce an article on personal objectives and motivation for seeking election.
- BG would ask ML to lead on the production of an article on the role of volunteers in the Trust.

The Committee reviewed its Terms of Reference and one material change was noted: to include responsibility for monitoring and analysing feedback and communications from the membership and wider public.

AF commented the Director of HR and Corporate Services needed to be removed from the structure of meetings section.

BG

The Council of Governors approved the amended Terms of Reference.

BG concluded by reporting the positive outcome in terms of Trust membership which had risen by 500 public members, 150 over the last month.

Strategic Committee

JS presented his report from the April Committee meeting. CB had appraised Governors at this meeting on the Trust's financial position. In addition, the Committee discussed further the recommendations from the Board Governance Review in the context of objectives for Non Executive Directors. Further discussion would take place later today in closed session.

Nominations and Remuneration Committee

PW presented his report. The Committee had undertaken a rigorous appointments process to the Chair position and two Non Executive Director positions.

During the recruitment process for the two Non Executive Director positions, one candidate, Nikki Cole, was identified as a strong candidate for the position of Chair. Governors had originally concluded (through an electronic voting process) to appoint Nikki Cole and Barry Wilding as Non Executive Directors of the Trust and had also ratified two candidates as reserves pending the review of NED term

expiries due in the Autumn of 2015.

Following discussion with Monitor and following appropriate HR processes, Nikki Cole was interviewed for the position as Chair and an electronic communication was circulated to Governors seeking ratification at the Council meeting today. Should the appointment be ratified, one of the two Non Executive Directors on the reserve list would be appointed to the second substantive Non Executive Director position.

Council of Governors decision/agreed actions (Nominations and Remuneration Committee):

- The Council of Governors formally endorsed the appointment of Nikki Cole as Chair, commencing 11 May 2015.
- The Council of Governors noted the outcome of the electronic process to appoint two new Non Executive Directors: Barry Wilding and Colin Thomson.
- The Council of Governors noted Satish Mathur would remain on the reserve list, subject to Committee review of NED term expiries coming up in the Autumn of 2015. The Committee would meet in June to commence discussions.

Agreed

Agreed

Agreed

Patient and Staff Experience Committee

An updated report from the April meeting was tabled. ELB highlighted the following key messages:

- ELB was elected by the Committee to continue as Chair for a further year.
- The Committee welcomed Jane Burnett as member.
- Further discussion took place regarding the patient experience project in outpatients. The Committee would continue to work with the human resources team in terms of staff engagement.
- The Deputy Divisional Director for Surgical Services attended the Committee to update on progress of improvements to the colorectal pathway.

ELB would be circulating the Governors commentary on the Quality Report for comments from the wider council. The commentary was required to be submitted to the Trust on 15 May 2015.

ELB

The Council of Governors endorsed the revised Terms of Reference and noted there were no material changes.

32/15

FEEDBACK FROM GOVERNORS WHO ATTEND WIDER TRUST GROUPS/COMMITTEES

Clinical Handover of Care

MWa reported the group had identified clear areas for improvement. Audits were being undertaken.

Sepsis Collaborative

PD reported all dates for sepsis events were included in the events calendar circulated regularly by MC. He stressed the importance of the work being taken forward in the Trust to raise awareness.

We Care Steering Group

JW reported she had not attended a meeting since the last Council of Governors.

Nutrition Steering Group

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SSe was newly appointed to this group and had not attended a meeting.

End of Life Board

SA reported this Board would focus on areas identified by the CQC report.

Falls Steering Group

SA was newly appointed and this group had not yet met.

Clinical Excellence Awards

ML was not present to provide feedback to Governors.

Patient Safety Board

RJ was not present to provide feedback to Governors.

Cultural change steering group

JB had attended the Group and reported that information received was in line with reports to the Council of Governors.

33/15 **LEAD GOVERNOR ANNUAL REVIEW – PROCESS AND TIMETABLE**

The Council of Governors noted the process and timeline for this year's review.

34/15 **CQC ACTION PLAN**

David Hargroves, Clinical Lead Improvement Board, was in attendance for this item. He reported the following updates since the last report to the Council:

The Trust continues to take forward its staff engagement programme, a major theme of the CQC report. Work was starting to report fruition and the following was noted specifically:

- Staff pledges were now in place.
- Work place buddies had been identified and training had been received.
- The first medical engagement consultants committee meeting had taken place facilitated by an external Professor of Education. This was held as a result of a medical engagement survey which identified further work was required to engage clinicians in clinical service development. Further events were planned.

DH went on to highlight areas of risk discussed at the Improvement Board meetings:

- Recruitment and retention of staff (A&E, paediatrics, general). Key drivers were known by the Council of Governors and were linked to national shortages, exacerbated by the East Kent geography.
- The Trust now had appropriately skilled paediatric nurses 8am-10pm. Twenty-four hour cover was not anticipated until October 2015. This also applied to pharmacy staff.
- The cleaning contract with Serco had significantly improved at KCH. This was rated as red on the action plan but DH was confident this would turn blue within the next month.
- Patient flow internally and within the wider health economy continued to be a challenge.

Preparations continue for the CQC re-visit. Site based teams have been established to raise awareness of the latest communications and to identify gaps for further work.

A mock inspection was taking place today (8 May 2015) which would identify areas for improvement.

The Trust would not be able to guarantee special measures would be removed following re-inspection but was confident it would be able to demonstrate considerable improvement work undertaken.

CB added he had spoken to a large number of staff since joining the Trust. Staff recognised the messages within the CQC Report. The level of disengagement with staff had been unacceptable. Improvement needed to be clinical led.

CB stressed the improvement programme was not just a 'tick box' exercise and would bring long term improvement to the Trust.

Council of Governors discussion:

SA asked what the Trust would value from Governors at this point going forward. DH responded continued commitment from Governors involved in site based teams to provide support and external scrutiny and to also identify areas of good practice.

CB referred to the Executive Patient Safety Visits which Governors are invited to participate. These were an ideal opportunity to seek feedback from staff.

CB reminded Governors the CQC report identified the Trust as 'good' for caring. The cultural change programme was key to ensure this was maintained.

MW reported she was one of the PLACE inspectors who visited the Trust recently. The visit identified one ward where medication cupboards were left unlocked.

CG referred to national shortages of staff and asked how the Trust plans to rectify the problem by September 2015.

DH referred to innovative approach in terms of recruitment and retention led by the human resources team. CB continued by stating this was a specific challenge for the Trust and linked to the future clinical strategy. The current configuration of clinical services was not sustainable. Some specialities were unable to maintain rotas and there was a need to re-configure services to attract and retain staff. A&E was provided as a specific example where there was a national shortage of staff. There was also a challenge in the recruitment and retention of nurses to London hospitals.

CB also referred to the importance of the Leadership Development Programme. There was a specific gap in terms of investment in middle management. He added the issues identified in the CQC report related to bullying and harassment was also not acceptable.

DT asked if there were any cost implications to fridges being unlocked. She asked if there was the potential that temperatures would not be maintained. DH responded there had been no clinical incidents linked to unlocked fridges. The risk was in relation to unsecure storage rather than temperature control issues.

JW relayed her experiences of uncleanliness in toilets at WHH. She had reported the incident to a member of staff at the time.

JW further referred to cultural change programme and asked if this was extended to Serco/contract staff. She relayed her experiences of rudeness by a member of contract staff.

RJ responded Serco had an inherent responsibility to train their staff. Serco use an external company to provide training in terms of behavioural and customer service. The Trust has the expertise to assist and examples were provided: critical friend; and seconded staff to assist with nutritional standards. Serco was held to account for performance contractually and weekly meetings take place.

DB asked if the Trust was proactively securing enough training places to meet staffing needs of the future. DH/CB provided assurance that a workforce strategy was being developed by the Director of Human Resources. In addition, the Trust had established a Strategic Workforce Committee which would report to the Board of Directors.

CB added a key element of the future clinical strategy would be informed by the future workforce models. This was a large piece of work currently being explored.

BG referred to the Governor commentary on the Trust's Operational Plan 2015/16 which identified the workforce strategy as an important area of development. He asked for assurance from Non Executive Directors that this was being developed at pace with clear timelines and innovation.

JSp responded the Board of Directors was not entirely assured in terms of workforce retention and strategy. However, the new Strategic Workforce Committee would help ensure pace over the next few months.

BG also referred to the significant amount of work linked to the cultural change programme. One of the areas of concern highlighted by the CQC report was a failing of the Board of Directors not drilling down to assess the temperature at the front line. He asked for assurance that consultant led initiatives would not mask the problem.

DH provided assurance the cultural change programme would ensure improvement for all disciplines. The site based teams would be used to 'test the temperature' on the front line and identify areas of concern.

JB asked whether the Trust would consider retendering the Soft FM contract if performance did not improve. The action continued to flag 'red' on the action plan.

RJ responded Serco had attended Board of Director meetings to discuss improvement plans in place. Performance and relationships were improving. If this was not the case, the Board of Directors would discuss appropriate action.

RJ added the timeline for the improvement plan for KCH was delivery by end of May 2015. To date, Serco reported above trajectory and this action was anticipated to report 'blue' ahead of the CQC re-visit in July 2015.

Council of Governors decision/agreed actions:

The Council of Governors noted the update.

Noted

JSp reminded the Council of Governors the current special measures status of the Trust was linked to the CQC report. However, if the Trust did achieve a better

report from the CQC revisit, the Trust could still be in breach of licence with Monitor due to other performance and financial issues.

35/15 **QUESTIONS FROM MEMBERS OF THE PUBLIC**

No members of the public were present.

36/15 **ANY OTHER BUSINESS**

No further business was raised.

DATES OF FUTURE MEETINGS

Noted.

Date of next meeting: 9 July 2015, Sandwich Guildhall

Signed _____

Date _____

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