

COUNCIL OF GOVERNORS' MEETING

A meeting of the Harrogate and District NHS Foundation Trust Council of Governors will take place on Wednesday 22nd January 2020 in the Cover Room, at the Pavilions of Harrogate, Great Yorkshire Showground, Harrogate, HG2 8NZ

Start: 5.15pm Finish: 7.30pm

(Private discussion for Governors and the Board will commence at 7.30pm)

| AGENDA | | | | |
|--------|----------|--|--------------------------------|----------------|
| Time | Item No. | Item | Lead | Paper No. |
| 5.15 | 1.0 | Welcome and apologies for absence <i>Welcome to the public, set the context of the meeting and receive any apologies for absence.</i> | Angela Schofield, Chairman | - |
| 5.15 | 2.0 | Declarations of Interest <i>To declare any interests relevant to the agenda and to receive any changes to the register of interests</i> | Angela Schofield, Chairman | 2.0 |
| 5.20 | 3.0 | Minutes of the meeting held on 6 November 2019 <i>To review and approve the minutes</i> | Angela Schofield, Chairman | 3.0 |
| 5.25 | 4.0 | Matters arising and review Action Log <i>To receive updates on progress of actions</i> | Angela Schofield, Chairman | 4.0 |
| 5.35 | 5.0 | Chairman's verbal update on key issues <i>To receive the verbal update for consideration</i> | Angela Schofield, Chairman | - |
| 5.45 | 6.0 | Chief Executive's Strategic and Operational update, including: Integrated Board Report <i>To receive the update and report for comment</i> | Steve Russell, Chief Executive | 6.0 |
| 6.05 | 7.0 | Question and Answer Session for Governors and members of the public <i>To receive and respond to questions from the floor</i> | Clare Cressey, Lead Governor | - |
| 6.35 | | Break | | |
| 6.45 | 8.0 | Governor Sub Committees: 1. Governor Development & Membership Engagement Committee <i>To receive and approve the Terms of Reference for the formation of a Council Sub-Committee to replace the GWG</i> 2. Remuneration, Nominations & Conduct Committee <i>To receive the minutes from the RNCC meeting held on 18th November 2019 and a proposed process for NED appraisal</i> | Angela Schofield, Chairman | 8.1 8.2 |

You matter most

| | | | | |
|------|------|---|---|------|
| 6.55 | 9.0 | Update on Quality Account Process <i>To receive the verbal update for consideration</i> | Jill Foster, Chief Nurse | - |
| 7.00 | 10.0 | Non-Executive Director Verbal Update <i>To receive the Senior Independent Director update</i> | Laura Robson, Non-Executive Director | - |
| 7.05 | 11.0 | Audit Committee Terms of Reference <i>To receive for consideration</i> | Chris Thompson, Non-Executive Director and Chair of Audit Committee | 11.0 |
| 7.05 | 12.0 | Re-appointment of the External Auditors <i>To receive the recommendation of the Audit Committee</i> | Chris Thompson, Non-Executive Director and Chair of Audit Committee | 12.0 |
| 7.15 | 13.0 | Any other relevant business not included on the agenda <i>By permission of the Chairman</i> | Angela Schofield, Chairman | - |
| 7.25 | 14.0 | Evaluation of Meeting | Clare Cressey, Lead Governor | - |
| 7.30 | 15.0 | Close of meeting | Angela Schofield, Chairman | - |

Date and time of next meeting – Wednesday, 13 May 2020 at 5.15 pm (private meeting commences at 7.30pm). Venue will be The Cover Room, Pavilions of Harrogate, Great Yorkshire Show Ground.

COUNCIL OF GOVERNORS DECLARATION OF INTERESTS

The following is the current register of the Council of Governors of Harrogate and District NHS Foundation Trust and their declared interests. The register is maintained by the Foundation Trust Office, and holds the original signed declaration forms. These are available for inspection by contacting the office on 01423 554489.

| Name | Governor Status | Interests Declared | |
|-------------------|-----------------|---|---|
| Angela Schofield | Chairman | A position of Authority in a charity or voluntary organisation in the field of health and social care | Volunteer with Helping Older People (charity). |
| Dr Pamela Bagley | Stakeholder | Other | Dean of the Faculty of Health Studies, University of Bradford. Deliver education for NHS Trust staff |
| Ian Barlow | Public elected | Other | Owner of non-profit website 'Harrogate Guide' |
| John Batt | Public Elected | Other | Member of the Conservative Party |
| Cath Clelland MBE | Public elected | Directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies) Ownership, part-ownership or directorship of private companies, business or consultancies likely or possibly seeking to do business with the NHS A position of Authority in a charity or voluntary organisation in the field of health and social care | Owner/Director - Canny Consultants Ltd Non-Executive Director - York St John University, York Owner/Director - Canny Consultants Ltd Owner/Director – City Kipping Ltd (dormant) Non-Executive Director - York St John University |

1 (updated January 2020)

You matter most

| Name | Governor Status | Interests Declared | |
|--------------------------|-----------------|--|---|
| Robert Cowans | Public elected | | NONE |
| Clare Cressey | Stakeholder | | NONE |
| Martin Dennys | Public elected | Other | Employed by NHS Digital, The Health and Social Care Information Centre, an arms length body to the Department of Health and Social Care. |
| Tony Doveston | Public elected | A position of Authority in a charity or voluntary organisation in the field of health and social care Directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies) | Volunteer for Yorkshire Air Ambulance A Director of Oakdale Golf Club Limited |
| Sue Eddleston | Public elected | | NONE |
| William Fish | Public elected | Directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies) | Owner/Director – Manulytica Ltd |
| Carolyn Heaney | Stakeholder | A position of Authority in a charity or voluntary organisation in the field of health and social care Other | Previous Trustee of the MS Society. Volunteer member of its Policy Reference Group Independent Trustee of the ASDA Foundation. Community Governor of Rossett Academy School in Harrogate Employed by the Association of the British Pharmaceutical Industry (ABPI) as NHS Engagement Partner, North and Supporting NHS System Transformation and Medicines Optimisation Lead |
| Samantha James | Public elected | | NONE |
| Dr Loveena Kunwar | Staff elected | | NONE |
| Neil Lauber | Staff elected | | NONE |

2 (updated January 2020)

You matter most

| Name | Governor Status | Interests Declared | |
|--------------------------------|-----------------|---|--|
| Cllr John Mann | Stakeholder | Position of authority in a local council or Local Authority | Harrogate Borough Council Councillor for Pannal North Yorkshire County Council for Harrogate Central |
| Sam Marshall | Staff Governor | NONE | |
| Doug Masterton | Public elected | Position of authority in a local council or Local Authority | Member of Harewood Parish Council |
| Kathy McClune | Staff Governor | AWAITED | |
| Cllr Samantha Mearns | Stakeholder | Directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies) Position of authority in a local council or Local Authority Any connection with a voluntary or other organisation contracting for NHS services or commissioning NHS services | Director of RHM Pension Trust Limited Councillor – Harrogate Borough Council Councillor – Knaresborough Town Council Self-employed consultant to Stockwell Road Surgery, Knaresborough |
| Dr Christopher Mitchell | Public elected | NONE | |
| Heather Stuart | Staff elected | NONE | |
| Dave Stott | Public elected | Other | Patient and Carer Representative at the Royal College of GPs Lay Member at the Academy of Medical Royal Colleges (Involvement as a simulated patient in the training and assessment of trainee doctors in the following Medical Schools: Norwich, Leeds, Liverpool, Hull and York) |
| Steve Treece | Public elected | Any connection with a voluntary or other organisation contracting for NHS services or commissioning NHS services | Employee of NHS Digital (trading name of the Health and Social Care Information Centre, an arms length body of the Department of Health and Social Care). |

3 (updated January 2020)

You matter most



Council of Governors' Meeting

Minutes of the public Council of Governors' meeting held on 6 November 2019 at 1715 at the Pavilions of Harrogate, Great Yorkshire Showground, Harrogate, HG2 8NZ

| | |
|---------------|---|
| Present: | Angela Schofield, Chairman |
| | Sarah Armstrong, Non-Executive Director |
| | Ian Barlow, Public Governor |
| | Jonathan Coulter, Deputy Chief Executive/Finance Director |
| | Robert Cowans, Public Governor |
| | Clare Cressey, Stakeholder Governor |
| | Tony Doveston, Public Governor |
| | Emma Edgar, Lead/Staff Governor |
| | Samantha James, Public Governor |
| | Pat Jones, Public Governor |
| | Neil Lauber, Staff Governor |
| | Dr Chris Mitchell, Public Governor |
| | Doug Masterton, Public Governor |
| | Laura Robson, Non-Executive Director |
| | Steve Russell, Chief Executive |
| | Dr David Scullion, Medical Director |
| | Richard Stiff, Non-Executive Director |
| | Dave Stott, Public Governor |
| | Heather Stuart, Staff Governor |
| | Maureen Taylor, Non-Executive Director |
| | Chris Thompson, Non-Executive Director |
| | Steve Treece, Public Governor |
| In attendance | Angie Colvin, Corporate Affairs and Membership Manager |
| | Elaine Culf, Observer |
| | Andrew Forsyth, Interim Company Secretary |

1. Welcome and apologies for absence

Angela Schofield welcomed members of the Council of Governors and noted that no members of the public were present. The meeting was quorate.

Apologies were received from Dr Pam Bagley (Stakeholder Governor), John Batt (Public Governor), Cath Clelland (Public Governor), Martin Dennys (Public Governor), Sue Eddleston (Public Governor), Jill Foster (Chief Nurse), Carolyn Heaney (Stakeholder Governor), Mikalie Lord (Staff Governor), Dr Loveena Kunwar (Staff Governor), Cllr John Mann (Stakeholder Governor), Samantha Mearns (Stakeholder Governor), Dr Chris Mitchell

(Public Governor), Lesley Webster (Non-Executive Director) and Angela Wilkinson (Director of Workforce and Organisational Development).

2. Declarations of Interest

There were no further declarations of interest in addition to those in paper 2.

It was noted Mr Coulter and Mr Thompson were Directors of Harrogate Healthcare Facilities Management (HHFM), trading as Harrogate Integrated Facilities (HIF).

3. Minutes of the last meeting held on 7 August 2019

The minutes of the last meeting held on 7 August 2019 were agreed as a true and accurate record, subject to an amendment on the final line of page 7 to replace 'manager' with 'manner'.

4. Matters arising and review of action log

Steve Russell referred to the Governor Briefing (Actions Update) circulated prior to the meeting which reflected an up to date position on the issues outstanding. The following points were discussed and the Action Log would be updated accordingly.

- Item 1: Wheelchairs – the assessment of wheelchair types had taken place and there had been a strong alignment of views. There were around 60 in total across the Trust of which 13 were the Bristol Maid type, which was considered to be functional if clunky, Sponsorship of new purchases was being explored to move towards a 50/50 split of types.
- Item 4: Work was ongoing to reduce the time between job offer and start date, which would be supported by technology and the process for internal moves, had changed. Heather Stuart noted that it was important feedback from current line managers was important and Clare Cressey felt that the time to hire should be measured from the date of interview.
ACTION: Angela Wilkinson to report timescale from interview to conditional offer, as well as conditional offer to start date

Heather Stuart asked about the consultant vacancies in acute medicine and Rob Harrison said that there were two new posts and that even though this was a difficult area for recruitment there had been some interest.

- Item 5: HARA – Angela Mrs Schofield noted that the presentation for Governors had been very interesting and that it was good to see the new arrangements making good progress.
- Item 6: Induction - A meeting to discuss induction of Governors would be added to the end of the Board with Council meeting on 27 November; any thoughts from Governors unable to attend should be passed to Angie Colvin in advance.
- Item 7: Newsletter – a date for a meeting of the Membership Development Working Group would be agreed and the Group would look at dates for a Newsletter.

- Item 8: NED Appraisal – Emma Edgar had met Angela Wilkinson and Lesley Webster and it had been agreed that all Governors would be surveyed for their views confidentially and comments would be collated to support the appraisal process. Angela Schofield noted that NHSE/I had issued guidance about chair competence and remuneration, bringing NHS Trusts and Foundation Trusts into greater alignment. The Remuneration, Nominations and Conduct Committee would meet to discuss the implications for HDFT.
- Item 9: Saturday and North East Council meetings – Angie Colvin reported that a majority of Governors had indicated they wished to keep a Saturday meeting and that a meeting in the North East would be welcomed. It was agreed that the January meeting would take place in Harrogate on 22 January and subsequent dates for meetings in May, August and November would be arranged, with one of them on a Saturday morning.

5. Chairman's verbal update on key issues

Angela Schofield reminded Governors that following the calling of a General Election, the Trust was in 'purdah' and was limited in any public comment until after the election.

Three of the CCGs in North Yorkshire, Harrogate and Rural District, Hambleton, Richmond and Whitby and Scarborough & Ryedale, would merge formally on 1 April to form a North Yorkshire CCG. Emma Edgar asked how this would affect funding for the Trust and Steve Russell advised that there needed to be a conversation about the implications of the merger within the framework of the Integrated Care Systems. Jonathan Coulter added that it wouldn't change the national financial framework but that there could be efficiencies within the new CCG as the result of economies of scale.

Angela Schofield drew attention to the Governors elections which were underway and due to conclude on 17 December with the election of five new Governors.

The Harrogate Hospital and Community Charity was very active and Angela encouraged Governors to visit the Pop-Up Christmas Market on 1 December.

Turning to those Governors and Non-Executive Directors leaving the Council, Angela wished Mikalie Lord well in her forthcoming maternity leave. She said that Pat Jones had always put patients at the forefront during her nine years as a Governor and that she would continue her links by volunteering with the Trust. Emma Edgar had also served for a full nine years and had been an outstanding representative for staff, whilst making a real difference to the effectiveness of the Council in her latter role as Lead Governor. Lesley Webster was concluding six years as a Non-Executive Director and Angela thanked her for her contribution to the Trust.

Angie Colvin was moving to a new post as the Trust's Equality, Diversity and Inclusion Officer and Angela said that the Council of Governors owed her a huge thank you for the way in which she had managed the Governors in a well-informed and well-organised way.

Finally Clare Cressey was welcomed to her new role as Lead Governor from 1 January 2020.

6. Chief Executive's Strategic and Operational update

Steve Russell gave a presentation that covered the Trust's position at the end of Quarter 2, update on the Carnall Farrar work to examine clinical and financial sustainability, the Trust's performance, and key strategic and operational risks. The following key points were noted:

- i. West Yorkshire and Harrogate was one of the biggest integrated care systems in England and Wales. Following publication of the NHS 10-year plan the ICS was working on 10 big ambitions over the next five years. It was clearly work in progress but he had listed the 10 ambitions in the presentation.
- ii. He had outlined in his presentation the Carnall Farrar work on sustainability of the Harrogate system. There were emerging themes and six drivers, which were listed in the presentation. The work will feed into operational planning for 2020/21 and subsequent years.
- iii. The Trust had been busy in Q2 and activity had been higher than planned. Work on restoring the referrals from Leeds was resolving the associated issues. The vacancy level was reducing very slightly. All cancer standards had been met in September, following a lot of work by Rob Harrison and the team. Financially there had been a deficit plan for the first half of the year and a surplus plan for the second half. After some adjustment the capital plan remained as originally developed. As the Trust moved into winter, it was trying to recover ED performance and there was increased use of the Supported Discharge Service. To date 35% of the staff had received flu vaccination, slightly better than last year largely due to increased efforts of peer vaccinators. Planned care transformation was continuing with a focus on the management of outpatients. There was a short discussion on the top three strategic and top three operational risks.
- iv. Clare Cressey asked how assured the Trust was about processes to recover the £6m owed to it. Jonathan Coulter said that of the £6m a large proportion was owed by York Teaching Hospital NHS Foundation Trust and this was being managed. An RPIW was planned to improve the processes but the level of debtors to the Trust was reasonably typical and long-term debtors had been reduced.
- v. Tony Doveston asked whether the Trust was meeting the 30-day payments standard to suppliers. Jonathan said that it wasn't, and never had done; it was usually 45 days but had deteriorated over the past 18 months; processes were in place to judge where priorities for payment should lie. Maureen Taylor said that the Resources Committee was kept up to date on cashflow and the payments position. She was concerned about the pressure on the payments team and said that it was always a delicate issue to balance cash
- vi. Neil Lauber wondered whether mandating flu vaccination had been discussed and Steve Russell replied that it had been considered at national level as well as locally. It was difficult for one organisation to do this in isolation.
- vii. Dave Stott was impressed with the detail in the IBR. He thought a top sheet which provided headlines around big issues and trends could aid engagement with communities. The structure should follow Key Lines of Enquiry around Well Led, financial and operational detail. He thought it was important that all responsibilities were subject to regular monitoring, including well-led to measure cultural change.

Angela Schofield said that the IBR review was considering the metrics so that oversight was more accessible.

7. Question and Answer session for Governors and members of the public

The Chairman moved to the questions from Governors which had been submitted prior to the meeting. There were no questions from members of the public. Emma Edgar confirmed Governors had met on 16 October and everyone had the opportunity to discuss and agree the questions to be submitted. In addition to the responses which were part of the papers for the meeting the following points were made in discussion of each question:

- *How do the Non- Executive Directors gain assurance regarding the progress in the various collaborative arrangements that the Trust is part of (e.g. Integrated Care System, WYAAT etc.), in particular the co-ordination of these initiatives to ensure that they are consistent with and do not distract from the Trust's core objectives?*

It was noted that the Chairman had chaired the WYAAT Committee in Common and was Deputy Chairman of the Partnership Board of the ICS. The Executive Directors are all active participants in WYAAT and ICS programmes. The Board received regular reports from the Chief Executive and other Executive Directors on WYAAT and ICS programmes and the board also received performance information on the all the Trusts. Heather Stuart asked about the effect on the health and wellbeing of the executive team of the work they undertook for WYAAT and the ICS. In discussion it was noted that the programmes did result in additional work for Trust colleagues but that overall the collaboration with partners had a very positive impact for staff and patients.

- *Has the Trust experienced over the last few months a shortage of Medicines and if so what are the plans to handle this. I have spoken to people who have experienced over the last two months a waiting time of up to and over three weeks for certain medicines some urgent, and Boots one of the largest chemists in the UK seem to have particular problems. People are also being told to try other chemists as the chemists they usually use are unable to give a date for supply of their usual medication. Obviously this is a very worrying situation.*

Rob Harrison advised that fluctuations in supply were not unusual, and that shortages of a number of medicines over the last few years but this pre-dates any issues which could relate to EU Exit. The Trust participates in both regional and national arrangements in place to manage supply issues which were effective.

Rob assured the Council that there have not been any incidents where the Pharmacy team have been unable to provide a suitable alternative medicine, and that the Quality Committee oversaw these issues.

- *Reflecting upon feedback from patients, carers, families and friends:*

- How well does the Trust judge it has sought, analysed and used such feedback?*
- In what ways does the Trust believe it could have done better?*
- What are the Trust's plans for seeking and making better use of this feedback such that both the quality and perceptions of patient healthcare are further enhanced?*

Laura Robson said that at Quality Committee used a variety of sources of information including the monthly IBR, and Quality dashboard. The quarterly report of Learning from

Patient Experience was a comprehensive report that triangulated information from multiple sources and examined trends; it includes complaints, comments, compliments and the Friends and Families Test. The Quality Committee Directorate reports allowed the Committee to drill down into issues and be assured that things were happening as a result of learning that was identified. The Board considered a Patient story at the beginning of each meeting, which always provided valuable learning. Rob Harrison said that the Trust was also developing a more proactive approach – such as the community engagement event for HARA. Sarah Armstrong said that the Quality Committee understood that balancing culture and processes is essential and that the Trust needed to be open about listening to patients and communities. Tony Doveston described the role of the Quality of Care meetings, using SROMC as an example and Heather Stuart felt that the Patient Voice Group could be used more effectively.

- *With the ever increasing workload on A & E services (10% increase nationally) are the Non-Executive Directors being assured that the Trust is in a position to cope with these increases together with the seasonal increases such as Christmas and New Year?*

Tony Doveston noted the importance of comparing changes over a longer period of time and to reviewing the impact of previous actions that had been agreed and Chris Thompson noted the importance of work with CCG colleagues to deliver better preventative care and reduce the number of admissions to hospital and attendances at A&E.

Richard Stiff noted that there had been an in-depth discussion at Quality Committee because it was an important issue. He advised that he had been impressed with the approaches discussed during a lengthy discussion which included, for example, timings of shift and/or patients. There was a clear attempt to meet the challenge with a vigorous response.

- *Since 2018, the podiatry services provided by the Trust have been radically changed and downgraded requiring patients to make their own follow-up appointments via telephone. For diabetic patients require 3 monthly checks are now required to make appointment some 10 weeks before to ensure they receive their necessary quarterly checks. After appointments a short rather terse note is given to the patients with follow-up instructions. This current situation is considered particularly detrimental to the elderly and vulnerable patients. Can the NEDs provide assurances that the service is meeting the needs of our local community and not increasing costs to the Trust in remedial treatment resulting from the lack of regular routine checks?*

Rob Harrison advised that the detailed response provided assurance that the service had not been downgraded and that overall improvements had been made.

Tony Doveston asked if there were any risks that it changed the onus back on to vulnerable patients. Rob Harrison said that the changes would bring Harrogate into line with York and Scarborough and confirmed that the arrangements did not apply to those who were assessed as being vulnerable or at high risk. Ian Barlow noted that the same system had been adopted in Bradford.

ACTION: Podiatry service to evaluate new way of booking appointments and report outcome.

- *What is the present position concerning the need to use locum consultants in order to meet essential service requirements? Is this problem becoming more severe and what level of additional costs is being incurred each month? Does the Workforce Strategy adequately respond to the position the Trust must confront in employing appropriately qualified and experienced senior practitioners and thus secure permanent staffing in critical areas?*

Maureen Taylor said that where a Consultant vacancy exists the Trust would seek to continue to run the service within existing resource until the post can be filled through recruitment. Where this is not possible we would seek to fill gaps with temporary staff, including bank and agency workers.

The Trust is currently recruiting to 10 Consultant posts. There are three speciality areas reliant on Locum consultants to maintain the service due to vacancies and long term sickness. This has been the case for a number of years in these specialities, due to the shortages in consultant numbers nationally in these areas.

The Trust's workforce strategy includes developing clinical alliances or outreach models with tertiary providers which offer candidates the benefits of working in HDFT whilst having access to specialist work in the tertiary provider which many new Consultants seek in some specialities and cannot be offered within the Trust.

This is likely to be the solution for Oncology and Cardiology as it will enable the appointment of consultants with sub-speciality interests which are only carried out in larger centres. For Acute Medicine, the service has been redesigned and as part of this the Trust has invested in the senior consultant posts and it is anticipated that the move to having 4 full time Consultants will be more attractive than the historic 2.5 consultant model.

Alongside this work, there has been extensive work in the development of other practitioners to provide resilience in service delivery which includes a highly specialised Acute Oncology Specialist nursing team and Advanced Clinical Practitioners in Acute Medicine. We continue to develop Advanced Practitioners in a number of specialities.

Bob Cowans was concerned that the approach was more expensive and that only some of the expenditure was budgeted, although he was pleased that the Trust had remained below the ceiling figure despite this.

Angela Schofield thanked Governors for their questions and Directors for their comprehensive answers. The questions and responses would be published on the Trust's website.

[Dr Chris Mitchell left the meeting at this point]

8. Resources Committee update

Maureen Taylor outlined the role of the Resources Committee, which met on the Monday before each Board of Directors. The Committee considered Income & Expenditure, cashflow, business development and investments. Recently the Committee had been benchmarking against the Model hospital and considering the proposals for digital transformation. It would turn its attention to the developing operational plan from November onwards. Following a review of the scope of the Committee Angela Wilkinson, Director of Workforce, had joined

the Committee to provide a better balanced agenda which now included reports on workforce issues such as recruitment and vacancies as well as expenditure on workforce. This provided better assurance about the processes of monitoring expenditure related to workforce. Other subjects which were discussed as appropriate included the private patient offer, the new endoscopy unit, clinical transformation and property arrangements.

At the October meeting the Committee had reviewed the month 6 position, Directorate level spending and the CIP, cashflow and the Better Payments Code, capital and priorities. Service Level Reporting was being developed to help measure performance at specialty level. There had been consideration of the forthcoming tender process for children's services in Durham, project reports including phase 1 of the Carnall Farrar review and a Post-Project Evaluation of Harrogate Integrated Facilities. The Committee had received and discussed an update on the WebV project as well as a quarterly update on ICS finances and implications for the Trust. Ian Barlow had attended the meeting and remarked that it had been very thorough.

9. Constitution Review 2019 – Update

The paper had been circulated before the meeting and was taken as read. The changes to the Constitution which had been approved at the August meeting of the Council of Governors (ie any Governor to stand as Lead Governor and Deputy Chairman of Governors to be renamed Lead Governor) had been approved by the appropriate majority by the Board of Directors on 25 September. They had now been incorporated into a revised version of the Constitution which the Council approved. It would be considered by the Trust Board on 27 November for approval.

Approved: The Council of Governors approved the amended Constitution.

10. Draft Minutes of the Annual Members' Meeting held on 24 July 2019

The draft Minutes were approved, subject to rearrangement of the attendees and noting that Emma Edgar was a Staff Governor.

Approved: The Council of Governors approved the draft Minutes.

11. Any other relevant business not included on the Agenda

There were no other items of business.

12. Close of meeting

Angela Schofield closed the meeting at 19:42, thanking everyone for attending and confirmed the next public meeting would take place on Wednesday, 22 January 2020 (venue to be confirmed).

COUNCIL OF GOVERNORS MEETING 6th NOVEMBER 2019

GOVERNOR QUESTIONS SUBMITTED & RESPONSES PRESENTED AT THE MEETING:

Steve Treece –

How do the NEDs gain assurance regarding the progress in the various collaborative arrangements that the Trust is part of (e.g. Integrated Care System, WYAAT etc.), in particular the co-ordination of these initiatives to ensure that they are consistent with and do not distract from the Trust's core objectives?

1. As Governors will be aware, increasingly we are operating as part of wider systems of care provision, and as such we are part of a number of partnerships and collaborative arrangements. These include The WY&H ICS, the WYAAT group of acute trusts, and the North Yorkshire system leadership executive.
2. We also have more formal arrangements including being part of the Joint Venture with Airedale and Bradford for pathology services, and a range of clinical alliances with York and Leeds Trusts. These arrangements assist us to provide better care to the population by providing both clinical and financial resilience across a range of services.
3. The priorities and work programmes are discussed at the Board of Directors meetings regularly and through the appropriate committees of the Board, where the Executive Directors who are engaged in the partnership arrangements update and discuss issues of relevance to HDFT.
4. The Chairman and Chief Executive attend the WY&H Partnership Board and the WYAAT Committee in Common, and the Chief Executive attends the Programme Executive of WYAAT where priorities are discussed and agreed. HDFT Executive Directors are engaged in the Director of Finance, Strategy & Operations, HR Directors, Chief Nurse and Medical Directors meetings. This ensures alignment of priorities and influence in decision making.
5. Papers are shared with all Board members and issues discussed with the full Board to ensure that our views are reflected appropriately at the various meetings and that the work programmes are aligned with our local priorities.
6. Both WYAAT and WYH programmes of work have dedicated resource to support them. The current work WYAAT programmes of work, which are all aligned to our local objectives are
 - a. Procurement
 - b. Scan for Safety
 - c. Workforce
 - d. Radiology
 - e. Pharmacy
 - f. Pathology
 - g. Vascular (not applicable to HDFT)
 - h. Clinical Strategy

Ian Barlow –

Has the Trust experienced over the last few months a shortage of Medicines and if so what are the plans to handle this. I have spoken to people who have experienced over the last two months a waiting time of up to and over three weeks for certain medicines some urgent, and Boots one of the largest chemists in the UK seem to have particular problems. People are also being told to try other chemists as the chemists they usually use are unable to give a date for supply of their usual medication. Obviously this is a very worrying situation.

1. Medicines shortages can occur in the course of normal business as usual. The Trust has experienced shortages of a number of medicines over the last few years. This pre-dates any issues which could relate to EU Exit. There are both regional and national arrangements in place to manage supply issues which we participate in.
2. There are distinct differences in the way in which community pharmacies supply chain works compared to hospital pharmacy and this can lead to different availability in hospital from the community. The Trust pharmacy team are aware from community colleagues that they are experiencing issues.
3. We understand that community pharmacies (like Boots for example) use a single wholesale supplier. This can mean that if an item is out of stock at that wholesaler, this can lead to supply issues to patients and therefore they may be advised to try another community pharmacy.
4. At HDFT, we use a number of different wholesalers and this reduces the likelihood of not being able to source a product.
5. As a part of the regional coordination if shortages are identified a plan can be developed to manage it on a larger scale. An example of this was a recent supply issue of Tinzaparin and the region co-ordinated the distribution of the alternative supply so that we were able to maintained a supply throughout.
6. In addition, within a hospital the pharmacy team are able to vary the prescription to deliver it in a different way, for example if Fluoxetine capsules were unavailable, the team would use an alternative strength or a liquid to manage the supply or if the Trust ran out of Ferrous Fumerate, the team would substitute it for Ferrous Sulphate. This isn't currently an option in community and a new prescription would have to be issued for the alternative item.
7. There have not been any incidents where the Pharmacy team have been unable to provide a suitable alternative medicine. However should this occur it would be reported via Datix and directly to the Medical Director and NHSE/I. The Non-Executive Directors would be informed through the Quality committee.

Dave Stott –

Reflecting upon feedback from patients, carers, families and friends:

(i) How well does the Trust judge it has sought, analysed and used such feedback?

(ii) In what ways does the Trust believe it could have done better?

(iii) What are the Trust's plans for seeking and making better use of this feedback such that both the quality and perceptions of patient healthcare are further enhanced?

1. We have a variety of mechanisms through which patients, service users and carers can provide feedback on their experiences of care. The 'Making Experiences Count' policy encompasses four types of feedback (the 4 Cs): compliments, comments, concerns and complaints. Information is available across our website, wards and departments about how people can provide these types of feedback. We also promote an 'on the spot' resolution of problems at a local level through Matrons daily visits, Matrons clinics and late Matron and weekend rota.
2. In addition to the national survey programme we undertake various local engagement and satisfaction surveys and peer reviews. We use the Patient Family and Friends Test (FFT) as a standard and developed amended versions for paediatric services and patients with learning disabilities. We are also trialling a local survey which includes FFT on Oakdale ward for patients with communication difficulties. There is a follow-up clinic in critical care for patients who have been intubated for three days or longer. The Bereavement survey is well-established.
3. Services are also looking at social media and other electronic feedback; for example, the 0-19 services have a number of Facebook sites for service users.

Some examples of changes made using patient feedback:

Critical Care

Patients struggling to sleep because of noise:

- Ear plugs provided
- Sound indicator at nurses station
- Monitor volumes turned down at night

Patients being disorientated as no windows/daylight:

- Sign at each end of the bed with day of the week/24-hour clocks
- Patient diaries provided

EADU

Male toilets not obvious to users – new signage installed

Byland and Granby wards

- Noisy bins replaced
- Family support rooms provided following a complaint about lack of privacy and dignity

Patient Property

Hearing aids and dentures going missing:

- Baskets provided to keep patient property together
- Hearing aid boxes provided Trustwide

EPAU Survey

Identified need to update patient information leaflets, including more practical advice

Upper GI Cancer Pathway Survey

Highlighted need to offer all patients a written summary of their diagnosis and next steps, particularly when Cancer Nurse Specialist not present.

Tony Doveston –

With the ever increasing workload on A & E services (10% increase nationally) are the NEDs being assured that the Trust is in a position to cope with these increases together with the seasonal increases such as Christmas and New Year?

1. Nationally, A&E attendances are 4% higher (to end September 2019) than last year. At HDFT, the year to date increase is 2.8%. Emergency admissions are 4% higher nationally and 10% higher at HDFT which affects the available bed capacity.
2. As part of the Board approval of the operational plan for 19/20, a detailed forecast of expected activity was developed which accounts for seasonal changes.
3. The Board approved investment in winter resilience as part of the operational plan for 2019/20 which included the supportive discharge service, increasing the consultant capacity in Acute Medicine, provision of additional inpatient beds, additional transport services and a specific development, the Acute Referral Centre, to provide acute advice to GPs to avoid admission of patients who can successfully be managed through urgent outpatients, ambulatory care services or speciality advice and guidance.

4. The Resources Committee has recently reviewed and endorsed capital investment in further ambulatory care capacity (which is now subject to Board approval) and the Quality committee reviews A&E performance and the safety and quality of experience for patients.
5. In addition to the winter plan, the Chief Operating Officer is working closely with the ED Clinical Lead and other speciality leads to develop an ED performance recovery plan to improve performance within the 4 hour standard and reduce waiting times for patients.

Sue Eddleston –

Since 2018, the podiatry services provided by the Trust have been radically changed and downgraded requiring patients to make their own follow-up appointments via telephone. For diabetic patients require 3 monthly checks are now required to make appointment some 10 weeks before to ensure they receive their necessary quarterly checks. After appointments a short rather terse note is given to the patients with follow-up instructions.

This current situation is considered particularly detrimental to the elderly and vulnerable patients. Can the NEDs provide assurances that the service is meeting the needs of our local community and not increasing costs to the Trust in remedial treatment resulting from the lack of regular routine checks.

1. Previously, in the Harrogate patch all appointments were made three months in advance by the service, whereas in other areas covered by HDFT it was through the patient contacting the service. This approach has been in place in York and Scarborough for over 15 years, and the changes have brought the Harrogate patch into line with the rest of the North Yorkshire area.
2. The need for review varies between patients; for example, someone with active ulcerations may be seen twice a week, patients with lower need may need to be seen every 3 or more months and for those with Biomechanics problems it may be appropriate for this to be 6-12 months.
3. For high risk patients, who need more frequent monitoring (usually within a 6 week period) these appointments are made before the patient leaves the department. Where a podiatrist identifies a vulnerable patient who may not contact the service themselves they will also be booked in advance.
4. In a number of clinical conditions podiatry treatment will reduce pain and improve comfort but will not provide a cure, and further treatment is indicated when those symptoms occur again. It is difficult to predict precisely when this will return for each individual patient and it is therefore better to allow the patient to initiate the treatment when they need it.
5. For patients who require more routine follow up they are given information about symptoms they should watch for, and are asked to contact the department if those symptoms arise. The approach to patients phoning the service to obtain an appointment based on their need is very similar to many services, such as those provided by the patients GP, and has been successfully in place for podiatry services in both York and Scarborough for a number of years. In York this was established around 2004.

6. We recognise this is a change and Podiatry staff should be explaining this to patients, as well as encouraging patients to check their feet daily themselves. There is clear evidence that daily checks of the feet are much more likely to spot a developing problem than a 3 monthly appointment. The information on the hand out provided is brief and is not designed to provide the more detailed information that will have been explained verbally during the appointment.
7. Patients should be being asked to phone for an appointment when you "feel your feet need treatment" (not 10 weeks ahead) and the service will aim to give appointment within 2 weeks.
8. A small number of patients have phoned 10 weeks in advance and have not needed treatment and they have been asked to phone back when they are in need of treatment. The clinical lead will remind all podiatry staff about the information that patients should be given.
9. The information provided to patients is short and concise and the team have been asked to review the leaflet and ensure it has been through our patient information process.
10. We previously gave everyone a follow up appointment three months in advance this meant some patients not have a problem at the time of their appointment and did not need treatment and therefore did not attend. The longer ahead that a patient appointment is made the more likely it is to be forgotten, or if a patient is not experiencing any pain then they are less likely to be thinking about their foot condition as such less likely to keep their appointment. Harrogate's DNA rate was 8% compared to 6% in York.
11. Since the change in the model in May 2019 the DNA rate has been gradually reducing from 8.3% to 6.4% in September and means we are able to see around 500 more patients, particularly those who have an urgent need and need to be seen at short notice.
12. This approach has been in place in York for 15 years. The evidence from this area is that there is no increase in patients developing problems needing "remedial treatment" and combined with the increase emphasis on patients having greater awareness of their foot problem and associated risks, patients are more likely to identify problems which may develop at any stage between treatments and then contact the service to obtain a timely appointment.
13. Following the change there have not been any complaints about the new approach, and there are clear safeguards in place for high risk patients and Diabetic patients also have a primary care annual foot check. There is an emphasis on patient education to improve foot care which has had a positive impact in York and is part of the change the team are focussing on in Harrogate.

Doug Masterton -**4**

What is the present position concerning the need to use locum consultants in order to meet essential service requirements? Is this problem becoming more severe and what level of additional costs is being incurred each month? Does the Workforce Strategy adequately respond to the position the Trust must confront in employing appropriately qualified and experienced senior practitioners and thus secure permanent staffing in critical areas?

1. Where a Consultant vacancy exists the Trust would seek to continue to run the service within existing resource until the post can be filled through recruitment. Where this is not possible we would seek to fill gaps with temporary staff, including bank and agency workers.
2. The Trust is currently recruiting to 10 Consultant posts. There are three speciality areas reliant on Locum consultants to maintain the service due to vacancies and long term sickness; Oncology, Acute and Emergency Medicine and Cardiology and there are 3 long term locum Consultants currently employed alongside short term locum cover. This is due to the inability to recruit to the vacant posts. This has been the case for a number of years in these specialities, due to the shortages in consultant numbers nationally in these areas.
3. The Trust's workforce strategy includes developing clinical alliances or outreach models with tertiary providers which offer candidates the benefits of working in HDFT whilst having access to specialist work in the tertiary provider which many new Consultants seek in some specialities and cannot be offered within the Trust.
4. This is likely to be the solution for Oncology and Cardiology as it will enable the appointment of consultants with sub-speciality interests which are only carried out in larger centres. For Acute Medicine, the service has been redesigned and as part of this the Trust has invested in the senior consultant posts and it is anticipated that the move to having 4 full time Consultants will be more attractive than the historic 2.5 consultant model.
5. Alongside this work, there has been extensive work in the development of other practitioners to provide resilience in service delivery which includes a highly specialised Acute Oncology Specialist nursing team and Advanced Clinical Practitioners in Acute Medicine. We continue to develop Advanced Practitioners in a number of specialities.
6. The Resources Committee the Trust monitors the financial and workforce impact of overall bank and agency usage. The cost of the locum consultants has been £1.9m year to date, representing an excess cost of £0.6m compared with substantive employment.
7. This will be for a range of reasons such as sickness, waiting list initiatives and vacancies.
8. The Trust has a nationally set agency 'ceiling', and for the last two months the Trust has reported overall spend below the agency ceiling.

Paper 4.0



HDFT Council of Governor Meeting Actions Log – January 2020

This document logs items agreed at Council of Governor meetings that require action following the meeting. Where necessary, items will be carried forward onto the Council of Governor agenda in the relevant agreed month. The Director/Manager responsible for the action will be asked to confirm completion of actions or give a progress update at the following Council of Governor meeting when they do not appear on a future agenda.

When items have been completed they will be marked as such and transferred to the completed actions schedule as evidence.

| Ref | Meeting Date | Item Description | Director/Manager Responsible | Date due to go to Council of Governor meeting or when a confirmation of completion/progress update is required | Detail of progress |
|----------------|---------------|--------------------------------------|---|--|--|
| 3 (prev 16) | 1 May 2019 | Review Integrated Board Report (IBR) | Rob Harrison, Chief Operating Officer | 22 January 2020 | 7 August 2019 – Governor Briefing provided. Views to be sought from Governors as part of the process. 6 November 2019 – detailed processes underway but more analysis required – likely to be out for comment end December 2019 |
| 6 | 7 August 2019 | Review Governor induction process | Angie Colvin, Corporate Affairs and Membership Manager | 22 January 2020 | Scheduled for 27 November following Board to Board |
| 7 | 7 August | Review membership newsletter | Angie Colvin, | 22 January 2020 | 6 November – Membership Development |

| | | | | | |
|----|-----------------|---|--|-----------------|--------------------------------|
| | 2019 | content and frequency | Corporate Affairs and Membership Manager | | WG to consider and report back |
| 11 | 6 November 2019 | Time to Hire – report timescale from interview to conditional offer, as well as conditional offer to start date | Angela Wilkinson, Director of Workforce and Organisational Development | 22 January 2020 | |
| 12 | 6 November 2019 | Podiatry service to evaluate new way of booking appointments and report outcome | Rob Harrison, Chief Operating Officer | May 2020 | |

COUNCIL OF GOVERNORS MEETING 22ND JANUARY 2020

GOVERNOR QUESTIONS SUBMITTED & RESPONSES PRESENTED

Tony Doveston

1. Last year there was a suggestion that senior staff members would be undertaking less procedures/activity because of tax issues that would affect their income/pensions. Since this was brought to our attention all has gone quiet which may suggest a potential resolution.
 - Could Governors be assured that the matters are being resolved or advised of the progress that is being made?
 - Also the impact on the Trust to date and projected impact if the matter is still ongoing?

Response

2. Pension taxation rules are determined nationally. The Trust began discussions around the impact of pension taxation concerns in early 19/20 and the issue remains live and the Trust's continues to work through the national developments. The Trust established a Pension Working Group which has worked through a number of potential approaches to mitigate the impact, taking relevant legal advice. The measures do not fully mitigate the risks associated with the annual allowance, but reflect what actions it is possible for local employers to take in line with the principles that have been agreed by the Board.
3. The Council was previously advised that the Department of Health & Social Care had launched a consultation on changes to the pension scheme for clinicians. This closed in November 2019, and no further information about the outcome of the consultation has been communicated to Trusts.
4. Although the outcome of the consultation is not known, NHS England announced a scheme for 2019/20 for registered clinicians who incur a tax charge due to the annual allowance will be able to have the charge paid by the NHS. However this is administered in a relatively complex manner.
5. The operational impact of clinicians taking actions to mitigate potential tax charges have included a reduction in additional PA's, requests to reduce contracted PA's, a reduction in waiting list initiatives and requesting parental leave. The Trust continues to respond flexibly to such changes. The Trust has not had to cancel any planned appointments as a consequence of this issue, but it has led to a reduction in capacity in some specialities which has resulted in some longer waits.
6. At the request of NHS England the Trust is currently undertaking a detailed impact assessment which will be shared with the Council.

Cath Clelland

7. Following the creation of HIF [Harrogate Integrated Facilities, which is a wholly owned subsidiary] 22 months ago in March 2018 , the Governors would like an update on what progress it has made in meeting its objectives, such as:

- Improving recruitment and retention of staff, specifically skilled trade staff
- Improving performance in the areas transferred to HIF
- Attracting income opportunities to boost the financial balance of HDFT
- Any other financial benefits

Response

8. The Resources Committee reviewed the formal Post Project Evaluation (PPE) in October 2019. This provided assurance that HIF had achieved the expected financial savings in its first full year, and on the positive impact on recruitment which had resulted from the introduction of the revised employment terms and conditions. It also provided assurance that the KPIs set out in the contract had been achieved by HIF.
9. The new terms and conditions are now applicable to 24% of staff, with the recruitment of 84 staff by the end of September 2019. Recruitment to Estates staff has demonstrated a particular improvement. All KPIs within the contract have continued to be met, with the exception of Clinical Waste, which was related to the national issues. However, this has been the focus of a significant amount of work and the KPIs are now being met once again. The recurrent and non-recurrent financial savings identified within the business case were fully delivered.
10. In terms of additional income opportunities HIF have not yet attracted income opportunities beyond the level initially planned. However, this is in line with expectations given the initial year focused on mobilisation of the new company.

Steve Treece

11. The recent change to the leadership of the HIF Board was unexpected and the CoG would like an assurance both that it has not had a detrimental impact on HIF management and staff, and that arrangements are being put in place to recruit a replacement Chair when Chris Thompson stands down in June?

Response

12. The Board (which is the sole Shareholder of HIF and has the responsibility of appointing the Chair of HIF) took swift action following the resignation of the postholder to ensure continuity for the company through the appointment of Chris Thompson.
13. The Managing Director of Harrogate Integrated Facilities has confirmed that, in his view, the changes will have no detrimental impact on the staff in HIF as it maintains continuity at Board level.

14. The staff were informed that the Trust Board had appointed Chris Thompson to the position of Chair until the end of June 2020.
15. A full recruitment process will be put in place to find a permanent Chair to take over at that point, and will be supported by an external professional search company.
16. Additionally, Sarah Armstrong, a Non-Executive Director of the Trust has joined the HIF Board as a Trust appointment to HIF. This was already planned due to Chris's planned retirement from the Trust Board.

Doug Masterton

17. It is essential that medical staff, particularly consultants, are helped to keep up to date and to apply latest medical research findings and examples of good practice in a hospital like Harrogate which is not directly connected to a medical school or a university institution carrying out medical research. For example just this week we learned how artificial intelligence could be just as effective at analysing mammogram scans for cancer as two consultant radiologists working together. This is not something that could be instigated straight away as it is still a research finding but we would like to know how our consultant and nursing community takes steps to apply research findings as soon as it is appropriate. It was good to have the recent presentation on the value of exercise in respect of reducing propensity to develop cancer and as a means of improving the likely effectiveness of subsequent treatment and that this had led to changed practice for Harrogate patients immediately following their diagnosis. But this must be only one of many improvements that research has identified, therefore:
 - Is there an appropriate kind of academic culture and vigilance for professional practise available to clinical staff at HDFT akin to what is available for clinical staff at other University affiliated hospitals?
 - How do HDFT ensure clinical staff are up to date and adopt an equitable approach in staff development and applying new practise?
 - Which NED(s) pays particular attention and seeks assurance of continual professional development for clinical staff and the introduction of relevant medical innovations?

Response

18. The culture of research within HDFT is enshrined in the Trust Research and Innovation (R&I) strategy which has a robust governance structure and has engagement across many clinical disciplines within the hospital and the community. This is evidenced by the fact that the Trust has outperformed in terms of recruitment and research output for many years.
19. There is involvement of all clinical areas in research, with active recruitment in a number of studies that involve all directorates. These are supported by a highly skilled and motivated research team within the Trust.

20. The R & I group is chaired by the Medical Director who acts as direct link to the Trust Board via monthly board updates as deemed necessary. The Associate MD for research (Professor Alison Layton) holds an academic chair at Hull & York Medical School and has strong and long established links to the regional Yorkshire and Humber Clinical Research Network. The trust also partners with the AHSN (Academic Health Science Network) which is integral to ensuring that evidence from research studies is adopted in clinical practice across the region.
21. There are research links through the West Yorkshire & Harrogate Medical Directors group with input from the regional WYAAT R & I forum. Presentations from this group have been made to the MD group, one of the fundamental aims being to cement links between the WYAAT Trusts to ensure most efficient use of available research resource. Lastly there are strong links to regional academic centres such as LTHT, Leeds University, Bradford University Hospitals Trust and the Improvement Academy.
22. All consultant medical staff have dedicated time within their job plans for continuous professional development (CPD) which is reviewed as part of the annual appraisal process. Whilst non-medical staff do not all have dedicated time for CPD, ward based establishments include funding for backfill for a certain level of training and this would again be part of the annual appraisal process. All staff engaging in research activity within the Trust must be up to date with GCP (Good Clinical Practice). This is mandated for those engaged in research and ensures best practice and good governance is followed.
23. The Board does not have a designated NED for seeking assurance on CPD.

Steve Treece

24. Can we please have an update on cost saving options being pursued, in particular through collaborative working? We would like to understand the anticipated benefits from these initiatives; risks arising from them; and how NEDs gain assurance on their delivery. We understand that one example is integrated procurement activity being piloted with WYAAT?

Response

25. There are a range of collaborative initiatives where we along with partners generate financial benefits that would not have accrued if we had acted alone. The main area of work is through the WYAAT collaboration, with the following examples of productivity benefits:
- Procurement – Leadership for the HDFT service being provided from LTHT with a view to generating a joint work programme that benefits both organisations. This is in addition to the WYAAT programme of standardisation that has produced £1m savings across the 6 Trusts to date.
 - Workforce – ability for staff to transfer quickly between Trusts to improve productivity by streamlining recruitment processes

- Pathology – successful bid for capital funding to replace pathology systems with a common platform across WYAAT. This will support productivity improvements through standardisation.
- VMWare procurement – joint procurement across all Trusts which has generated additional resource for HDFT over 5 years
- Scan for safety – a project initiated by LTHT is being expanded across all WYAAT Trusts following a successful bid of £15m capital resource over four years

26. In addition, we have entered into a Joint Venture with Airedale and Bradford in relation to the provision of pathology services which will generate savings going forward.

27. Further work across WYAAT and the ICS includes standardisation of elective care pathways, deployment of a common PACS system in radiology to allow sharing of information and joint working, and a review of aseptic pharmacy provision. We also benefit from joint working and funding as part of the Cancer Alliance and the Local Maternity System.

28. The Board receives assurance and updates on the range of collaborative programmes in a number of ways. We are part of the ICS Partnership Board and the WYAAT Committee in Common, which have both Executive and Non-executive membership. Executive Directors are also members of a range of programme boards as well as functional group (eg Finance Director group, Medical Director group) which review and challenge the delivery of collaborative work. Reports from these meetings are provided to the Board, and the Resources Committee will receive updates on such programmes where they have a planned financial benefit in year.

29. We are also equal members of the pathology joint venture board (our Chief Operating Officer and our Director of Workforce & OD are our representatives), which is responsible for delivery of the pathology service across the three Trusts and planned financial benefits will be overseen by Resources Committee as part of the Trust's overall financial plan.

30. Finally, in relation to the procurement service where we are working with LTHT, updates are received at the Audit Committee about progress and developments.

| | | | | | | | | | | |
|---|---|---|-----------|--|-----------------------------|---|-----------|--|-------------|---|
| Date of Meeting: | 22 January 2020 | Agenda item: | 8.1 | | | | | | | |
| Report to: | Council of Governors | | | | | | | | | |
| Title: | Governor Development and Membership Engagement Committee | | | | | | | | | |
| Sponsoring Director: | Mrs Angela Schofield, Chairman | | | | | | | | | |
| Author(s): | Angela Schofield | | | | | | | | | |
| Report Purpose: | <table border="1"> <tr> <td>Decision</td> <td>Discussion/ Consultation</td> <td>✓</td> <td>Assurance</td> <td></td> <td>Information</td> <td>✓</td> </tr> </table> | | | Decision | Discussion/ Consultation | ✓ | Assurance | | Information | ✓ |
| Decision | Discussion/ Consultation | ✓ | Assurance | | Information | ✓ | | | | |
| Executive Summary: | The Council is requested to consider some amendments to the Governor Working Group – Membership Engagement and Development to form a Council Sub-Committee, which will focus on governor development and membership engagement. | | | | | | | | | |
| Related Trust Objectives | | | | | | | | | | |
| <table border="1"> <tr> <td>To deliver high quality care</td> <td>✓</td> <td>To work with partners to deliver integrated care:</td> <td></td> <td>To ensure clinical and financial sustainability:</td> <td>✓</td> </tr> </table> | | | | To deliver high quality care | ✓ | To work with partners to deliver integrated care: | | To ensure clinical and financial sustainability: | ✓ | |
| To deliver high quality care | ✓ | To work with partners to deliver integrated care: | | To ensure clinical and financial sustainability: | ✓ | | | | | |
| Key implications | | | | | | | | | | |
| Risk Assessment: | No risks | | | | | | | | | |
| Legal / regulatory: | This would be a sub-committee of the Council of Governors | | | | | | | | | |
| Resource: | Replacement of existing working group | | | | | | | | | |
| Impact Assessment: | | | | | | | | | | |
| Conflicts of Interest: | | | | | | | | | | |
| Reference documents: | | | | | | | | | | |
| Action Required by the Council of Governors: | | | | | | | | | | |
| The Council of Governors is recommended to support the establishment of this sub-committee and invite governors to put themselves forward to be members. | | | | | | | | | | |



**DRAFT
PAPER 8.1**

COUNCIL OF GOVERNORS

MEMBERSHIP DEVELOPMENT AND ENGAGEMENT COMMITTEE

TERMS OF REFERENCE

Accountability

The Membership Development and Engagement Committee is a sub-Committee of the Council of Governors and will report to the Council of Governors.

Committee Membership

When a Governor who is a member of the sub-Committee comes to the end of their term of office their membership of the Committee will cease. They will be able to seek reappointment if re-elected as a Governor.

Designation

Lead Governor (Chair)
5 Public Governors (excluding the Chair) to be elected by Public Governors
1 Staff Governor (excluding the Chair) to be agreed by the Staff Governors
1 Stakeholder Governor (excluding the Chair) to be agreed by Stakeholder Governors
Company Secretary
Corporate Affairs and Membership Manager
Communications Manager
Trust Chairman
Others to be invited by the Chair as appropriate

Meetings

The sub-Committee will meet on a quarterly basis with the meeting dates agreed well in advance. Papers will be sent out five working days before each meeting. Notes will be taken at each meeting, and these will be distributed to all members of the group, and the full Council of Governors for information, within four weeks of the meeting. The Chair will provide a paper summarising the work of the group to each quarterly Council of Governor meeting.

Quorum

Six members of the sub-Committee with a minimum of three Governors and one member of corporate team.

You matter most

Attendance

Each member will be expected to attend at least 50% of meetings. The Chair will review the membership of those who are unable to meet this commitment.

Purpose of the Committee

On behalf of the Council of Governors, the sub-Committee will be responsible for overseeing the development programme for Governors and the delivery of the Foundation Trust's membership development strategy, including membership recruitment and engagement. These responsibilities will include:

- Identifying the development needs of Governors
- Planning development activities for Governors
- Reviewing the induction programme for Governors and proposing changes as appropriate
- Reviewing the Membership Development Strategy to ensure action plans are implemented.
- Advising on the design, content and development of the members' on-line magazine 'Foundation News'.
- Engaging with and supporting membership events including 'Medicine for Members' sessions.
- Advising on arrangements for the Annual Members' Meeting.
- Promoting the Governor election process.
- Participating in membership activities.
- Promoting, monitoring and evaluating membership recruitment.
- Contributing to the Annual Plan on Foundation Trust membership matters.

Review

The members will review the effectiveness and terms of reference of the sub-Committee annually and report to the Council of Governors.

AS/January 2020

You matter most

| | | | | | | | | | | | |
|---|--|---|-----|--|---|---|---|--|---|-------------|---|
| Date of Meeting: | 22 January 2020 | Agenda item: | 8.2 | | | | | | | | |
| Report to: | Council of Governors | | | | | | | | | | |
| Title: | Draft Minutes of the Remuneration, Nominations and Conduct Committee meeting on 18 November 2019 | | | | | | | | | | |
| Sponsoring Director: | Mrs Angela Schofield, Chairman | | | | | | | | | | |
| Author(s): | Angela Schofield | | | | | | | | | | |
| Report Purpose: | <table border="1"> <tr> <td>Decision</td> <td>✓</td> <td>Discussion/ Consultation</td> <td>✓</td> <td>Assurance</td> <td></td> <td>Information</td> <td>✓</td> </tr> </table> | | | Decision | ✓ | Discussion/ Consultation | ✓ | Assurance | | Information | ✓ |
| Decision | ✓ | Discussion/ Consultation | ✓ | Assurance | | Information | ✓ | | | | |
| Executive Summary: | <ul style="list-style-type: none"> The Council is requested to consider the draft Minutes of the meeting of the Remuneration, Nominations and Conduct Committee held on 18 November 2019 The Committee discussed guidance from NHSI/E on the remuneration of Non-executive Directors and a new appraisal process for Chairman The Committee agreed to propose to the Council a new process for the appraisal of Non-Executive Directors, developed by Emma Edgar (past Lead Governor), Lesley Webster (past SID) and Angela Wilkinson (Director W&OD) | | | | | | | | | | |
| Related Trust Objectives | | | | | | | | | | | |
| <table border="1"> <tr> <td>To deliver high quality care</td> <td>✓</td> <td>To work with partners to deliver integrated care:</td> <td></td> <td>To ensure clinical and financial sustainability:</td> <td>✓</td> </tr> </table> | | | | To deliver high quality care | ✓ | To work with partners to deliver integrated care: | | To ensure clinical and financial sustainability: | ✓ | | |
| To deliver high quality care | ✓ | To work with partners to deliver integrated care: | | To ensure clinical and financial sustainability: | ✓ | | | | | | |
| Key implications | | | | | | | | | | | |
| Risk Assessment: | No risks | | | | | | | | | | |
| Legal / regulatory: | Not applicable | | | | | | | | | | |
| Resource: | No change to existing resource requirements | | | | | | | | | | |
| Impact Assessment: | None | | | | | | | | | | |
| Conflicts of Interest: | None | | | | | | | | | | |
| Reference documents: | NHSI/E Guidance on Remuneration of Non-Executive Directors | | | | | | | | | | |
| Action Required by the Council of Governors: | | | | | | | | | | | |
| The Council of Governors is recommended to support the establishment of a new process for the appraisal of Non-Executive Directors | | | | | | | | | | | |

You matter most

REMUNERATION, NOMINATIONS AND CONDUCT COMMITTEE

Minutes of the Remuneration, Nominations and Conduct Committee held on 18 November 2019 at 4pm in the Boardroom, Trust HQ, 3rd Floor, Harrogate District Hospital

Present: Angela Schofield, Chairman
 Clare Cressey, Stakeholder Governor
 Tony Doveston, Public Governor
 Sue Eddleston, Public Governor
 Emma Edgar, Staff Governor/Lead Governor (via phone)
 Steve Treece, Public Governor

Ex-officio: Andrew Forsyth, Interim Company Secretary
 Angela Wilkinson, Director of Workforce and Organisational Development

 Angie Colvin, Corporate Affairs and Membership Manager (minutes)
 Elaine Culf, Interim Corporate Affairs and Membership Manager (observing)

1. Welcome and apologies for absence

Angela Schofield thanked everyone for attending, explained the purpose of the meeting and welcomed Elaine in her new role as Interim Corporate Affairs and Membership Manager.

Apologies were received from Steve Russell, Chief Executive, and Lesley Webster, Senior Independent Director/Non-Executive Director.

2. Review of recruitment process for Non-Executive Directors

Governors were asked for their feedback on the recent recruitment process for Non-Executive Directors.

It was agreed that the process had gone well and that three excellent Non-Executive Directors had been appointed.

Governors were pleased to have appointed three new Non-Executive Directors, as opposed to two, and agreed this would save time and money in the future.

The Committee talked about the service provided by Gatenby Sanderson in detail and, although it was recognised there were no female candidates shortlisted, their work to support Governors in finding the right candidates was valued.

Angela Schofield confirmed that Laura Robson's current term of office ran until 31 August 2020.

3. **Structure to align remuneration for Chairs and Non-Executive Directors of NHS Trusts and NHS Foundation Trusts**

Angela Schofield referred to NHS England and NHS Improvement's paper circulated prior to the meeting and confirmed it was important for the Committee to receive and discuss the new structure.

Governors were reminded that the Council of Governors of NHS Foundation Trusts would continue to set the remuneration of the Chair and Non-Executive Directors. Andrew Forsyth informed the Committee that the structure was discussed at the NHS Providers company secretaries' network meeting held on 14 November and he confirmed that colleagues from Foundation Trusts would continue to use the discretion afforded to them and report in the Annual Report and Accounts the level of remuneration agreed by the Council of Governors.

Angela highlighted the change outlined in the structure that for Non-Executive Directors, a single uniform annual rate of £13,000 would apply with local discretion to award supplementary payments of up to £2,000 per annum (to a maximum of two individuals) in recognition of extra responsibilities such as chairing committees of the Board and undertaking the duties of Senior Independent Director. The current Trust's basic rate without supplementary payments was £13,261; however, those Non-Executive Directors with extra responsibilities received an additional payment of £3,571 per annum.

Angela referred to the decision made by the Council of Governors in 2018 that Non-Executive Directors with two additional responsibilities, such as Laura Robson (Chair of the Quality Committee and, subject to Board approval, Senior Independent Director from January 2020), receive one additional payment and not two. Having three Non-Executive Directors currently being paid an additional payment of £3571 per annum is therefore more of an issue should the Trust change to be consistent with the provisions of the aligned structure which states a supplementary payment of up to £2,000 to a maximum of two individuals (£4000 in total).

The Committee discussed the terms of this change in more detail including the structure's period of implementation and annual uplifts.

The Committee acknowledged the purpose of the new structure is to address longstanding issues associated with the significant disparities between the remuneration of Chairs and Non-Executive Directors of NHS Trusts and NHS Foundation Trusts. However, it was felt that the current pay structure within HDFT was appropriate for the current Non-Executive Directors and those who had been recruited recently. It was therefore agreed to recommend to the Council of Governors in January 2020 that the current remuneration arrangements continue and review these at the next recruitment round. The reasons behind the decision would be explained to NHS England and NHS Improvement if required to do so.

ACTION: Propose to Council of Governors that current remuneration structure for NEDs be retained.

4. **Framework for conducting annual appraisals of NHS provider Chairs**

You matter most

Angela Schofield noted that there were five competency domains referred to in the NHS Improvement guidance document, which had been circulated. This was designed to achieve greater consistency across all Trusts, including Foundation Trusts. There was already a difference in that NHS Trusts reported Chair appraisals in to NHS Improvement whilst Foundation Trusts reported completion of Chair appraisals to the Council of Governors.

Clare Cressey asked about remuneration for Chairs and Angela confirmed that the Trust's salary was in line with the upper quartile of the medium band which is the appropriate band for HDFT; the opportunity to review it would be when a Chair was next recruited. Tony Doveston said that the last increase was to bring the Chair in line with other high performing Trusts, and this had been the objective for NED pay as well.

Emma Edgar felt that there needed to be an effective appraisal process to ensure that effective appraisal took place for the Chairman. She supported the proposed framework; it was similar to what the Trust already used. However, the Trust does not draw on external stakeholders currently, although stakeholder Governors are included in the process. The proposed process does not mention the Lead Governor as Appraisal facilitator but the Trust can still use this approach. Currently the Lead Governor and Senior Independent Director ask for feedback from all Board members and Governors and then work together to undertake the appraisal, with the Lead Governor reporting to the Council that appraisals have taken place. In Angela Schofield's view the proposed approach enhanced what was already done, with a more structured framework. Emma Edgar said that the proposed online tool for the Trust could incorporate improvements from the framework. The purpose of the discussion was to make sure that Governors were made aware, reflect initial views, report to the Council in January and generally adopt the framework. Angela Wilkinson said that the NHSI/E document should be mapped across the proposed Trust framework, as developed by Lesley Webster, to identify areas for improvement.

Clare Cressey wondered who would be invited to contribute to the appraisal; stakeholder Governors help to foster external relationships. Angela Schofield said whilst that would cover local authorities, it didn't include WY&H ICS or WYAAT (which were important relationships) and it was up to the Trust to define external stakeholders. She said that the objectives around the competence framework and the principles of the new appraisal would be reflected even if it was structured differently.

Angela Schofield suggested that the recommendation was made to the Council that this was something which the Governors wished to develop and work in our own way, with Laura Robson, as SID, being the main focus. It was Trust practice for the SID and Lead Governor to undertake appraisals and this should continue to be the practice.

Moving to appraisal of the NEDs, Angela Schofield said that a similar framework had not yet been developed by NHSI/E although this was already in hand. As a result of the lessons from last year, the Lead Governor, Lesley Webster and Angela Wilkinson were taking this forward.

Angela Wilkinson said that completing six or seven free text options was difficult to do and the quality of responses could be improved with a more structured approach. Replacing the manual process by the use of Survey Monkey would allow e-mail

You matter most

responses and easier collation. Rather than free text multiple choice may be easier, ensuring more effective grading of responses and a standardised approach across all NEDs. A limited option for free text, after multiple choice, would remain. The categories for questioning were under construction but would include governance and accountability, constructive challenge and ongoing understanding. A second section would demonstrate whether or not the appraisee took a longer term view. A quality focus would be explored as well as how the NED relates to colleagues in accordance with Trust values. A section on additional responsibilities and then a final section about achievement against objectives would complete the questionnaire. There was a suggestion that attitudes of the NED to equality, diversity and inclusion and around Freedom to Speak Up should also be included.

Angela Schofield had received a note from Lesley Webster about her review of the NED appraisal process,

Tony Doveston suggested that questions about a NED's relationship with Governors could come under governance and accountability, whilst Steve Treece said that something should be added about the relationship with the Chair.

It was agreed that a new national scheme could be applied to a Survey Monkey tool.

Tony Doveston suggested that when the Chairman undertook Governor assessments, they should be in line with this philosophy. Whilst accountability was different for Governors (who acted unpaid and were elected not recruited), Angela Schofield felt that it was logical to use a similar structure, gaining feedback from fellow Governors, NEDs and Executive Directors. It was agreed that Emma Edgar would discuss this with the new Lead Governor.

ACTION – Angela Wilkinson and Emma Edgar would take this forward, and involve Laura Robson, with the involvement of Clare Cressey if possible.

The aims should be to have a draft framework before 22 January and it was felt that it did not need to come back to the Committee. The proposal should be sent round by email as a work in progress and it would be good to get the support of the Council. Angela Schofield agreed that it should be seen outside Committee. The principles should be that it was confidential, on line, based on a template, relate to five or six general headings and be in line with the one proposed for the Chair, and how the applicable domains were relevant to NEDs.

[The draft proposal is attached as an Appendix to these Minutes]

Angela Schofield wondered many Governors would respond to the questionnaire and be able to answer all the questions. Emma Edgar said this was always a problem (there had been six responses this year) as the meeting noted. Inclusion of a 'Not observed' column, where Governors were unable to comment, although Governors should make it part of their mission to try and observe behaviours throughout the year, might improve the response rate. Responses would always be anonymous.

5. Any other business

There were no other items of business. Angela Schofield thanked everyone for attending and closed the meeting.

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Appendix to 8.2

Harrogate and District NHS Foundation Trust

Non-Executive Director Appraisal Process

The appraisal of the Non-Executive Directors in relation to their performance in (*previous financial year*) will take place between May and June (*YEAR*).

The appraisal will be based on feedback from those best placed to assess their individual performance and will be invited from:

- The Governors.
- The members of the Board, both Executive and Non-Executive;

Comments on all Non-Executive Directors will be obtained by completing a survey questionnaire.

This will take into account:

- Demonstration of the key characteristics required for the performance of the role on the Board as Non-Executive Director;
- Additional responsibilities held by the Non-Executive Director;
- Achievement of specific objectives agreed for the financial year;

The responses will be collated and reviewed by the Chairman and the Lead Governor prior to one to one meeting's with each of the Non-Executive Directors.

Each Non-Executive Director will be invited to complete a self-assessment form giving an opportunity to highlight training requirements or additional support required for them to perform their duties.

The key stages and dates in the process are:

- Circulation of questionnaire by
- All responses completed by
- Non-Executive Director returns completed self-assessment form to Chairman and Lead Governor by
- Individual feedback collated to provide anonymised feedback for individuals
- One to one meetings with Chairman and Lead Governor
- Objectives agreed
- Objectives circulated to Governors

Elements of questionnaire

A. 6 Sections:

1. *Governance and Accountability*
2. *Strategic thinking*
3. *Quality Focus*
4. *Trust Values*
5. *Additional Responsibilities*
6. *Annual Objectives*

Appendix to 8.2

B. 4 Responses available:

- 1. Never*
- 2. Occasionally*
- 3. Frequently*
- 4. Always*

C. Each section should offer a free text section for 'Additional Feedback'

D. The following supporting information will be circulated with the questionnaire

- 1. List of Additional Responsibilities held by each NED*
- 2. Details of the previous financial years objectives*

E. Responders will remain anonymous, but will be asked to state their role.

Questions

1. Governance and Accountability

Does the NED:

- Challenge constructively during meetings, making reference to previous discussions and an understanding of the Trust's strategic direction
- Demonstrate an understanding of complex reports and data
- Construct well thought out and relevant questions

2. Strategic Thinking

Does the NED:

- Demonstrate a long-term view during debates
- Show an understanding of wider system plans and NHS 5-year plan
- Is focussed on Efficiencies / CIP versus impact on quality

3. Quality Focus

Does the NED:

- Demonstrate an active focus on quality and patient experience

4. Trust Values

Does the NED:

Appendix to 8.2

- Treat colleagues with respect and consideration
- Through questions and actions demonstrate an understanding of activity to support:
 - diversity and equality for patients and staff
 - the need for fair and just treatment of all employees
 - supports the Freedom to Speak up Guardians in their role

5. Additional Responsibilities

- Does the NED carry out their additional role/s effectively?

6. Annual Objectives

Please state if you consider the NED has achieved their objectives

- *Objective 1* – Y / N
- *Objective 2* – Y/N
- *Objective 3* – Y/N
- etc

Please state your position

- Governor
- Executive
- Non-Executive

November 2019

AUDIT COMMITTEE TERMS OF REFERENCE

Accountable: to the Board of Directors

Reporting: to the Board of Directors

Constitution

1. The Board hereby resolves to establish a Committee of the Board to be known as the Audit Committee (the Committee). The Committee is a committee of the Board and has no executive powers, other than those specifically delegated in these Terms of Reference.

Membership

2. The Committee shall be appointed by the Board from amongst the Non-Executive Directors of the Trust and shall consist of not fewer than three members. One member of the Committee, who will be the Chairman of the Committee, is to have recent and relevant experience (e.g. audit/financial accounting/financial management) and one member of the Committee should also be a member of the Quality Committee concurrently. One of the members will be appointed Chair of the Committee by the Board. The Chairman of the Foundation Trust shall not be a member of the Committee.

Quorum

3. A quorum shall be two members.

Attendance

4. The Director of Finance, members of the Senior Finance Team, the Deputy Director of Governance, the Company Secretary, and internal and external audit representatives as appropriate, shall normally attend meetings. The Local Counter Fraud representative shall also attend twice per year and the Local Security Management Specialist on an annual basis. At least once a year the Committee should meet privately with the external and internal auditors.

5. The Chief Executive should be invited to attend and should discuss at least annually with the Audit Committee the process for assurance that supports the Annual Governance Statement. The Chief Executive should normally attend when the Committee considers the Annual Accounts. All other Executive Directors are invited to attend, particularly when the Committee is discussing areas of risk or operation that are the responsibility of that Director.

6. Governors are also invited to attend the Audit Committee meetings as observers and may speak at the discretion of the Chairman of the Committee.

7. A secretary shall be appointed to the Committee to take minutes of the meeting and provide appropriate administrative support to the Chairman and Committee members.

Frequency

8. The Committee will meet for at least six meetings per annum at appropriate times in the reporting and audit cycle. The External Auditor or Head of Internal Audit may request a meeting if they consider that one is necessary.

Authority

9. The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any Trust employee and all employees are directed to co-operate with any request made by the Committee. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of external experts with relevant experience and expertise if it considers this necessary. Details of the estimated cost of such advice should be advised to the Director of Finance in advance of commitment, for budgetary, cash flow and control purposes.

Duties

10. The duties of the Committee can be categorised as follows:

Governance, Risk Management and Internal Control

10.1 The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the Trust's activities (both clinical and non-clinical), that supports the achievement of the Trust's objectives.

10.2 In particular, the Committee will review the adequacy and effectiveness of:

- All risk and control related disclosure statements (in particular the Annual Governance Statement), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board
- The underlying assurance processes that indicate the degree of achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements
- The policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements and related reporting and self-certification
- The policies and procedures for all work related to fraud and corruption as set out in the NHS Protect Counter Fraud Standards for Providers and as required by the NHS Counter Fraud and Security Management Service
- The procedures for detecting fraud and whistle blowing (HDFT's Whistle Blowing Policy) and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters.

10.3 In carrying out this work the Committee will primarily utilise the work of internal audit, external audit and other assurance functions, but will not be limited to these sources. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the over-arching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.

10.4 This will be evidenced through the Committee's use of an effective Assurance Framework to guide its work and that of the audit and assurance functions that report to it.

Internal Audit

11. The Committee shall ensure that there is an effective internal audit function that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board. This will be achieved by:

- Consideration of the provision of the internal audit service, the cost of the audit and any questions of resignation and dismissal
- Review and approval of the internal audit strategy, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation as identified in the Assurance Framework
- Considering the major findings of internal audit work (and management's response), and ensuring co-ordination between the internal and external auditors to optimise audit resources
- Ensuring that the internal audit function is independent; adequately resourced and has appropriate standing within the organisation
- Annual review of the quality and effectiveness of internal audit.

External Audit

12. The Committee shall review the work and findings of the external auditors appointed by the Council of Governors and consider the implications and management's responses to their work. This will be achieved by:

- Consideration of the appointment and performance of the external auditors, and reporting annually to the Council of Governors by way of an evaluation of the external auditors' performance and whether they should be reappointed
- Recommendation of the audit fee to the Board (and the Council of Governors if a new appointment) and pre-approve any fees in respect of non-audit services provided by the external auditors and to ensure that the provision of non-audit services does not impair the independence or objectivity of the external auditor
- Discussion and agreement with the External Auditor, before the audit commences, of the nature and scope of the audit as set out in the annual plan, and ensuring co-ordination, as appropriate, with other external auditors in the local health economy
- Discussion with the external auditors of their local evaluation of audit risks and assessment of the Trust and associated impact on the audit fee
- Review of all external audit reports, including the report to those charged with governance, agreement of the annual audit letter before submission to the

Board and any work undertaken outside the annual audit plan, together with the appropriateness of management responses

- Annual review of the quality and effectiveness of external audit.

The External Auditor or Head of Internal Audit may, at any time, request a meeting if they consider it necessary.

Clinical Assurance

13. The Audit Committee shall review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications for the governance of the organisation.

13.1 These will include, but will not be limited to, any reviews by Department of Health and Social Care Arms-Length Bodies or Regulators/Inspectors (for example, the Care Quality Commission, NHS Improvement, NHS Resolution, etc.) and professional bodies with responsibility for the performance of staff or functions (for example, Royal Colleges, accreditation bodies, etc.)

13.2 The Quality Committee will provide assurance from the clinical audit function. The Audit Committee will review the work of the Quality Committee by receiving minutes, and exception reports, from the Non-Executive Director who is a member of both committees. In addition, the Company Secretary also attends both committees.

13.3 The Audit Committee will receive minutes and regular reports from the Corporate Risk Review Group.

Counter Fraud

14. The Committee shall satisfy itself that the organisation has adequate arrangements in place for countering fraud and shall review the outcomes of counter fraud work and receive the counter fraud annual report.

Security Management Service

15. The Committee shall satisfy itself that the organisation has adequate arrangements in place for Security Management Services and the Committee will receive from the Local Security Management Specialist an annual report on its activities and plan for the following year.

Management

16. The Committee shall request and review reports and positive assurances from Directors and managers on the overall arrangements for governance, risk management and internal control.

16.1 The Committee may also request specific reports from individual functions within the organisation (for example, clinical audit) as they may be appropriate to the overall arrangements.

Financial Reporting

17. The Audit Committee shall monitor the integrity of the financial statements of the Trust and any formal announcements relating to the Trust's financial performance.

17.1 The Committee should ensure that the systems for financial reporting to the Board of Directors, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board.

17.2 The Audit Committee shall review the annual report and financial statements before submission to the Board, focusing particularly on:

- The wording in the Annual Governance Statement and other disclosures relevant to the terms of reference of the Committee
- Changes in, and compliance with, accounting policies, practices and estimation techniques
- Unadjusted mis-statements in the financial statements
- Significant judgements in preparation of the financial statements
- Significant adjustments resulting from the audit
- Schedule of losses and special payments
- Letters of representation
- Qualitative aspects of financial reporting
- The going concern assumption
- The extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed
- Any reservations and disagreements between the external auditors and management which had not been satisfactorily resolved.

Standing Orders, Standing Financial Instructions and Standards of Business Conduct

18. The Committee will review, on behalf of the Board, the operation of and proposed changes to the Standing Orders, Standing Financial Instructions, and HDFT's Code of Business Conduct, including Staff Registers of Interest.

Quality Account

19. The Quality Committee will approve the Quality Account and present it to the Audit Committee. The Audit Committee will review the Quality Account and submit it to the Board.

Other Matters

20. The minutes of Audit Committee meetings shall be recorded formally by the secretary to the Committee and submitted to the Board. The Chairman of the Committee shall draw to the attention of the Board any issues that require disclosure to the full Board, or require executive action.

21. The Committee will report to the Board at least annually on its work in support of the Annual Governance Statement, specifically commenting on the fitness for purpose of the Assurance Framework, the completeness and 'embeddedness' of risk management in the organisation, the integration of governance arrangements and

the appropriateness of the self-assessment against external regulations including the Care Quality Commission.

22. The Committee shall also:

- Review third party assurances (both clinical and relating to financial management)
- Review Post Project Evaluations and Single Tender Actions
- Receive an annual report on procurement activity and savings
- Review the Treasury Management Policy, on behalf of the Board, and receive the annual report on treasury activity.

23. The Committee shall be supported administratively by the secretary to the Committee, whose duties in this respect will include:

- Agreement of agenda with Chairman and attendees and collation of papers
- Taking the minutes
- Keeping a record of matters arising and issues to be carried forward
- Advising the Committee on pertinent areas

24. Where disagreements between the Audit Committee and the Board cannot be resolved, the Audit Committee shall report the issue to the Council of Governors. If the issue still cannot be resolved the Audit Committee shall report the issue as part of the report on its activities in the Annual report and Financial Statements.

25. As agreed with the Council of Governors, the Audit Committee Chairman shall be available to attend the Annual Members' Meeting and shall answer questions on the Audit Committee's activities and responsibilities through the Chairman of the Board of Governors

Review

26. These Terms of Reference will be reviewed annually, in conjunction with a review of the effectiveness of the Committee.

January 2020

| | | | | | | | | | | | |
|---|---|---|------|--|---|---|---|--|---|-------------|---|
| Date of Meeting: | 22 January 2020 | Agenda item: | 12.0 | | | | | | | | |
| Report to: | Council of Governors | | | | | | | | | | |
| Title: | Reappointment of External Auditors | | | | | | | | | | |
| Sponsoring Director: | Mr Christopher Thompson, Non-Executive Director, Chairman of Audit Committee | | | | | | | | | | |
| Author(s): | Andrew Forsyth, Interim Company Secretary | | | | | | | | | | |
| Report Purpose: | <table border="1"> <tr> <td>Decision</td> <td>✓</td> <td>Discussion/ Consultation</td> <td>✓</td> <td>Assurance</td> <td></td> <td>Information</td> <td>✓</td> </tr> </table> | | | Decision | ✓ | Discussion/ Consultation | ✓ | Assurance | | Information | ✓ |
| Decision | ✓ | Discussion/ Consultation | ✓ | Assurance | | Information | ✓ | | | | |
| Executive Summary: | <ul style="list-style-type: none"> The Council of Governors is required to appoint/reappoint the external auditors of the Trust KPMG was appointed as external auditors three years ago, for a term of three years with an option for an additional two years The Audit Committee has considered the performance of KPMG over the past three years | | | | | | | | | | |
| Related Trust Objectives | | | | | | | | | | | |
| <table border="1"> <tr> <td>To deliver high quality care</td> <td>✓</td> <td>To work with partners to deliver integrated care:</td> <td></td> <td>To ensure clinical and financial sustainability:</td> <td>✓</td> </tr> </table> | | | | To deliver high quality care | ✓ | To work with partners to deliver integrated care: | | To ensure clinical and financial sustainability: | ✓ | | |
| To deliver high quality care | ✓ | To work with partners to deliver integrated care: | | To ensure clinical and financial sustainability: | ✓ | | | | | | |
| Key implications | | | | | | | | | | | |
| Risk Assessment: | No risks | | | | | | | | | | |
| Legal / regulatory: | Articles 12.1.7 and 20.3 of the Trust Constitution | | | | | | | | | | |
| Resource: | Continued application of agreed costs structure | | | | | | | | | | |
| Impact Assessment: | Not applicable | | | | | | | | | | |
| Conflicts of Interest: | Not applicable | | | | | | | | | | |
| Reference documents: | Constitution of HDFT (revised 27 November 2019) | | | | | | | | | | |
| Action Required by the Council of Governors: | | | | | | | | | | | |
| The Council of Governors is recommended to reappoint KPMG as external auditors for a further two years. | | | | | | | | | | | |


 You matter most

Review of External Audit Effectiveness

1. The Audit Committee considered the effectiveness of external audit at its meeting on 5 December 2019, with a view to recommending a way forward to the Council of Governors' meeting on 22 January 2020.
2. KPMG was appointed three years ago with the option to extend for a further two years. Mr Thompson explained that the process of appointing external auditors falls to the Council of Governors, but is on recommendation from the Audit Committee. Mr Thompson recognised that there were issues around the finalisation of the year-end accounts for 2018-19, largely triggered as a result of the limited scope audit assurance provided by NEP.
3. In considering the reappoint of KPMG, Mr Coulter said he was comfortable extending the contract for the two-year period. He added that he would recommend reappointing KPMG, as last year was an exception and generally it has been a positive relationship. Mr Morrison agreed.
4. Mrs Webster said that on reflection of this year's audit it seemed that the working relationship between the two teams needed to improve going forwards but she was happy to take a lead from Mr Coulter, and Mr Morrison's recommendation to extend.
5. Mr Thompson said that he would find it helpful for Mr Coulter, Mr Mckie and Mr Morrison to feed through any comments which he can raise informally with the new Engagement Lead, should the reappointment be approved by the Council of Governors.
6. Mr Treece enquired what the options were, if there were similar issues in next year's audit. Mr Thompson confirmed that the Trust could dismiss KPMG as external auditors if necessary. Mr Coulter confirmed that this would be a decision for the Council of Governors.
7. It was agreed that the Council of Governors should be recommended to approve the extension of the arrangement with KPMG for a further two years.