

**MINUTES OF THE PUBLIC MEETING  
OF THE COUNCIL OF GOVERNORS  
HELD ON TUESDAY 13 October 2015  
IN THE BOARD ROOM, 2<sup>ND</sup> FLOOR MURRAY BUILDING,  
JAMES COOK UNIVERSITY HOSPITAL**

**Present:**

Ms D Jenkins	Chairman
Mrs P Auty	Elected governor, Hambleton & Richmondshire
Mr N Beal	Elected governor, Hambleton & Richmondshire
Mr J Broughton	Elected governor, staff
Mr P Crawshaw	Appointed governor, Healthwatch
Mr W Davis	Elected governor, Redcar & Cleveland
Coun. T Hall	Appointed governor, North Yorkshire County Council
Ms G Hart	Elected governor, Middlesbrough
Ms S Kilvington	Elected governor, Hambleton & Richmondshire
Mrs E Lewis	Elected governor, patient and/or carer
Ms C Newton	Elected governor, Middlesbrough
Ms J O'Key	Elected governor, staff
Ms M Payne	Elected governor, staff
Mr P Race MBE	Appointed governor, South Tees CCG
Mr G J C Reid	Elected governor, patient and/or carer
Mrs A Seward	Elected governor, Rest of England
Mr D Wood	Elected governor, Redcar & Cleveland

**In attendance:**

Mr C Newton	Director of Finance
Mr R Carter-Ferris	Non-executive director
Mrs A Hullick	Non-executive director
Mr D Kirby	Non-executive director
Mrs M Rutter	Non-executive director
Ms S Blannin	Finance
Ms S Wharton	HR
Ms S Danieli	Deputy director of performance
Ms A Atkinson	KPMG

**Apologies:**

Ms R Broad	Appointed governor, Middlesbrough Council
Mrs J Herbert	Elected governor, Hambleton & Richmondshire
Prof. D Hunter	Appointed governor, Durham University
Mr A Jackson	Elected governor, Redcar & Cleveland
Mr N Leslie	Elected governor, Middlesbrough
Mr A Parton	Elected governor, Middlesbrough
Mr J Race MBE	Elected governor, Redcar & Cleveland

Mr P Sotheran	Elected governor, Redcar & Cleveland
Ms G Spensley	Elected governor, Middlesbrough
Mr J Wilkinson	Elected governor, Hambleton & Richmondshire
Mr D Williams	Appointed governor, Hambleton, Richmondshire & Whitby CCG
Mrs C Parnell	Director of communication & engagement
Mr D Heslop	Non-executive director
Mr H Lang	Non-executive director
Mr M Reynolds	Non-executive director
Mr J Smith	Non-executive director

## 1. WELCOME

Ms Jenkins opened meeting with a welcome to governors and attendees.

## 2. APOLOGIES FOR ABSENCE

As detailed above.

## 3. DECLARATION OF INTERESTS

There were no new declarations of interests.

## 4. MINUTES

One amendment noted from the minutes of the meeting held on 21 July 2015. At top of page 7 name missing as just states Ms. Missing name confirmed as Ms James.

The minutes of meeting held on 21 July 2015 approved as a true record.

### **Decision:**

**The minutes were approved.**

## 5. MATTERS ARISING

Update of previous actions from earlier minutes included:-

### Motor neurone disease patients

Ms James had provided feedback to Mr Wilkinson with further details about the audit data to support motor neurone disease patients.

### Women transferred in labour

Ms James/Yvonne Regan had provided Mr Wilkinson with details of the proportion of women being transferred in labour from Friarage to James Cook Hospital.

Catheter information

Ms Payne and Ms James to have a discussion regarding catheter ITU information. Ms Payne confirmed that no discussion has taken place to date.

**Decision:**

- **Ms Payne and Ms James to discuss catheter ITU information.**

**6. CHAIRMAN'S REPORT**

Ms Jenkins ran through her tabled Chairman's report to governors which included:-

- A smooth handover of the CEO role from Prof Hart to Ms McArdle. Ms McArdle took over as accountable officer from the 1 October 2015.
- Proposals for restructuring of the organisation with the ensuing governance consequences.

Ms Jenkins discussed the remainder of report explaining that the report has been split into four categories:-

Board

- Recruitment and induction of three new NEDs
- Remuneration committee meetings
- 3 board meetings discussing how to go forward
- Strategy sessions
- Monitor meetings
- Additional Resources meeting
- Many 1-1 meetings to discuss handover and restructuring

Governors

- Meeting re: mystery shoppers
- Meetings with new governors including Richenda Broad, new appointed governors for Middlesbrough Borough Council
- Discussions re: potential appointed governors

Internal

- Meetings with senior medical representatives re: voice on the board
- Attending two meetings of Senior Medical Staff Forum
- Attending meeting with Staffside Reps
- Meetings re: development of Institute & Innovation Unit
- Trust Star Awards – judging and ceremony
- Internal visits to wards and meetings with staff
- Presentation to volunteer on children's wards
- Meetings re: Friarage future
- Discussions re: Holistic Centre

### External

- Meeting with new Vice Chancellor of Teesside University
- Meetings with North Yorkshire provider Chairs
- London meeting of NHS Providers
- Visit by Chris Hopson of NHS Providers to the Trust
- Arranged and hosted a visit by Prof Daniel Steenstra re: Innovation
- Keynote speech to national association of NHS Charities
- Meetings with former Monitor colleague re: information on national politics
- Discussions with Herriot Hospice re: possible partnership work
- Middlesbrough Health & Wellbeing board
- Meeting with Middlesbrough Mayor & CEO re: land negotiation
- Speech to event on community agents in Redcar
- Dinner with North East NHS CEOs and Chris Hopson
- Various meetings as Chair of Neonatal Network board re: regional review
- Meetings with Middlesbrough College re: new partnerships

In discussing the report the following points were raised:

- Mrs Lewis commented that she had helped in relation to the Star Awards and that in her opinion these awards are getting better year after year. More submissions had been received than previous years and all very worthy. There was a lovely atmosphere on the night and Mrs Lewis said she felt very privileged to be there as it was very inspiring. Mr Newton informed the governors that more details can be obtained on the internet regarding all the winners of the Star Awards.
- Ms Newton asked what the meeting with Middlesbrough Mayor and CEO regarding land negotiation was in relation to and Ms Jenkins confirmed that this was in relation to the Prissick base car park. Mr Newton is hopeful that there will be some resolution soon.

### **Decision:**

- i) Governors noted the content of the report.**

## **7. PRESENTATION BY NON-EXECUTIVE DIRECTOR**

Ms Hullick, Non-Executive Director, gave a presentation detailing her career which began with Shell in Australia on their graduate programme before moving to the UK when she joined British Rail as part of a team brought in to support the organisation during privatisation.

She then moved to York to take on role of Human Resource Director for East Coast Railway before moving back to London to take on a number of roles with ICI, including Human Resource Director for ICI Paint Europe and the International Human Resources role for Paints. Ms Hullick's final role with ICI was the Group Capability Director working on key organisational development and leadership issues. After ICI she moved to Rolls Royce in Derby, taking

on the role of Human Resource Director for the Civil Aerospace Division and supported the division during the restructure following 9/11. Her next challenge involved working with the York Management School at the University of York to help develop and deliver an approach to business engagement that supports small to medium sized businesses in the region, building long term relationships with key corporations and creating opportunities for students to engage with business community.

Ms Hullick now works in her own business and as a Non-Executive Director for the trust where she feels that she has the opportunity to use her experience of complex strategic and people issues of the organisations.

**Decision:**

- i) Another NED to provide a presentation at next Council of Governors meeting.**

## **8. CHIEF EXECUTIVE'S REPORT**

Mr C Newton presented the Chief Executive's report highlighting:-

### Proposed new management structure

The proposed new structure was discussed in detail by the Board of Directors in September with a decision to progress with the formal consultation process. The proposed structure is designed to deliver:

- An increase in patient focus to ensure clinical effectiveness and excellence in both patient outcome and experience.
- An increase in market focus to ensure we meet requirements of our commissioners while ensuring we build the long-term financial sustainability of our organisation.
- An increase in operational focus to reduce waste, improve capacity and increase margin to invest in growth.
- An increase in capability and clinical representation in our leadership and management teams to ensure we develop a high performance culture, underpinned by ownership and accountability.

The board also confirmed the following executive director portfolios and appointments and agreed to the creation of a director of people that in the future will bring together human resources and organisational development:

- Commercial director/deputy Chief Executive – Chris Newton
- Director of Finance – Maxime Hewitt-Smith
- Director of Quality, Performance & Patient Experience – Ruth James
- Medical Director – Richard Wight
- Director of Nursing – Gill Hunt (currently fulfilling role on an acting basis)
- Director of Corporate Affairs – Caroline Parnell

### Lambert Memorial Hospital

In September the board decided to temporarily close the ward at Lambert Hospital to address patient safety concerns due to staffing pressures. The service was under enormous strain due to a number of issues including difficulty in filling vacant nursing posts, long-term sickness/maternity leave and insufficient temporary nursing cover through NHS Professionals.

Despite a number of actions taken by the integrated medical care centre, it had become impossible to continue to run a safe, high quality service. No other services at the hospital in Thirsk are affected and additional beds have been opened up at the Friarage Hospital. These temporary arrangements have also been discussed with the trust's service commissioners, Hambleton, Richmondshire and Whitby CCG, local GPs and North Yorkshire Council Council's scrutiny of health committee. There will be a further review of this situation in January 2016, which ties in with the trust's nursing recruitment processes and the next nursing cohort graduating from university.

### Healthwatch – Enter and View

In September Healthwatch North Yorkshire (HWNY) carried out an 'enter and view' visit to Friarage Hospital to review the improvements made following their first visit to the hospital last year.

The team was also interested in the quality of hospital discharge and post hospital support arrangements, particularly for the most vulnerable patients. The verbal report received was very positive, and governors will get more information once the final written report is received.

### DNA Campaign

In September a public campaign was launched to try and reduce the trust's DNA (did not attend) rate for outpatient and pre-assessment appointments as this is an enormous inefficiency for the trust. In total almost 67,500 patients missed these appointments costing the organisation more than £1.6million in wasted staff time and approximately £5m in lost income. A range of measures are already in place and the public is being asked to help by turning up to appointments on time, letting hospital staff know as soon as possible if they are unable to attend and also making sure that their GP surgery has the correct address and contact details.

### GMC National Training Survey – Trust Results

Health Education North East, which is responsible for ensuring that local education, training and workforce development drives the highest quality public health and patient outcomes, has shared the trust's results of the GMC national training survey.

The survey 'Your School, Your Say' is based on the responses from foundation doctors and overall the feedback was very good including:-

- The trust got the best score for appropriate handover which is an important GMC priority and so excellent news for the organisation.
- The trust got the best score for FY trainees feeling supported to raise a patient safety issue.
- The trust got the best (ie lowest percentage) for trainees feeling that stress and anxiety had affected their performance, which reflects the excellent support they get from their teams.
- 96% of trainees would recommend the trust to a friend thinking of applying.

There were areas where improvements can be made particularly around ensuring DNAR decisions are supervised, which was an issue raised during the CQC inspection.

#### Clinical Centre of Excellence for Paget's disease of bone

James Cook's rheumatology department has been recognised as one of ten centres of clinical excellence in the UK for Paget's disease of the bone. The service is led by Dr Stephen Tuck and it was recognised is for the work of the metabolic bone unit, which is supported by Dr Stewart Pattman from biochemistry.

#### Service Developments and Other News

- The trust recently celebrated the first anniversary of the opening of the midwifery-led unit and maternity centre at Friarage Hospital. Mr Newton commented that his daughter had recently given birth to a baby girl at the unit.
- From 1 October new mums can have a partner or relative stay with them overnight on a postnatal ward at The James Cook University Hospital as part of a three month pilot.
- The ophthalmology team has a cutting-edge scanner thanks to the success of the retinal development appeal. Fundraisers have contributed over £84,000 to the charity appeal for the scanner which was added to a £120,000 grant from Novartis.
- GP opening hours are being extended in Redcar and Cleveland as part of the STAR (South Tees Access and Response) scheme to improve primary care services outside normal hours for patients with urgent problems. Further information is available on the STAR scheme website [www.SouthTeesAccessResponse.nhs.uk](http://www.SouthTeesAccessResponse.nhs.uk)

In discussing the report the following points were raised including:

- Ms Newton raised a query regarding the DNA campaign. A friend confirmed to her recently that she had tried to use the telephone numbers provided as unable to attend an appointment but there was

no answer to any of the numbers dialled. Mr Newton said that this would be looked into.

- Mr Beal said he had been involved in the inspection of the Lambert Hospital and agreed that it had to be closed as the staffing levels were unacceptable. He queried why it had been open for so long and asked whether it will re-open. Mr Newton said that the Lambert would never have been kept open if there had been a risk to patients. The board was aware that the hospital provides a valued service to community and it hoped that it will reopen in the future.
- Coun. Hall said he had attended at the FHN Maternity Unit on the 6 October and was informed that there had been 267 births since the unit opened. The target for a viable unit was 300 births in a year so Coun. Hall commented that the figure of 256 was very close and confirmed sustainability to the unit and that it will work. Ms Jenkin said that the Friarage Maternity services were highly praised in the CQC report.
- Coun. Hall also asked for a progress report on paediatric short stay unit at the next Council of Governors meeting.

**Decision:**

- i) Governors noted the content of the report.**
- ii) Report to be provided in relation to Paediatric short stay unit at the next Council of Governors meeting**

**9. INTEGRATED QUALITY, FINANCE AND PERFORMANCE REPORT AS AT END OF AUGUST 2015**

Ms James introduced the report explaining that it is an exception report to show issues and concerns, and she highlighted:

Clostridium difficile: This continues to be a concern with seven trust apportioned cases in August bringing the year to date total to 29 against a trajectory of no more than 22. Ms James said that the rate appears to be slowing down and cleaning standards have improved with joint audits taking place.

Friends and Family test: the trust has received lots of positive feedback about its' services as a result of the Friends and Family test, however feedback on the test itself has not been so positive.

The response rate in August was 23.7%, which is below the 30% nationally standard set target and as a result a range of options are being looked at including reviewing the test posters and information in clinical areas, raising awareness and identifying test champions in each of the areas. Patient Experience is moving under Ms James' portfolio and she will therefore look into this matter further as it is a mandatory requirement to have a Friends and Family test.

Mortality: governors heard that the SHMI has increased in the last three months because the data now includes January to March 2015 during which there were higher than average deaths and lower than average discharges.

The additional deaths were due to respiratory illness in the elderly which is consistent with the increase reported across the country by Public Health England. The weekly clinical mortality review process provides assurance that these deaths were not preventable. Ms James assured the Governors that all deaths are looked at and are reviewed by an independent team.

CQUIN: the CQUIN targets are largely agreed with some small queries outstanding with specialist commissioners. The majority of the financial income is linked to achievement of milestones in quarter 4. A delivery risk assessment has been undertaken based on the current position and the actions planned, approximately half of the CQUIN income is dependent on further actions to mitigate risk. Ms James will flag risks to the board and then give an update each month.

The following points were raised:-

- Mrs Auty asked about mortality and the recruitment of extra palliative care staff. Ms James confirmed that a Band 6 nurse had been appointed but no consultant had been appointed to date. Ms Rutter added that a total of four attempts have been made to recruit a consultant and the team was looking at more creative ways to carry out recruitment.
- Mrs Auty also asked about the comment of 'patients with spie' at 2.3 of the report under CQUIN. Ms James confirmed that it was a typographical error and should read 'patients with sepsis'.

Ms Danieli then presented the key areas in the performance section of the report including:

18 weeks: The 18 week target had been achieved at 92.7% against the 92% target however performance had dipped below the previous 95% rate achieved. There were a small number of specialities non-compliant against this target but significant growth in the number of long waiters in orthopaedics. The directorates are reviewing capacity and demand plans to take appropriate actions to improve compliance against this target and minimise the risk of non-compliance in Q3.

Cancer targets: In July all the cancer targets were achieved with the exception of the 62 day first definitive treatment target. The main reasons for the delays are slow diagnostic pathways, patient's choice, late referrals from other providers and surgical capacity in urology. Separate action plans have been developed to address the issues.

In relation to late referrals a proposal is going to be sent to NHS England to try to change the current breach position mandated for those patients referred after day 62.

Coun.Hall asked how close the trust was to the 62 day target and Ms Danieli confirmed that the position varies with some cases just missing the 62 day target but others can be over 100 days which is not acceptable. Mr Kirby explained that the target is set at 85% to allow for breaches.

Ms Blannin presented the keys areas in the finance section of the integrated report. She reported to governors that the trust's underlying financial performance was ahead of plan by £0.1m, however there was a worsening in the position from July of £0.8m. The change in the position was due to underperformance within the clinical centres where productivity is declining resulting in a reduction in income. This reduction had not been fully offset by a reduction in spend, primarily driven by supplies and services. The forecast remains at £0.3m ahead of plan at the end of the year, primarily driven by reduced depreciation and interest due to the repayment of working capital support.

The trust's retained deficit is ahead of plan by £3.3m (£3.7m at the end of July) which is due to lower than anticipated restructuring costs and delays to planned impairment reviews due to the deferred delivery of the capital programme.

At the end of August the trust was ahead of plan by £0.6m on its planned CIP savings. Overall the trust is forecasting full achievement of the overall CIP plan of £36.0m though there are some risks which require managing during the rest of the year.

Mrs Auty asked what the MRI under capital expenditure related to and Ms Jenkins confirmed that it was in relation to the JCUH MRI.

**Decision:**

- i) Governors noted the content of the report.**

## **10. SHORT TERM SICKNESS**

Ms Wharton provided an overview of the short term sickness within the NHS, the NHS regional and trust position. She highlighted that in 2014-2015 the NHS sickness absence rate stood at 4.25%, while the trust's position was 4.52% compared to the NHS North East position of 4.80%.

Ms Wharton explained that a sickness rate of 4.52% for the Trust this equated to 125,295 full time days are lost to sickness absence, which is a significant cost to the organisation. Governors heard that over the last six years the average rate for the trust was 4.5%.

The meeting heard that 2.09% of the sickness rate for August 2015 was attributable to short term sickness absence where stress/anxiety is the top

reason for absence with 1346 FTE days lost for August 2015. Stress/anxiety is the main reason for sickness absence across the NHS and since 2011-2012 sickness absence for stress has increased by 37%.

Ms Wharton said that HR are continually trying to improve short term sickness absence in various ways including:

- Undertaking a policy review to ensure a user friendly format for managers.
- Supplementary 'at a glance' documents being developed for managers to support them at each stage of the policy.
- Trust wide training to help improve levels of absence.
- HR representatives to work with each centre to develop evidence based improvement plans for identified hot spots.
- Comprehensive performance dashboards development for linking workforce/HR and patient safety information for identified hot spots.
- Full utilisation of the HSE Management Standards Indicator Tool for high trending wards/departments for stress and developing appropriate plans to tackle this.
- Occupational Health offering a number of new services in addition to existing services, such as relaxation sessions, support following traumatic incidences and counselling now available at the Friarage.
- New Occupational Health Physician also been recruited and due to start in New Year which will offer a greater support to staff health and wellbeing.

The following points were raised:

- Mr Davis stated that the percentage for staff absent due to stress and anxiety was huge. He questioned whether the trust was putting too much on people, and whether the organisational restructure was a contributing factor. Ms S Wharton confirmed that stress has grown higher everywhere and not just the NHS, explaining that a number of factors can determine the increase including the region, with London in a better than North East; a larger workforce can cause an increase and also the number of women employed.
- Ms Payne commented that she had been a nurse for 30 years and the job has become more demanding with morale dropping very low as nurses feel they are no longer appreciated.
- Mr Beal asked about the knock on effect to others when people are covering those who are absent due to sickness and also asked how much it all costs. Ms Wharton confirmed that the cost amounts to £10m without any back fill costs.
- Mr P Race queried the performance report section on sickness being shown as all green and questioned whether or not HR are relaying the correct information. Mrs Rutter said she was aware that there had been a change in reporting but Mr Newton agreed to review the figures.

- On behalf of a governor unable to attend the meeting Mrs Rutter commented that none of the actions in past appeared to have improved any targets. Mr Newton agreed to discuss the issue with the executive team.

**Decision:**

- i) Governors noted the update**
- ii) Mr Newton to discuss with the executive team and report back.**

## **11. EMPLOYEE TO EMPLOYEE VIOLENCE AT WORK**

Ms Wharton provided a summary in relation to results from the NHS staff survey that placed the trust in the highest (worst) 20% nationally for the second consecutive year for reported employee to employee violence.

She explained that during 2014 a survey was undertaken and a report produced in April 2015 that highlighted that under the health, wellbeing and safety at work section of the survey the trust received a negative response specifically to question KR17 "Percentage of staff experiencing physical violence from staff in last 12 months".

The response related to approximately 12 employees and Ms Wharton advised that the data should be viewed with caution as it was not substantiated to any extent by the actual staff complaints received. Governors heard that cases of employee to employee violence within the trust are rare and the only cases that the HR team are aware of date back up to ten years.

She added that if individuals are not reporting incidents it could be due to embarrassment, fear of reprisal from the perpetrator, that personal relationships at work are involved, or concerns that the complaint will not be taken seriously.

Ms Wharton said that over the last six months the HR team had dealt with 83 staff complaints but none had involved violence.

She also provided a summary of improvement actions to support an improving position including:

- HR team members being briefed regarding this outcome.
- Discussions taking place between management and staff-side.
- Outcome of the census survey (rather than sample) currently being undertaken should be considered and compared and individuals should be actively encouraged to participate to ensure that the data outcome is more representative of the population as a whole.

**Decision:**

- i) Governors noted the update**

## **12. REVIEW BY CoG OF POLICY ON ENGAGEMENT OF EXTERNAL AUDIT TO UNDERTAKE NON-AUDIT WORK**

Mr Kirby presented paper setting out the trust's process for considering and approving additional non-audit services from the external auditor. Monitor's Audit Code for NHS Foundation Trusts prescribes the way in which auditors of NHS Foundation trusts are to carry out their functions as set out in the National Health Service Act 2006.

Mr Kirby explained that in the past governors agreed that the trust process should be reviewed in line with the appointment or re-appointment of the trust's external auditors. KPMG have now been appointed as external auditors and therefore triggered this review. He recommended the re-approval of the process.

### **Decision:**

- i) Governors agreed.**

## **13. INTRODUCTION TO EXTERNAL AUDIT - KPMG**

Ms Atkinson gave a presentation highlighting the responsibilities of external auditors including looking at the trust's use of resources to ensure the organisation made proper arrangements for securing economy, ensuring that the Annual Quality Account is reviewed against Monitor's detailed guidance, and looking at audit risks.

## **14. ANY OTHER BUSINESS**

There was nothing raised under this item.

## **15. QUESTIONS FROM THE PUBLIC**

There were no questions raised.

## **16. DATE OF NEXT MEETING**

The next Council of Governors meeting will take place on Tuesday 8 December 2015 at The James Cook University Hospital.