

**MINUTES OF THE PUBLIC MEETING  
OF THE COUNCIL OF GOVERNORS  
HELD ON TUESDAY 3 MARCH 2015  
IN THE BOARD ROOM, MURRAY BUILDING,  
THE JAMES COOK UNIVERSITY HOSPITAL, MIDDLESBROUGH**

**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
Mrs J Crampton	Elected governor, Hambleton & Richmondshire
Mr P Crawshaw	Appointed governor, Healthwatch
Mr W Davis	Elected governor, Redcar & Cleveland
Coun. T Hall	Appointed governor, North Yorkshire County Council
Ms J Harris	Elected governor, staff
Mrs J Herbert	Elected governor, Hambleton & Richmondshire
Prof. D Hunter	Appointed governor, Durham University
Mrs E Lewis	Elected governor, patient and/or carer
Prof. E Martin	Appointed governor, Teesside University
Mr K Martin	Elected governor, Middlesbrough
Mrs C Newton	Elected governor, Middlesbrough
Ms J O'Key	Elected governor, staff
Mr A Parton	Elected governor, Middlesbrough
Mr J Race MBE	Elected governor, Redcar & Cleveland
Mr P Race MBE	Appointed governor, South Tees CCG
Mrs A Seward	Elected governor, Rest of England
Mr P Sotheran	Elected governor, Redcar & Cleveland
Mrs J Wesson	Elected governor, Redcar & Cleveland

**In attendance:**

Mrs S Danieli	Deputy director of performance management
Mr D Kirby	Non-executive director
Prof. T Hart	Chief executive
Mrs M Hewitt-Smith	Acting director of finance & performance
Mrs A Hullick	Non-executive director
Ms R James	Director of quality
Mr M McQuade	Head of estates & facilities
Mrs C Parnell	Director of communication & engagement
Mrs M Rutter	Non-executive director
9 members of the public	

**Apologies:**

Rev. Dr A Leighton Elected governor, Redcar & Cleveland  
Prof. M Shucksmith Appointed governor, Newcastle University  
Mr D Williams Appointed governor, Hambleton, Richmondshire &  
Whitby CCG.

**1. WELCOME**

In the absence of Ms Jenkins Mr Kirby welcomed governors and visitors to the meeting.

**2. APOLOGIES FOR ABSENCE**

As detailed above.

**3. DECLARATION OF INTERESTS**

There were no new declarations of interests.

**4. MINUTES**

The minutes of the meeting held on 20 January 2015 were approved as a true record.

**Decision:**

**The minutes were approved.**

**5. MATTERS ARISING**

Mrs Auty asked if the governors could be provided with an update at a future meeting on work to tackle long and short term staff sickness.

**Decision:**

**An item on staff sickness would be put on the agenda for a future meeting.**

**6. CHAIRMAN'S REPORT**

Ms Jenkins joined the meeting to give a verbal update on her activities since the Council of Governors last met. She apologised for her late attendance but explained that a number of board members had been involved in the regular monthly meeting with Monitor.

Governors heard that the regulator had acknowledged the tremendous amount of work going on in the trust to address the financial position. Monitor is pleased with the trust's delivery of its 2014-15 plan but is aware of the enormous effort the organisation will need to continue to make to improve efficiency and implement transformation change if it is to achieve its 2015-16 plan.

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Ms Jenkins said the other area of concern was the trusts clostridium difficile position, and while the organisation is not an outlier nationally it has failed to keep the rate of infection in line with its annual target.

The meeting heard that the chair is continuing to have one to one meetings with all governors and she hoped in the coming year to follow up on a number of ideas that individuals has put forward, including a “mystery shopper” scheme and ways of mobilising the trust’s membership.

Ms Jenkins highlighted a recent dinner with Royal College of Physician examiners, who used the trust as a base for two days of consultant exams. She commented that their feedback about the quality of organisation was excellent and something everyone should be proud of at a time when the trust was focusing on finance and infection issues.

The chair highlighted that due to the ongoing election the meeting would be the last for a number of governors. She thanked them for their commitment to the organisation, giving up their free time to attend council meetings and supporting a range of activities across the trust.

In discussing the verbal update Mr Sotheran asked whether in addressing the financial position the trust was looking at driving down external costs such as contracts with suppliers. He also queried whether the benefits of collaboration with other trusts were being explored.

Ms Jenkins said the biggest risk to the trust’s financial position was what the government sets as the tariff for various procedures and the trust has no control over that. She added that the organisation continues to look at opportunities to work together with other trusts and has a board to board meeting planned for later in the month with North Tees and Hartlepool FT to discuss a shared pathology service.

Mrs Hewitt-Smith said that the trust’s procurement team was working on a number of aspects to improve efficiency and drive down costs. This includes reducing the number of products available for staff to order, asking our 50 top suppliers to reduce their costs and working with other suppliers to at least hold prices at current levels. She added that there is also more strategic work going on looking at managed service contracts, which could save the trust around £700,000 on VAT costs alone. Governors heard that the trust has a procurement target of £3m for 2015-16 and is already confident of saving at least £2m but is working towards exceeding its agreed target.

**Decision:**

**Governors noted the verbal update.**

**BUSINESS SUSTAINABILITY**

**7. CHIEF EXECUTIVE’S REPORT**

Prof. Hart presented her reporting highlighting:

- Changes to the opening hours of the short stay paediatric assessment unit at the Friarage. The meeting heard that one new consultant has been appointed and there are six candidates for a second post.
- After being ranked one of the most highly rated trusts in England in the national cancer patient experience survey, South Tees has been asked to mentor the University Hospitals Bristol NHS Foundation Trust to help improve their patients' experience.
- The trust joining more than 100 NHS organisations in supporting the "Hello my name is..." campaign to improve communication with patients.
- Forthcoming governor elections and congratulations to the candidates in the Hambleton and Richmondshire and patient and/or carer constituencies, who were uncontested and so automatically appointed.
- The success of the trust's flu campaign in ensuring that 75.5% of trust staff, against a target of 75%, received their flu vaccinations.
- A number of new appointments including Ruth James as Director of Quality and David Chadwick, who will replace Richard Wight as chief of service for the surgical services centre when he takes up his new post as medical director in April.
- A number of service developments including the 100<sup>th</sup> patient recruited for a leading heart valve trial, a state-of-the art dispensing robot in pharmacy, weekly clinics for frail elderly people in Hambleton and Richmond, and the opening of a winter ward at JCUH to help with seasonal pressures.

In discussing the report the following points were raised:

- Mrs Auty said she was delighted to see the appointment of one new consultant and the potential of another appointment shortly. She asked whether the planned six month review of the paediatric assessment unit would go ahead once all the staff are in post. Prof. Hart said once the staff were in place to return to the agreed opening hours there would need to be a discussion with the chief of service and managing director about the timing and robustness of a review. Coun. Hall added that the local health and wellbeing board wanted to see a review after a clear six months of operation.
- Mr Broughton said it was very encouraging to see the level of interest in consultant posts and he queried what had prompted this. Prof. Hart said there were a number of reasons for the interest in consultant posts, not least the timing of appointments. However the biggest driver was likely to be current consultants talking to colleagues about the opportunities available to them at the trust.

**Decision:**

**Governors noted the content of the report.**

## **8. FINANCIAL POSITION FOR THE PERIOD ENDING 31 JANUARY 2015**

Mrs Hewitt-Smith presented a report setting out the trust's financial position for the period ending 31 January 2015. She said that while the trust remained in deficit it was considerably ahead of plan, explaining that when the organisation's financial plan for the year was first submitted it was predicting a year end deficit of £30m and that had reduced to £12m.

She highlighted the reasons for the improved position as:

- extra income from specialist services as a result of a small amount of increased activity but also the services working more efficiently,
- greater cost control
- significantly reducing the amount of clinical work that the trust outsourced to the independent sector.

The governors heard that in the revised cost improvement plan that was submitted to Monitor in September 2014 the trust had predicted year end savings of £21.8m and it was now on track to achieve £24.1m of savings, the majority of which were recurrent.

Mrs Hewitt-Smith informed the meeting that the trust had received £14.4m of public dividend capital (PDC) in February to support its financial position and was expecting to need a further £16.5m in 2015-16.

In discussing the report the following points were raised:

- Mr Parton asked if the trust would have to repay the PDC and Mrs Hewitt-Smith said that Department of Health had not yet clarified whether the PDC was a loan. She added that if it was to be a loan, coupled with the cost of an unsustainable PFI scheme, the trust would be faced with having to develop a plan that produced a huge surplus to meet these costs that would ultimately be achievable.
- Mr Sotheran asked about the cost of the PFI and Mrs Hewitt-Smith explained that over the live time of the agreement the trust owed around £108m, and that covered both the cost of the JCUH building but also some services provided in the hospital. Mr Kirby added that the long term unaffordability of the PFI scheme was that the index payments are going up at the same time as the tariff the trust receives for delivering services is going down.
- Mr Hunter questioned the reduction in outsourcing patients to the independent sector and Mrs Hewitt-Smith explained that often the independent sector is only interested in taking the less complex, but ultimately more profitable cases, leaving the trust with the more difficult and expensive cases.

### **Decision:**

**Governors noted the content of the report.**

## 9. CAR PARKING AND TRAVEL AT JCUH

Mr McQuade gave a presentation on the work the trust has been doing in partnership with Middlesbrough Council to improve car parking at JCUH and ease rush hour traffic on Marton Road.

He outlined the work in progress to build a 1,100 space staff car park at Prissick base that would be accessed via Ladgate Lane. Staff will be assigned to the car park based on their home post code and the trust has also been encouraging people to volunteer to use the new car park, that will increase parking for JCUH by an extra 200 spaces. Governors heard that it is hoped that as well as offering those staff allocated to the car park a guaranteed parking space it will also improve the flow of traffic from the JCUH site for patients and visitors.

In discussing the presentation the following points were raised:

- Mr J Race questioned whether the new car park would just move traffic from Marton Road to cause problems in Ormesby. Mr McQuade said that the local authority had carried out work modelling the change and were confident that it would not cause any problems.
- Mrs Newton asked if the flow of traffic from the new car park would be controlled by lights. Mr McQuade said it would be, and they would also be synchronised with the lights at Marton crossroads.
- Mrs Crampton asked what arrangements would be made for staff travelling between JCUH and The Friarage and governors hear that there would be some spaces allocated to staff who regularly travel between the two sites.
- Mr Peter Race suggested that offering a reduced rate for staff who volunteer to use the new car park could be an incentive to get more people to use it. The meeting heard that the trust had made a significant investment in the car park and needed the proceeds from staff car parking charges to pay for the improvements.
- Mr Broughton asked what improvements were planned for on site parking as well as improving the flow of traffic off site. Mr McQuade said the trust had recently carried out a traffic survey to identify peak traffic flows. While the Prissick car park would improve the flow of traffic from JCUH onto Marton Road, the survey would also be used to look at improving current on site parking such as ensuring disabled parking is in the right place.
- Mrs Newton asked how staff would get from the Prissick car park to the hospital and governors heard that there would be path that joined the existing footpath that links to the railway station and is close to the current temporary Brakenhoe car park, which would be sold off once the Prissick site opens. He added that the car park and paths to the hospital would be compliant with disability requirements.
- Mr Beal asked if the trust had considered charging blue badge holders for parking and also offering reduced rates for people who were visiting the trust with temporary mobility problems. Ms Jenkins said this was being looked at.

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- Coun. Hall asked if there was any scope to expand the car parking should the hospital continue to grow and Mr McQuade said that the local authority was clear that it would not allow any further expansion.
- In response to a question from Mr Martin about when the new car park would open Mr McQuade explained that it was subject to a three way land deal and once it was completed staff would be informed how they could get passes to Prissick site.

**Decision:**

**The Council of Governors noted the content of the presentation.**

**10. ANNUAL PLAN**

Mrs Hewitt-Smith gave the governors an update on the process for producing the trust's annual plan for 2015-16 in line with national guidance. She explained that the timetable for submission had moved and plans were now expected to be complete by mid May.

She explained the bottom-up approach undertaken in the organisation to develop the plan, working with budget holders to understand what funds they need to run their services next year to deliver the same level of activity as they have done in 2014.15. This information has been used to build up the budgets for clinical centres, which have then been discussed in three rounds of meetings involving finance and executive directors before ultimately being signed off by chiefs of service and managing directors for each centre.

The governors heard that the draft plan is working towards a small surplus of £0.1m at the end of 2015-16 compared to the predicted deficit position of 12m at the end of the current financial year.

Mrs Hewitt-Smith explained that there was some risk in the plan largely around tariff as it was still unclear what the trust will be paid for the services it delivers next year. The other risk was around delivery of the £40m cost improvement programme, which is reliant on successful transformational change.

In discussing the update the following points were raised:

- Mrs Newton said she was surprised the trust was planning to apply for PDC in 2015-16 when it was planning a small surplus. Mrs Hewitt-Smith explained that the trust would need to PDC to fund its PFI commitments and capital programme.
- Mrs Auty asked if all trusts with PFIs have the same affordability problem as South Tees. Mrs Hewitt-Smith said it was a consistent problem but it depended on the size of the PFI and many trusts were facing bigger PFI debts and greater deficits than South Tees. She explained that it was becoming an increasing problem as the costs of contracts were increasing by 3% each year but the tariff was reducing by 2%. Governors heard that there was national guidance that trusts' estate costs should not be more than 12% of their budget but South Tees' was considerably

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more than that. Mrs Hewitt-Smith added that as one of the first PFIs the trust had less room for manoeuvre in the contract than newer schemes, but the cost of PFIs was something that many foundation trusts were now raising with the Department of Health.

- Mr Sotheran asked if it was likely there would be any national support to buy trusts out of PFI contract, and Mrs Hewitt-Smith said that some trusts had bought themselves out of small PFI contracts, and in the North East a local authority had helped with the cost. However it would be a huge amount of money for the Department of Health to buy out the larger contracts and it was unlikely the government would support it.

**Decision:**

**Governors noted the content of the update.**

**QUALITY, SAFETY AND PERFORMANCE**

**11. PERFORMANCE REPORT FOR JANUARY 2015**

Mrs Danieli presented a summary of the trust's performance in January 2015 against all key national targets and a range of local indicators. She explained that the trust achieved all the national cancer targets for quarter three and in quarter 4 achieved the targets for January and was on track for February.

Governors heard that the 62 day cancer target is a risk because of delays in receiving patients from other trusts, highlighting a recent patient who was referred at 77 days. This has been raised with commissioners and also at a recent regional cancer network meeting. Nationally this issue is also be raised with the National Cancer Network as it is a problem for a number of trusts providing cancer treatment.

Mrs Danieli told governors that in January no trust in the North East achieved the four hour A&E 95% target. The trust achieved 92.5%, putting it fourth in the region. In February the organisation achieved 94% and it was hoped to hit the target in March.

The trust continued to be compliant with all 18 week targets in January although performance dipped a little as the organisation treated more long waiting patients.

Mrs Danieli highlighted that across the country trusts are struggling to achieve the 18 weeks and 62 day targets, and nationally they are viewed as the most difficult to achieve. However she predicted that by the end of March the trust will have delivered each target for the full year.

In discussing the summary the following points were raised:

- Mrs Auty queried what the individual performance against the A&E target at JCUH and The Friarage and asked when Mr O'Connell would produce his report on ways to improve the emergency pathway. Mrs Danieli explained that in January the Friarage achieved 95.8% and at JCUH

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performance was in the high 80% range. She highlighted that JCUH A&E has seen more people compared to the previous year and also is a major trauma centre. She added that Mr O'Connell's initial findings would be discussed by the trust's Transformation Board and any recommendations for change could be discussed at a future governors meeting.

- Mr Beal asked for a breakdown of the clostridium difficile figures per site and if this information for various performance indicators could be available in the future. Mrs Danieli said she would be happy to provide a verbal breakdown for key indicators and Ms Jenkins said to date there had been 53 cases of clostridium difficile at JCUH, 10 at The Friarage, 2 at Carter's Bequest Hospital and one each at the Friary and Lambert.

**Decision:**

**The Council of Governors noted the content of the report.**

**12. EXECUTIVE SUMMARY & QUALITY ACCOUNT**

Ms James presented a paper informing governors of the quality priorities for the trust in its Quality Account for 2015-16 and the process undertaken to determine those priorities.

She also asked the council to identify one further measure for inclusion in the quality account that would be subject to external audit.

In discussing the summary the Mrs Auty queried how patients are asked to complete the Friends and Family test and whether it was part of CQUIN targets. Ms James explained that the trust is required to run the Friends and Family test in a number of services including inpatient wards, accident and emergency and maternity services, and it is a CQUIN target.

The tests are carried out either by patients completing a feedback card or via a text message. She added that while over 90% of people who respond to the test would recommend the trust's services positive more needs to be done to encourage people to give their feedback.

Mrs Parnell added that there is a national plan to expand the Friends and Family test, although there is some debate about the validity of the tool as a way to gather useful patient feedback. She suggested that the test could be an agenda item at a future meeting.

**Decision:**

- i) **The Council of Governors agreed that the crude mortality rate should be included in the quality account for external audit.**
- ii) **Governors agreed that the Friends and Family test should be an agenda item at a future meeting.**

## GOVERNANCE

### 13. APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Ms Jenkins presented a paper that set out a recommendation from the Nominations Committee for the process to appoint three new non-executive directors.

She highlighted that Coun. Thompson would step down as a non-executive director in August 2015, Mr Kirby would like to step down in 2015 prior to the end of his term of office in June 2016, and the Board of Directors had determined that another non-executive directors was required to ensure an appropriate balance of executive and non-executive directors on the board.

The committee had recommended using Odgers to carry out an national search for appropriate candidates, after their previous success in seeking high calibre candidates for previous executive and non-executive posts in the organisation.

In discussing the report the following points were raised:

- Mr Peter Race commented that external consultants could undoubtedly seek better calibre candidates than the trust could identify alone. He asked how much the search would cost and Ms Jenkins said it would be cheaper than if the trust undertook the search using traditional advertising. Mrs Parnell added that the trust's previous experience with Odgers demonstrated that often the candidates they found for the trust had not actually been looking for a role in the organisation and would never have responded to a traditional advertising recruitment campaign.
- Mr Broughton stated that it was important the organisation had the best people on its board and if working with Odgers ensures the trust gets the best candidates to chose from then it would be money well spent.
- Mrs Herbert reminded governors of their previous involvement in both focus groups and interview panels, and the very robust process that had been undertaken for previous appointments. She added that the intention was to run the same process for the three new appointments.
- Mrs Lewis said she had been involved in the appointment of the last non-executive directors and Odgers had attracted a superb short list of candidates that it was very difficult to choose from.

#### **Decision:**

**The Council of Governors agreed to the recommendations put forward by the Nominations Committee that the trust should appoint Odgers to carry out the search for candidates for the three post and undertake the appointment process as detailed in the paper.**

## ITEMS FOR INFORMATION

### 14. ANY OTHER BUSINESS

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There was no further business.

**15. QUESTIONS FROM THE PUBLIC**

A member of the public asked who posted the patient feedback questionnaires on the bedside televisions and how the information gathered was used by the trust. Ms Jenkins said she did not know the answer to the question but would report back to the next meeting.

**16. DATE OF NEXT MEETING**

The next meeting of the Council of Governors will be held on Tuesday 20 May at 2pm at a venue to be agreed.