

Council of Governors

Minutes of the Council of Governors Meeting held on **Tuesday 21 September 2021** via video conference

Present:

Name	Initials	Job Role
Prof Sir Jonathan Montgomery	JM	Trust Chair, [Chair]
Mr Tony Bagot-Webb	TBW	Public Governor, Northamptonshire & Warwickshire
Mr Stuart Bell CBE	SB	Nominated Governor, Oxford Health Foundation Trust
Mr Giles Bond-Smith	GBS	Staff Governor, Clinical
Ms Rebecca Cullen	RC	Staff Governor, Non-Clinical
Mrs Sally-Jane Davidge	SJD	Public Governor, Buckinghamshire, Berkshire, Wiltshire and Gloucestershire
Mr Mike Gotch	MG	Public Governor, Oxford City
Dr Cecilia Gould	CG	Public Governor, Oxford City
Mr Martin Havelock	MH	Public Governor, Vale of White Horse
Mrs Jill Haynes	JH	Public Governor, Vale of White Horse
Mrs Janet Knowles	JK	Public Governor, South Oxfordshire
Dr Astrid Schloerscheidt	AS	Nominated Governor, Oxford Brookes University
Mr Graham Shelton	GS	Public Governor, West Oxfordshire
Ms Jules Stockbridge	JS	Staff Governor, Clinical
Ms Sally-Anne Watts	SAW	Public Governor, Buckinghamshire, Berkshire, Wiltshire and Gloucestershire
Mrs Sue Woollacott	SW	Public Governor, Buckinghamshire, Berkshire, Wiltshire and Gloucestershire
Ruby	R	Nominated Governor, Young People's Executive

In Attendance:

Caroline Rouse	CR	Foundation Trust Governor and Membership Manager, [Minutes]
Mr Jason Dorsett	JD	Chief Finance Officer
Ms Laura Lauer	LL	Deputy Head of Corporate Governance
Ms Katie Kapernaros	KK	Non-Executive Director

Mr Mark Surridge	MS	Mazars
Dr Neil Scotchmer	NS	Head of Corporate Governance
Ms Anne Tutt	AT	Non-Executive Director

Apologies:

Ms Gemma Davison	GD	Public Governor, Cherwell
Mr David Heyes	DH	Public Governor, West Oxfordshire
Mrs Anita Higham OBE	AH	Public Governor, Cherwell
Prof Helen Higham	HH	Nominated Governor, University of Oxford
Dr Tom Law	TL	Staff Governor, Clinical
Ms Samantha Parker	SP	Staff Governor, Non-Clinical
Ms Nina Robinson	NR	Public Governor, Buckinghamshire, Berkshire, Wiltshire and Gloucestershire
Mr Jonathan Wyatt	JWy	Public Governor, Rest of England and Wales

CoG21/09/01 Welcome, Apologies and Declarations of Interest

1. JM welcomed governors to the meeting and noted that, although the meeting had not been in the original schedule, it had been arranged to ensure that Mazars, the Trust's external auditors, could present their report to the Council of Governors in advance of the Annual Public Meeting.
2. Mark Surridge from Mazars was welcomed to the meeting.
3. Apologies had been received as indicated above.
4. JM informed governors that Paula Hay-Plumb was unfortunately not available to attend the meeting as Chair of the Trust Audit Committee but other non-executive members of the Audit Committee were in attendance and able to comment.

CoG21/09/2 Chair's Business

5. JM noted that the agenda for the October meeting of the Council would include the financial governance review and action plan, as well as the CQC Maternity Report. He explained that the Horton General Hospital expression of interest as part of the Health Infrastructure Plan would also be on the agenda. It was noted, however, that the Trust was bidding as planned for this funding but that there was no guarantee of success and that the bid did not represent any change to the plans that had previously been shared. The Chair noted that the Trust would be explaining the expression of interest to the Joint HOSC at a meeting in the coming weeks.

CoG21/09/03 External Auditor's Report

6. JM explained that it was an important function of the Council of Governors to receive the external auditor's report, as an important element of the governance process. JM introduced Mark Surridge (MS) from Mazars, the Trust's external auditors.
7. MS informed governors there was a new style of report this year, which was relatively lengthy. He explained that the report had been reviewed through the Trust's internal processes and that it was largely one of positive assurance.
8. The Council heard that the bulk of the Report provided commentary on the Trust's arrangements for financial governance, the extent to which it took informed decisions and secured value for money. The Report identified no significant weaknesses and provided positive assurance that appropriate arrangements were in place. There were challenges such as uncertainty in relation to funding but these were system wide and not unique to the Trust.
9. MS outlined that the Report covered three areas of responsibility: the financial statements, value for money and wider reporting responsibilities. It was noted that nothing had needed to be enacted under the third category and that this was positive. Overall the Report found that the Trust spent funds in the public interest and the work on financial statements indicated that these were appropriately prepared.
10. MS explained that a limitation in scope had been issued for this year's Report. This was a result of the fact that, as a result of Covid, Mazars had not attended Trust sites to undertake an independent tally of the stock take. This was an approach that Mazars had taken across all clients and one which had been adopted by many auditors. This had resulted in a limitation in scope which was not related to any shortcoming on behalf of the Trust. It was recognised that in a normal year such a limitation in scope would be highly unusual but over the last two years the pandemic had made this relatively normal.
11. MS drew governors' attention in particular to the clean opinion on income and expenditure, and the findings that accounts were properly prepared and that there were no control issues in the organisation.
12. The Council heard that overall the Trust was not out of line with the position at other NHS provider Trusts and that this represented a good result in a challenging year. Mazars recognised the significant work that the Finance team had undertaken to produce the financial statements and maintain appropriate financial controls.
13. MS explained that the Trust had undertaken significant work in the last financial year on underpinning arrangements such Board Committee structures, the Board Assurance Framework and performance metrics, to improve monitoring throughout the year. Mazars reiterated that governors should not underestimate the disruptive impact that Covid had had on the Trust throughout the year.
14. Governors heard that a broad and in depth analysis had been undertaken and had provided positive assurance that the Trust had proper arrangements in place. MS noted that this was not the case at all acute teaching trusts across the country especially in

relation to financial planning and decision making. He concluded that the Trust was on a fundamentally sound footing, and that while there were broader issues to tackle, but the Trust was in a good position to work through future challenges.

15. AT commented that it was pleasingly that the Trust had been found to have robust processes in place. She noted that the issue around stock had been disappointing for the Audit Committee. However, it was recognised that this was due to Mazars not being able to come on-site to observe the stock take, and was not the result of any actions by or deficiencies within the Trust. AT also highlighted that the value stock at year end had been unusually high because the Trust had been holding a large volume of Covid-related stock on behalf of the Region, which had made the stock position even more material. KK also noted that the Audit Committee had been surprised by the stock issue but had been reassured to some extent that other Trusts were in a similar position and that it was not regarded as a mark against the Trust.
16. Recognising that there was no blame attached to the issue with stock, MH asked what risks might be associated with the fact that it had not been possible for Mazars to observe the stock count. MS explained that the Trust had undertaken the count and so there was no absence of control but that this meant that it could not be independently verified. He noted that the approach had not been altered from previous years and so there was no reason to presume any shortcomings. He commented that NHSE/I were fully aware of the position and understood it. JD commented that external audit was a valuable source of assurance and so it was unfortunate not to have this but he was confident that the other relevant controls were in place.
17. GS congratulated the Trust on a positive report but asked for clarification of the position in relation to the financial undertakings from NHSE/I that remained in place and asked whether there remained an underlying financial deficit. The Council noted that these issued would be addressed further in discussion of the Financial Governance Review in October.
18. MS commented, however, that there was currently a fundamental uncertainty in what the financial regime would look like which made planning very difficult. He noted that the Trust had planned for a range of different scenarios and that Mazars had reviewed the underlying financial plans and confirmed that the judgements and estimates made were reasonable.
19. The Chair noted that NHSE/I had been fully involved in the Financial Governance Review but that there was still significant uncertainty about how the financial settlement would affect the Trust. JD indicated that the regional finance team had indicated that consideration was being given to reviewing the finance conditions on the Trust's licence which was positive.
20. The Chief Finance Officer also explained that narrative guidance on the financial settlement was expected shortly. The Chair commented that in the light of the prevailing uncertainty it was important that the Trust continued to focus on good financial Stewardship.

21. The Chair expressed his thanks to Mazars, the Audit Committee and the Finance team for their work during a challenging period.
22. The Council received and noted the External Auditor's Report.

CoG21/09/04 Timing of Next Lead Governor Election and Co-option of Governors 2021

23. JM informed governors that the timing of the lead governor election needed to be agreed and that three options were laid out in the paper, which also included a recommendation to confirm offers of co-option to governors whose terms of office came to an end on 30 September 2021.
24. MH asked for clarity about what 'non-voting' meant for governors who were co-opted, as it seemed reasonable that all governors could take part in voting for the lead governor.
25. JM noted that there were very few issues that required governors to vote but that it was important to be clear about who was able to do so should a vote be required. It was emphasised that this was a transitional problem due to the altered election cycle dates and so it was not anticipated that governors would be in a similar position again.
26. The Council was reminded that prior to the last set of elections, the Head of Corporate Governance had looked at various options to see if it was possible to extend terms of office of governors, but it was clear that statute did not allow this.
27. SAW asked whether co-option could present any challenges in relation to quoracy and NS confirmed that this was not anticipated to be an issue as quoracy was based on the presence of a third of voting governors.
28. It was clarified that the period of co-option would be from 1 October 2021 to 31 March 2022.
29. TBW asked for clarity regarding whether it was possible for a co-opted governor to act as Lead Governor. NS explained that his understanding was that this would be the case but that he would seek confirmation on this point outside of the meeting and feed back to the Council in writing on this issue.
30. CG noted that some trusts held lead governor election every 2 to 3 years but that she supported annual elections as confirming the support of fellow governors and ensuring that they had a mandate in the role.
31. In discussion governors indicated that there was broad support for Option C which allowed the Lead Governor to be selected by the governors who they would be supporting during their term of office.
32. *CG left the meeting to allow discussion in her absence.*
33. SB proposed that the least disruptive option would be for CG to remain as Lead Governor to allow an election to take place in April 2022 so long as it was confirmed that there was no bar to this under the Constitution. Governors present confirmed that they were happy to support CG continuing in the Lead Governor role on this basis.

34. It was agreed that if it was confirmed that a co-opted governor could remain as Lead Governor then this approach would be taken. The Chair noted that if it was found that CG could not remain as Lead Governor then a rapid election would need to take place.
35. The Council of Governors confirmed its approval of the recommendation that all outgoing governors again be offered the opportunity to be co-opted onto the Council as non-voting members until 1 April 2022.
36. The Council of Governors selected Option C with regard to the timing of the Lead Governor election, namely that this should take place in April 2022 once new governors were in place. This decision was subject to confirmation that there was no bar under the Constitution to a co-opted governor acting as Lead Governor.
37. **ACTION NS:** Confirmation to be provided to the Council of the Constitutional position in relation to a co-opted governor undertaking the role of Lead Governor.
38. *Post Meeting Note: The Head of Corporate Governance contacted all governors on 28 September to confirm that the continuation of the existing Lead Governor in their role while co-opted was not precluded by the Constitution. On this basis it was confirmed that Cecilia Gould would continue in the role of Lead Governor and that an election for the role would be held following governor elections in the following year.*

COG21/09/05 Any Other Business

39. No additional items were reported.

CoG21/09/06 Date of Next Meeting

40. A meeting of the Council of Governors was to take place on **Wednesday 13 October 2021**.