

Council of Governors Meeting

Date and Time: Tuesday 24 July 2018, 10:30
Venue: H2.7, 2nd Floor, Hunter Wing

Time	Item	Subject	Action	Format
OPENING ADMINISTRATION				
10:30	1.1	Welcome and Apologies <i>All Gillian Norton, Chairman</i>	-	-
	1.2	Declarations of Interest	-	Oral
	1.3	Notes of Meeting held on 15 May 2018,	Approve	Paper
	1.4	Action Log and Matters Arising	Approve	Paper
MAIN BUSINESS				
10:40	2.1	Learning from Incidents to improve Patient Safety <i>Renate Wendler, Associate Medical Director</i>	Review	Presentation
10:50	2.2	Overview of Non-Executive Directors and Board Committees and Feedback from Committee Chairman <i>Information Technology – Tim Wright</i> <i>Audit – Sarah Wilton</i> <i>Finance & Investment Committee – Ann Beasley</i> <i>Workforce & Education Committee – Stephen Collier</i> <i>Quality & Safety Committee – Sir Norman Williams</i>	-	Oral
11:45	2.3	Opportunity for Governors to raise areas of concern <i>All</i>	-	Oral
12:00	2.4	Nomination & Remuneration Committee Report <i>Gillian Norton, Chairman</i>	Review	Paper
12:20	2.5	Membership Engagement Report <i>Stephen Jones, Director of Corporate Affairs</i>	Review	Paper
12:40	2.6	Annual Members Meeting <i>Stephen Jones, Director of Corporate Affairs</i>	Review	Paper
12:50	2.7	Strategy Update Report <i>Suzanne Marsello, Director of Strategy</i>	Review	Paper
13:10	2.8	Quality Report – Audit Findings Report <i>Paul Dossett, Grant Thornton</i>	Review	Paper
CLOSING ADMINISTRATION				
13:20	3.1	Any Other Business <i>All</i>	-	Oral
	3.2	Reflections on meeting <i>All</i>	-	Oral
13:30	3.3	Close		

Date and Time of Next Meeting: 4 October 2018, 17:00

Council of Governors: Purpose, Membership, Quoracy and Meetings

Council of Governors Purpose:	The general duty of the Council of Governors and of each Governor individually, is to act with a view to promoting the success of the Trust so as to maximise the benefits for the members of the Trust as a whole and for the public.
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Membership and Those in Attendance		
Members	Designation	Abbreviation
Gillian Norton	Trust Chairman	Chairman
Mia Bayles	Public Governor, Rest of England	MB
Alfredo Benedicto	Appointed Governor, Merton Healthwatch	AB
Nigel Brindley	Public Governor, Wandsworth	NB
Val Collington	Appointed Governor, Kingston University	VC
Anneke de Boer	Public Governor, Merton	AB
Jenni Doman	Staff Governor, non-clinical	JD
Frances Gibson	Appointed Governor, St George's University	FG
John Hallmark	Public Governor, Wandsworth	JH
Hilary Harland	Public Governor, Merton	HH
Kathryn Harrison	Public Governor, Rest of England	KH
Doulla Manolas	Public Governor, Wandsworth	DM
Sarah McDermott	Appointed Governor, Wandsworth Council	SM
Helen McHugh	Staff Governor, Nursing & Midwifery	HM
Derek McKee	Public Governor, Wandsworth	DM
Richard Mycroft	Public Governor, South West Lambeth	RM
Sangeeta Patel	Appointed Governor, Merton & Wandsworth CCG	SPa
Simon Price	Public Governor, Wandsworth	SPr
Damien Quinn	Public Governor, Rest of England	DQ
Donald Roy	Appointed Governor, Healthwatch Wandsworth	DR
Stephen Sambrook	Public Governor, Rest of England	SS
Anup Sharma	Staff Governor, Doctors and Dental	AS
Khaled Simmons	Public Governor, Merton	KS
Clive Studd	Public Governor, Merton	CS
Bassey Williams	Staff Governor, Allied Health Professionals	BW
Secretariat		
Stephen Jones	Director of Corporate Affairs	DCA
Richard Coxon	Membership & Engagement Manager	MEM

Council of Governors	The quorum for any meeting of the Committee shall be at least one third of the Governors present.
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Minutes of the Meeting of the Council of Governors
15 May 2018
H2.7, 2nd Floor, Hunter Wing

Name	Title	Initials
Gillian Norton	Chairman/Non-Executive Director	Chairman
Mia Bayles	Public Governor, Rest of England	MB
Alfredo Benedicto	Appointed Governor, Healthwatch Merton	AB
Nigel Brindley	Public Governor, Wandsworth	NB
Anneke de Boer	Public Governor, Merton	ADB
Jenni Doman	Staff Governor, Non-Clinical	JM
John Hallmark	Public Governor, Wandsworth	JH
Hilary Harland	Public Governor, Merton	HH
Kathryn Harrison	Public Governor, Rest of England	KH
Sarah McDermott	Appointed Governor, Wandsworth Council	SMD
Helen McHugh	Staff Governor, Nursing & Midwifery	HMH
Richard Mycroft	Public Governor, SW Lambeth	RM
Simon Price	Public Governor, Wandsworth	SP
Donald Roy	Appointed Governor, Healthwatch Wandsworth	DR
Stephen Sambrook	Public Governor, Rest of England	SS
Khaled Simmons	Public Governor, Merton	KS
Clive Studd	Public Governor, Merton	CS
Bassey Williams	Staff Governor, Allied Health Professionals	BW
In Attendance		
Ann Beasley	Non-Executive Director	NED
Harbhajan Brar	Director of Human Resources & Organisational Development	DHROD
Terri Burns	Assistant Trust Board Secretary	ATBS
Stephen Collier	Non-Executive Director	NED
Stephen Jones	Director of Corporate Affairs	DCA
Suzanne Marsello	Director of Strategy	DS
Tom Slaughter	Grant Thornton	TS
Sir Norman Williams	Non-Executive Director	NED
Tim Wright	Non-Executive Director	NED
Apologies		
Val Collington	Appointed Governor, Kingston University	VC
Emir Feisal	Public Governor, Wandsworth	EF
Frances Gibson	Appointed Governor, St George's University	FG
Jenny Higham	Non-Executive Director	NED
Damian Quinn	Public Governor, Rest of England	DQ
Doulla Manolas	Public Governor, Wandsworth	DM
Derek McKee	Public Governor, Wandsworth	DMK
Anup Sharma	Staff Governor, Medical & Dental	AS
Sarah Wilton	Non-Executive Director	NED
Secretariat		
Richard Coxon	Membership & Engagement Manager	MEM

WELCOME AND APOLOGIES	
1	The Chairman opened the meeting and noted the apologies as set out above.
DECLARATIONS OF INTEREST	
2	No declarations of interests were made.
MINUTES OF MEETING HELD ON 28 February AND ACTION LOG	
3	The minutes of the meeting on 28 February 2018 were agreed, with some minor amendments, as a true and accurate record. The Council reviewed the Action Log, agreed the actions proposed for closure, and noted the open actions which were not yet due.
CHAIRMAN'S OPENING REMARKS	
4	<p>The Chairman reported that she and the CEO had recently met the senior team at NHS Improvement (NHSI). This had been an important meeting and had focused in particular on the Trust's financial position. Achieving a year end deficit of £53.1m demonstrated to NHSI that the Trust was able to forecast accurately its financial position and this gave confidence to both NHSI and the Board that the Trust had improved the management of its finances. NHSI had also focused on improving the Trust's performance against the four hour standard for emergency care and Referral-to-Treatment Time (RTT) position. The Trust's four hour standard for emergency care performance had been varied for a long time but the Chairman was pleased to report that since the last Board meeting in April the Trust's performance had improved significantly and, in early May, had been the best performing trust in London. It was noted that this would be a challenge to maintain, but meeting the agreed improvement trajectory on emergency care was essential if the Trust was to reach the 95% standard by the end of the financial year. The Trust was also under pressure from NHSI to return to national reporting on RTT as soon as possible, and the Board would consider proposals for this in Part 2 in June.</p> <p>At its meeting in April, the Board had agreed that the Trust should withdraw from the provision of certain community services contracts. This had been a difficult decision to take and the Board had considered all available options and the implications. However, withdrawal was necessary given the Trust had lost a number of community services contracts in recent years. Staff affected had been told of the decision and discussions were now taking place with commissioners over the future transition of the services to new providers. The Board had noted that the decision was not a reflection on the quality and commitment of the staff currently providing those services and that the staff affected by the decision would need to be supported over the coming months. Some of the contracts were not due to end for another 18 months.</p>
TRUST STRATEGY UPDATE	
5	The DS presented a paper with an overview of the process, timescales and content development of the Trust strategy. The Board had agreed the new vision 'Outstanding Care, Every Time' and six associated strategic objectives in December 2017. Naturally, the immediate priority for the Trust was to be taken out of quality and financial special measures as soon as possible, and this was likewise the principal focus of NHSI. However, making progress with the strategy was a key priority for the Board and recent decisions taken at its meetings in March and April demonstrated that the Board was moving ahead with this and had agreed a clear timescale for developing and agreeing the strategy. Further Board

	<p>discussions were planned for the meeting in June and a Board workshop to discuss the strategy was being planned for early July. The South West London Health and Care Partnership (the new name for the local STP) has said it plans to publish its strategy in September 2018. The Trust was inputting into this, and would need to take account of the STP's plans as it develops its strategy.</p> <p>At present, data analysis was underway at service level as well as identifying 'early implementer' clinical services where strategy development could be progressed more quickly. There were new therapies and treatments which would be significant, such as treatments for lung cancer patients and HIV patients. There was also a move towards a 'one stop shop' for some services. Within South West London, over £50m of clinical work 'leaked out' to providers in other regions. This represented lost income to the Trust and part of the strategy development would be focused on bringing back such work to South West London.</p> <p>Engagement with members and the public would be essential to the development of an effective Trust strategy. The Executive was planning a series of engagement events with staff and the public, and Governors were invited to participate in the engagement events with the latter. Governors were also encouraged to engage with their respective membership to ensure the strategy reflected local needs and expectations. The Executive would develop materials to support the Trust's engagement, and this would be made available to Governors.</p> <p>The report was received.</p>
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NOMINATION & REMUNERATION COMMITTEE REPORT

6	<p>The Chairman introduced a report from the Nomination & Remuneration Committee which had met on the 10 May 2018. The Committee had considered the annual appraisals for the Chairman and other NEDs which had been conducted in April 2018 in line with the process and policy agreed by the Council of Governors at the meeting on the 28 February 2018. It noted the outcomes of the appraisals and concluded that, individually and collectively, the Chairman and NEDs were performing effectively. The appraisal process for this year would be reviewed by the Chairman and DCA and learning from the experience of 2017-18 would be brought back to the Governors for consideration at a future meeting. The Council agreed that while further refinements to the process would be made for 2018-19, it was encouraging that a full set of appraisals had now been completed.</p> <p>The Committee had agreed that Sarah Wilton's term as NED be extended by a year to 31 January 2020 and commended this to the Council of Governors. This would ensure continuity in the NED cohort, and in chairmanship of the Audit Committee, in particular, during an important period while the Trust remains in financial and quality special measures.</p> <p>The Committee discussed the recommendation of Deloitte, in its review of the Trust's governance arrangements, that the Council of Governors should consider appointing an additional NED with capability in strategy development and service transformation. The Committee had been minded not to appoint an additional NED at this time, but agreed to consider this further at its next meeting. Another meeting had been arranged for the 7 June 2018 where a NED remuneration report would also be considered.</p> <p>The Council of Governors agreed to the extension of Sarah Wilton's term as NED by one year to 31 January 2020 and noted the conclusion and outcomes of the annual appraisals of the Chairman and NEDs for 2017-18.</p>
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OVERVIEW OF NON-EXECUTIVE DIRECTORS & BOARD COMMITTEES & FEEDBACK FROM COMMITTEE CHAIRMAN

7	<p>The Chairman informed the meeting that Tim Wright would provide an update on IT and the Hospital Charity at the next meeting. Sarah Wilton was unable to attend today due to personal circumstances and Ann Beasley would provide an overview of the recent work of the Audit Committee.</p>
	<p>Ann Beasley provided an update from the Finance & Investment Committee which had met twice since the last Council of Governors meeting. There were three Board Assurance Risks that the Committee were responsible for – Finance, Estates and IT. It was noted that there was currently only limited assurance on Estates and IT. It noted that it had been very important that the Trust was able to accurately forecast and deliver the £53m year-end deficit. The forecast for the current year was a £29m deficit. A total of £50m CIPs would be required to deliver £50m of savings, of which £40m had been identified to date. It was noted that a number of trusts in South West London had deficits this year, and some of these were significantly larger than than St George's. The fact that the Trust had met its deficit forecast for the year in 2017/18 and was forecasting a significantly reduced deficit for 2018/19 was important in demonstrating to the regulator the fact that the Trust had gripped its finances effectively.</p>
	<p>Sir Norman Williams provided an update from the Quality & Safety Committee which had met twice since the last Council of Governors meeting. He felt that the Committee had worked better over the last year and was pleased to see Governors attending, and noted that further improvements to the effectiveness of the Committee were being planned in the coming year. There were a number of areas of concern including overcrowding in outpatients, poor Friends & Family Test (FFT) feedback and emergency care performance. Renate Wendler had given a very informative presentation on patient safety and learning from serious incidents in early May during a visit to the Trust from the Secretary of State for Health and Social Care, and it was agreed that she would present this to the Council at the next meeting. The areas that were good included MRSA where performance had been impressive with only four cases at the Trust in the past year; CDiff where there had been 15 cases against a threshold of 31 cases for the year. However, water safety continued to be a concern and this would be monitored closely through the Committee.</p>
	<p>Stephen Collier gave an update from the Workforce & Education Committee. There had been steady progress with recruitment and the Trust had made great strides in reducing its agency spend. The Trust spent £480m on staff last year which was a 3% reduction on the previous year. As part of this, the Trust had spent £23.8m less on agency staff in 2017/18. Interim staff that are paid a high day rate had been reduced in number from 140 to 30 staff. The CIP programme had identified significant savings that needed to be made in expenditure on staffing; spend on staff needed to reduce by £12m in 2018/19 and this would be challenging. A reorganisation of divisions had taken place earlier in the year, following the incorporation of the Community Services Division into CWDT, and a restructure of the layers of management within the clinical divisions was ongoing. The purpose of the management restructure was to ensure the divisional management had the right staff and skills mix in place to meet the Trust's needs. Stephen Collier also updated the Council on the Trust's position in relation to the Workforce Race Equality Standard (WRES). The Trust was behind other trusts in terms of implementation of the WRES. The Committee was keeping this under close review but required improvements would take a year to implement.</p>
	<p>Ann Beasley gave a brief update from the Audit Committee on behalf of Sarah Wilton. The Head of Procurement had reported to the Committee that the volume of Breaches and Waivers had increased since January but more rigorous challenge was in place. Procurement training would be rolled out to staff over the next three to six months so that staff were clear on the processes to follow and also to identify spending patterns within the divisions. The Committee had also approved a refresh of the Trust's Standing Orders, Scheme of Delegation and Standing Financial Instructions, which had not been updated since the Trust had become a Foundation Trust in February 2015. The Audit Committee had considered a draft of the Trust's Annual report and Quality Account, and would formally consider the Annual Report and Accounts for 2017-18 on the 21 May 2018 ahead of the Trust Board considering this on</p>

	24 May 2018.
	The Board Committee updates were received.
ACTION: COG.15.05.18/29	
Renate Wendler to give a presentation on Patient Safety and Learning from Serious Incidents at the next meeting on 24 July 2018	
MEMBERSHIP ENGAGEMENT & PATIENT PARTNERSHIP	
8	<p>The DCA explained that a number of attempts had been made to launch a Membership Engagement Committee of the Council of Governors, most recently in late 2017, but there had been limited progress for a number of reasons. There was a need to revise the Membership Engagement Strategy which was out of date in order to make it more meaningful and innovative. The Council would need to consider whether and how it wished to increase the membership of the Trust and how to improve and strengthen engagement with members. A meeting was being arranged in late June 2018 to discuss the establishment of a new Membership Engagement Committee of the Council of Governors. Expressions of interest in participating in the meeting would be sought by email, and a report on this would be brought to the next meeting of the Council of Governors.</p> <p>The effect of the General Data Protection Regulation (GDPR) legislation on membership was discussed. It was noted that the Trust's public membership had opted in to membership of the Trust. As a result, the Trust was compliant with GDPR in relation to its public membership. The implications of GDPR for staff membership were being worked through.</p> <p>It was noted that some of the Governors had taken part in the Patient Partnership and Engagement Workshop in March 2018. The plans for a new Patient Partnership and Engagement Group and a new patient engagement strategy were still being developed, and the Board planned to review these proposals. The timescale had been revised and it was now envisaged that the proposals for the establishment of the new Group would be brought to the Quality and Safety Committee in July. Once established, the new Group would oversee the development of a patient engagement strategy, which would require Board approval.</p>
ACTION: COG.15.05.18/30 MEM to circulate email of interest and organise a Membership and Engagement meeting date in June.	
STAFF TRAINING	
9	<p>The DHROD had included in the papers a detailed presentation on Staff Training. The Trust was actively looking to the workforce of the future by offering work experience placements and working with Project Search, which provides employability skills to six young people with disabilities on an annual basis.</p> <p>It was noted that the Trust worked with staff at all levels in the organisation to ensure they had the required skills and training to carry out their roles and develop professionally. The Trust was working with the other trusts in South West London to provide a local bank so staff could move around where needed.</p> <p>It was noted that the Trust currently had 300 dedicated volunteers. The Trust was investigating how other trusts had managed to increase the numbers of their volunteers and how they had used volunteers to promote transformative change and enhance patient experience. It was agreed that the Chief Nurse would give an update on volunteers at a future meeting.</p> <p>The Trust had also worked successfully with the King's Fund on a Leadership Development programme to develop 250 senior managers.</p>

ACTION:COG.15.05.18/31	
Chief Nurse to give an update on volunteers at a future meeting.	
QUALITY ACCOUNT INDICATOR	
10	<p>Tom Slaughter from Grant Thornton, External Auditors for the Trust, presented the report on the Quality Account. The Quality Account was a mandatory part of the Trust's Annual Report. It was noted that the audit on the Quality Report had now been completed and no issues had been found. Grant Thornton had tested the performance of the quality indicators which included the NHSI mandatory indicators, which were: percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge and maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers. Additionally, the Governors had chosen the number of reported patient safety incidents resulting in severe harm or death. There had been no issues raised by the report and Trust staff were thanked for their assistance. The updated report would be submitted to the Audit Committee for its meeting on 21 May and, for completeness, this would be brought back to the Council of Governors at its meeting on 24 July 2018.</p> <p>The report was received.</p>
REFLECTIONS ON WORK PLACEMENT WITH PROFESSOR POWELL	
11	<p>Simon Price (SP), Public Governor for Wandsworth, who will graduate as a doctor in July reflected on his five week work placement with Professor Powell in Plastic Surgery at St George's. SP covered both the positives and the negatives of his work placement.</p> <p>SP noted that St George's is firstly a sought after Trust for doctors and it is very competitive with Plastics having five people apply for every placement. The Trust having the Medical School attached is a great attraction for medical students though the high cost of living in London was a negative aspect.</p> <p>SP thought the actual Plastics department had a great team with excellent resources who dealt with patients who had travelled from across the region. The patients in the melanoma service were on average given 15 minutes with the consultants. SP noted that this would be sufficient for a young fit patient to undress, be examined and then dress again but for an elderly person this could take longer. He noted that the flow of patients and patient notes held both electronically and in paper format caused delays. It was agreed that the Dermatology Service at QMH has more efficient flow due to the layout of the building.</p> <p>SP was thanked for his presentation and the Chairman would put him in touch with one of the Directors to note his findings.</p>
CLOSING ADMINISTRATION	
11	<p>Any Other Business</p> <p>SC asked about the Getting it Right First Time (GIRFT) programme and Model Hospital and whether the Trust uses these. The Chairman suggested that a presentation on these be incorporated into the forward plan for the Council of Governors.</p>
12	<p>Reflections on Meeting</p> <p>No reflections on the meeting were offered.</p>
13	<p>Meeting Close</p> <p>The Chairman thanked everyone for their contributions.</p>

ACTION:COG.15.05.18/32

Presentation on GIRFT programme and Model Hospital for a future meeting.

Date and Time of Next Meeting: 24 July 2018, 10:30, H2.7, 2nd Floor, Hunter Wing

DRAFT

Council of Governors Action Log					
Action Ref	Action	Due	Lead	Commentary	Status
COG.28.02.18/26	Report on BAF/Risks at a future COG meeting.	04.10.18	CN	Not yet due	Open
COG.15.05.18/29	Renate Wendler to give a presentation on Learning from Serious Incidents	24.07.18	AMD	On Agenda.	Proposed for closure
COG.15.05.18/30	Mem to circulate email of interest and organise a Membership & Engagement meeting date in June		MEM	On agenda, meeting held on the 19.06.18	Proposed for closure
COG.15.05.18/31	Chief Nurse to give an update on volunteering at a future meeting	04.10.18	CN	Not yet due	Open
COG.15.05.18/32	Presentation on GIRFT programme and Model Hospital for a future meeting	18.12.18	MD	Not yet due	Open

Learning from Incidents

Renate Wendler
Associate Medical Director

Jenny Miles
Risk Manager

Our Quality Improvement Plan Outstanding Care Every Time

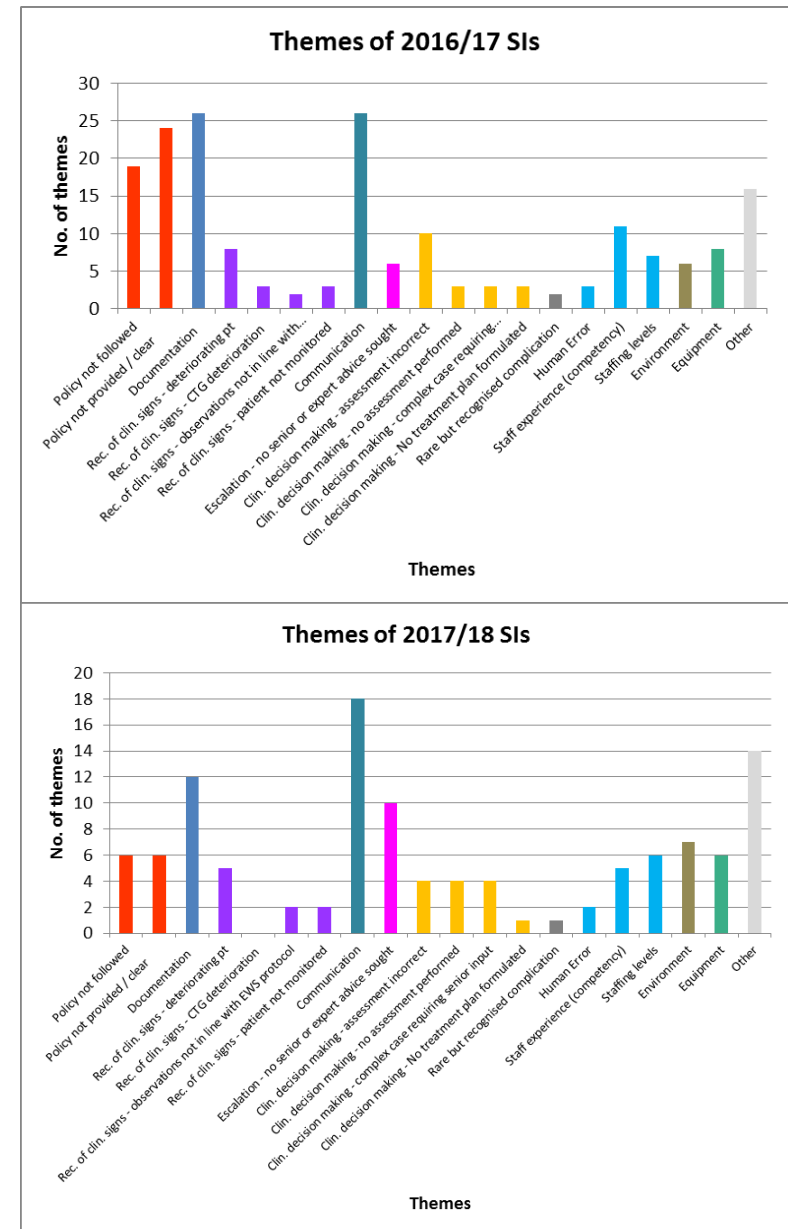
SAFE AND EFFECTIVE CARE	FLOW AND CLINICAL TRANSFORMATION	QUALITY AND RISK	ESTATES AND IT
To consistently deliver the fundamentals of patient care and ensure that improvements we make are sustained in the long term	Make the process and operational changes to improve the flow of patients along their care pathway, from arrival to discharge	Handle risk across the organisation through effective systems and processes that are used and understood by our staff	Improve our systems and environment so that we are making what's right for patients the easiest thing for staff to do
WE WILL: THIS WILL BE MEASURED BY:	WE WILL: THIS WILL BE MEASURED BY:	WE WILL: THIS WILL BE MEASURED BY:	WE WILL: THIS WILL BE MEASURED BY:
Fundamentals of care <ul style="list-style-type: none"> Ensure our staff provide care in an environment that is safe. We will promote a culture where all our staff are able to comply with infection control procedures and have the confidence to assess any risks to the delivery of safe and effective care. Reduction in Clostridium difficile (C-Diff) & MRSA Hand hygiene VTE, pressure ulcers, falls, environment Increase in % Harm Free Care Nutrition and hydration 	Improve unplanned and admitted care <ul style="list-style-type: none"> Improve the timeliness of emergency care for patients and consistently meet the A&E four hour operating standard. Ensure that we admit patients to the right ward or place of care first time, and ensure a positive patient experience. Align our staff and clinical capacity to pathway demand and ensure our patients go to the most appropriate environment for their assessment, treatment, and care. A&E 4 hour operating standard Ward management and discharge metrics Length of stay Ambulance hand over times Patient assessment times in A&E 11am discharge 90% SAFER compliance 	Effective risk management and governance <ul style="list-style-type: none"> Ensure that robust information is provided to our Trust Board to ensure that our organisation is running effectively. Have clear lines of accountability and governance to ensure patients and staff are safe and cared for. Care Quality Commission (CQC) Well-led framework Moderate/High/Extreme Risks Risks with no controls 	Modernise our estate <ul style="list-style-type: none"> Improve our estate to get the basics right so that our environment makes outstanding care possible. Modernise our theatres and wards in line with clinical service needs Utilise space for clinical services Responsiveness to local estate issues Eradicate high risk backlog costs over the next five years
Improve End of Life Care <ul style="list-style-type: none"> Improve End of Life Care (EoLC) for patients and their families by focusing on the recommendations outlined within Ambitions for Palliative and End of Life Care: A national framework for local action 2015-2020. Engage and work with staff across all wards and departments to implement our new EoLC Strategy Bereavement survey outcomes good or excellent Complaints Coordination of EoLC between providers Serious incidents relating to EoLC 	Improve theatre efficiency <ul style="list-style-type: none"> Improve our theatres' efficiency, environment and outcomes through improvements in booking, admissions, and staff and patient scheduling, as well as pre-operative assessment and handling admissions via the Surgical Assessment Lounge (SAL). World Health Organisation (WHO) checklist completed Increased theatre activity Waiting list reduction Serious Incidents / Never Events Hand hygiene 	Complaints management <ul style="list-style-type: none"> Share and improve the learning from complaints throughout the Trust, so as to reduce the opportunity of repeat occurrences of any issues. Compliance with complaints targets Complaints that require second response Closed complaints require Data actions 	Learn from incidents <ul style="list-style-type: none"> Make sure learning from incidents is implemented throughout the Trust, so as to reduce the opportunity of repeat occurrences of any issues. Promote a culture where all our staff are confident to report incidents, and have the skills to investigate and learn from events and are empowered to make changes. Duty of Candour completed Serious Incidents (SIs) declared SI investigations >60 days Number of Never Events Reduction of repeated SI themes
Embed dementia, MCA and DoLS <ul style="list-style-type: none"> Ensure there is no decision without the patient's involvement, and the patient's wishes and values are at the centre of their care and treatment. Focus on improving the patient and carer experience for patients with cognitive impairment. Improved Mental Capacity Act (MCA) compliance Carers passports issued per month Carers who stay beside patient beds Dementia carers survey completed 	Improve outpatients efficiency <ul style="list-style-type: none"> Ensure patients are being seen in the right place, at the right time, with the right information, and the right care delivered by better processes, IT and training to improve patient and GP experience. Greater patient choice in access to services Outpatient Friends & Family Test Follow up attendances per month Did Not Attend rates First attendances per month E-referral usage 	Learn from incidents <ul style="list-style-type: none"> Make sure learning from incidents is implemented throughout the Trust, so as to reduce the opportunity of repeat occurrences of any issues. Promote a culture where all our staff are confident to report incidents, and have the skills to investigate and learn from events and are empowered to make changes. Duty of Candour completed Serious Incidents (SIs) declared SI investigations >60 days Number of Never Events Reduction of repeated SI themes 	Right IT <ul style="list-style-type: none"> Provide the tools to support the management of our staff to services to be accurately made. Improve the experience of data to support decision making. Implement enhance the learning about patients.
Recognise deteriorating patients <ul style="list-style-type: none"> Provide early recognition, escalation and treatment by ensuring that our staff feel confident and have the skills, training and support to recognise patients who are deteriorating. Reduction in avoidable cardiac arrests Improve Early Warning Score (EWS) compliance One hour sepsis antibiotics in A&E Sepsis awareness 	Data quality <ul style="list-style-type: none"> Establish an effective patient tracking system for the future, meeting the treatment plans for new patients referred to both St George's and Queen Mary's are tracked and monitored effectively. Data standards Checking and validating patient pathway data Referral to Treatment, 18 and 52 weeks performance 	Clinical record management <ul style="list-style-type: none"> Protect our patients by ensuring patient notes are stored safely in clinical and corporate areas, ensuring there is no opportunity for unauthorised access to patient records and that we know where patient notes are at any one time. Availability of clinical notes Number of duplicate records Number of temporary records Records compliant with audit standards 	Engage our staff <ul style="list-style-type: none"> Run a Quality Improvement week in November 2017 to raise awareness and engage our staff in the Quality Improvement Plan. Ensure awareness and understanding via events/ meetings and clinical programme managers to run localised engagement activities within their services. Staff Survey participation Exclusive 'Big Conversation' Recruitment and retention Improved National Staff Survey scores Staff Friends & Family Test scores
Safe and efficient use of medicines <ul style="list-style-type: none"> Ensure the pharmacy service provides patient-facing services, increase the responsiveness of the pharmacy service to meet patient needs and to continue to reduce waiting times for patients and their medicines. Raise awareness with staff on the safe recording, usage and storage of medicines. 80% of pharmacists actively prescribing Timely medicines on discharge Medicine fridge temperatures Medicine room temperatures New satellite dispensing units 		LEADERSHIP <ul style="list-style-type: none"> To ensure our current and future leaders are supported and developed to deliver high quality, compassionate care aligned to the needs of the populations we serve, in a cost-effective way WE WILL: THIS WILL BE MEASURED BY: Supported leadership Develop the critical capabilities of compassionate inclusive leadership, namely: improvement skills, talent management and system leadership skills. Develop cultural and leadership behaviours that lead to higher quality care cultures amongst all staff in the organisation. Improved NHS National Staff Survey scores Staff participation in formal leadership development Delivery of effective people management programme 	ENGAGEMENT <ul style="list-style-type: none"> We will engage our staff in delivering the Quality Improvement Plan, and run localised engagement events to support the delivery of each sub-program WE WILL: THIS WILL BE MEASURED BY:

First Project Plan

- Understand divisional process of learning from events
 - Standardisation/best practice
 - Cross divisional learning
- Thematic analysis
 - Inform resource allocation
- Encourage incident reporting
 - Open and just culture
 - Learning organisation
- Learning for specific staff groups
 - Doctors in training, porters

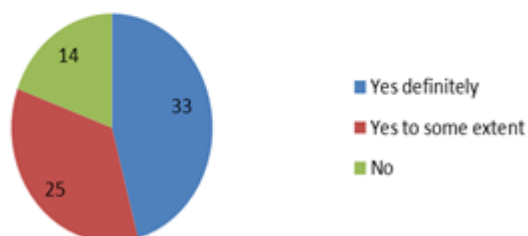
First Results

- Timely and high quality investigation
 - Patient focussed
 - Quality criteria
 - No overdue SIs
- Divisional Reporting
 - Standardised reporting at all DGB's
- Thematic Learning
 - Database: root cause and contributory factors for completed SI investigation to aid thematic analysis
 - Retrospective review and annual report of SI themes for 2016/17 and further 6 month completed/circulated

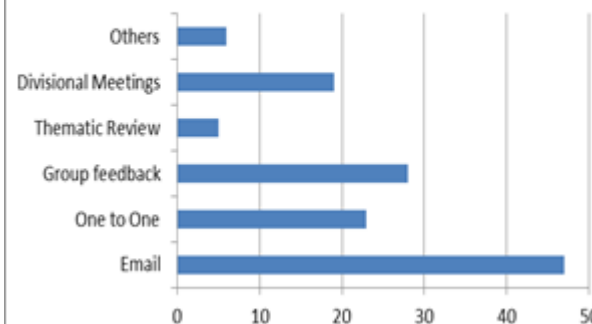


Staff Feed-back

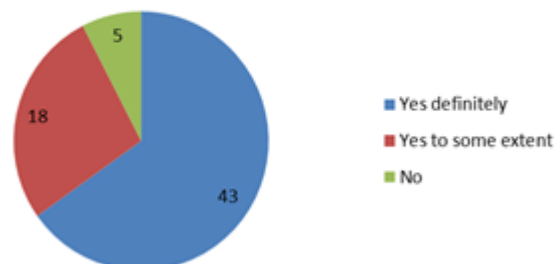
Q1 - Do you know how St George's disseminates feedback about serious patient safety incidents?



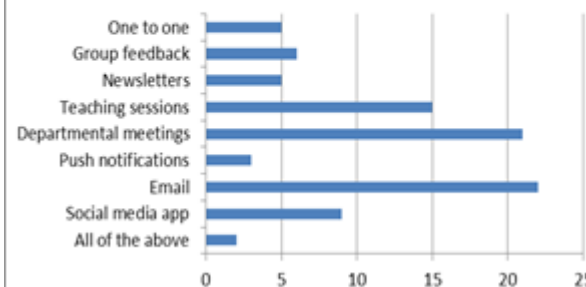
Q2 - What mode of feedback has been useful so far?



Q3 - Have you learnt from the feedback and incorporated it into your practice?



Q4 - What form of feedback do you think would be most useful and would engage you?



Communication

■ Incident of the month - organisational memory

Month	Theme	Who read	Total reads
June	Venous thromboembolism (VTE)	404	447
May	Pressure Ulcers	135	180
April	Nutrition	547	650
March	Have you paused and checked - Radiation Incidents	253	308
February	Never Events	601	662
Total		1940	2247

- Read rate for articles (not lead articles) is on average 200 reads

■ Governance Newsletter

- Monthly for all CGL/Gov Leads/Senior nursing staff, Practice educators
- All completed SIs discussed with key learning points

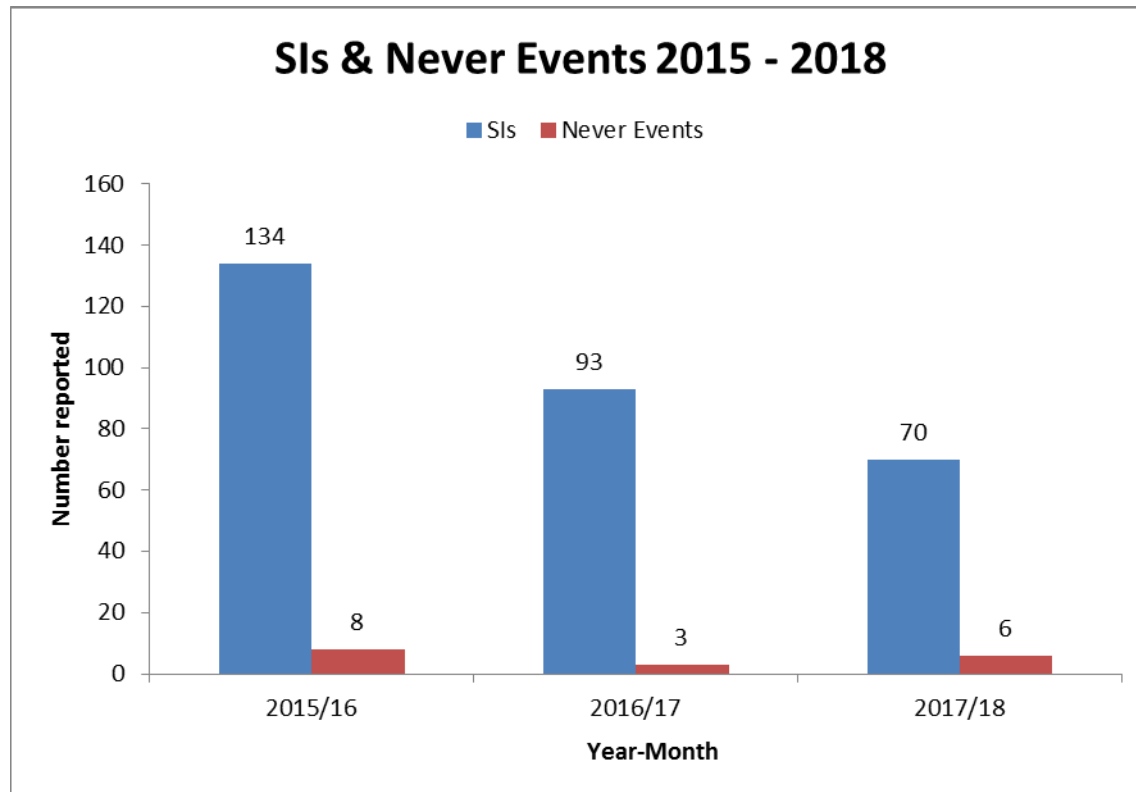
■ All staff messages

Human Factors/Training

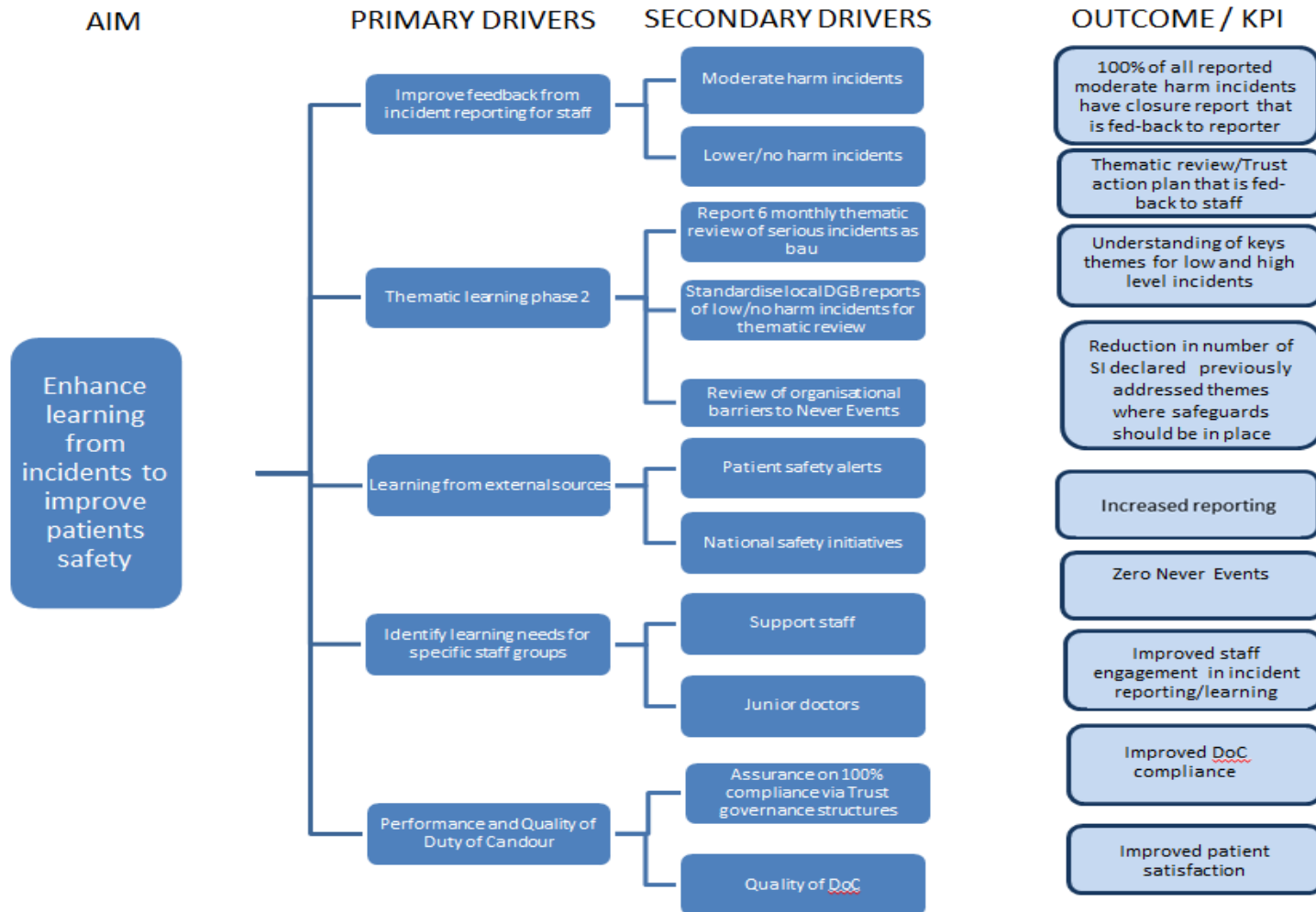
- Practice educators
- Advanced Patient Simulation and Skills Centre
 - Team safety and resilience training in simulated environment
 - Real scenarios (SIs, near misses)
 - Participants from various clinical/staffing backgrounds
 - Urgent intervention
- Specific projects
 - Early Warning Score (EWS) recognition and escalation
 - Sepsis 6
 - Obstetric skills and drills
 - Monthly theatre team training sessions on adverse incidents

Incidents / SIs / Never Events

- 13000+ adverse incidents reported per annum
- Majority no / low harm

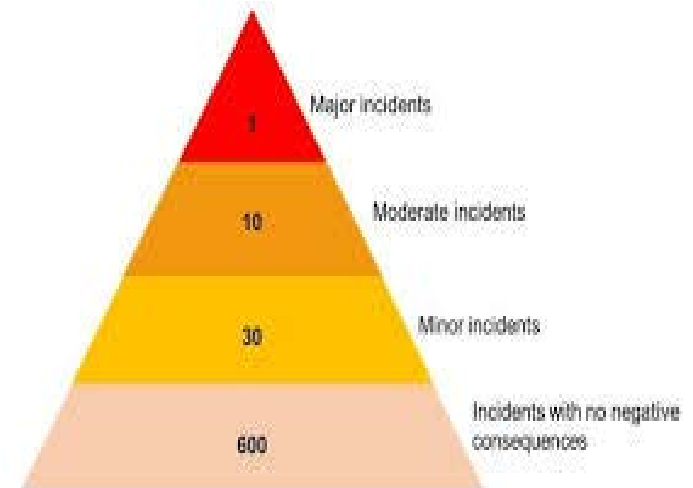


Plan for 18/19



Priorities for the next 6 months

- Feedback for staff
 - Aim: 100% feedback from moderate and above incidents for reporter
- Never Events prevention
 - Review of NHS England Never Event list and local barrier analysis
- Use available intelligence
 - Clearer understanding on how no harm and low harm incidents are used to enhance safety and learning
 - All staff group involvement in reporting learning
- Duty of candour
 - 100% compliance with DoC



Questions ?

Meeting Title:	Council of Governors		
Date:	24 July 2018	Agenda No	2.4
Report Title:	Nomination and Remuneration Committee Report		
Lead:	Gillian Norton, Chairman		
Report Author:	Richard Coxon, Membership & Engagement Manager		
Presented for:	Review		
Executive Summary:	This paper presents an update on decisions taken at the Nomination and Remuneration Committee meeting on 7 June 2018, including those that require the approval of the Council of Governors.		
Recommendation:	<div>The Council of Governors is asked to:</div> <ul style="list-style-type: none">• Agree not to appoint an additional NED at the present time and note the clarification to the recommendation in the Deloitte review relating to the appointment of an additional NED;• Agree the recommendation of the Committee to increase the remuneration of NEDs from £12,000 per annum to £14,000 per annum;• Note the Committee's interest, in principle, in appointing an Associate NED at the appropriate time, once the Trust has exited special measures;• Note the Committee's consideration of and feedback on the draft objectives for the Chairman and NEDs for 2018/19.		
Supports			
Trust Strategic Objective:	All objectives		
CQC Theme:	Well-led		
Single Oversight Framework Theme:	Leadership and Improvement Capability		
Implications			
Risk:	Without adequate compensation losing prospective NEDs to other trusts.		
Legal/Regulatory:	Foundation Trust Code of Governance section D.1.2 Section 5.2 of the current draft of <i>Your statutory duties: a reference guide for NHS foundation trust governors</i> published on August 2013 (page 40)		
Resources:	N/A		
Previously Considered by:	N/A	Date	
Appendices:	N/A		

Council of Governors 24 July 2018
Nomination and Remuneration Committee Report - 7 June 2018

1.0 PURPOSE

- 1.1 This paper presents an update on decisions taken at the Nomination and Remuneration Committee on 7 June 2018, including those that require the approval of the Council of Governors.

2.0 NON-EXECUTIVE DIRECTOR MEMBERSHIP OF THE BOARD

- 2.1 At its previous meeting in May 2018, the Committee had discussed the recommendation in the Deloitte governance review that the Council of Governors should consider appointing an additional Non-Executive Director with experience of strategy development and service transformation. At the time, the Committee had been minded not to appoint an additional NED but had agreed to consider this further at its next meeting. In June, the Committee discussed in depth the relevant recommendations of the Deloitte review, including the subsequent clarification offered by Dr Jay Bevington, who led the review, that the intention had been that this recommendation be applied at the point at which there was a NED vacancy on the Board, rather than supplementing the existing NED contingent. This point of clarification had been set out in the letter from the Trust Chairman and Chief Executive to Deloitte following the review.
- 2.2 The Committee concluded that the case for appointing a NED with strategy development and service transformation had not been made, and agreed to recommend to the Council of Governors that an additional NED should not be appointed at the present time. Members of the Committee observed that the dynamics of the Board were key and that the appointment of an additional NED would not be helpful to those dynamics at the present time. Following a number of executive appointments over the previous year, the Board was still forming and was embarking on a programme of development. A significant number of existing NEDs, including the Chairman and Vice Chairman, had direct experience of strategy development. Moreover, developing strategy was a collective responsibility of the Board. Two NEDs were working closely with the recently appointed Director of Strategy and progress and a plan for building a new clinical strategy had been agreed by the Board in March.
- 2.3 **The Council of Governors is asked to agree not to appoint an additional NED at the present time and note the clarification to the recommendation in the Deloitte review relating to the appointment of an additional NED.**

3.0 ASSOCIATE NON-EXECUTIVE DIRECTOR

- 3.1 One of the findings of the Deloitte review had been that the NED group may benefit from greater diversity when the appropriate opportunity is presented. It suggested that the NED group did not represent the demographics of the Trust's catchment area and did not include any NEDs from ethnic minority backgrounds. The Committee heard that a number of Trusts appoint Associate NEDs, often from groups who are typically under-represented on Boards, to help develop them for the future. The Committee had previously reviewed the possibility of appointing an Associate NED as a training opportunity for an individual without the necessary Board experience to becoming a full NED.
- 3.2 The Committee agreed in principle that appointing an Associate NED would be a positive step for the Trust and should be explored further. However, it also agreed that the time was not right, at present, while the Trust remained in financial and quality special measures to make such an appointment. It was important to invest in developing and coaching an Associate NED and the demands of special measures and the external scrutiny that went with this

meant that there was insufficient time for this now. To ensure that the Trust could move quickly to making such an appointment once it had exited special measures in a sustainable way, the Committee agreed that a person specification should be developed for consideration at its next meeting. It also agreed that the NHS Improvement scheme for Associate NEDs should be explored and a paper setting out details of the scheme would also be considered. In more general terms, the Committee agreed that appointments to all NED positions, including any potential future NED, should be based on merit but with the role description being drafted in such a way as to encourage applications from underrepresented groups without previous Board experience.

- 3.3 **The Council of Governors is asked to note the Committee's interest, in principle, in appointing an Associate NED at the appropriate time, once the Trust has exited special measures.**

4.0 NON-EXECUTIVE DIRECTOR REMUNERATION

- 4.1 The Nomination and Remuneration Committee considered a proposal to increase the level of remuneration paid to the Trust's Non-Executive Directors, other than the Chairman, from the current rate of £12,000 per annum to £14,000 per annum. The proposed increase was intended to bring NED remuneration levels into line with other similar sized London Trusts as well as to recognise the significant additional workload undertaken by NEDs, which was considerably greater than that set out in their terms of appointment, and their consistently high level of commitment to the Trust.
- 4.2 In considering the proposal, the Committee considered comparative NED remuneration levels at nine London Trusts, including Guy's and St Thomas', King's, and University College Hospitals, as well as national data published by NHS Providers, the national membership body of NHS Trusts and NHS Foundation Trusts. The Committee heard that the average remuneration of NEDs at Trusts across England was £13,184, and the maximum was £18,000. While NHS Providers do not provide a full breakdown of data on NED remuneration in London, the secretariat's research found that the London average was around £15,000. Two neighbouring Trusts of similar size to St George's – Guy's and St Thomas' (£17,000) and King's (varied rate up to £18,000) – remunerate their NEDs at a significantly higher level than St George's.
- 4.3 The Committee also considered the time committed by NEDs to Trust business. Each of the Trust's NEDs was appointed on the basis of a time commitment of four to six days per month. Published data from NHS Providers shows that 40% of NEDs have a contracted time commitment of 1-2 days per week, or 4-8 days a month. St George's is broadly in line with this. However, given the current position of the Trust, all of the NEDs give considerably more time than this. The Trust Board meets monthly, as do the Finance and Investment Committee and the Quality and Safety Committee. The Workforce and Education Committee meets every other month and the Audit Committee five times a year. The frequency of meetings, in part, reflects the impact of the level of external scrutiny that flows from being a Trust in financial and quality special measures. Alongside the formal meetings of the Board and its Committees, a number of Board workshops are also held; in 2018/19 we are moving towards holding these on a monthly basis. NEDs also meet with Executive Directors on specific issues.
- 4.4 The Committee agreed that the small increase in remuneration proposed should be recommended to the Council of Governors. There was discussion about whether a £2,000 increase was sufficient given the time commitment involved, but on balance the Committee agreed that the increase would bring the Trust into line with similarly sized NHS providers and going beyond this at a time when the Trust was in financial special measures would not be appropriate. There also was discussion about whether the uprated remuneration would be sufficient to attract the calibre of NEDs the Trust would wish to appoint. The consensus was

that NEDs were not motivated by financial reward and that the size, complexity and profile of St George's would continue to attract talented NEDs, as witnessed in recent appointments processes. Overall, the Committee considered that an increase in remuneration was appropriate and was an important signal to the NEDs about the value they bring to the Trust.

- 4.5 The timing of any increase in remuneration was also discussed. It was agreed that, subject to approval by the Council of Governors, any increase would take effect from the point at which the national pay award to NHS staff took effect, though unlike this the proposal was not to backdate any increase.
- 4.6 In the context of this discussion, members of the Committee raised the remuneration of the Chairman. It was agreed that a paper setting out comparative remuneration rates of Trust Chairs be brought to the next meeting of the Committee.
- 4.7 **The Committee is asked to agree the recommendation of the Committee to increase the remuneration of NEDs from £12,000 per annum to £14,000 per annum.**

5.0 CHAIRMAN AND NON-EXECUTIVE DIRECTOR OBJECTIVES 2018-19

- 5.1 The Committee heard that the Chairman had agreed with each of the NEDs draft objectives for 2018/19 and the Senior Independent Director had agreed the objectives for the Chairman. The objectives had been drafted to reflect the discussions at each of the NEDs' end-of-year appraisals and the 360 degree feedback gathered as part of this process. The Committee heard that all of the NEDs had been very engaged in defining the objectives.
- 5.2 The Committee discussed the draft objectives and requested that the objectives be amended to make more explicit the role of the Chairman and NEDs in developing strategy. In terms of the objective measures of success, there was a discussion about how to ensure these were specific and measurable. The Committee requested that a measure of Committee effectiveness be added to the objectives of those NEDs who chair sub-Committees of the Board. The Chairman agreed with this feedback and committed to making these amendments.
- 5.3 As part of this discussion, the Committee considered the experience of having undertaken the appraisals process for NEDs for the first time this year. It had been positive to complete the process. At the same time, there were opportunities to further refine and strengthen it, and the Committee noted that the Director of Corporate Affairs would bring proposals to the Committee later in the year to this effect. This would include building in the views of external stakeholders into the appraisal of the Chairman. The Committee also noted that it was important all governors participate in the process of offering 360 degree feedback on NEDs.
- 5.4 **The Council of Governors is asked to note the Committee's consideration of and feedback on the draft objectives for the Chairman and NEDs for 2018/19.**

6.0 RECOMMENDATION

- 6.1 The Council of Governors is asked to:
 - Agree not to appoint an additional NED at the present time and note the clarification to the recommendation in the Deloitte review relating to the appointment of an additional NED;
 - Agree the recommendation of the Committee to increase the remuneration of NEDs from £12,000 per annum to £14,000 per annum;

- Note the Committee's interest, in principle, in appointing an Associate NED at the appropriate time, once the Trust has exited special measures;
- Note the Committee's consideration of and feedback on the draft objectives for the Chairman and NEDs for 2018/19.

Meeting Title:	Council of Governors		
Date:	24 July 2018	Agenda No	2.5
Report Title:	Membership engagement update		
Lead Director/ Manager:	Stephen Jones, Director of Corporate Affairs		
Report Author:	Richard Coxon, Membership & Engagement Manager		
Presented for:	Update / Approve		
Executive Summary:	This report proposes the establishment of a Governors’ Membership Engagement Committee and provides an update on the meeting of governors convened on 19 June 2018 to discuss governors’ engagement with the membership of the Trust and the refresh of the Membership Engagement Strategy.		
Recommendation:	<div>The Council of Governors is asked to:</div> <ul style="list-style-type: none">• Agree to the establishment of a Membership Engagement Committee as a sub-Committee of the Council of Governors• Agree the proposed Terms of Reference and membership of the Committee;• Note the update on the meeting held on 19 June to discuss membership engagement.		
Supports			
Trust Strategic Objective:	All objectives		
CQC Theme:	Well-Led		
Single Oversight Framework Theme:	Leadership and improvement capability		
Implications			
Risk:	Without an effective membership engagement strategy, and governance architecture to support its delivery, the Council of Governors will be unable to fulfil its statutory duty to represent the interests of the Trust’s members and the public.		
Legal/Regulatory:	Foundation Trust Code of Governance section B.6		
Resources:	N/A		
Previously Considered by:	N/A	Date	
Appendices:	Appendix1: Draft Terms of Reference for the Council of Governors’ Membership Engagement Committee		

**Membership engagement update
Council of Governors, 24 July 2018**

1.0 PURPOSE

- 1.1 This report proposes the establishment of a Membership Engagement Committee as a sub-Committee of the Council of Governors and provides an update on the meeting convened on 19 June 2018 to discuss governors' engagement with the membership of the Trust and the refresh of the Membership Engagement Strategy.

2.0 BACKGROUND

- 2.1 The Council of Governors has a statutory responsibility to represent the interests of the members of the Trust and the public. In 2014, ahead of the Trust becoming an NHS Foundation Trust, a Membership Strategy 2014-17 was published which had at its heart an ambition to grow and develop an engaged membership which was representative of the communities the Trust serves. Its objectives were to develop a membership that was large enough to be credible, widely representative of the population, and engaged with the strategic direction of the Trust.
- 2.2 The aim at that time had been to achieve the required membership numbers to become a Foundation Trust with the assumption that the membership would increase year on year by 10% with engagement focused around gaining Foundation Trust status. Since the Trust was authorised as a Foundation Trust on the 1 February 2015 the focus has been on maintaining the members we have and engaging with them.
- 2.3 A Membership Engagement Committee was established by the Council of Governors following the Trust's authorisation as an NHS Foundation Trust in 2015. The Committee, however, fell into abeyance and last meet on 8 June 2016. While there is no specific statutory requirement for a Trust to establish such a Committee, it is good practice to do so.

3.0 UPDATE ON MEMBERSHIP ENGAGEMENT MEETING

- 3.1 Following the Council of Governors meeting on 15 May 2018, expressions of interest were sought from governors to participate in a meeting convened to consider the re-establishment of the Committee and to discuss the need to develop a new membership engagement strategy. A total of 12 governors expressed an interest in participating (9 public governors and 3 staff governors). The meeting was held on 19 June 2018. Due to governors' availability, the meeting was attended by 5 public governors and one staff governor.
- 3.2 **Developing a new Membership Strategy:** The group noted that the Trust's existing Membership Engagement Strategy had expired at the end of 2017 and agreed that developing a new strategy was an important priority. Significant parts of the existing strategy were out of date and a substantial re-write would be necessary. This, however, provided an opportunity to look afresh at the Trust's approach to membership engagement and develop a new, and potentially innovative, approach. In exploring this, the group noted that it would be important to learn from the experience and approach of other Foundation Trusts.
- 3.3 **Increasing the Trust's membership:** There was discussion about whether the Trust should seek to increase its membership. The membership currently stood at 12,885 public members, and around 9,300 staff members. In terms of the public members, this was comparable with Chelsea and Westminster (12,766 public members) and the Royal Free (12,707 public members), and greater than King's (10,813 public members) and Guy's and St Thomas' (9,594 public members). The 2014-17 membership engagement strategy had set out targets for increasing the membership, including a commitment to recruit an additional 10% year on

year. Since 2015, while the Trust had recruited sufficient members to offset attrition, the overall public membership had remained broadly static, albeit well above the minimum public membership of 8,500 set out in the Trust's Constitution. The group discussed the merits of seeking to increase membership and acknowledged that while this was not necessarily the main priority in membership engagement, further efforts to increase numbers should be considered as part of the new strategy.

- 3.4 **Quality of engagement:** While the group felt that further steps should be considered for increasing the size of the Trust's public membership, the priority in a future strategy should be around improving the quality of engagement with all members. The group noted that only a small number of members voted in governor elections, attended health talks, and attended the Annual Members' Meeting. Overall, the membership was quite passive and it would be important to consider how best to improve engagement. For many governors, the key to engaging and energising the membership was to identify and focus on issues that mattered to most them. Some specific suggestions were put forward:

- A survey of members was proposed as a means of establishing which issues members would wish to hear about and what they would like to get involved in.
- While the health talks were informative, a wider range of topics should be considered, including broader issues around healthcare at a national and regional level.
- Greater publicity for health talks should be explored.
- A clear forward plan of which governors would attend the Meet Your Governor sessions was also important to ensure sufficient governor turnout. The location of the stands should also be considered so as to maximise opportunities to engage the public and patients.

The Trust also needed to consider how it could best support public governors in engaging with their communities.

4.0 COMMITTEE AND TERMS OF REFERENCE

- 4.1 The group agreed that a Membership Engagement Committee should be re-established to help oversee the development and implementation of a new membership engagement strategy and considered a first draft Terms of Reference for such a Committee.
- 4.2 The proposed Committee membership, based on previous expressions of interest, and an updated draft Terms of Reference are attached at Appendix 1 for consideration.

5.0 RECOMMENDATION

- 5.1 The Council of Governors is asked to:
- Agree to the establishment of a Membership Engagement Committee as a sub-Committee of the Council of Governors;
 - Agree the Terms of Reference and membership of the Committee;
 - Note the update on the meeting held on 19 June to discuss membership engagement.

Author: Richard Coxon, Membership and Engagement Manager
Date: 20 July 2018

DRAFT

TERMS OF REFERENCE: COUNCIL OF GOVERNORS' MEMBERSHIP ENGAGEMENT COMMITTEE

1 AIM / PURPOSE

The Council of Governors shall appoint a Membership Engagement Committee, to :

- 1.1 Develop a comprehensive and proactive Membership Engagement Strategy;
- 1.2 Oversee the delivery of the Strategy and monitor its implementation and effectiveness;
- 1.3 Consider as necessary additional measures, consistent with the Strategy, for maintaining and increasing the membership of the Trust and improving the quality of membership engagement.

The Membership Engagement Committee shall have such terms of reference and powers as agreed by the Council of Governors.

2 AUTHORITY

The Council of Governors' Membership Engagement Committee will oversee the process for developing and updating the Membership Engagement Strategy for the Trust and will recommend the Strategy to the Council of Governors for approval. The Committee will oversee the delivery of the strategy and monitor its implementation and effectiveness.

The Committee shall oversee the recruitment of members and ensure that membership numbers are maintained and increased, in line with the Strategy. The Committee will also review the quality and effectiveness of engagement with the Trust's membership.

The Committee will provide assurance and report on these matters to the Council of Governors.

3 SPECIFIC RESPONSIBILITIES

- 3.1 To develop and update the Membership Engagement Strategy for the Trust.
- 3.2 To oversee the delivery of the Strategy and monitor its implementation and effectiveness, and to report on this at least annually to the Council of Governors.
- 3.3 To benchmark the Trust's membership engagement with other NHS foundation trusts

4 COMMUNICATION

The Committee will receive reports as required on the areas under discussion.

5 PERMANENCY

The Committee is a standing Committee of the Council of Governors, subject to an annual review.

6 MEMBERSHIP (To include nominated deputies where appropriate)

- 6.1 The Committee will comprise up to twelve members. The majority of members shall be public Governors, and there should be at least one staff Governor.
- 6.2 Only members of the Committee are entitled to attend Committee meetings. However, the Committee can invite members of the Board of Directors or other Governors to attend for specific discussions.
- 6.3 A Chair and Deputy Chair for the Committee to be nominated from its membership and approved by the full Council of Governors.
- 6.4 The Director of Corporate Affairs shall be in attendance and the meetings will be serviced by the Membership and Engagement Manager.
- 6.5 The Committee may invite others to attend for the purpose of receiving specialist and/or independent advice on any matter, relevant to its scope and function.
- 6.6 Appointments to the Committee (other than the Chair) shall be for a period of two years (or for the remaining term of office of the Governor, where this is less than two years). Preference will be given to Governors who have not previously been a member of the Committee.
- 6.6 In the event of there being more Governors who wish to be members than spaces available, the Council of Governors will decide membership by majority vote.

7 QUORUM

Six members of the Committee will be present for the meeting to be quorate, including the Chair and one staff Governor.

8 ATTENDANCE

Members will be required to attend all of the meetings each year. An attendance register will be taken at each meeting to support this.

9 PAPERS

Distributed in advance of the meeting, where possible one week prior.

10 FREQUENCY OF MEETINGS

Meetings will be as often as required to facilitate the role of the Committee as defined in its agreed Terms of Reference.

11 ACCOUNTABLE TO

The Council of Governors.

12 REPORTING LINES

The group will provide a report to the Council of Governors after each meeting.

13 SECRETARIAT SUPPORT

The Director of Corporate Affairs will provide secretariat support through the Membership and Engagement Manager, who will act as the central point of contact for this Committee.

14 EFFECTIVENESS OF THE COMMITTEE/GROUP

The effectiveness of the Committee will be reviewed annually by the Committee and reported to the Council of Governors.

15 REVIEW OF TERMS OF REFERENCE

The Terms of Reference will be reviewed annually by the Committee and the Council of Governors.

Membership of the Committee

Members	Designation
Mia Bayles	Public Governor, Rest of England
Jenni Doman	Staff Governor, Non-Clinical
John Hallmark	Public Governor, Wandsworth
Hilary Harland	Public Governor, Merton
Kathryn Harrison	Public Governor, Rest of England
Doulla Manolas	Public Governor, Wandsworth
Helen McHugh	Staff Governor, Nursing & Midwifery
Richard Mycroft	Public Governor, South West Lambeth
Stephen Sambrook	Public Governor, Rest of England
Bassey Williams	Staff Governor, Allied Health Professionals
In attendance	
Stephen Jones	Director of Corporate Affairs
Richard Coxon	Membership & Engagement Manager
Emily Sands	Communications & Engagement Manager

Meeting Title:	Council of Governors		
Date:	24 July 2018	Agenda No	2.6
Report Title:	Annual Members' Meeting update		
Lead Director/ Manager:	Stephen Jones, Director of Corporate Affairs		
Report Authors:	Chris Rolfe, Associate Director of Communications Emily Sands, Communications Manager		
Presented for:	Approval Decision Ratification Assurance Discussion Update Steer Review Other (select using highlight)		
Executive Summary:	<p>The National Health Service Act 2006 (the 2006 Act) and amended by the 2012 Act, states that NHS Foundation Trusts must hold an Annual Members' Meeting (AMM). This meeting must also be open to the public.</p> <p>As well as meeting our constitutional requirements, it's proposed that the AMM is used to build on the tone of celebration set by NHS 70; to showcase our achievements and the progress we have made; and to help instil confidence in the Trust amongst our staff and key stakeholders.</p>		
Recommendation:	The Council of Governors is asked to endorse this approach and support its implementation.		
Supports			
Trust Strategic Objective:	All		
CQC Theme:	Well-led		
Single Oversight Framework Theme:	Well-led		
Implications			
Risk:	Lack of engagement/poor attendance		
Legal/Regulatory:	The Trust is required to hold an AMM to meet statutory obligations.		
Resources:	The Communications team and the Membership team will take joint lead roles in the planning and running of the day.		
Previously Considered by:	N/A	Date	
Equality Impact Assessment:	N/A		
Appendices:	N/A		

Annual Members Meeting 27.09.18 update
Council of Governors Meeting, 24.07.18

1.0 Purpose

- 1.1 To outline the proposed theme, approach, and agenda for this year's Annual Members Meeting on 27 September 2018.

2.0 Background

- 2.1 This year, the NHS celebrates its 70 birthday.

Throughout the year, the Trust has held events to mark and celebrate the occasion – including the inaugural Staff Appreciation Awards in March, as well as the NHS 70 events at St George's and Queen Mary's Hospitals on 5 July.

We will use the opportunity presented by the Annual Members' Meeting in September to celebrate this milestone once again – by looking back at St George's past, and the contribution we have made to the National Health Service during the last 70 years.

We will also use the meeting to meet our statutory requirements – including formally presenting the Annual Report and Accounts – as well as marking the progress we have made, including our upgraded CQC rating and reduced financial deficit. We will also use the meeting as a forum for talking about the future of St George's, in particular our emerging strategy for 2019-2024.

3.0 Proposal

- 3.1 Last year's AMM was well received, with good attendance, and we plan to build on this in 2018. This year's AMM will enable us to continue the theme of celebration created by NHS 70, but also build on the growing positivity both in and outside the organisation about the progress we are making. As a result, there are four main aims to the day:
- i. To celebrate the contribution St George's has made to the NHS since 1948;
 - ii. To showcase ways in which staff have been working together to make St George's better;
 - iii. To show the progress we are making against key quality, performance and financial metrics; and to update on our emerging strategy;
 - iv. To meet our statutory obligations.
- 3.2 Suggested events during Thursday 27 September:

Time	Activity	
8:30-9:45	Board and Governor walkabouts	NHS 70: What makes you proud to work at St George's?
13:00	Trust Board lunch break	Winners of existing awards eg Values join Board for lunch

12:00-2:00	NHS 70 birthday card in Grosvenor Wing entrance	Governors to man, and ask staff and public to write a message in the card
17:30	AMM: Meet the Governors and refreshments	NHS 70 exhibition, copies of Annual Review 'At a glance' booklet, completed NHS 70 birthday card, plus various stands from external partners. This part of the meeting will also enable us to seek further views on our strategy, as well as recruit additional members
18:30	Gillian Norton, Chairman	Introduction and approval of 2017 AMM minutes
18:40	Council of Governors: Kathryn Harrison, Lead Governor	Lead Governor's update
18:45	Patient story: Dr Elizabeth Calton, whose face was rebuilt following a horse riding accident by Mr Nick Hyde, Consultant Maxillofacial Surgeon.	Uplifting story about why we are all here and how the way we deliver healthcare has changed over the last 70 years
18.55	Jacqueline Totterdell, Chief Executive	Review of 2017/18 including St George's NHS 70 film; plus look to the future and update on our emerging strategy
19:10	Sally Bishop, Retired Nurse (features in the film)	How working at St George's has changed since she was a nurse at Hyde Park Corner
19:15	Andrew Grimshaw, Chief Finance Officer	Chief Financial Officer's review
19:2519:30	Auditor, Grant Thornton	Annual Audit Letter
20:00	Gillian Norton, Chairman	Questions from the audience
	Gillian Norton, Chairman	Close

4.0 Risks

- 4.1 Lack of robust planning and preparation could lead to poor engagement and attendance at the AMM.

There is a risk that members of staff working at our community sites feel excluded. We are mitigating this by implementing a detailed event, communications and engagement plan, so enabling us to build on the success of last year's AMM.

5.0 Legal regulatory

- 5.1 The Trust has to hold an AMM – and present our Annual Report and Accounts - as set out in its Constitution.

6.0 Resources

- 6.1 The Communications team and the Membership team will take joint lead roles in the planning and running of the day.

7.0 Timeline

- 7.1 July milestones:

Send invitations to stakeholders

August milestones:

Contact guest speakers for AMM
Draft Annual Review 'At a glance' publication
Invite partners to have stands at AMM
Publicity for staff and patients to attend AMM

September milestones:

Create presentations for AMM
Briefings for Governors and Board

8.0 Recommendation

8.1 That the Council of Governors approves this proposal.

Authors:

Chris Rolfe, Associate Director of Communications
Emily Sands, Communications Manager

Date: 17.07.18

Meeting Title:	Council of Governors		
Date:	24 July 2018	Agenda No	2.7
Report Title:	Clinical Strategy Development: Progress Report		
Lead Director/ Manager:	Suzanne Marsello, Director of Strategy		
Report Author:	Suzanne Marsello, Director of Strategy		
Presented for:	Approval Decision Ratification Assurance Discussion Update Steer Review Other (specify)		
Executive Summary:	The paper provides the Council of Governors (CoG) with an update on progress with the development of the Trust Strategy.		
Recommendation:	<p>The Council of Governors is asked to note the report.</p> <p>The Council of Governors is asked to consider how Governors can engage with their constituent members regarding input to the strategy process as part of the stakeholder engagement.</p>		
Supports			
Trust Strategic Objective:	<ol style="list-style-type: none"> 1. Treat the patient, treat the person 2. Right care, right place, right time 3. Balance the books, invest in our future 4. Build a better St. George's 5. Champion Team St. George's 6. Develop tomorrow's treatments today 		
CQC Theme:	<ol style="list-style-type: none"> 1. Safe: you are protected from abuse and avoidable harm. 2. Effective: your care, treatment and support achieves good outcomes, helps you to maintain quality of life and is based on the best available evidence. 3. Well-Led 		
Single Oversight Framework Theme:	<ul style="list-style-type: none"> ▪ Strategic Change 		
Implications			
Risk:	<ul style="list-style-type: none"> ▪ As outlined in paper 		
Legal/Regulatory:	N/A		
Resources:	N/A		
Previously Considered by:	N/A	Date:	
Appendices:	Clinical Strategy Development		

Trust Strategy Update

1.0 Purpose

- 1.1 The paper provides the Council of Governors (CoG) with an update on progress with the development of the Trust Strategy.

2.0 Key Areas of Activity

Stakeholder Engagement

- 2.1 A series of staff and public/ patient engagement events are underway with four staff and three public/patient events planned initially.
- 2.2 These sessions focus on identifying the key strengths, weaknesses, opportunities and threats (SWOT) for the organisation as perceived by the different groups. The same exercise has been undertaken with the Trust Board and is planned with Trust commissioner leads. A report will be presented to the Trust Board in August looking at how these different stakeholder groups view the organisation, which will be a key factor for consideration as the strategy is developed.
- 2.3 Three events have been held to date (two staff and one public/patient) with a total of 67 people in attendance.
- 2.4 Seven Governors have attended or plan to attend the public/patient events. The slides used in these events are provided to the Council of Governors, as these may be of use to the Governors in collecting views from their constituent members which can also be used to inform the strategy work.
- 2.5 Early feedback has been positive, with staff particularly stating that they welcome being involved at such an early stage in the process.
- 2.6 Further events will be held later in the year as the strategic thinking progresses.

Board Strategy Seminars

- 2.7 The Trust Board has a series of seminars booked to consider the initial analysis of clinical services and strategic issues (e.g. drivers in the external environment, potential partnership opportunities, risks and clinical service delivery).
- 2.8 Work is underway with services to consider the analysis of their current service portfolio and how this needs to look in 5 years time, to inform the Board strategy discussions.
- 2.9 The first seminar considered cardiology; services for subsequent seminars have been agreed with a focus on the specialised services initially (cancer, women's, children's, neurosciences, renal, vascular)
- 2.10 Planning is under way for consideration of the secondary/ local hospital services where the discussion will be more around service model and delivery and will involve wider stakeholder discussion across the system (e.g. for Senior Health).

3.0 Recommendation

- 3.1 The Council of Governors is asked to note the report.
- 3.2 The Council of Governors is asked to consider how Governors can engage with their constituent members regarding input to the strategy process as part of the stakeholder engagement.

Author: Suzanne Marsello
Date: 19th July 2018



Trust Strategy Engagement Workshops

Agenda

- Context and workshop purpose
 - High level strategy development process
 - Group working instructions
 - What next and keeping involved
-

St George's: teaching hospital, major trauma centre, tertiary referral centre and a community provider.

650,000 outpatients treated



**Emergency Department
sees 400+ patients each
day**

5000 babies delivered



**We provide services from
12 health centres**

**Multiple London & national
alliances**



9,500 staff

**c.£800m
budget**

330 volunteers



**28,500 elective
procedures**



**21,500 Foundation
Trust members**

We touch the lives of thousands of people every year

Why do we need a new strategy?

- We want to provide Outstanding Care, Every Time for our patients – and a clear, coherent strategy is central to this ambition
 - We need to be clear on the actions we need to take and ensure we are all working together towards the same objectives
 - A new strategy will make sure we can exploit new technologies and different ways of working – for the benefit of patients and staff
 - We want to be financially sustainable, which means the strategic decisions are evidence based and driven by what is best for the organisation and the communities we serve
 - The way healthcare is being delivered is changing and we also need to change the way we work as a result
-

Workshop purpose

- Part of wider engagement, analytical and planning processes to develop our trust strategy
 - Active working sessions with staff and public to capture your views:
 - What are our strengths? What are our weaknesses?
 - What do you think are the opportunities for us? What do you think are the threats to us?
 - Identify common themes, areas of concern and opportunities
 - Ensure you know how to contribute after today's workshop
 - Facilitators to help capture results and guide you through the process
-

Group working instructions: all questions

1

Consider the question and jot down your own thoughts (one per post it note)

What are our strengths?
What are our weaknesses?

2-3 minutes

2

Join all colleagues at your table and capture the key themes on flipchart paper.

What are the opportunities for us?
What are the threats to us?

10 minutes

3

Short, group wide discussion

10 minutes &
Nominate a
spokesperson

What next & staying involved

- Email summary of outputs to attendees
 - Anonymous Survey Monkey feedback opportunity to inform future sessions
 - Feedback to trust board in August (SWOT outputs)
 - Run future events later in the year to which you will be invited
 - Strategy team will be leading data analyses and development meetings with clinical teams
 - You can also email us to share more insights/thoughts at strategy@stgeorges.nhs.uk
-

Report to the Governors on the Quality Report

Year ending 31 March 2018

St George's University Hospitals NHS Foundation Trust

24 July 2018



Contents



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Appendices

- A. Form of limited assurance report

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Headlines

The Quality Report

The Quality Report is a mandatory part of a foundation trust's Annual Report. Its specific aim is to encourage and improve the foundation trust's public accountability for the quality of the care it provides. It allows leaders, clinicians, governors and staff to show their commitment to continuous, evidence-based quality improvement, and to explain progress to the public.

Purpose of this report

This report to governors summarises the results of our independent assurance engagement on your Quality Report. It is issued in conjunction with our signed limited assurance report, which is published within the Quality Report section of the Trust's Annual Report for the year ended 31 March 2018.

In addition, this report provides the findings of our work on the indicator you selected for us to perform additional substantive testing on to support your governance responsibilities.

In performing this work, we followed NHS Improvement's 'Detailed requirements for external assurance for quality reports 2017/18' ('Guidance').

The output from our work is a limited assurance opinion on whether anything has come to our attention which leads us to believe that:

- the Quality Report is not prepared, in all material respects, in line with the criteria set out in the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance;
- the Quality Report is not consistent, in all material respects, with the sources specified in NHS Improvement's 'Detailed requirements for external assurance for quality reports 2017/18'; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report have not been reasonably stated, in all material respects, in accordance with the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance.

Conclusion

We issued an unqualified opinion on your Quality Report on 24 May 2018.

The text of our limited assurance report can be found at Appendix A.

Headlines (continued)

Key messages

- We have noted marked improvements compared to the previous year in the Trust's arrangements for supporting our work to provide external assurance in respect of the Quality Report. As a result of the support received we were able to commence our work around the Quality Report at an earlier stage than in the previous year.
- We note that the Trust has not reported performance against the indicator 'percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period' which would otherwise be mandatory for being subjected to external assurance. This is due to a decision taken by the Trust Board in July 2016 to cease reporting of performance for this indicator as a result of significant data quality issues identified. We agree that the Trust has a valid reason for not reporting performance against this indicator and have seen evidence of the actions that the Trust is taking to improve data quality in this area to an adequate level. However its now two years since RTT has been reported and the Trust needs to resolve this issue as quickly as possible.
- Our work in respect of the Trust's performance indicators 'percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge', 'maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers' and 'percentage of patient safety incidents resulting in severe harm or death' has been completed with no issues noted.
- We confirm that the Quality Report has been prepared in all material respects in line with the requirements of the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance.
- We confirm that the Quality Report is not materially inconsistent with the sources specified in NHS Improvement's Guidance, subject to our review of the feedback from external stakeholders, which is not due to be received until later in May.

- From a qualitative perspective, we note the Quality Report has been prepared to a higher standard compared to the previous year in terms of its general format and the way by which it tells the story of relevant quality developments and information for 2017/18.

Acknowledgements

We would like to thank the Trust staff for their co-operation in completing this engagement.

Compliance with regulations

We checked that the Quality Report had been prepared in line with the requirements set out in the 'NHS foundation trust annual reporting manual 2017/18 and supporting guidance.

Requirement	Work performed	Conclusion
Compliance with regulations	We reviewed the content of the Quality Report against the requirements of the 'NHS foundation trust annual reporting manual 2017/18' and the supporting guidance 'Detailed requirements for quality reports for foundation trusts 2017/18'.	Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018, the Quality Report is not prepared, in all material respects, in line with the criteria set out in the NHS foundation trust annual reporting manual 2017/18 and supporting guidance.

Consistency of information

We checked that the Quality Report had been prepared in line with the requirements set out in the 'NHS foundation trust annual reporting manual 2017/18 and supporting guidance.

Requirement	Work performed	Conclusion
Consistency with other sources of information	We reviewed the content of the Quality Report for consistency with specified documentation, set out in the auditor's guidance provided by NHS Improvement. This includes the board minutes and papers for the year, feedback received on the Quality Report, survey results from staff and patients and the Head of Internal Audit opinion.	Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018, the Quality Report is not consistent, in all material respects, with the sources specified in NHS Improvement's 'Detailed requirements for external assurance for quality reports 2017/18'.
Other checks	We also checked the Quality Report to ensure that the Trust's process for identifying and engaging stakeholders in the preparation of the Quality Report has resulted in appropriate consultation with patients, governors, commissioners, regulators and any other key stakeholders.	Overall, we concluded that the process resulted in appropriate consultation.

Data quality of reported performance indicators

We undertook substantive testing on certain indicators in the Quality Report.

Selecting performance indicators for review

The Trust is required to obtain assurance from its auditors over three indicators.

For trusts providing acute and community services, NHS Improvement requires that we select two indicators in a prescribed order of preference from the list of four mandated indicators that are relevant to acute and community Trusts.

These two indicators are subject to a limited assurance opinion in line with the requirements set by NHS Improvement. We have to report on whether there is evidence to suggest that they have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance.

In line with the auditor guidance, we have reviewed the following indicators:

- percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge: indicator mandated by NHS Improvement for auditor testing
- maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers: selected from the subset of mandated indicators because this is the next highest priority indicator for testing specified in the NHS Improvement guidance for trusts not reporting performance against the indicator 'percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period' (see below).

NHS Improvement has identified the indicator 'percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period' as a mandatory indicator for external assurance for trusts providing acute, specialist or community services. However, performance against this indicator has not been reported within the Quality Report for St George's University Hospitals NHS Foundation Trust, due to a decision by the Trust Board in July 2016 to cease reporting performance against this indicator as a result of significant data quality issues identified. As such, we have not performed testing of this indicator and have instead tested the indicator 'maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers' as is set out above.

In 2017/18, NHS foundation trusts also need to obtain assurance through substantive sample testing over one additional local indicator included in the Quality Report, selected by the governors of the Trust. Although the Trust's external auditors are required to undertake the work, this indicator does not form part of the limited assurance report.

In line with the auditor guidance, we are testing the following local indicator:

- Percentage of patient safety incidents resulting in severe harm or death

Data quality of reported performance indicators (continued)

Data issues identified in relation to the 'percentage of incomplete pathways within 18 weeks for patients on incomplete pathways' indicator

The Trust is required by NHS Improvement to report performance for the 'percentage of incomplete pathways within 18 weeks for patients on incomplete pathways' indicator, more commonly known as the 'referral to treatment' (RTT) indicator. This is one of the key performance indicators that NHS foundation trusts are assessed against as part of NHS Improvement's 'Single Operating Framework' performance monitoring arrangements.

The Trust has not reported performance for this indicator within the Quality Report. This is because in July 2016 the Trust Board took the decision to cease reporting performance against RTT due to significant data quality issues identified following a commissioned external review that identified significant deficiencies in the Trust's processes for reporting and tracking RTT data. This includes a number of manual workarounds established in areas of the Trust to bypass proper use of the RTT functionality within the Patient Administration System (PAS).

The RTT indicator is a mandatory indicator for external auditor assurance for acute foundation trusts. As no RTT performance has been reported within the Trust's Quality Report that we could test, NHS Improvement's guidance required that we provide assurance in respect of the indicator 'Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers' instead.

NHS Improvement require that where a foundation trust has not reported a mandated indicator within its Quality Report due to a planned failure by the trust to report an indicator that the Trust should make an assertion within the 'statement of directors' responsibilities' of the reason for the non-reporting of the indicator. We have reviewed the disclosures in respect of this matter provided within the Quality Report and verified them to be reasonable and appropriate.

After taking the decision to cease report RTT performance, the Trust established an Elective Care Recovery programme to lead the corrective action necessary to return the Trust to reporting. These arrangements sit alongside the Quality Improvement Programme as a separate improvement stream and have continued to progress during 2017/18. We are satisfied that the Trust has put in place an adequate plan to respond to the issues identified in respect of RTT reporting, though we note that the data quality issues identified are significant in scale and given its now two years since the Trust reported RTT this matter needs to be resolved as soon as possible.

Data quality of reported performance indicators – Indicators subject to limited assurance report

Indicator & Definition	Indicator outcome	Work performed	Conclusion
<p>Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge</p> <p>The A&E indicator shows the percentage of patients admitted to A&E who were admitted, transferred or discharged within 4 hours. The national target for this indicator for NHS foundation trusts is 95%.</p> <p>The indicator is calculated as:</p> <p>Numerator - Total number of patients who have a total time in A&E over 4 hours from arrival to admission, transfer or discharge</p> <p>Denominator – Total number of unplanned A&E attendances</p>	87.56%	<p>We documented and walked through the process used by the Trust to collect data for the indicator. We checked that the indicator presented in the Quality Report reconciled to the underlying data.</p> <p>We then tested a sample of 15 items in order to ascertain the accuracy, completeness, timeliness, validity, relevance and reliability of the data, and whether the calculation of the indicator was in accordance with the definition.</p>	<p>Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018, the indicator has not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance.</p>

Data quality of reported performance indicators – Indicators subject to limited assurance report

Indicator & Definition	Indicator outcome	Work performed	Conclusion
<p>Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers</p> <p>The 62 cancer days referral indicator shows the percentage of patients receiving first definitive treatment for cancer within 62 days of an urgent GP referral for suspected cancer. The national target for this indicator for NHS foundation trusts is 85%.</p> <p>The indicator is calculated as:</p> <p>Numerator - Number of patients receiving first definitive treatment for cancer within 62 days following an urgent GP referral for suspected cancer within a given period for all cancers</p> <p>Denominator – Total number of patients receiving first definitive treatment for cancer following an urgent GP referral for suspected cancer within a given period for all cancers</p>	82.6%	<p>We documented and walked through the process used by the Trust to collect data for the indicator. We checked that the indicator presented in the Quality Report reconciled to the underlying data.</p> <p>We then tested a sample of 25 items in order to ascertain the accuracy, completeness, timeliness, validity, relevance and reliability of the data, and whether the calculation of the indicator was in accordance with the definition.</p>	Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018, the indicator has not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance.

Data quality of reported performance indicators – Local indicator not subject to limited assurance report

Indicator & Definition	Indicator outcome	Work performed	Conclusion
<p>Percentage of patient safety incidents resulting in severe harm or death</p> <p>The scope of the indicator includes all patient safety incidents reported through the National Reporting and Learning Service (NRLS). This includes reports made by the trust, staff, patients and the public.</p> <p>The indicator is calculated as:</p> <p>Numerator: Number of reported patient safety incidents resulting in severe harm or death at a trust reported through the National Reporting and Learning Service (NRLS) during the reporting period</p> <p>Denominator: Number of reported patient safety incidents at a trust reported through the NRLS during the reporting period</p> <p>In line with the requirements of NHS Improvement's Guidance, this indicator is not subject to a limited assurance opinion. We do not provide the governors with any formal assurance in relation to whether this indicator is fairly stated.</p>	0.23%	<p>We documented and walked through the process used by the Trust to collect data for the indicator. We checked that the indicator presented in the Quality Report reconciled to the underlying data.</p> <p>We then tested a sample of 25 items in order to ascertain the accuracy, completeness, timeliness, validity, relevance and reliability of the data, and whether the calculation of the indicator was in accordance with the definition.</p>	<p>Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018, the indicator has not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance.</p>

Fees

Fees for our work on the Quality Report
We confirm below our final fees charged for this work.

	Proposed fee	Final fee
Assurance on your Quality Report	£10,000	£10,000
Total fee (excluding VAT)	£10,000	£10,000

Form of limited assurance report

Independent Practitioner's Limited Assurance Report to the Council of Governors of St George's University Hospitals NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of St George's University Hospitals NHS Foundation Trust to perform an independent limited assurance engagement in respect of St George's University Hospitals NHS Foundation Trust's Quality Report for the year ended 31 March 2018 (the "Quality Report") and certain performance indicators contained therein against the criteria set out in the 'NHS foundation trust annual reporting manual 2017/18' and additional supporting guidance in the 'Detailed requirements for quality reports 2017/18' (the 'Criteria').

Scope and subject matter

The indicators for the year ended 31 March 2018 subject to the limited assurance engagement consist of the national priority indicators as mandated by NHS Improvement:

- percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge; and
- maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.

We refer to these national priority indicators collectively as the 'Indicators'.

Respective responsibilities of the directors and Practitioner

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the Criteria set out in the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in NHS Improvement's 'Detailed requirements for external assurance for quality reports 2017/18'; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance and the six dimensions of data quality set out in the "Detailed requirements for external assurance for quality reports 2017/18".

We read the Quality Report and consider whether it addresses the content requirements of the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- Board minutes for the period 1 April 2017 to 24 May 2018;
- papers relating to quality reported to the Board over the period 1 April 2017 to 24 May 2018;
- feedback from commissioners dated 22 May 2018;
- feedback from local Healthwatch organisations dated 18 May 2018;
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009, dated 1 September 2017;
- the national patient survey dated 5 March 2018;
- the national staff survey dated 3 March 2018;
- the Care Quality Commission inspection reports dated 1 November 2016 and 3 August 2017; and
- the Head of Internal Audit's annual opinion over the Trust's control environment dated 21 May 2017.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

The firm applies International Standard on Quality Control 1 (Revised) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

Form of limited assurance report (continued)

This report, including the conclusion, has been prepared solely for the Council of Governors of St George's University Hospitals NHS Foundation Trust as a body, to assist the Council of Governors in reporting St George's University Hospitals NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body, and St George's University Hospitals NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators
- making enquiries of management
- limited testing, on a selective basis, of the data used to calculate the indicators tested against supporting documentation
- comparing the content requirements of the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable, measurement techniques that can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the Quality Report in the context of the criteria set out in the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance.

The scope of our limited assurance work has not included governance over quality or non-mandated indicators, which have been determined locally by St George's University Hospitals NHS Foundation Trust.

Our audit work on the financial statements of St George's University Hospitals NHS Foundation Trust is carried out in accordance with our statutory obligations. This engagement will not be treated as having any effect on our separate duties and responsibilities as St George's University Hospitals NHS Foundation Trust's external auditors. Our audit reports on the financial statements are made solely to St George's University Hospitals NHS Foundation Trust's members, as a body, in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. Our audit work is undertaken so that we might state to St George's University Hospitals NHS Foundation Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. Our audits of St George's University Hospitals NHS Foundation Trust's financial statements are not planned or conducted to address or reflect matters in which anyone other than such members as a body may be interested for such purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than St George's University Hospitals NHS Foundation Trust and St George's University Hospitals NHS Foundation Trust's members as a body, for our audit work, for our audit reports, or for the opinions we have formed in respect of those audits.

Form of limited assurance report (continued)

Conclusion

Based on the results of our procedures, as described in this report, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

the Quality Report is not prepared in all material respects in line with the Criteria set out in the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance;

the Quality Report is not consistent in all material respects with the sources specified in NHS Improvement's 'Detailed requirements for external assurance for quality reports 2017/18'; and

the indicators in the Quality Report identified as having been subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance.

Grant Thornton UK LLP
Chartered Accountants
London

24 May 2018



Annual Audit Letter

Year ending 31 March 2018

St George's University Hospitals NHS Foundation Trust

24 July 2018



Contents



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Appendices

- A Reports issued and fees

Executive Summary

Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at St George's University Hospitals NHS Foundation Trust (the Trust) for the year ended 31 March 2018.

This Letter is intended to provide a commentary on the results of our work to the Trust and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Trust's Audit Committee as those charged with governance in our Audit Findings Report on 21 May 2018.

Our work

Materiality	We determined materiality for the audit of the Trust's accounts to be £12,917,000, which is 2% of the Trust's gross revenue expenditure.
Financial Statements opinion	<p>We gave an unqualified opinion on the Trust's financial statements on 24 May 2018.</p> <p>We included a material uncertainty paragraph in our report on the Trust's financial statements to draw attention to the note which explains the basis on which the Trust has determined that it is still a going concern. This does not affect our opinion that the statements give a true and fair view of the Trust's financial position and its income and expenditure for the year.</p>
NHS Group consolidation template (WGA)	We also reported on the consistency of the accounts consolidation template provided to NHS Improvement with the audited financial statements. We concluded that these were consistent.
Use of statutory powers	We did not identify any matters which required us to exercise our additional statutory powers.

Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the National Health Service Act 2006 (the Act). Our key responsibilities are to:

- give an opinion on the Trust's financial statements (section two)
- assess the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Trust's financial statements, we complied with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

Executive Summary

Value for Money arrangements	We were not satisfied that the Trust put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. This was due to Trust is being subject to financial and quality special measures throughout all of the year ended 31 March 2018. This also reflected the scale of the deficit incurred in 2017/18 and the deficit planned for 2018/19. We therefore issued an adverse value for money conclusion in our audit report to the Directors of the Trust on 24 May 2018.
Quality Report	We completed a review of the Trust's Quality Report and issued our report on this on 24 May 2018. We concluded that the Quality Report and the indicators we reviewed were prepared in line with the NHS foundation trust annual reporting manual and supporting guidance.
Certificate	We certify that we have completed the audit of the accounts of St George's University Hospitals NHS Foundation Trust in accordance with the requirements of the Code of Audit Practice.

Working with the Trust

- The audit progressed more smoothly than in previous years and there were clear improvements from prior years in the quality and timeliness of audit evidence provided. As a result, the audit was completed in advance of the national deadline and without any additional audit fees for overruns arising. We see this as a positive move forward
- This is down to stronger project management by the Trust and an improvement in response times to audit queries.
- In our previous audits we have reported significant concerns around the capacity and capability of the Trust's finance team. The Trust now has recruited strong individuals into senior finance posts and this has driven clear improvements in the Trust's level of preparation for the audit. However, the Trust has not undertaken any significant restructuring of the finance team and consequently some of the historical challenges around the capacity and capability of some members of the team remain.

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Trust's staff.

Grant Thornton UK LLP
June 2018

Audit of the Accounts

Our audit approach

Materiality

In our audit of the Trust's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the Trust's accounts to be £12,917,000, which is 2% of the Trust's gross revenue expenditure. We used this benchmark as, in our view, users of the Trust's financial statements are most interested in where the Trust has spent its revenue in the year.

We set a lower threshold of £250,000, above which we reported errors to the Audit Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the Annual Report to check it is consistent with our understanding of the Trust and with the accounts included in the Annual Report on which we gave our opinion.

We carry out our audit in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Trust's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the Accounts

Key Audit Risks

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Improper revenue recognition</p> <p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>82% of the Trust's income for 2017/18 was from patient care activities and contracts with NHS commissioners. These contracts included the rates for and level of patient care activity to be undertaken by the Trust. The Trust recognised patient care activity income during the year based on the completion of these activities. Patient care activities provided that are additional to those incorporated in these contracts (contract variations) were subject to verification and agreement by the commissioners. As such, we identified a risk that income may have been recognised in the accounts for these additional services that was not subsequently agreed to by the commissioners.</p> <p>We therefore identified the occurrence and accuracy of income from contract variations as a risk requiring special audit consideration and a key audit matter for the audit.</p>	<ul style="list-style-type: none"> We undertook the following procedures in relation to this risk: <ul style="list-style-type: none"> evaluated the Trust's accounting policy for recognition income from patient care activities for appropriateness; gained an understanding of the Trust's system for accounting for income from patient care activities and evaluated the design of the associated controls; obtained an exception report from the Department of Health and Social Care (DHSC) that details differences in reported income and expenditure; and receivables and payables between NHS bodies; agreed the figures in the exception report to the Trust's financial records; and for differences calculated by the DHSC as being in excess of £250,000, obtained corroborating evidence to support the amount recorded in the financial statements by the Trust; agreed amounts recognised as income from the 10 main NHS Commissioners in the financial statements, in respect of the main baseline monthly contract billings, to signed contracts; agreed, on a sample basis, amounts for under and over-performance of contracted patient care activities with the main 10 NHS Commissioners to invoices or alternative evidence; agreed, on a sample basis, income from residual income sources to invoices or alternative evidence; agreed, on a sample basis, a sample of trade and other receivables at year end to invoices and subsequent cash receipts or, for cases in our sample where cash was yet to be receipted, to alternative evidence. 	<p>Our audit work did not identify any issues in respect of this risk.</p>

Audit of the Accounts

Key Audit Risks - continued

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of property, plant and equipment</p> <p>The Trust revalues its land and buildings on an annual basis to ensure that carrying value is not materially different from fair value. This represents a significant estimate by management in the financial statements.</p> <p>We therefore identified the valuation of land and buildings revaluations and impairments as a risk requiring special audit consideration and a key audit matter for the audit.</p>	<ul style="list-style-type: none">• We undertook the following procedures in relation to this risk:<ul style="list-style-type: none">– assessed the competence, objectivity and capabilities of the Trust's external valuer, Gerald Eve LLP;– assessed the appropriateness of the instructions issued to the valuer and the scope of their work;– assessed the appropriateness of the basis of the valuations and of management's processes and assumptions applied in calculating the valuation estimates;– for a sample of assets revalued in the year, agreed the valuation in the valuer's report to the Trust's asset register and the financial statements;– assessed the overall reasonableness of the valuation movement for the year through comparison to of the percentage movements in asset values to relevant national property indices; and– obtained and challenged evidence for the assumptions made by management and the external valuer in relation to the valuation of its property, plant and equipment, including assumptions made around the use of an "alternative site" basis of valuation for specialised hospital buildings at St George's Hospital.	<p>Our audit work did not identify any issues in respect of this risk.</p>

Audit of the Accounts

Key Audit Risks - continued

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Going concern material uncertainty disclosures</p> <p>As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management’s use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity’s ability to continue as a going concern.</p> <p>In light of the Trust’s recent financial performance, reliance on external cash support and forecast deficit financial outturn for 2018/19, management anticipate that it will take many years before the Trust’s income equals or exceeds its expenditure. The Trust will therefore require further cash support via revenue loans to pay its expenses in 2018/19 and 2019/20. The source and value of the loans has yet to be confirmed.</p> <p>We therefore identified the adequacy of disclosures relating to material uncertainties that may cast doubt on the Trust’s ability to continue as a going concern in the financial statements as a significant risk requiring special audit consideration. Given the sensitive nature of these disclosures, we identified this a key audit matter for the audit.</p>	<ul style="list-style-type: none">• We undertook the following procedures in relation to this risk:<ul style="list-style-type: none">– held discussions with management about the financial standing of the Trust;– review management’s assessment of going concern, including the 2018/19 budget and a cash flow forecast covering up to 31 May 2019, and considered the reasonableness of the assumptions upon which these forecasts had been based;– gained an understanding of the arrangements through which the Trust requests revenue support loan funding from the Department of Health and Social Care; and– reviewed the completeness and accuracy of disclosures on material uncertainties with regard to going concern in the financial statements.	<p>Management identified a material uncertainty in respect of the future availability of revenue support loans from the Department of Health and Social Care and regarding the ability of the Trust to refinance a revenue support loan for £48.7m that falls due in March 2019. Following our review we concurred that these matters required reporting as material going concern uncertainties.</p> <p>We are satisfied with regard to the adequacy of the disclosures in the financial statements relating to material going concern uncertainties.</p> <p>We included a material uncertainty paragraph in our report on the Trust’s financial statements to draw attention to the note which explains the basis on which the Trust has determined that it is still a going concern. This does not affect our opinion that the statements give a true and fair view of the Trust’s financial position and its income and expenditure for the year.</p>

Audit of the Accounts

Audit opinion

We gave an unqualified opinion on the Trust's financial statements on 24 May 2018, in advance of the national deadline.

Preparation of the accounts

The Trust presented us with draft accounts in accordance with the national deadline, and provided a good set of working papers to support them, which were prepared to a higher standard of quality in previous years.

The finance team responded promptly and efficiently to our queries during the course of the audit. This represents a significant improvement in responsiveness compared to previous audits.

Issues arising from the audit of the accounts

We reported the key issues from our audit to the Trust's Audit Committee on 25 May 2018.

In addition to the key audit risks reported above, two adjustments were posted to the financial statements to increase operating expenditure by £1,980k to derecognise a prepayment posted in respect of the Apprenticeship Levy, and a corresponding adjustment of £1,980k to increase accrued income.

We also identified a control recommendation for management in respect of inconsistencies between the Trial Balance and the Fixed Assets Register.

Annual Report, including the Annual Governance Statement

We are also required to review the Trust's Annual Report, including the Annual Governance Statement. It provided these on a timely basis with the draft accounts with supporting evidence.

Whole of Government Accounts (WGA)

We issued a group return to the National Audit Office in respect of Whole of Government Accounts, which did not identify any issues for the group auditor to consider.

Certificate of closure of the audit

We are also required to certify that we have completed the audit of the accounts of St George's University Hospitals NHS Foundation Trust in accordance with the requirements of the Code of Audit Practice.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in November 2017 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the key risks where we concentrated our work. The key risks we identified and the work we performed are set out overleaf.

We focused our work on the significant risks that we identified in the Trust's arrangements. In arriving at our conclusion, our main considerations were:

- The Trust delivered a deficit of £53.1 million in 2017/18, which represents a significant overspend compared to its budgeted deficit and control total of £28.5 million that was originally forecast at the start of the year. The Trust has forecasted a deficit of £29.0 million for 2018/19, which includes delivery of £50.0 million of transformational savings. On 22 March 2017, NHS Improvement placed the Trust into financial special measures, and the Trust continues to be subject to these arrangements.
- The Care Quality Commission (CQC) inspected the Trust in June 2016 and its inspection report, published on 1 November 2016, gave the Trust an overall rating of 'Inadequate'. The report highlighted concerns in respect of quality, safety and overall governance arrangements at the Trust, and drew attention to the significant state of disrepair of areas of the Trust's estate. Following the publication of the report of the CQC, the Trust was placed into quality special measures. The Trust continued to remain in special measures during 2017/18.
- In July 2016, the Trust Board took the decision to cease reporting performance against the Referral To Treatment (RTT) performance indicator after an independent review identified significant data quality issues in relation to the recording of patients on incomplete pathways. In 2017/18, the Trust has continued to not report RTT performance. This is one of the key indicators against which the Trust is assessed by the Department of Health and Social Care and NHS Improvement and it is therefore important that the Trust rectify this position as soon as possible.

Overall Value for Money conclusion

Because of the significance of the matters we identified in our work, we were not satisfied that the Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2018. **We therefore issued an 'adverse' Value for Money conclusion.**

This highlights that the Trust needs to make significant improvements to its arrangements in respect of financial and CQC performance. We recognise that the Trust Board identified compliance with CQC requirements and restoring the Trust to a position of financial balance as key priorities during 2017/18 and continue to drive transformation in these areas.

Value for Money conclusion

Significant Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Financial outturn and financial sustainability</p> <p>The Trust's audited financial statements for the year ended 31 March 2017 reported a deficit of £78.7million. The Trust budgeted for a deficit in 2017/18. As a result of the Trust's poor financial performance, in March 2017 NHS Improvement placed the Trust into Financial Special Measures.</p> <p>The current scale of the deficit will not be sustainable in the longer term and as such there is a risk that the Trust does not have sufficient arrangements in place to ensure medium term financial stability.</p>	<p>We reviewed the Trust's arrangements for putting together and agreeing its budget, including identification of savings plans; and its arrangements for monitoring and managing delivery of its budget and savings plans for 2018/19, including the impact on service delivery.</p> <p>We also met with senior finance personnel to discuss and review arrangements for returning the Trust to a position of financial stability.</p>	<p><u>Financial outturn</u></p> <p>The Trust delivered a deficit of £53.1m in 2017/18. This compares to a deficit of £78.7m attained in 2016/17 and a budget and control total set at the start of the year of a deficit of £28.5m. In June 2017, the Trust submitted a revised financial plan that showed a budgeted deficit of £45.0m and later in the year agreed a revised target of a £53.0m deficit with NHS Improvement later in the year. The deficit achieved was thus in line with this revised target.</p> <p>Cost Improvement Programme (CIP) performance during the year was good – the Trust delivered £43.6m of savings against a target of £43.5m. This represents a significant improvement on performance for 2016/17, when CIPs of £30.1m were delivered. Overall, though the Trust's financial position stabilised during 2017/18, with good CIP performance and a £25.6m reduction in the deficit compared to 2016/17, we concluded that significant further improvements are required to restore the Trust to financial balance.</p> <p><u>Financial planning</u></p> <p>The Trust has forecast a deficit of £29.0m for 2018/19. The forecast improvement in financial performance is phased during the year and the financial plan approved by the Board presents an underlying exit run rate of a £1.8m monthly deficit by the end of the 2018/19.</p> <p>Achieving the budgeted deficit will be a challenge and will require continued changes the Trust's arrangements for delivery of CIPs. This includes the need for further cultural change to build upon the progress made during 2017/18 encourage divisional management to take a greater level of accountability and ownership for delivery of CIPs.</p>

Value for Money conclusion

Significant Value for Money Risks - continued

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Care Quality Commission (CQC) inspection</p> <p>An inspection by the Care Quality Commission (CQC) in June 2016 rated the Trust as requiring significant improvement. A follow-up CQC inspection in May 2017 identified that progress had been made in addressing its findings but that areas for improvement remain.</p> <p>We therefore identified a risk that the Trust would not be able to adequately respond to areas identified by the CQC as inadequate or requiring improvement.</p>	<p>We reviewed how the Trust is implementing and monitoring delivery of the action plan agreed to address the findings of the CQC inspection.</p> <p>We also reviewed correspondence from the CQC in relation to their findings from inspection visits during the year.</p>	<p><u>Findings from CQC inspections</u></p> <p>The CQC inspected the Trust in June 2016 and noted significant concerns around patient safety and the quality of the Trust's estate. The CQC served the Trust with a Section 29A Warning Notice on 26 August 2016 for breaches in regulations related to safe and fit premises at St George's Hospital, obtaining consent under the Mental Capacity Act, 2005, good governance and the fit and proper person requirement. On 1 November 2016, the CQC published its inspection report, which rated the Trust as "inadequate".</p> <p>In 2017, the CQC undertook a follow-up review to follow up on a Section 29A Warning Notice, which the issued in August 2016. As a result, there is no rating of this inspection. In their inspection report, published in August 2017, the CQC found that the Trust has partially met the requirements of the Section 29A Warning Notice. In particular, the CQC noted that the Trust has made significant improvements regarding mental capacity act assessments, premises and equipment, medicines management and managing incidents. However, the CQC stated that the Trust still needs to make further improvements with regards to the fit and proper persons' requirement, estates maintenance, accuracy of the referral to treatment data and governance.</p> <p>The CQC visited the Trust in March 2018 to undertake a further follow-up inspection. Its report on its findings from this inspection is yet to be published, but the Trust's directors have communicated to us that the initial feedback that they have received from the CQC has been positive.</p> <p><u>Quality Improvement Plan</u></p> <p>Following CQC inspection in June 2016, the Trust took prompt actions to implement a response to the concerns noted by the CQC and developed a Quality Improvement Plan (QIP) that assigned each of the 316 actions identified by the CQC as required to eight separate work-streams, each with an executive lead. The Trust has since continued to develop the QIP plan based upon feedback from the CQC, commissioners and other stakeholders, and in May 2017 revised governance arrangements for the QIP were implemented. A revised QIP was then published in October 2018 to update the original plan to reflect these subsequent developments.</p>

Quality Report

The Quality Report

The Quality Report is an annual report to the public from an NHS Foundation Trust about the quality of services it delivers. It allows Foundation Trust Boards and staff to show their commitment to continuous improvement of service quality, and to explain progress to the public.

Scope of work

We carry out an independent assurance engagement on the Trust's Quality Report, following NHS Improvement (NHSI) guidance issued in February 2018. We give an opinion as to whether we have found anything from our work which leads us to believe that:

- the Quality Report is not prepared in line with the criteria specified in the NHS foundation trust annual reporting manual and supporting guidance;
- the Quality Report is not consistent with other information, as specified in the NHSI guidance; and
- the indicators in the Quality Report where we have carried out testing are not compiled in line with the NHS foundation trust annual reporting manual and supporting guidance and do not meet expected dimensions of data quality.

Quality Report Indicator testing

We tested the following indicators:

- percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge;
- maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers; and
- percentage of patient safety incidents resulting in severe harm or death.

For each indicator tested, we considered the processes used by the Trust to collect data for the indicator. We checked that the indicator presented in the Quality Report reconciled to underlying Trust data. We then tested a sample of cases included in the indicator to check the accuracy, completeness, timeliness, validity, relevance and reliability of the data, and whether the calculation of the indicator was in accordance with the defined indicator definition.

Key messages

- We confirmed that the Quality Report had been prepared in line with the requirements of the NHS foundation trust annual reporting manual and supporting guidance.
- We confirmed that the Quality Report was consistent with the sources specified in the NHSI Guidance.
- We confirmed that the commentary on indicators in the Quality Report was consistent with the reported outcomes
- Based on the results of our procedures, nothing came to our attention that caused us to believe that the indicators we tested were not reasonably stated in all material respects.

Conclusion

As a result of this we issued an unqualified conclusion on the Trust's Quality Report on 24 May 2018.

A. Reports issued and fees

We confirm below our final reports issued and fees charged for the audit and provision of non-audit services.

Reports issued

Report	Date issued
Audit Plan (initial)	11 January 2018
Audit Plan (updated)	12 April 2018
Audit Findings Report	21 May 2018
Annual Audit Letter	21 July 2018

Fees

	Planned £	Actual fees £	2016/17 fees £
Statutory audit	£66,000	£66,000	£72,500
Total fees	£66,000	£66,000	£72,500

Fees for non-audit services

Service	Fees £
Audit related services	
- Review of the Trust's Quality Report	£10,000
Non-audit related services	
- Data recovery and analysis	£3,500

Non-audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Trust. The table above summarises all non-audit services which were identified.
- We have considered whether non-audit services might be perceived as a threat to our independence as the Trust's auditor and have ensured that appropriate safeguards are put in place.

The above non-audit services are consistent with the Trust's policy on the allotment of non-audit work to your auditor.

