

Council of Governors

AGENDA

Date:	Tuesday 26 January 2016
Time:	14.00-16.30
Venue:	Hyde Park Room, 2 nd Floor, Hunter Wing, St Georges University Hospitals

Governors to direct questions/comments through the Chair

No.	Item	Time	Enclosures
1.	Opening business		
1.1	Chairman's introductions, including apologies for absence <i>Christopher Smallwood, Chair</i>	14.00	<i>(verbal)</i>
1.2	Declarations of Interest <i>Christopher Smallwood, Chair</i> <ul style="list-style-type: none"> to note any interests from governors as part of their obligation to declare any interest relevant to any item considered at the meeting 	14.10	<i>(verbal)</i>
1.3	Approval of minute of the meeting held on 27 October 2015 <i>Christopher Smallwood, Chair</i> <ul style="list-style-type: none"> to approve the minutes of the meeting held on 27 October 2015 	14.11	<i>Enc A</i>
2.	Holding the Board to account for the performance of the Trust		
2.1	Chief Executives Report <i>Miles Scott, Chief Executive Officer</i> <ul style="list-style-type: none"> to receive a written report on the Trust's current: <ul style="list-style-type: none"> quality, financial and, workforce performance 	14.15	<i>Enc B</i>
2.2	Business Planning 2016/17 <i>Tom Ellis, Head of Business Planning</i> <ul style="list-style-type: none"> to receive a report on the development of the annual business plan 	14.35	<i>Enc C</i>
2.3	Financial Recovery <i>Andrew Burn, Turnaround Director</i> <ul style="list-style-type: none"> to receive a report on the Trust's plans to address the current deficit 	14.55	<i>Enc D</i>
3.	Items for Information and noting		
3.1	Quality Account Voluntary Indicators <i>Jennie Hall, Chief Nurse</i> <ul style="list-style-type: none"> to hear about the process for Governors in selecting a local indicator for the Quality Account 	15.30	<i>(verbal)</i>
3.2	Report from the Remuneration and Nomination Committee <i>Sue Baker, Deputy Chair of the Remuneration and Nomination Committee</i> <ul style="list-style-type: none"> to receive an update on the work of the committee 	15.45	<i>Enc E</i>
3.3	Council of Governor meeting dates <i>Jill Hall, Interim Trust Secretary</i> <ul style="list-style-type: none"> to note the meeting dates for 2016/17 	15.50	<i>Enc F</i>
4	Closing Business		

No.	Item	Time	Enclosures
4.1	<p>Any other business Christopher Smallwood. Chair</p> <ul style="list-style-type: none"> to note any items of additional business, including those notified by the governors to the Trust Secretary prior to the meeting 	15.55	Verbal
4.2	<p>Date and time of next meeting Christopher Smallwood, Chair</p> <ul style="list-style-type: none"> to note that the next formal meeting of will be held on Tuesday 26 April 2016 at Hyde Park Room, St George's Hospital, commencing at 2.30 	16.10	verbal

MINUTES OF THE COUNCIL OF GOVERNORS (PUBLIC MEETING)

27th October 2015

Hyde Park Room, Hunter Wing, St George's Hospital

Present:

Kathryn Harrison (KH) (chair)	Yvonne Langley (YL)
Sue Baker (SB)	Felicity Merz (FM)
Sheila Eden (SE)	Doulla Manolas (DM)
Hilary Harland (HH)	Dr Patrick Bower (PB)
Mia Bayles (MB)	Dr Frances Gibson (FG)
Robin Issacs (RI)	Cllr Sarah McDermott (SMc)
Jan Poloniecki (JP)	Jenni Doman (JD)
Stuart Goodden (SG)	Will Hall (WH)
Mike Grahn (MG)	Dr Val Collington (VC)
Cllr Philip Jones (PJo)	Brian Dillon (BD)

In attendance:

- Christopher Smallwood (Chairman) (CS)
- Miles Scott (Chief Executive) (MS)
- Peter Jenkinson (Director of Corporate Affairs) (PJ)
- Jennie Hall (Chief Nurse) (JH)
- Wendy Brewer (Director of Workforce) (WB)
- Steve Bolam (Chief Finance Officer) (SBo)
- Richard Coxon (Membership & Engagement Manager) (RC)

Apologies:

Derek McGee	Stephen Miles
Gail Adams	Dr JP van Besouw
Dr Tim Hodgson	David Flood

1. Declarations of Interest

There were none.

2. Minutes of the meeting held on 9 July 2015 were approved as an accurate record.

3. Report from the nominations and remuneration committee – recommendations for the appointment of chairman and non-executive directors

The Chair of the Committee, Sue Baker, reported on the meeting of the committee held on 1 October 2015 to look at the process for the appointments of a Chair and Non-Executive Directors.

The timetable, job specification, pay range (£55,000 – 65,000) and advertising of the Chairman role was agreed. The appointment of Saxton & Bamfylde, was queried by KH, MS stated that an Independent specialist head-hunter would be able to identify the best candidates, they came with a high reputation, were on the national framework and had a contract with the Department of Health. It was noted that the Trust's own internal Human Resources department did not have

the capacity or skills for this type of recruitment. Governors would be consulted in the decision making process in future before appointing recruitment consultants.

It was agreed that the interview panel would consist of the Lead Governor plus two other Governors, an external representative and representative from the Board of Directors. The panel will then recommend a candidate to the Council of Governors to approve.

It was agreed that the newly appointed Chairman should be involved in the interviewing of the two new non-executive directors to replace Mike Rappolt and Judith Hulf. Therefore the interviews for these roles would take place in mid-January with the Council of Governors meeting on the 26 January to approve recommendation.

The timetable, job description, pay (£12,000) and advertising of these roles was agreed. It was noted that someone with a finance, IT experience and business application background would be desirable.

It was agreed that Sarah Wilton would be offered a further 3 year appointment and Professor Jenny Higham, the new Principal of the University, would take over from Professor Peter Kopelman who is retiring.

The committee had discussed recruiting an additional Non-Executive Director to the board and this could be achieved through agreement and amending the Constitution. CS suggested that this ought to be deferred until the new Chairman and two new non-Executive Directors had started and the new board was more established. This was agreed.

4. Urogynaecology service – public consultation regarding the future service provision

The service managers updated the meeting on the public consultation that was currently taking place on the viability of the Urogynaecology service at the Trust. The service was suspended in June 2015 due to two consultants leaving and not being able to recruit suitable replacements. This is a specialist service and is only provided at a relatively small number of trusts. An accredited service is run at Croydon University Hospital and our patients have been transferred there. All patients have been contacted as well as their GPs to advise them of the situation.

The public consultation closes on the 12th November and a decision will go before Executive Management Team on 23rd November.

KH stated that the wording of the consultation sounded like a 'fait accompli' and not a genuine consultation and any future consultation ought to be re worded.

MG raised concerns about the short length of the consultation. Some people in the area were not happy about having to go to Croydon for treatment.

It was noted that Croydon University Hospitals have the capacity to take on the additional patients, the 10 staff affected here have been redeployed within the Trust and patients can also go to St Helier, Kings College or Kingston Hospitals

for the same treatment if Croydon was unsuitable. It was made clear that the suspension of the service was not being taken to save money.

5. Quality & Performance Report

JH introduced the Quality & Performance Report. There continues to be pressure on services with high agency staff spend. However quality of care is consistent.

PB asked about the 2 week rule for cancer patients as problems had been picked up with this target through the CCG and from patient feedback. Also the GPs feel that the reconfiguration of the district nursing service has been badly managed.

JH responded that we are aware of the 2 week rule being breached and this is being monitored on a weekly basis. The Trust worked with Wandsworth CCG over the district nurses changes which follow the patient pathway. There have been bedding in problems with the added pressures nationally on district nursing

6. Workforce Report

WB presented the Workforce Report. There continues to be a high level of staff turnover across the Trust. However the trust's level of turnover are comparable to most trusts in London. It is worrying as the job market is volatile especially when we are trying to reduce the usage of agency staff.

JP asked about the trust's Whistleblowing Policy and how this was monitored.

WB responded that our Whistleblowing Policy is on our website and intranet, and the Trust kept copies of any reports and these are reviewed to ensure that nothing is missing. The Trust is confident that procedures are robust. The policy is monitored by the Audit Committee. The Bullying & Harassment Policy and Whistleblowing Policies are closely aligned but are two separate policies. The Trust has a liaison officer who goes out around the sites to advise staff.

HH asked about 12 hour shifts at QMH and whether this applied across the Trust. JH replied that most ward staff prefer to work a 12 hour shift pattern but nobody is forced to and this can be broken down if someone wants to work part time or flexible working.

WH asked about staff 'acting up' and local promotion opportunities within the Trust. WB said she could find out but each division has an action plan to ensure there is appropriate cover and opportunities for staff.

7. Finance Report

SB presented the Finance Report. The variation at month six is worse than forecast but agency staff spend has plateaued. Income remains the same and cash position slightly better than expected.

8. Any other business

There was no other business.

9. Date of next Meeting

The next meeting will take place on Monday 21st December 2015, 4 – 7pm

Enclosure: A

COUNCIL OF GOVERNORS

Meeting:	Council of Governors
Date of Meeting:	26 January 2016
Title of Paper:	Minutes of the previous Council of Governors meeting held on 27 October 2015
Presented by:	Christopher Smallwood, Chair
Paper for Debate, Decision or Information:	Approval
Main Aim:	To ensure good governance practice in confirming that the minutes of the 27 October 2015 meeting represent an accurate record of business undertaken.
Summary of key points for consideration:	These minutes, in draft form, were initially circulated to governors.
Recommendations or outcome required:	Approval
Previous Forum:	N/A
Statutory Requirements Met:	N/A
Contact in case of query concerning this paper:	Jill Hall, Trust Secretary, 020 8725 3897

Enclosure: B

COUNCIL OF GOVERNORS

Meeting:	Council of Governors
Date of Meeting:	26 January 2016
Title of Paper:	Chief Executive's Report
Presented by:	Miles Scott, Chief Executive Officer
Paper for Debate, Decision or Information:	For Information
Main Aim:	To inform the Council of Governors of key headlines pertaining to the trust.
Summary of key points for consideration:	N/A
Recommendations or outcome required:	N/A
Previous Forum:	N/A
Statutory Requirements Met:	N/A
Contact in case of query concerning this paper:	Sofi Izbudak, Private Secretary to the Chief Executive #1158

CHIEF EXECUTIVE'S REPORT – COUNCIL OF GOVERNORS MEETING 26th January 2016

1. Urogynaecology Public Consultation

The Urogynaecology service, which is a sub-speciality of the Gynaecology service at St George's, was suspended in June 2015 on governance and safety grounds. The trust recently undertook an internal and external consultation to consider the long term provision for patients who require this service. The consultation ended on 4th December, and the outcome and proposed next steps will be discussed at the trust's March 2016 Board meeting.

2. Junior Doctors Strikes

The British Medical Association (BMA) wrote to trusts across England informing them of its intention to take industrial action on the following dates:

- 12th January 2016 – 24 hour strike, with emergency care only
- 26th January 2016 – 48 hour strike, with emergency care only
- 10th February 2016 – full withdrawal of labour between 8am and 5pm

The trust prepared carefully for the first strike day, during which junior doctors only provided emergency care for 24 hours. Leadership was provided via a Gold Command, chaired by the Chief Operating Officer who was supported by the Medical Director. There were no serious operational issues and the consultant medical staff provided good support throughout. Approximately 470 appointments were cancelled out of a scheduled 2400. NHS England fed back that London was best prepared region.

The strikes for 26th and 27th January have been cancelled but the strike planned for 10th February remains in place unless negotiations are successful. The February industrial action will be a complete strike – including emergency care – and preparation for it is already underway.

3. NHS Improvement – Appointment of Jim Mackey

Jim Mackey (previously the Chief Executive of Northumbria Healthcare) commenced in post as the Chief Executive of NHS Improvement (NHSI) on 1st November 2015. NHSI is the new NHS provider regulator and brings together the functions of the NHS Trust Development Authority, and Monitor.

4. New Board Appointments

Appointment of a new Chair

Christopher Smallwood will complete his term of office as Chairman on 31st January 2016 and the Council of Governors' Nominations and Remunerations Committee is conducting an ongoing search for a substantive successor. From 1st February Sarah Wilton will be acting Chair, whilst we continue with the appointment process. In addition, Mike Rappolt has agreed to extend his term of office as Non-Executive Director and Vice Chairman for three months, to support Sarah until a new Chairman is appointed.

Other personnel changes to note

I would like to welcome Gillian Hall, who has recently taken up the post of Interim Trust Secretary. Additionally I am sorry to announce that Sofia Colas, the Divisional Director of Operations for the Children and Women's Division will be leaving the trust. Sean Briggs, who is currently the General Manager for Neurosciences, will take up her role as an interim. Finally, Louise Halfpenny, the Head of Communications will also be leaving us. We wish Louise and Sofia the very best for the future.

5. Communications

5.1 Thank you events

Approximately 400 people attended two events organised by the communications team to say thank you to staff and farewell to Christopher Smallwood. The team managed to secure 250 gifts from local businesses which were given out during the events at St George's and Queen Mary's hospitals. The new induction film was also shown, and values/apprentice awards presented.

5.2 Ask Miles

The first 'Ask Miles' session took place on 10th December. Feedback questionnaires filled out by attendees were overwhelmingly positive and all respondents said they would recommend the session to a colleague. Based on feedback, the next session will increase from 30 minutes to one hour.

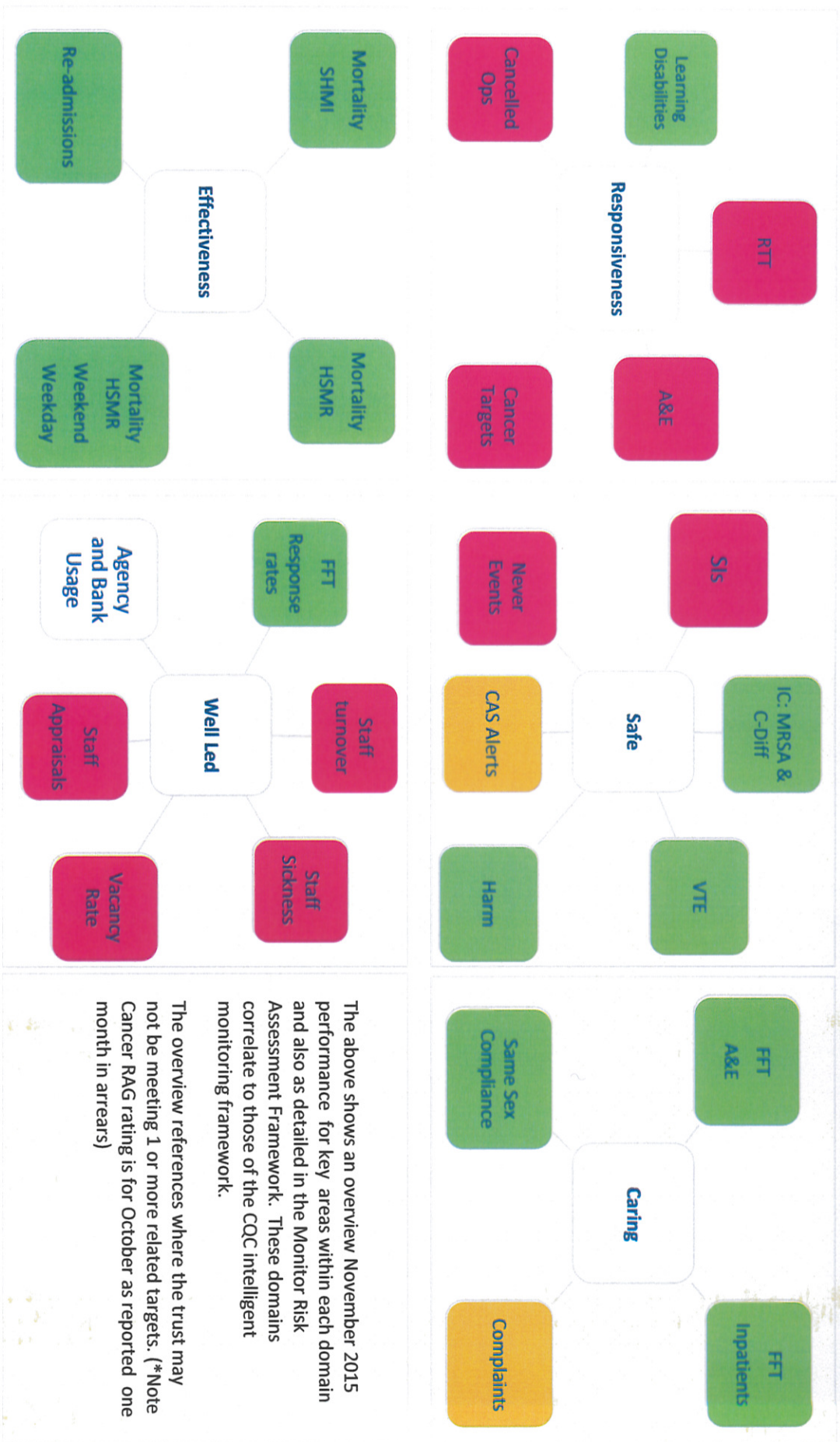
5.3 Turnaround Times newsletter

The first edition of Turnaround Times was published at the beginning of December. Feedback from staff has been positive, especially about the case studies showing what staff have done to save money. Based on staff suggestions, future editions will be printed in black and white rather than colour.

5.4 Media update

- Consultant cardiologist, Stephen Brecker, was interviewed by the BBC for the Today programme on his development of a [transcatheter aortic valve implantation](#), which is a new device for replacing heart valves. The programme discussed the development of innovations in the NHS, and Sir Bruce Keogh spoke on how best to capitalise on these innovations
- A twitter campaign responding to the theft of Christmas presents for nurses on Ruth Myles Ward, resulted in £500 being donated to the trust by members of the public in order to replace the gifts.
- The Daily Mail interviewed Rob Hinchliffe from the Vascular Institute on the pioneering work he has done in treating [iliac endofibrosis](#), a condition which affects cyclists, rowers and triathlon athletes. They also interviewed one of Rob's patients who had surgery for the condition. Rob was pleased with the publicity and hopes that the piece will generate referrals.
- Good Morning Britain filmed [from Nicholls Ward for children](#) on Christmas Eve. Dr Hilary Jones, the programme's GP spoke to staff and parents on the day. One of the parents said, "The treatment we get in this hospital is overwhelming." Another said that the staff were 'brilliant'. The piece was broadcast all over the ITV network.
- The Daily Telegraph in Sydney, Australia ran a short piece on [24 Hours in A&E](#) saying it was always 'surprisingly touching'.

1. Executive Summary - Key Priority Areas November 2015*



The above shows an overview November 2015 performance for key areas within each domain and also as detailed in the Monitor Risk Assessment Framework. These domains correlate to those of the CQC intelligent monitoring framework.

The overview references where the trust may not be meeting 1 or more related targets. (*Note Cancer RAG rating is for October as reported one month in arrears)

This report is produced in line with the trust performance management framework which encompasses the Monitor regulatory requirements.

REPORT TO THE COUNCIL OF GOVERNORS

Paper Title:	Quality and performance Month 8 November 2015
Sponsoring Director:	Jennie Hall- Chief Nurse/ Director Infection Prevention and Control Simon MacKenzie- Medical Director Paula Vasco-Knight – Chief Operating Officer
Authors:	Jennie Hall- Chief Nurse/ DIPC Simon Mackenzie- Medical Director Peter Riley- Infection Control Lead Corporate Nursing Team Divisional Directors Nursing/ Governance Trust Safeguarding Leads Paula Vasco-Knight – Chief Operating Officer
Purpose:	To inform the Council of Governors about Quality Performance for Month 8.
Action required by the board:	To note the report and key areas of risk noted.
Document previously considered by:	Finance and Performance Committee Quality and Risk Committee Trust Board

Executive summary

Performance

Performance is reported through the key performance indicators (KPIs) as per Monitor Risk Assessment Framework. The trust is performing positively against a number of indicators within the framework, however existing challenges continue in particular: ED 4 hour target, Cancer waiting time targets and cancelled operations by the hospital for non-clinical reasons.

The trust has seen positive performance improvement in Diagnostics with number of patients waiting greater than 6 weeks reducing significantly and has also seen marked improvement with regards to cancelled operations and the number of patients not re-booked within 28 days.

The trust shows the quality governance score against the Monitor risk assessment framework of 4 as Monitor have imposed additional license conditions in relation to governance.

The report lists by exception those indicators that are being underachieved and provides reasons why target have not been met, remedial actions being taken and forecasted dates for when performance is expected to be back on target.

Key Points of Note for the Council of Governors to note in relation to November Quality Performance:

The Overall position in November remains consistent with the previous two quarters in terms of the trends for the metrics with some moderate improvement across a number of indicators. Serious Incident numbers remain an area of focus in relation to themes seen and actions being taken. Routine oversight of serious incidents continues to be monitored through the Patient Safety Committee and SIDM.

Effectiveness Domain:

- Mortality performance remains statistically better than expected for the Trust. Despite this position we continue to proactively investigate mortality signals at procedure and

diagnosis level. The Report outlines the actions that are being taken by the Mortality Committee following the increase in SHMI which has been previously reported to the board.

- National Audits within the report: The report indicates the results from the PICANet national audit. The Unit is achieving some indicators but not all in relation to the staffing profile, actions are outlined in relation to this element.
- The report indicates the position with compliance with NICE guidance for the period June 2010 to August 2015. The number of outstanding areas of non-compliance has increased, however actions have been put in place to recover this position. Detail is available of all areas where we have declared non-compliance, the reasons for this position and action being taken. Further assurance is being sought in relation to the risk profile; any findings of note will be reported to future meetings.

Safety Domain:

- The number of general reported incidents in November indicates a similar trend in terms of numbers and level of harm. It should be noted that the trend for Serious Incidents indicates a gradual increase. Of those declared for November the issues are across a range of clinical issues, some are mandatory in terms of reporting.
- Safety Thermometer performance slightly improved from the previous month and performance remaining above the national average. There was a slight increase in harms i.e. falls, VTE and CAUTI but this is not significant.
- The pressure ulcer profile for October improved from the previous month with 2 grade 3/4 ulcers. Actions being taken to sustain an improvement in performance are outlined in the report,
- No further MRSA bacteraemia cases were reported for November bringing the total to 3 cases year to date and no cases since Mid-September. There are now a total of 22 C-Difficile cases to the end of November with no cases during the month which is a positive achievement. Therefore we are on target for the annual Trajectory for C Difficile which is set at 31 cases for 15/16. All cases are currently subject to an RCA process.
- Safeguarding Adults compliance for training remains a key area of focus. The Trust is now demonstrating a compliance of 71% for adult training. The numbers of staff to be trained is known and there are agreed actions both for adult safeguarding which is being monitored by the respective safeguarding Committee.

Experience Domain:

- The response rate for FFT decreased again. Gaining feedback from patients is an important component in the triangulation of quality data The overall score for the Trust in November is a score of 87.5 %
- The complaints profile in relation to numbers has increased from October in terms of numbers. In relation to turnaround times of complaints a decline still continues to be seen following improvement through to May 2015, although the clinical Division (Community) continues to achieve the target. Further detail about improvement actions will be reported to the board in February

Well Led Domain:

- The safe staffing return is included for all inpatient areas. The average fill rate for the Trust is 95 % across these areas against current staffing figures. This is against current staffing figures. This figure is being reviewed alongside other Trust information about run rates, the Trust information for staffing alerts (Red Flags) which has been implemented across the Trust, and Trust Bank information about the temporary staffing profile and fill rates.

Ward Heat map:

The Heat map for November is included this month for both Acute and Community services.

Risks identified: Complaints performance (on BAF) Infection Control Performance (on BAF) Safeguarding Children Training compliance Profile (on BAF) Staffing Profile (on BAF)	
Related Corporate Objective: <i>Reference to corporate objective that this paper refers to.</i>	
Related CQC Standard: <i>Reference to CQC standard that this paper refers to.</i>	
Equality Impact Assessment (EIA): Has an EIA been carried out? If no, please explain you reasons for not undertaking and EIA. Not applicable	

2. Monitor Risk Assessment Framework KPIs 2015/16: November 15 Performance (Page 1 of 1)

Metric	Standard	Weighting	Score	YTD	Oct-15	Nov-15	Movement
Referral to Treatment Admitted	90%	N/A	N/A		78.60%	78.98%	↑ 0.38%
Referral to Treatment Non Admitted	95%	N/A	N/A		86.50%	90.19%	↑ 3.69%
Referral to Treatment Incomplete	92%	1	1		90.20%	91.74%	↑ 1.54%
A&E All Types Monthly Performance	95%	1	1	91.94%	91.90%	89.33%	↓ -2.57%
Metric	Standard	Weighting	Score	YTD	Q2	Q3	Movement
62 Day Standard	85%	1	1	81.22%	81.93%	84.55%	↑ 2.43%
62 Day Screening Standard	90%	1	1	87.97%	92.68%	90.20%	↓ -2.48%
31 Day Subsequent Drug Standard	98%	1	0	100%	100%	100%	→ 0.00%
31 Day Subsequent Surgery Standard	94%	1	0	96.45%	97.50%	100.00%	↑ 2.50%
31 Day Standard	96%	1	0	97.38%	97.95%	96.13%	↓ -1.82%
Two Week Wait Standard	93%	1	1	85.27%	77.85%	82.73%	↑ 4.87%
Breast Symptom Two Week Wait Standard	93%	1	1	91.80%	94.48%	89.55%	↓ -4.92%

November 2015 Performance against the risk assessment framework is as follows:

The trust's quality governance rating is 'Red' as the trust has a governance score of 4 and Monitor have imposed additional license conditions in relations to governance. (further details in appendix 1.)

Areas of underperformance for quality governance are:

- A&E 4 Hour Standard
- Cancer Waits
- Cancelled Operations
- RTT

Further details and actions to address underperformance are further detailed in the report.

*Cancer Data is reported a month in arrears. Q3 relates October only

Metric	Standard	Weighting	Score	YTD	Oct-15	Nov-15	Movement
Clostridium (C.) Difficile - meeting the C.difficile objective (de minimis of 12 applies)	31	1	0	23	4	0	↑ -4
Certification of Compliance Learning Disabilities:							
Does the Trust have mechanism in place to identify and flag patients with learning disabilities and protocols that ensure the pathways of care are resonably adjusted to meet the health needs of these patients?	Compliant	1	0	Yes	Yes	Yes	→
Does the Trust provide available and comprehensive information to patients with learning disabilities about the following criteria:- treatment options; complaints procedures; and appointments?	Compliant	1	0	Yes	Yes	Yes	→
Does the Trust have protocols in place to provide suitable support for family carers who support patients with learning disabilities?	Compliant	1	0	Yes	Yes	Yes	→
Does the Trust have protocols in place to routinely include training on providing healthcare to patients with learning disabilities for all staff?	Compliant	1	0	Yes	Yes	Yes	→
Does the Trust have protocols in place to encourage representation of people with learning disabilities and their family carers?	Compliant	1	0	Yes	Yes	Yes	→
Does the Trust have protocols in place to regulary audit its practices for patients with learning disabilities and to demonstrate the findings in routine public reports?	Compliant	1	0	Yes	Yes	Yes	→
Data Completeness Community Services:							
Referral to treatment * data is for Sept and Oct 2015	50%	1	0		56.3	53.6	↓ -2.7
Referral Information	50%	1	0		88	87.9	↓ -0.1
Treatment Activity	50%	1	0		70.43	69.78	↓ -0.7
Trust Overall Quality Governance Score					4	4	→ 0

Legend	
↑	Positive Performance Change
↓	Negative Performance Change
→	No Performance Change

MONITOR GOVERNANCE THRESHOLDS

Green: a service performance score of <4.0 or <3 consecutive quarters' breaches of a single metric
 Governance Concern Trigger and Under Review : a service performance score of >=4.0 or 3 consecutive quarters' breaches of single metric with monitor undertaking a formal review, with no regulatory action.
 Red: a service performance score of >=4 and >=3 consecutive quarters' breaches of single metric and with regulatory action to be taken

REPORT TO THE COUNCIL OF GOVERNORS

Paper Title:	Finance Report for Month 8 2015/16
Sponsoring Director:	Steve Bolam, Chief Financial Officer & Deputy Chief Executive
Author:	Anna Anderson, Interim Operational Director of Finance
Purpose:	To inform the Council of Governors about the Trust's financial position at the end of November 2015
Action required:	For information
Document previously considered by:	Finance and Performance Committee

Executive summary

Income and expenditure performance in November has been reported against the reforecast baseline budgets agreed by the Board in November. These result in a year end deficit of £63m but a range of further actions was also agreed with the aim of reducing the deficit to £50m. The change to the reforecast budget means that variances for the first half of the year have been eliminated so year to date variances only relate to months 7 and 8.

The cumulative deficit to the end of November was £39.8m, £2.5m better than the reforecast plan. The main reason for this positive position was the receipt of £1.7m of capital funding from the St George's charity. There have also been pay underspends of £2.3m, a benefit of £1.4m from renegotiation of the facilities management contract and an underspend on clinical consumables. However SLA income continues to be less than plan, particularly in outpatients, and contract penalties have increased.

£21.6m of CIPs have been achieved to date, and the total for the year is now expected to be £37.8m of which 82% are green rated.

The cash balance at the end of November was £9.3m, £6.3m better than planned as a result of strong cash management.

The continuing improved cash position and the improved variance in I&E margin are the main factors which have maintained the improvement in the Trust's overall risk rating from a 1 to a 2 for a third month.

Capital spend is continuing to be slowed down as part of the overall cash management plan and to date spend has been £20.7m, £17.8m less than the revised plan.

The focus now has to be on finalising and implementing the further actions supported by the Board last month to reduce the forecast £63m year end deficit as close as possible to £50m. Alongside this the Trust has to confirm medium term loan funding to support its operational activities.

Key risks identified:	
The control of expenditure and the delivery of a higher level of savings in the second half of the year when winter pressures may also be experienced. The need to balance financial measures with maintaining the quality of patient care.	
Related Corporate Objective: <i>Reference to corporate objective that this paper refers to.</i>	Achieve financial targets in the near term Achieve long term financial sustainability
Related CQC Standard: <i>Reference to CQC standard that this paper refers to.</i>	N/A
Equality Impact Assessment (EIA): Has an EIA been carried out? No No specific groups of patients or communities will be affected by the items in this report. Where there may be an impact on patients consultation will be managed as part of that specific programme.	

Appendix A:

1. EQUALITY IMPACT ASSESSMENT FORM – INITIAL SCREENING

Headline outcomes for the Equality Delivery System (EDS)

- Better health outcomes for all
- Improved patient access and experience
- Empowered, engaged and well-supported staff
- Inclusive leadership at all levels

Service/Function/Policy	Directorate / Department	Assessor(s)	New or Existing Service or Policy?	Date of Assessment
				15 Oct 2010
1.1 Who is responsible for this service / function / policy?				
1.2 Describe the purpose of the service / function / policy? <i>Who is it intended to benefit? What are the intended outcomes?</i>				
1.3 Are there any associated objectives? <i>E.g. National Service Frameworks, National Targets, Legislation, Trust strategic objectives</i>				
1.4 What factors contribute or detract from achieving intended outcomes?				
1.5 Does the service / policy / function / have a positive or negative impact in terms of the protected groups under the Equality Act 2010. These are Age, Disability (physical and mental), Gender-reassignment, Marriage and Civil partnership, Pregnancy and maternity, Sex /Gender, Race (inc nationality and ethnicity), Sexual orientation, Region or belief and Human Rights				
1.6 If yes, please describe current or planned activities to address the impact.				
1.7 Is there any scope for new measures which would promote equality?				

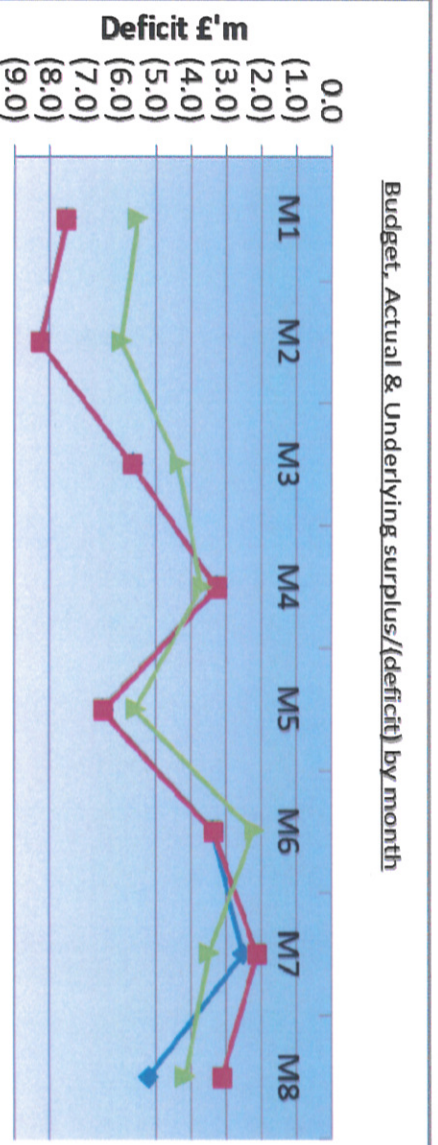
1.8 What are your monitoring arrangements for this policy/ service

1.9 Equality Impact Rating [low, medium, high]

2.0. Please give your reasons for this rating

3. Overall Position for the 8 months to 30th November

Income & Expenditure	Annual Budget £m	Current Month			Year to Date		
		Budget £m	Actual £m	Better/(Worse) than Budget £m	Budget £m	Actual £m	Better/(Worse) than Budget £m
SLA Income	613.5	52.3	47.1	(5.2)	405.2	402.5	(2.7)
Other Income	105.0	8.8	11.8	3.0	67.4	70.6	3.2
Overall Income	718.5	61.1	58.9	(2.2)	472.6	473.1	0.5
Pay	(465.3)	(39.2)	(38.8)	0.4	(305.6)	(303.2)	2.3
Non Pay	(281.6)	(24.2)	(20.1)	4.1	(186.6)	(186.9)	(0.4)
Overall Expenditure	(746.8)	(63.4)	(58.9)	4.5	(492.1)	(490.2)	2.0
EBITDA	(28.3)	(2.3)	(0.0)	2.2	(19.5)	(17.1)	2.5
Financing Costs	(34.6)	(2.9)	(3.0)	(0.1)	(22.8)	(22.7)	0.1
Surplus / (deficit)	(63.0)	(5.2)	(3.1)	2.1	(42.3)	(39.8)	2.5



Budget, Actual & Underlying surplus/(deficit) by month

Commentary

- All budgets are now based on the reforecast/“TRP” exercise. TRP revised budgets are based on months 1-6 actuals, and projections for months 7-12. This means that the year to date variance only reflects variances in October & November.
- The November deficit of £3.1m was £2.1m better than the TRP and the year to date deficit of £39.8m was £2.6m better than plan.
- Income for month 8 was £2.2m worse than plan and £0.5m better than the cumulative plan. Shortfalls in SLA income have been mitigated by other income over performance.
- SLA income is worse than plan in month (£5.2m) and cumulatively (£2.7m). The cumulative position is primarily due to an increase in provision for challenges/fines (£1.5m worse than plan YTD) and loss of NETA income from NHSE (£1.3m).
- In addition the current month variance includes £3m SRG income accrual reduction for capacity and flow which have now been reprofiled to reflect expected actuals. This has resulted in offsetting variances against SLA income and non pay (reserves).
- Pay is better than plan in month and cumulatively. This is due to slippage on business cases and, slower recruitment. Actual pay spend for October & November is in line with the month 1-6 average.
- Non pay overspend to date relates to high cost drugs and commercial pharmacy spend above plan.
- Monthly underlying deficits are shown in the graph. Month 8 included net benefit of £1.3m (£1.7m donated asset income from Trust charity, £1.4m refund relating to renegotiation of the Mitite contract, £1.3m NETA income loss and £0.5m new NHSE penalties provision). The underlying deficit in the month was £4.2m.

Enclosure: C

COUNCIL OF GOVERNORS

Meeting:	Council of Governors
Date of Meeting:	26 January 2016
Title of Paper:	Business Planning 20106/17
Presented by:	Rob Elek, Director of Strategy
Paper for Debate, Decision or Information:	Information
Main Aim:	To update Governors on the development of the business planning process for 2016/17
Summary of key points for consideration:	
Recommendations or outcome required:	For governors to have a clear understanding of the business planning process
Previous Forum:	N/A
Statutory Requirements Met:	Under the 2006 Act, as amended, requires NHS Foundation Trusts to give Monitor forward planning information for each financial year, prepared by the Board of Directors. In preparing the forward plan, directors must have regard to the views of the council of governors.
Contact in case of query concerning this paper:	Rob Elek, Director of Strategy

Developing a robust business plan for 2016/17

1. Introduction

The trust needs to produce a robust business plan for 2016/17 for Monitor. The trust normally goes through an annual business planning process between September and April, building up a picture of proposed trust activity, service developments and the income and expenditure required to deliver that activity.

The 2016/17 Turnaround Reforecast Process, completed and submitted to Monitor on 31st December, addressed at a high level, the proposed trust financial position in 2016/17. Much of the information generated through that process is directly usable in the business planning process. However, the challenge for the organisation is to take the outputs of that process and produce a robust set of budgets that take account of:

- The requirements of the recently published NHS planning guidance
- The evolving outputs of contract negotiations with commissioners
- Service developments and a finalised capital programme

A draft Annual Plan needs to be submitted on the 8th February and a final plan on 11th April.

2. 2016/17 Operational Plans

The operational plan, which is a short document of circa 20 pages, plus accompanying financials, needs to address a number of “must do’s” for 2016/17.

1. Development of a ‘high quality and agreed’ Sustainability & Transformation Plan
2. Return the system to aggregate financial balance through cost reduction (e.g. implementing the Agency cap and the productivity opportunities identified in Lord Carter’s work)
3. Meet the 95% accident and emergency standard
4. Meet referral to treatment timescales (92% within 18 weeks for non-emergency pathways)
5. Meet the 62 day cancer waiting standard, and the 2 week and 31 day standards, and make progress in improving one-year survival rates
6. Develop and implement an affordable plan to make improvements in quality

The plan submitted needs to outline the following:

- The planned activity, and assurance that we have the capacity to deliver that work
- How quality is to be maintained and improved
- Seven day service development
- How the workforce will change over the year
- Financial planning and the anticipated outturn position for the trust next year with a focus on cost reduction, not income growth.

The trusts developing Transformation Programme will be the main vehicle for delivering much of what is required, as well as delivering savings of circa £50m next year

The guidance notes that there will be very limited levels of capital financing available and trusts will need to generate their own capital funding. The trust is currently finalising its proposed Capital Programme for 2016/17 and is making no assumptions about external support.

The trust will need, as part of this process, to develop a series of coherent Corporate Objectives, and a series of individual Corporate Plans (e.g. Estates & Facilities, IM&T), both of which are linked to the Operational Plan, the STP and other mandated or internal requirements.

The plan is meant to be “*challenging*” but “*realistic*”.

3. Sustainability & Transformation Fund (STF)

The government is putting £1.8b of additional provider support next year, through a new STF fund. St. George's expects to receive a multi-million pound allocation from the STF fund. However, the release of STF funding is contingent on achieving recovery milestones for deficit reduction, access standards, and progress on transformation. Where trusts default on the conditions access to the fund will be denied and sanctions will be applied.

4. Seven Day Working

The importance of continuing to develop 7 day services is restated. The key challenge for acute trusts is reducing excess deaths by increasing the level of consultant cover/diagnostic services available at weekends, with the trust being asked to focus on the time to first consultant review, access to diagnostics, consultant directed intervention and access to key services, on-going review.

St. George's position has been that it will develop 7 day services in line with commissioner support and funding. This position might need to be reviewed linked to the conditions set for STF funding.

5. Sustainability and Transformation Plans (STPs)

STPs are a new development and requirement of the NHS. The purpose of the STP is for *"every health and social care system to come together, to create its own ambitious local blueprint for accelerating its implementation of the Forward View"*. The emphasis is on developing a plan that meets the needs of local populations and is not focused on individual organisations.

The STPs must develop a clear vision and plan for the area which answers the following questions:

- How will you close the health and well-being gap?
- How will you drive transformation to close the care and quality gap?
- How will you close the finance and efficiency gap?

Local health systems will be required to *"develop their own system wide local financial sustainability plan as part of their STP"*.

By 29th January the local health and care system is required to agree the scope of their local geographical footprint. Discussions are on-going with SW London and Surrey Downs Health Partnership around the shape of the STP that St. George's will be in. It is reasonable to assume that the STPs will become, over time, the over-arching body driving sector wide change and reconfiguration. The STP needs to be submitted to NHSI in June 2016.

6. Where are we now?

- The 2016/17 TRP submitted to Monitor in December gives a strong basis for developing a robust set of plans and budgets for 2016/17
- Significant work remains to be done on developing the Transformation Programme which is required to deliver circa £50m of saving in 2016/17, though good progress has been made
- The activity and income derived from that activity is subject to negotiations with commissioners which are underway – but the contract round is not going to be easy because commissioners budgets are also challenged
- Care Groups and Divisions are completing Annual Plans and Workforce Plans to inform the overall picture and enable greater understanding, and co-ordination, of plans across the trust.
- In finalising the Operational Plan for 2016/17 the trust will be setting deliverable activity and income targets, as well as expenditure budgets for the year

The process is complex, time constrained and particularly challenging due to the financial position of the trust and the NHS more widely. We will, however, deliver robust plans to timetable.

A discussion of the content of the draft annual plan is scheduled for the public section of the Trust Board on 4th February, to which Governors are invited and a meeting with Governors will be scheduled to enable Governors views to be sought on the plan.

Enclosure: D

COUNCIL OF GOVERNORS

Meeting:	Council of Governors
Date of Meeting:	26 January 2016
Title of Paper:	Financial Recovery
Presented by:	Andrew Burn, Turnaround Director
Paper for Debate, Decision or Information:	Discussion
Main Aim:	To provide an overview of the financial turnaround programme
Summary of key points for consideration:	N/A
Recommendations or outcome required:	For Governors to have a clear understanding of the current position and challenges, and the actions being taken.
Previous Forum:	Trust Board
Statutory Requirements Met:	N/A
Contact in case of query concerning this paper:	Andrew Burn

excellent /
kind /
responsible /
respectful /

St George's University Hospitals **NHS**
NHS Foundation Trust

Governors Meeting

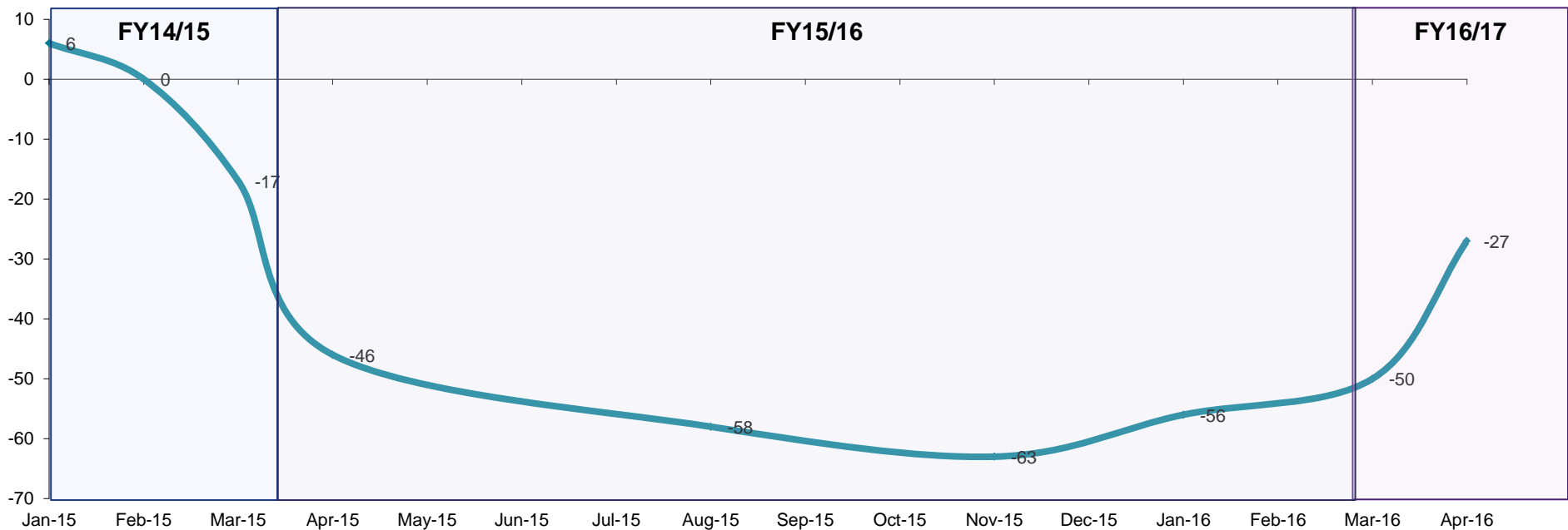
January 2016

Excellence in specialist and community healthcare

Overview of the Turnaround

The graph below shows how the forecast annual deficits have evolved over the passed year and the latest that the Trust is predicting for FY16/17:

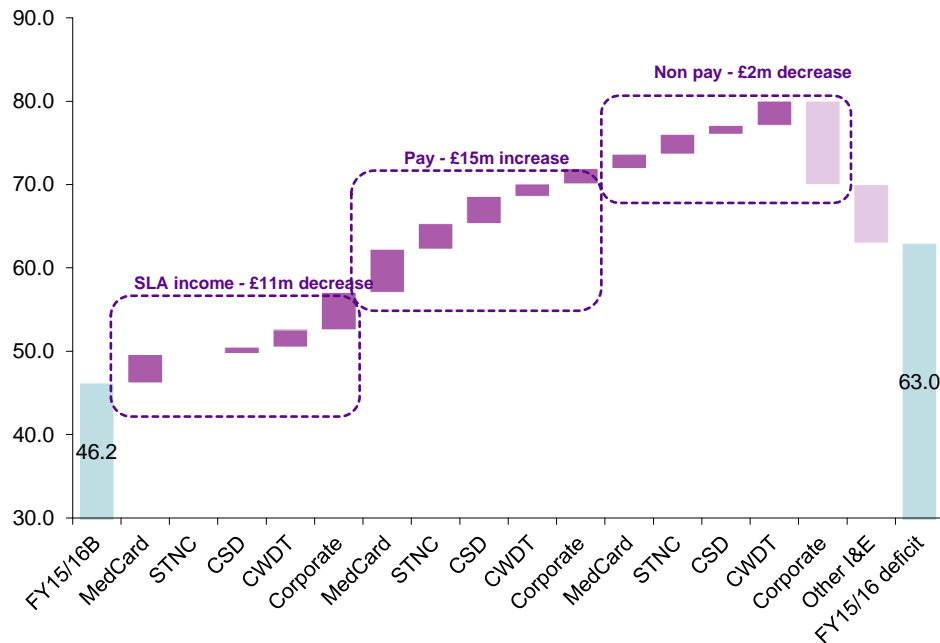
Forecast annual surplus/(deficits) - £m



FY15/16 reforecast

On 19th November the Board approved the submission of a reforecast for FY15/16 to Monitor. This reforecast showed a deficit of £63.0m with a plan for “bold actions” to improve this number.

Bridge of FY15/16 budget to reforecast (£'m)



Why reforecast?

The Trusts outturn for FY14/15 was an unexpected deficit of £16.8m which was £22.4m adverse to the plan. The Trust had prepared a budget for FY15/16 which showed a deficit of £46.2m. This budget was not signed off across the Trust due to lack of divisional buy in and agreement to their financial positions.

A forensic review was completed by PwC which resulted in 75 recommendations for improvement. The process developed to produce the reforecast aimed to address many of these recommendations and result in a robust financial reforecast.

Approach

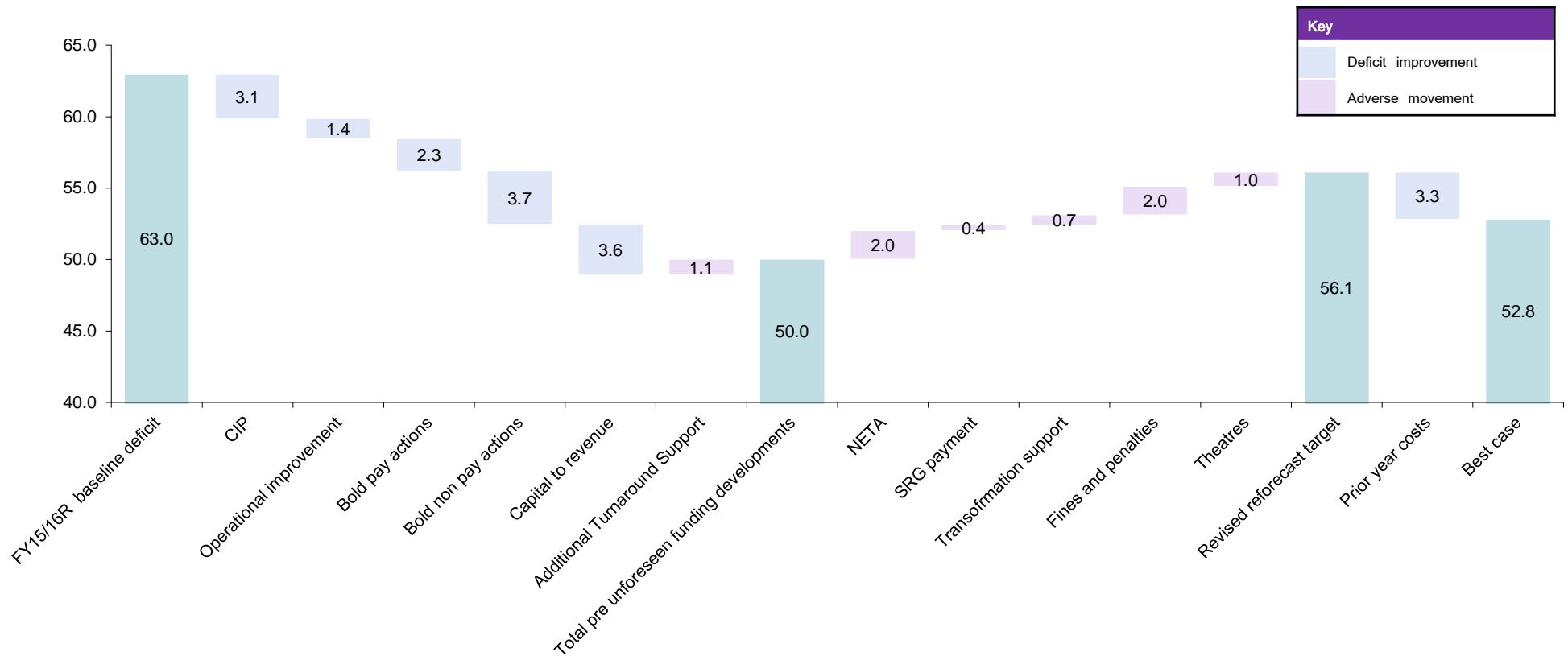
The reforecast was built up in detail at a cost centre and account code level, with detailed templates developed for WTE's, pay, non-pay and other income. A detailed SLA activity and income model has also been completed. A demand and capacity model has also been developed to inform the ability of the Trust to meet the required activity level within the capacity available to the Trust.

Governance

The TRP has been governed by a Steering Group which has met weekly, along with a series of review and challenge sessions throughout the process to produce the reforecast for FY15/16.

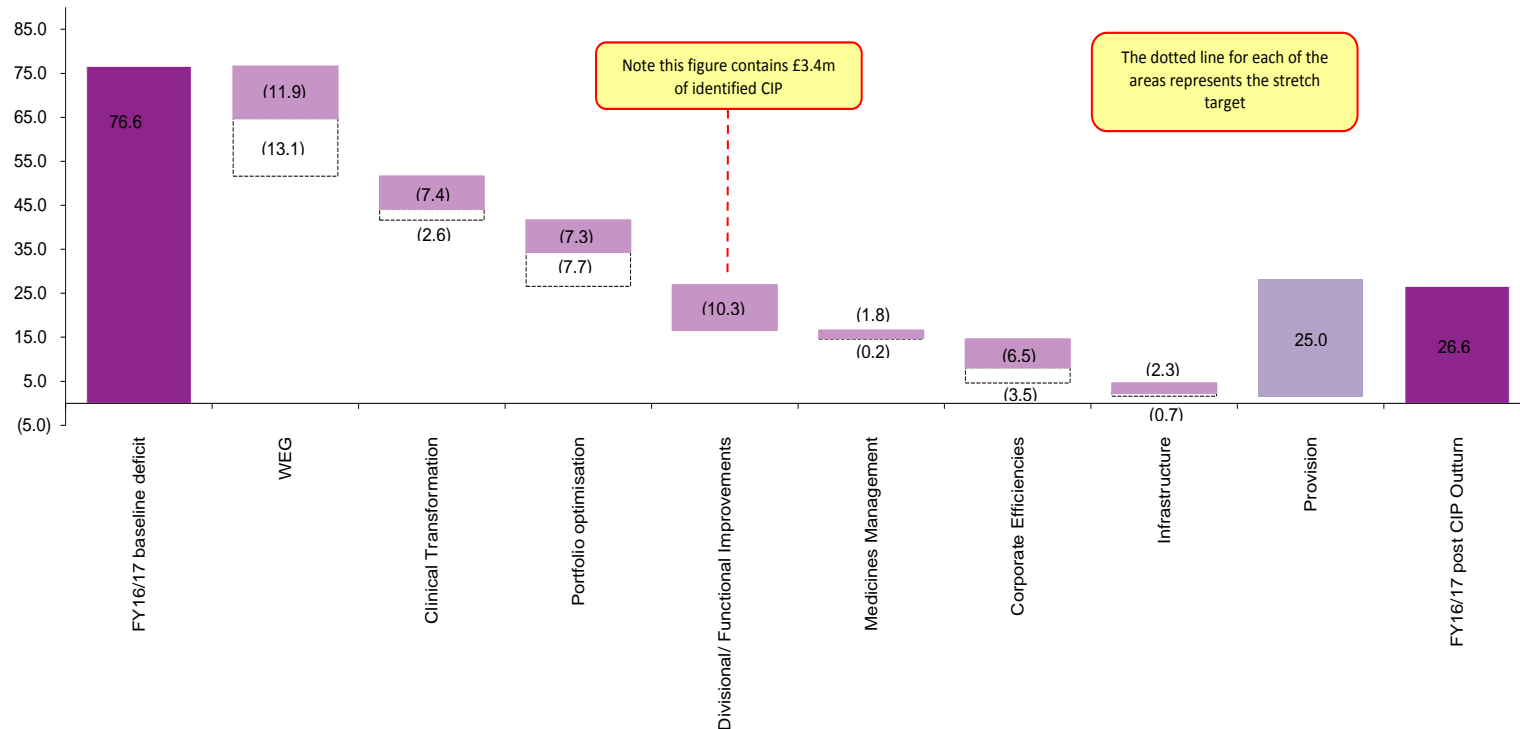
FY15/16 latest view of outturn

Below is the latest view against the £63.0m. A number of actions taken by the Trust (together with known additional Turnaround support) reduced the deficit to £50m. Unfortunately there have been a number of incremental unforeseen costs which mean the latest view of outturn is £56m.



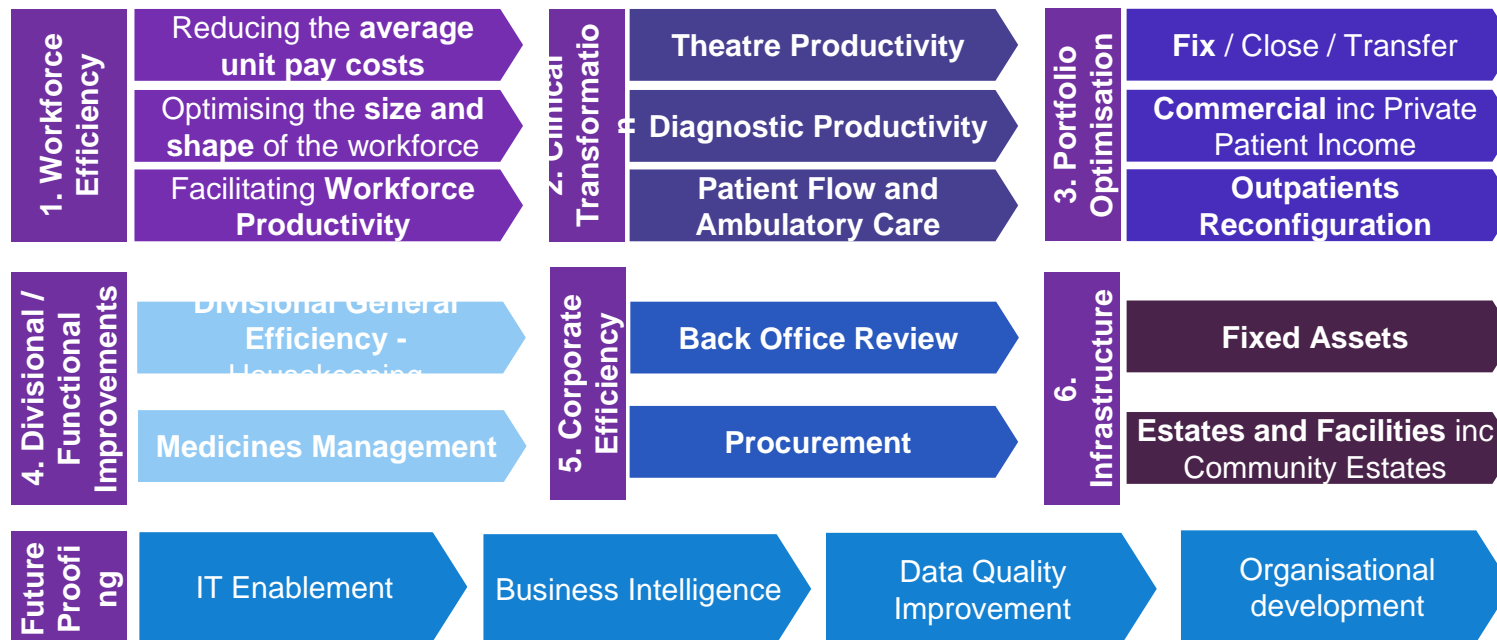
FY16/17 forecast

Below is the current view of FY16/17. Detailed implementation plans are currently being worked up to support delivery of the £50m of deficit improvement required to meet the target forecast of £26m. Note: The position presented is prior to the impact of any non core disposals.



FY16/17 Big ideas: Architecture

The 2016/17 Big Ideas broadly fit into 6 key themes and a supporting enablement theme:



Presentation title / St George's University Hospitals NHS Foundation Trust

Enclosure: E

COUNCIL OF GOVERNORS

Meeting:	Council of Governors
Date of Meeting:	26 January 2016
Title of Paper:	Report of the Remuneration & Nominations Committee
Presented by:	Sue Baker, Deputy Chair of the Remuneration and Nomination Committee
Paper for Debate, Decision or Information:	Decision
Main Aim:	To update the Council on the work of the Committee.
Summary of key points for consideration:	Recruitment of the Chairman and NEDs Interim arrangements
Recommendations or outcome required:	The Council of Governors is asked to: 1. NOTE the report; 2. RATIFY the appointment of Sarah Wilton as Interim Chair for three months or until a substantive Chair is appointed; and, 3. RATIFY the three month extension of Mike Rappolt, NED, contract.
Previous Forum:	N/A
Statutory Requirements Met:	The Council of Governors appoint the Chair and Non-executive Directors
Contact in case of query concerning this paper:	Jill Hall, Interim Trust Secretary

Report from the Nominations and Remuneration Committee Chair and non-executive director appointments

Purpose

To make recommendations to the Council for the:

- 1. New appointment of the trust chairman**
- 2. New appointment of a non-executive director to replace Mike Rappolt and Judith Hulf**
- 3. Appointment of Sarah Wilton as interim chair**

Introduction

The Council is asked to consider the recommendations from the Council's Nominations and Remuneration Committee meeting held on 16 January 2016 convened to discuss the appointment of a chairman and two non-executive directors.

The Nominations and Remuneration Committee met on the 16th January 2016, the Chairman updated members on the Interviews to find a new Chairman which had taken place before Christmas, however the panel's preferred candidate was ruled out following discussions with Monitor.

Mark Turner, Regional Director from Monitor attended the meeting and explained why Monitor and the TDA (now NHS Improvement) had stepped in to prevent the appointment. He confirmed that the Trust had followed the correct recruitment process and checks undertaken by the Trust and Saxton Bampfylde had been rigorous.

A new recruitment process would now take place and Mr Turner confirmed that Monitor will work closely with the Trust to ensure the best possible candidate is found. Saxton Bampfylde confirmed there would be no additional costs to the trust for the additional work to secure a suitable candidate.

Interim Arrangements

The Committee were reminded that Christopher Smallwood's term of office as Chair to the Trust was ending on 31 January 2016 and it was proposed and agreed that Sarah Wilton would act as interim Chair with effect from the 1st February 2016 until a new permanent Chair was appointed. Mike Rappolt had agreed to continue for a further 3 months as Deputy Chair until the recruitment of the two new NEDs was completed.

The committee agreed that the recruitment for two NED positions would go ahead and a shortlisting meeting has been set for the 1st February 2016.

Enc: F

COUNCIL OF GOVERNORS

Meeting:	Council of Governors
Date of Meeting:	26 January 2016
Title of Paper:	Calendar of Meetings
Presented by:	Jill Hall, Interim Trust Secretary
Paper for Debate, Decision or Information:	Information
Main Aim:	To provide a list of meeting of the Trust that Governors are invited to attend and to update on the Council meeting dates for 2016.
Summary of key points for consideration:	N/A
Recommendations or outcome required:	N/A
Previous Forum:	N/A
Statutory Requirements Met:	N/A
Contact in case of query concerning this paper:	Jill Hall, Interim Trust Secretary X3897

Calendar of Meetings 2016

	Jan	Feb	Mar	April	May	June	Jul	Aug	Sept	Oct	Nov	Dec
*Council of Governors (14.30-16.30)	26			26			19			18		
Trust Board	14	4	3	7	5	2	7	4	1	6	3	1
Quality & Risk	27	24	30	27	25	29	27	24	28	26	23	28
Finance & Performance	27	24	30	27	25	29	27	24	28	26	23	14
Annual Members Meeting	TBC											
NED/Governor session				26			19			18		

*All meetings of the Council of Governors will be held in the Hyde Park Room, Lanesborough Wing