

**Oxford Health NHS Foundation Trust**

**Council of Governors**

Minutes of the Meeting on 16 September 2015 at

18:00 at The Spread Eagle Hotel, Thame, Oxfordshire

In addition to the Trust Chair, Martin Howell, (chair for part of the meeting) the following Governors were present:

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| Lynda Atkins (Lead Governor and chair for part of the meeting) | |
| John Bidston | Lynda Lawrence |
| Mandy Carey | Samantha Mandrup |
| Martin Dominguez | David Mant |
| Gillian Evans | Carol Penny |
| Geoffrey Forster | Dave Pugh |
| Maureen Ghirelli | Chris Roberts |
| June Girvin | Diana Roberts |
| Julia Grinsted | Anwar Soopun |
| Andrew Harman | Mark Tattersall |
| Judith Heathcoat | David Thurston |
| Alan Jones | Louise Willden |
| Hafiz Khan | Sula Wiltshire |
| Martha Kingswood | Soo Yeo |
|  | Judy Young |

In attendance:

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| Ros Alstead | Director of Nursing and Clinical Standards |
| John Allison | Non-Executive Director |
| Jonathan Asbridge | Non-Executive Director |
| Stuart Bell | Chief Executive |
| Alyson Coates | Non-Executive Director |
| Mike Foster | Deputy Director of Nursing *part meeting* |
| Anne Grocock | Non-Executive Director |
| Maxine Hayden | Corporate Governance Administrative Assistant |
| Mike McEnaney | Director of Finance |
| Clive Meux | Medical Director |
| Kerry Rogers | Director of Corporate Affairs/Company Secretary |
| Laura Rogers | Audit Senior Manager, Deloitte LLP |
| Hannah Smith | Assistant Trust Secretary (Minutes) |
| Yvonne Taylor | Chief Operating Officer |
| Lyn Williams | Non-Executive Director |

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| **COG 26/15**  a | **Introduction and Welcome**  The Chair welcomed everyone to the meeting. |  |
| **COG 27/15**  a | **Apologies for Absence**  Apologies were received from: Mike Appleyard, Gary Gibson, Max Hailey, Taufiq Islam, Reinhard Kowalski, Judith Randall, Pat Ross and Liz Turvey. |  |
| **COG 28/15**  a | **Declarations of Interest**  The Council confirmed that interests listed in the Register of Governors’ Interests remained correct. |  |
| **COG 29/15**  a  b  c  d  e | **Minutes of Last Meeting – 10 June 2015**  The Minutes of the meeting were approved as a true and accurate record of the meeting.  ***Matters Arising***  **COG 18/15(b) Nominations from Buckinghamshire Healthcare NHS Trust and Chiltern CCG for the Council of Governors**  Both had been invited to nominate representatives and would be followed up/reminded.  **COG 25/15(b) Governors to join the Council of Governors’ Nominations and Remunerations Committee**  The Trust Chair noted that volunteers were still requested to join the Committee.  **COG 25/15(e) Townlands Hospital**  The Chief Executive confirmed that Royal Berkshire NHS Foundation Trust was engaged in the discussion around the future of Townlands Hospital. Oxfordshire CCG was still considering the outcome of the consultation on Townlands.  The Council confirmed that the following action would be discussed under agenda item 11 and the update report from the Council sub-group for patient experience: Paper CG 18/15(d) (proposal on how to have the patient voice heard at the Council) – at item COG 37/15 (e) below. | **MGH** |
| **COG**  **30/15**  a  b  c  d  e  f  g | **External Audit Report on the audit of the 2014/15 financial statements**  Laura Rogers presented the external audit report (Paper CG 15/15) which summarised the findings of the external audit of the Trust’s 2014/15 financial statements. She noted that this provided another opportunity for the Council to discuss the external audit, following the Annual General Meeting (**AGM**) on 10 September 2015 which had received the Annual Report and Annual Accounts.  Laura Rogers highlighted the focus of the external audit upon the following risk areas for the financial statements: NHS revenue and provisions; property valuation; accounting for capital expenditure; management override of controls; and going concern. She noted that the going concern risk was a new risk for the Trust and that this had become an area of audit focus due to the deficit for 2014/15 and the deficit forecast for 2015/16. A significant amount of work had been carried out to evaluate and challenge the Trust’s going concern assessment. The external audit had concluded that the use of the going concern basis of accounting was appropriate and there were no material uncertainties that may cast significant doubt upon the Trust’s ability to continue as a going concern, although this was no guarantee as to the Trust’s ability to continue as a going concern. The external auditors had issued a clean (unmodified) opinion on the 2014/15 financial statements and had not reported on any items by exception in the audit report.  The Council noted that it would have been more useful if this report and presentation from Deloitte had been available before, rather than after, the AGM. The Trust Chair replied that the scheduling for 2016 would take this into account.  Andrew Harman asked Alyson Coates, Non-Executive Director and Chair of the Audit Committee, what provision the Trust had made to ensure that the independence of Deloitte LLP, as external auditor, had been retained. Deloitte LLP had also provided non-audit consultancy services to the Trust through its review of the Trusts’ Cost Improvement Programme (**CIP**). Alyson Coates confirmed that prior to the consultancy arm of Deloitte LLP, which was separate from the external audit team, being allowed to participate in the market tender for the CIP review the Audit Committee had considered the threats which undertaking this work could pose to the independence of the external audit. The Audit Committee had considered the following potential threats to the independence of the external audit:   * the self-interest threat. The Audit Committee had considered and been assured that the value of the CIP review was sufficiently low as to be below any materiality thresholds for Deloitte LLP; * the self-review threat. The Audit Committee had considered and been assured that not only would the CIP review be staffed by an entirely separate team from Deloitte to the external audit team but also that external audit judgements, including any value for money conclusion, would not include review or reliance on this CIP work; * the advocacy threat – which was not relevant in this instance as the Deloitte team would not be advocating for the Trust in any legal or other forum; * the familiarity threat. The Audit Committee had been assured that the CIP review work was sufficiently small and self-contained as not to amount to a familiarity threat; and * the management threat. The Audit Committee had been assured that the review work was not managerial and would not constitute Deloitte making operational judgements which should more appropriately be the work of management.   The Audit Committee had received assurance from the ethics partner at Deloitte LLP that Deloitte had also separately considered the relevant ethical standards under the Audit Code and had been assured that it was appropriate for Deloitte to participate in the tender for the CIP review and, if successful in the tender, to undertake the review work whilst maintaining the independence of the external audit services provided to the Trust.  Andrew Harman said that more of this type of detail should have been included in the Annual Report and that it was not sufficient for the Annual Report to refer to assurances having been received. Alyson Coates reminded the Council that the Annual Report had been fully audited therefore the content was appropriate. The Trust Chair added that the Trust would take these comments on board and consider providing more detailed disclosure in the future.  **The Council noted the report.** | **HS** |
| **COG 31/15**  a  b  c | **Update Report on Key Issues from the Chief Executive**  The Chief Executive provided an oral update on the major items that the Board had been focussing on since the Council had last met.  He provided an overview of:   1. the Oxfordshire Transformation Board which brought together various health and social bodies across Oxfordshire, including Oxford University Hospitals NHS Trust (**OUH**), Oxfordshire CCG, adult social care from Oxfordshire County Council, the ambulance service and GP federations. The Chief Executive had been asked to chair the Transformation Board; 2. Oxfordshire Learning Disabilities. A board with an independent chair would be established to oversee the transformation of services for adults with Learning Disabilities in Oxfordshire, including the process to transfer contracts from the current provider, Southern Health NHS Foundation Trust. Buckinghamshire was also engaged in a process to change the nature and provider of adult Learning Disabilities services. There would need to be coordination and interdependence between Oxfordshire and Buckinghamshire for certain elements of this type of service to have sufficient critical mass to be viable; 3. the Outcomes Based Contract for Adult Mental Health Services in Oxfordshire – various service developments envisaged by it were already under way, for example the Oxfordshire Recovery College. This was using an educational approach to support mental health recovery and was being run by people with lived experience of mental health issues, alongside people with professional experience. The aim of the Oxfordshire Recovery College was to provide an innovative shared learning environment for mental health service users, their families, carers, staff and volunteers from partner organisations in the Oxfordshire Mental Health Partnership; 4. the new contract for Child and Adolescent Mental Health Services in partnership with Barnardo’s which was due to start in October 2015. If the model of working with Barnardo’s to establish contact at a much earlier stage with young people worked well then other commissioners may also take it up; 5. the Monitor investigation and Monitor’s focus on the Trust’s deficit plan and lower level of CIP target in 2015/16 and the Trust’s trajectory back towards a balanced financial position in the future. So far this financial year the Trust had made good progress on delivering its financial plan in a challenging economic climate which saw two thirds of NHS trusts in a deficit position. The Trust was also maintaining its position as an efficient organisation according to the results of the National Reference Costs Index. The Trust’s CIP planning was progressing well and the consultancy work from Deloitte LLP had helped to identify areas which the Trust should examine in more detail; 6. the Care Quality Commission (**CQC**) inspection at the end of September 2015. The CQC inspection team was anticipated to visit all Trust inpatient services and a cross-section of community services; and 7. Clive Meux’s retirement as Medical Director at the end of March 2016, after 5 years in the post.   **The Council noted the update.** |  |
| **COG 32/15**  a  b | **Update Report from the Chair**  The Trust Chair provided an oral update and noted the recent visit from the Chair of NHS Providers. The Trust Chair noted that he had been discussing governor training with the Director of Corporate Affairs/Company Secretary and that this would be considered further under the agenda item on Working Together – at COG 34/15 below.  **The Council noted the update.** |  |
| **COG 33/15**  a  b  c | **Trust Constitution**  The Director of Corporate Affairs/Company Secretary presented the report (Paper CG 16/2015) which set out a proposed amendment to the Trust Constitution, at clause 10.8.1(h) on page C28 of the Constitution, in relation to the Board. The proposed amendment would support members of the Board to take on formal roles, such as that of governor in another NHS foundation trust, and to work in closer partnership and collaboration with other organisations in the local health economy. The report set out the duties of members of the Board to avoid conflicts of interest and the Trust’s responsibilities to report departures from the Monitor/NHS Foundation Trust Code of Governance in its annual reporting and to report upon how the effectiveness of the Board, including the independence of its Non-Executive Directors was maintained. The Trust Chair noted his interest as a member of the shadow Council of Governors of OUH (which was not yet a NHS foundation trust) and that the current wording of the Constitution had an impact upon his completion of the Fit and Proper Persons Test.  The Council discussed the proposed amendment. The Chief Executive noted that whilst historically Board members may not have held directorships across other NHS organisations, there were also now examples when executive directors were invited to take on operational Board posts in other NHS organisations to provide support. The Council requested to be kept informed of instances when Board members proposed taking on roles as governors or directors of other health service bodies but noted that this should not prevent approval of the current proposed amendment.  **The Council APPROVED the amendment to clause 10.8.1(h) of the Constitution (proposed deletion shown in strike-through): *A person may not be a Director of the Trust if they are a member of the Council of Governors*~~, or a governor or director of a health service body.~~** |  |
| **COG 34/15**  a  b  c  d | **Working Together**  Geoffrey Forster presented Paper CG 19/15 and emphasised the importance of the Board and the Council working in constructive and effective partnership together. He said that there was still some way to go before he thought that the Council was perceived as a serious body. He expressed his concern about communication between governors and the need for this to be facilitated more by the Trust through the provision of contact details. He said that it would have been helpful if more information had been provided about the Monitor investigation, the CIP programme and the Deloitte CIP review report. He noted that it would be useful if more advance information was provided about the Trust’s financial position, including the Annual Accounts which it would have been helpful to have received further in advance of the AGM. He added that he had had a productive meeting with the Director of Finance who had agreed that the Governors’ Finance sub-group would receive quarterly accounts.  Geoffrey Forster noted that he disagreed with the dual role of the Trust Chair as chair of both the Board and the Council but that he accepted that this was in accordance with statute and codes of governance which the Trust was subject to. He encouraged the Trust and the Lead Governor to start a dialogue with other NHS foundation trusts to discuss and potentially change this through parliament.  The Trust Chair welcomed Geoffrey Forster’s comments and his proposal to set up a Governors’ sub-group to focus on working together. He noted that it was his intention, shared with the Board, for the Council and the Board to work as well together as possible. He recommended that the Director of Corporate Affairs/Company Secretary should also be a member of the Working Together sub-group. The Council discussed the proposal for the Working Together sub-group and noted the challenges faced by all NHS foundation trusts in involving and working with local stakeholders and populations and the challenges faced by governors in holding boards to account and devoting time to doing this. Geoffrey Forster noted that the purpose of the group would be to find ways for the Board and the Council to perform better together. The Director of Corporate Affairs/Company Secretary added that the group could also be a useful forum to develop a governor development and training programme to support and equip governors better for their roles.  **The Council AGREED that the Working Together sub-group should be set up with a membership to include governors (approximately 4 and including the Lead Governor as chair), 1 Non-Executive Director and the Director of Corporate Affairs/Company Secretary. The Council requested that volunteers to participate (in addition to Geoffrey Forster who had already volunteered to participate) inform Maxine Hayden, Corporate Governance Administrative Assistant.**  *Geoffrey Forster left the meeting.* | **KR** |
| **COG 35/15**  a  b  c  d  e  f  g | **Update on Trust Financial Position/Finance Report**  The Director of Finance presented the finance report Paper CG 17/2015 and provided an overview of the Trust’s financial position. For the period ending 31 July 2015 the Trust had Earnings Before Interest, Taxation, Depreciation and Amortisation of £3 million, which was £0.3 million better than plan, and a cash balance of £9.7 million, which was £1.9 million behind plan. CIP delivery was £1.1 million year-to-date which was £0.4 million behind the year-to-date target but CIP plans had been developed to exceed the full year target by the end of the financial year.  The Trust was experiencing pressures in: shortfall in CIP delivery; higher than anticipated use of agency staff; and higher than planned Out of Area Treatments. These cost pressures were being managed and offset by non-recurrent benefits and corporate underspend.  The Trust had achieved a Monitor Continuity of Service Risk Rating of “3”, as at month 3, which was better than the target of “2”.  The forecast for the financial year was an Income and Expenditure deficit of £5.4 million but this may be revised to anticipate delivery of a smaller deficit following the receipt of proceeds from the sale of land at the former Manor House (now Whiteleaf) development. The forecast would be formally revised at the financial half year point and the October 2015 Board meeting would consider the half year results.  Monitor was reviewing the Trust’s financial plans, governance and management processes and testing the Trust’s plans to recover from a deficit position towards a balanced financial position in the future. The Director of Finance emphasised the importance of providing robust and realistic plans to Monitor.  Chris Roberts asked what the impact of the Deloitte CIP review work had been. The Director of Finance replied that it had provided an objective spotlight on strengths and weaknesses which had led to a change in the management of some programmes and the transfer of overall responsibility for managing CIPs into operations. The review had also provided useful tools, including benchmarking data, to enable the Trust to manage CIPs more effectively.  **The Council noted the report.**  *The Trust Chair left the meeting. Lynda Atkins, Lead Governor, took on the chairing of the meeting.* |  |
| **COG 36/15**  a  b  c | **Reappointment of the Trust Chair**  Lynda Atkins presented Paper CG 18(a)/15 which set out the recommendation of the Council of Governors’ Nominations and Remunerations Committee to reappoint the Trust Chair for a further three year term. The Council discussed the feedback which the Committee had received and the outcomes of the interviews which Committee members had undertaken with members of the Board and the Council.  The Council noted that if the Trust Chair was reappointed then this would be for his final period in office and that it would be important to start the process to select the next Trust Chair as soon as reasonably possible through the Director of Corporate Affairs/Company Secretary.  **The Council APPROVED the recommendation to reappoint the Trust Chair, Martin Howell, for a further and final term of three years.**  *The Trust Chair re-joined the meeting and took on the chairing of the meeting.* |  |
| **COG 37/15**  a  b  c  d  e | **Update Report from Council Sub-groups**  The Trust Chair presented the composite report Paper CG 18/15 which provided an update on work undertaken by the Council sub-groups listed below.  ***Council of Governors’ Nominations and Remunerations Committee***  The Trust Chair noted that a new Lead Governor would need to be appointed to replace Lynda Atkins who was stepping down from the Council. Two governors had put their names forward for this and it was proposed that a Lead Governor and a Deputy Lead Governor be selected. The Council discussed and AGREED that an email ballot would take place to determine which of the two candidates would be elected to the Lead Governor and Deputy Lead Governor positions.  ***Quality and Safety sub-group***  Lynda Lawrence noted that more volunteers from the Council to join the sub-group would be welcome and asked that they inform Maxine Hayden, Corporate Governance Administrative Assistant.  ***Finance sub-group***  The Director of Finance noted the discussion with Geoffrey Forster on the finance report and noted that more volunteers from the Council to join the sub-group would be welcome and asked that they inform Maxine Hayden, Corporate Governance Administrative Assistant.  ***Patient Experience sub-group***  The Medical Director provided an update on the sub-group’s links with the Trust’s Taking Action on Patient Feedback Group and noted that a proposal on bringing patient experience into Council meetings would be brought to the next meeting in November 2015.  *The Deputy Director of Nursing joined the meeting.* | **KR**  **CM** |
| **COG 38/15**  a  b | **Improving Care: CQC 5 Questions**  The Deputy Director of Nursing gave a presentation on the Trust’s preparation for the CQC inspection. He highlighted the work which had been taking place around the CQC’s 5 key question areas, which had been adopted as the quality framework across the Trust: safe, effective, caring, responsive and well-led. He noted the core services which the CQC would visit in mental health and community services. He explained the work which the CQC would do prior to the inspection, including information gathering, and what would happen during the inspection including the meeting with the Council’s focus group on 30 September 2015. He noted that after the inspection the CQC would produce an inspection report, there would be a quality summit chaired by the CQC, an improve plan would be developed and the report and final inspection rating would be published by the CQC.  **The Council noted the presentation.**  *The Deputy Director of Nursing left the meeting.* |  |
| **COG 39/15**  a | **Questions from the Public**  None. |  |
| **COG 40/15**  a  b | **Any Other Business**  ***Publication of Board papers***  The Trust Chair noted that the public Board papers were published on the Trust’s website after the Board meeting had taken place.  ***AGM – attendee concerns***  Chris Roberts noted that at the AGM an attendee had raised concerns about data protection in another organisation which the Trust worked with. He asked if this was being treated appropriately. The Chief Executive confirmed that it was and that the Deputy Director of Nursing, who was also the Trust’s Caldicott Guardian, had followed this up. |  |
|  | **The meeting was closed at 20:00.** |  |