

Council of Governors Meeting: Monday 30 April 2018
CoG2018.13

Title	Report from the Performance, Workforce and Finance Committee
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Purpose	For information.
History	The Performance, Workforce and Finance Committee provides a regular report from each of its meetings held to the Council of Governors.

Report from Performance, Workforce and Finance Committee

1. The approved minutes of the meeting of the Performance, Workforce and Finance Committee held on 29 January 2018, shortly before the last meeting of the Council of Governors on 30 January, are presented below.
2. The Committee also had an additional meeting on 6 March in order to discuss the development of the Trust's Business Plan. The Chief Finance Officer and the Chair of the Board Finance and Performance Committee were in attendance to update the Committee and to respond to questions from governors.
3. The PWF Committee has had one further formal meeting on 26 March 2018 since the last meeting of the Council of Governors.
4. At its meeting in March, the Committee received its regular report from the Performance and Finance Committee. In addition, the Interim Director of Workforce was present to provide a summary of results from the Staff Survey and an update on the Trust listening events that were being held in response.

Council of Governors' Performance, Workforce and Finance Committee

Minutes of the meeting held on Monday, 29 January 2018 at 14:00 to 16:00 in the Board Room, Level 3, John Radcliffe Hospital.

Present:	Dr Cecilia Gould	CG	Public Governor, Oxford City (Chair)
	Mr Martin Havelock	MH	Public Governor, Vale of the White Horse
	Mr Brian Souter	BS	Public Governor, Buckinghamshire, Berkshire, Wiltshire and Gloucestershire
	Mr Tommy Snipe	TS	Staff Governor, Non-Clinical
	Mr Mariusz Zabrzynski	MZ	Staff-Governor, Non-Clinical
In attendance:	Geoff Salt	GS	Chairman of the Finance and Performance Committee and Non-Executive Director
	Susan Polywka	SP	Head of Corporate Governance and Trust Board Secretary
	Neil Scotchmer	NS	Deputy Head of Corporate Governance (Minutes)

Apologies: None

The minutes are produced in the order of the agenda

CoGPWF/18/01/01 Welcome, apologies and declarations of interest

The Committee welcomed Mr Geoff Salt to his first meeting as Chair of the Finance and Performance Committee.

No apologies were received.

No declarations of interest were made.

CoGPWF/18/01/02 Minutes of the meeting held on 24 November 2017

The minutes of the meeting held on 24 November 2017 were accepted as an accurate record.

SP clarified that it was anticipated that these could be shared at the Council of Governors but that they had remained confidential at the point of circulation.

CoGPWF/18/01/03 Matters arising**Deloitte report on divisional and corporate services leadership**

The Committee was informed that the Board was to give further consideration to the recommendations made at the Board Seminar on 31 January. Development of a new operating model and culture, and agreement as to its implementation, was under active consideration.

Length and format of Board papers

The 31 January seminar was also to review the length and format of Board papers though this was recognised to be an ongoing piece of work. SP noted that she had discussed a shorter finance report with the Chief Finance Officer. He had explained that an attempt was always made to keep front page to a single page summary. MH suggested that each item in the one page summary could reference the most relevant page in the full pack.

Cost to Trust of closed beds

SP confirmed that the Chief Finance Officer has been asked to comment on this.

CQC well-led inspection

The report from this process had not yet been received by the Trust but the Council would be informed when it was released. CG explained that she would update the Council on her involvement at its meeting the following day.

Commissioner funding for 2018/19 plans

It was confirmed to the Committee that funding levels for 2018/19 remained to be agreed.

Communication and Engagement Working Group

This proposal from the Committee's discussion with Matt Akid was highlighted. MH noted that the remit sounded very broad and BS agreed that the goals of such a group would need to be clearly defined. MH suggested that it would be helpful to ensure that communications about performance and finance traced consistent narrative as this was not intuitive. BS commented that the initial purpose of this proposal had related to a view that information was not getting from the Board to governors and vice versa.

CG suggested that, as MA had only recently come into post, it would be sensible to give him an opportunity to form his views. SP observed that MA would be attending the Council the following day which might allow some of these points to be drawn out.

Appointment of external auditors

SP noted that the recommendation would be taken to the Council of Governors the following day. CG expressed thanks to Richard Gardner, Maria Moore and the finance team for the clear way in which the process was explained and how well governors were included in the decision.

CoGPWF/18/01/04 Report from the Finance and Performance Committee Chairman

GS explained that the Chairman had asked him to take on the role of chairing the Finance and Performance Committee. He had therefore stood down as Chair of the Quality Committee although he remained its Deputy Chair. He noted that his intention, as when working with the governors' Patient Experience, Membership and Quality Committee, would be to be as open as possible and to involve governors wherever appropriate.

GS noted that there were some clashes in his schedule and that it might be necessary in some cases for meetings of PWF Committee to be moved or for Anne Tutt to deputise for him.

Overall GS noted that pressures on services were considerable and that the trust was missing more targets than it would wish. Winter had been very challenging but, as a user of services, GS felt reassured that there remained a strong focus on quality.

GS informed the Committee that the Trust had for some time had some of the lowest figures in the country against the Emergency Department four hour wait standard. He noted that this was now less the case but that this was largely due to

deterioration elsewhere. The key issue was one of flow with too many patients occupying acute beds when this was not the most appropriate environment for them. GS noted that this situation was exacerbated by staff shortages which meant that there were around 120 closed beds, including 45 trauma beds. Incentive payments were being used to reopen these where possible.

GS explained that there had been clear plans to improve the RTT (Referral to Treatment) position but that these had been disrupted by the requirement to defer elective surgery. There was the potential to implement plans to make headway on this but this would depend on the extent to which commissioners chose to fund these proposals, recognising that the numbers involved were high.

GS also noted a deterioration in performance against the 62 day cancer standard which had been delivered in previous months. SP explained that Finance and Performance Committee had requested additional detail on cancer standards and were seeking clarification that this was a one off drop in performance and that this was expected to return rapidly to the standard.

Outlining the Trust's financial position, GS explained that the Trust was now aiming to achieve a £5.2m deficit compared with its initially planned surplus of £19m. Issues such as the loss of activity due to winter pressures had had a further negative impact. The current view of the Chief Finance Officer was that further steps, including the use of contingency reserves, would be required to deliver the planned deficit position.

GS also explained that the Trust would lose £20m of STP (Sustainability and Transformation Programme) funding due to not achieving its initially planned surplus. This compared with other similar large trusts which were receiving the money despite being in worse deficit positions.

CG noted that Hunter Healthcare were supporting some of the Trust's divisions. SP explained that this was the team brought in as part of NHSI's requirements. It was noted that there was considerable external support being provided to the Trust, some which the Trust has selected and some which had been imposed.

CG also noted that it was appropriate to highlight those services (daycase surgery, cancer treatment, children's services and diagnostics) which had been maintained throughout January.

CG asked GS whether the Committee could be satisfied that the issues underlying the chemotherapy story had been investigated and sufficient assurance received. GS explained that a paper was to be taken to the Board that week outlining what had happened and why as well as the lessons that could be learned. He commented that Dr Claire Hobbs had done an excellent job in reassuring patients and that he had spoken to her to discuss this.

He also noted his concern that a member of staff would choose to leak this information when there was no imminent risk to patients who were at their most vulnerable and likely to be caused distress. CG asked what the views of staff about this were. TS and MZ explained that there had been little reaction to it in their areas of work. SP explained that there was no question that this was in breach of Trust policy. TS highlighted that other appropriate routes existed for staff to raise concerns, for example, the 'Freedom to Speak Up' Guardians. GS explained that an email had been circulated to all staff reiterating the correct channels and that Matt Akid was looking at ways to ensure that key messages from all staff emails were more likely to be received.

In relation to the issue of communication with governors, SP explained to the Committee that Matt Akid would be attending the Council of Governors the following day to provide some context for this. She emphasised, however, the large volume of enquiries from journalists that the Trust received on the day that the story broke.

MH commented on how effective it had been for Dr Hobbs to appear on television and provide a focus on patients. GS noted that media interest disappeared quickly as a result. CG highlighted the Council's Code of Conduct and the requirement to treat information appropriately when shared with governors.

MH noted that there were areas where he did not feel confident that governors had sufficient information. He asked whether Finance and Performance Committee was confident about the Trust's financial figures where he felt that reporting was less transparent than for performance. GS commented that the Trust's data integrity and transparency tended to rate highly but explained that Peter Knight and John Drew were exploring where there might be weaknesses. He noted that there was a desire in the Board to see not just headline percentages but to appreciate which areas were worst off and what the issues were. SP noted that whilst data points might be reliable there was a need to understand their integration and interplay.

CoGPWF/18/01/05 Workforce issues

GS explained that in some areas vacancy rates were around 40% and turnover more than twice the Trust average. He commented that it was important to understand what these areas were and how this might link to incidents, complaints and low morale. He also stressed that importance of focussing on what it was within the Trust's power to address.

CG noted that pressures had been considerable in the Emergency Department and asked if sickness rates there had increased. GS explained that he didn't have figures for after Christmas but that these could be checked.

Action: NS

MH noted that turnover and sickness were areas where some commentary was helpful to understand to what extent they were explained by factors such as retirement or planned absences for surgery.

GS highlighted two areas in particular. The first of these was staff engagement which he felt needed to be improved using what had been learned from the staff survey of autumn 2017. This should focus on the wider culture. Secondly, GS emphasised the importance of working more effectively as a system across Oxfordshire in order to ensure that similar problems were avoided in winter 2018.

BS commented that much was outside the Trust's control. He commented that it was not able directly to resolve issues with traffic and that housing for nurses was also a key issue with the percentage of salaries being spent on housing in Oxfordshire being very high for the country. TS noted that a petition in support of an Oxford weighting was gaining support.

MZ works in the Trust both through his Carillion contract and under a zero hours contract under Elior / Aramark. He noted that staff with the latter status had consistent difficulty in receiving payments and in receiving authorisation for annual leave. He noted the serious impact that this had on morale, citing staff members who had left after working in the Trust for many years. In addition he highlighted that

this creates a negative impression of the Trust even though employment is via a subcontractor.

GS commented that the next meeting of the Committee would be two weeks after the Board had considered the staff survey and related issues.

CG asked if the proportion of subcontracted staff was known and whether they took part in staff surveys. It was agreed that this would be checked.

Action: SP/NS

CoGPWF/18/01/06 Business planning process for 2018/19

NS outlined that what was proposed was that an outline of the process would be brought to the Council the following day before the plan was written. Governors would then be involved in its development, probably through the PWF Committee, before this was taken to the Board in March. It was recognised that there was a limited amount of time to achieve this. MH highlighted the positive elements of the external audit process and the transparency and honesty of Trust staff during this. He emphasised that it would be very helpful to replicate this approach as far as feasible. SP explained that there was a strong desire this year to sign off a plan that fully integrated financial, performance and workforce elements.

SP explained that the Chief Finance Officer would be attending the Council of Governors the following day to update all governors on this process. It was noted that the timing of meeting would require an additional meeting of the Committee to review the business plan in time for it to be presented to the March Board. CG agreed that the experience of the PWF Committee would be helpful for this discussion. It was agreed that the presence of the Chief Finance Officer would be essential for the discussion and that input from GS would be very valuable.

Action: SP/NS

MH asked if NHS Improvement could choose not to approve the submitted plan and GS indicated that in principle they could tell the Trust that they did not regard it as credible. SP agreed that it was also possible that the Board would choose not to sign off the plan as presented in March.

CoGPWF/18/01/07 Review of terms of reference

NS explained that, in the paper to be presented to the Council, it had been decided not to propose specific time limits on terms of office for membership of the Council's committees. It was felt that this would be excessively limiting given the reliance on volunteers and the potential for members to be removed through elections. It was therefore suggested instead that the annual review of membership be used as a formal opportunity to consider any changes that were required. This could allow new members to be co-opted on a flexible basis. It was noted that the terms of reference were not restrictive on committee size but were clear on the quorum.

SP confirmed that the current process was that individuals volunteered and that the Chair formally approved additions to the membership. CG suggested that ideally individuals should not be members of too many committees to ensure that no one set of views was too dominant. TS supported the importance of a diversity of thought. It was recognised, however, that it was important for the Chairman to have discretion in this regard as the reliance on the willingness of governors to be involved would otherwise be very limiting.

MH suggested that the need to have different arrangements for different committees should be avoided although the need for some differences for the Remuneration, Nominations and Appointments Committee was recognised. It was noted that the same arrangements wouldn't need to apply to working groups and the option, under paragraph 1.3 for other people with relevant experience and expertise to be invited to attend where necessary was highlighted by BS.

NS pointed out that there was currently some overlap between the PWF and PEMQ committees in their consideration of issues relating to workforce. For PEMQ this related particularly to its interest in the impact of morale and staffing shortages on quality. SP noted that workforce was under the remit of the Board Quality Committee. It was recognised that elements of workforce were relevant to both committees.

TS emphasised that workforce, especially through recruitment issues, had a significant impact on performance and finance and suggested that it should be retained within the remit of the Committee. MH indicated that it would be helpful to focus on the 'harder' aspects of workforce such as vacancies rather than the 'softer' ones such as morale but it was recognised that these were closely related.

It was suggested that the two committees could have a joint meeting on an annual basis but this was felt to be complex in practice. SP proposed that perhaps relevant issues could be brought instead to a seminar, noting that the last staff survey had been presented to the whole Council, and there was support for this suggestion.

CoGPWF/18/01/08 Meeting dates for 2018

It was noted that an additional meeting might be required for business planning and suggested that this could be linked to the seminar on Monday 26 February. It was agreed that this option would be explored.

Action: SP/NS

CoGPWF/18/01/09 Work programme for 2018/19

It was suggested that it might be helpful for the Committee to review the Board's cycle of business in considering its work programme.

CG noted the need for flexibility given the finance and performance issues that might arise as new risks during the course of the year.

SP suggested that the Committee might wish to consider a workshop-style section of the meeting to consider the updated Corporate Risk Register after this had come to the Board in March.

CoGPWF/18/01/10 Any Other Business

CG explained that an ex-staff governor had raised some concerns in relation to the mortuary. She asked if walkarounds by executive and non-executive directors included this area. CG suggested that perhaps one could take place with the involvement of a staff governor to provide assurance to governors. GS confirmed that walkarounds including the mortuary did take place and explained that he had visited the mortuary and the bereavement team as part of end of life care review and that this had not raised any concerns. SP suggested that it would be helpful initially to have a better understanding of what the concerns were and GS agreed that he was happy for the individual to be directed to him.

MH asked if GS was satisfied that plans to recruit in areas of shortage were clear and robust. GS explained that the approach of the Director of Improvement and Culture had brought rigor to the process and was not overpromising. However, he recognised that it was not yet possible to say with complete clarity in the top six vacancy areas what the Trust would do by when and what impact this was expected to deliver. GS agreed to ask John Drew to bring something to the Finance and Performance Committee outlining plans for the top six areas.

Action: GS/SP

MH noted that the financial reports stated that the Trust was not meeting its control total and asked for clarification of his understanding that this was the level of performance required by NHSI. SP confirmed that this referred to a local requirement to reach a level of performance which might be a surplus or a deficit but which ensured that the NHS was within budget nationally. It was noted that this was also a requirement to qualify for Sustainability and Transformation Programme [STP] funding.

In relation to the current NED appointment process the Committee was informed that further information was being required of candidates before a final decision.

CG commented that a further NED appointment would be upcoming. She highlighted the importance of Oxford Brookes University in training significant numbers of Trust staff across a range of disciplines and asked whether there should be an Oxford Brookes NED as well as an Oxford University NED. SP noted the risk that this would be a second NED post where governors would have less choice in relation to the appointment and TS suggested that there were other ways in which stronger relationships with Oxford Brookes could be forged.

CoGPWF/18/01/11 Date of the next meeting

The next meeting will be held from 13.00 to 15:00 hours on Monday 26 March 2018 in the Boardroom, Level 3, John Radcliffe Hospital.