

Meeting of the Council of Governors

Thursday 9 July 2015

Session in public at 15.00
Session in private at 17.00

Dove Suite
The Ark
Mount Lane
Turners Hill
West Sussex
RH10 4RA



Meeting of the Council of Governors
 Thursday 9 July 2015, 15:00 – 17:00
 Dove Suite, The Ark, Mount Lane, Turners Hill, West Sussex RH10 4RA

Agenda: meeting session held in public		
No.	Item	Mode
Standing items		
12-15	Welcome, apologies, declarations of interest and eligibility <i>Beryl Hobson, Chair</i>	Verbal
13-15	Draft minutes of the meetings held on 09 April 2015 (for approval) <i>Beryl Hobson, Chair</i>	Papers
14-15	Matters arising and actions pending from previous meeting including: <ul style="list-style-type: none"> • 05-15 Staff survey Detailed analysis of staff survey results to be undertaken from which a specific action plan will be developed. To be presented to council at its meeting in October. [Action: GA] • 06-15 Quality indicators 14/15 and quality account priorities 15/16 This item to be scheduled for October CoG to enable governors to select a local indicator for the 2015/16 quality account. [Action: KD] • 07-15 Membership strategy Detailed proposal for review of current membership demographic to be presented to council in July [Action: KD] • 12-15 AOB Governors to be asked to provide suggestions for items to be covered at future governor forum. [Action: KD] <i>Beryl Hobson, Chair</i>	Verbal
Council business		
15-15	Council of governors' code of conduct <i>Kathleen Dalby, Head of Corporate Affairs and Company Secretary</i>	Papers
16-15	Annual declarations by governors <i>Kathleen Dalby, Head of Corporate Affairs and Company Secretary</i>	Papers
Holding non-executive directors to account for the performance of the board of directors		
17-15	Board governance review <i>Beryl Hobson, Chair and Brian Goode, governor representative to the board of directors</i>	Presentation
18-15	Financial and operational performance committee <i>Beryl Hobson, Chair, Ian Playford, Non-Executive Director, and Chris Orman, governor representative to the financial and operational performance committee</i>	Verbal
19-15	Quality and risk committee <i>Ginny Colwell, Non-Executive Director, and Tony Martin, governor representative to the quality and risk committee</i>	Verbal

Know your trust		
20-15	Inspection by the Care Quality Commission <i>Jo Thomas, Director of Nursing and Quality</i>	Presentation
Representing the interests of members and the public		
21-15	Assessment of the auditor's 2014-15 work and fees <i>Ginny Colwell, Non-Executive Director</i>	Papers
22-15	Membership strategy: recruitment proposal <i>Kathleen Dalby, Head of Corporate Affairs and Company Secretary</i>	Papers
Any other business		
23-15	By application to the Chair <i>Beryl Hobson, Chair</i>	Verbal
Questions		
24-15	To receive any questions or comments from members of the foundation trust or members of the public <i>Beryl Hobson, Chair</i>	Verbal

Further to paragraph 21.1 and annex 6 of the trust's constitution, it is proposed that members of the public and representatives of the press shall be excluded from the remainder of the meeting for the purposes of allowing the council to discuss issues of a confidential nature.

Agenda: meeting session held in private		
Standing items		
25-15	Draft minutes of the meeting held on 9 April 2015 (for approval) <i>Beryl Hobson, Chair</i>	Papers
Confidential matters		
26-15	Acquisition of the McIndoe Surgical Centre by a third party <i>Beryl Hobson, Chair</i>	Verbal

Dates of the next meetings	
Business meetings of the council of governors to be held in public	
Thursday 8 October 2015 and Thursday 14 January 2016	
Forum meetings of the council of governors to be held in private	
Thursday 3 September 2015	

Document:	Minutes (draft and unconfirmed)	
Meeting:	Council of Governors (session in public) Thursday 09 April 2015, 15.00 – 17.00 The Dove Suite, The Ark, Mount Lane, Turners Hill, West Sussex	
Present:	Beryl Hobson (BH)	Chair
	Brian Beesley (BB)	Public Governor
	John Belsey (JEB)	Public Governor
	John Bowers (JB)	Public Governor
	Milton Chimonas (MC)	Public Governor
	Jenny Cunningham (JC)	Public Governor
	Robert Dudgeon (RD)	Public Governor
	John Harold (JH)	Public Governor
	Anne Higgins (AH)	Public Governor
	Angela Glynn (AG)	Public Governor
	Julie Mockford (JM)	Staff Governor
	Christopher Orman (CO)	Public Governor
	Louise Reader (LR)	Public Governor
	Andrew Robertson (AR)	Stakeholder Governor (League of Friends)
	Glynn Roche (GR)	Public Governor
	Gillian Santi (GS)	Public Governor
	Michael Shaw (MS)	Public Governor
	Shona Smith (SS)	Staff Governor
	Alan Thomas (AT)	Public Governor
	Norman Webster (NW)	Stakeholder Governor (EGTC)
In attendance	Graeme Armitage (GA)	Director of HR & Organisational Development
	James Carroll (JC)	Manager, KPMG
	Ginny Colwell (GC)	Non-Executive Director
	Kathleen Dalby (KD)	Company Secretary & HoCA
	Neil Hewitt (NH)	Director, KPMG
	Lester Porter (LP)	Senior Independent Director and NED
	Hilary Saunders (HS)	Deputy Company Secretary (secretariat)
	Jo Thomas (JMT)	Interim Director of Nursing & Quality
	John Thornton (JT)	Non-Executive Director
	Richard Tyler (RT)	Chief Executive
Apologies:	Liz Bennett (LB)	Stakeholder Governor (WSCC)
	Brian Goode	Public Governor
	John Dabell (JD)	Public Governor
	Moira McMillan (MM)	Public Governor
	Tony Martin (TM)	Public Governor
	Mansoor Rashid (MR)	Staff Governor
	Peter Wickenden (PW)	Public Governor
	Stephen Fenlon (SF)	Medical Director
	Dominic Tkaczyk	Interim Director of Finance & Commerce
Observing:	None	
STANDING ITEMS		
01-15	Welcome, apologies and declarations of interest and eligibility	
	The Chair opened the meeting and welcomed KD back from maternity leave. BH also welcomed JMT to her first meeting as interim Director of Nursing, and NH and JC from KPMG (the trust's auditors), who would be supporting JMT in presenting item 6 of the	

	<p>agenda.</p> <p>Apologies were noted as above.</p> <p>There were no new declarations of interest or eligibility.</p>
COUNCIL BUSINESS	
02-15	<p>Draft minutes of the meeting held on 11th December 2014 (for approval) CO and JC had been incorrectly recorded as being in attendance. With this amendment, the minutes were APPROVED as a correct record of the meeting.</p>
03-15	<p>Matters arising and actions pending from previous meeting</p> <ul style="list-style-type: none"> • 64-14: addressed via the Governor Log; • 66-14: MS requested membership updates be timed for inclusion in the GMU in the month preceding a full council meeting (ie. June, September, December and March); • 67-14: RT confirmed the following: <ul style="list-style-type: none"> • Claire Stafford had been appointed to the Director of Finance role and would join the trust in June; • Sharon Jones had been appointed Director of Operations and would also join QVH in June; • Interviews for the substantive Director of Nursing role would take place in May; • Interviews for internal business managers were scheduled for end of April/beginning of May. <p>RT also commended the work undertaken by the acting directors during the interim period;</p> <ul style="list-style-type: none"> • 68-14: During the interim assessment of the current governance review, the board had agreed with the following proposals: <ul style="list-style-type: none"> • Establishment of a new Finance & Performance sub-committee to the board. Shadow committee meetings would start in June; • Frequency of Quality & Risk Committee meetings to change to monthly; • Frequency of formal board meetings to change to every two months. Alternate months would be dedicated to board development and training; <p>The focus of the review was currently the sub-committee structure. It was hoped that the final report would be approved by the board in September, for implementation in October 2015. BH reminded Council that CO and BG were apprised of these plans on a monthly basis, and that BG was a member of the board governance review group.</p> • 69-14: addressed via the Governor Log; • 75-14: Completed in December. Quality account indicators also included in today's agenda.
HOLDING NEDS TO ACCOUNT FOR THE PERFORMANCE OF THE BOARD	
04-15	<p>Operational planning</p> <p>In summarising 2014/15, RT reported that the trust was on track to deliver its planned</p>

surplus of £2.2m, although the position had been significantly improved by the carry forward of around £1m of provisions from 2013/14. The following achievements were also highlighted:

- Day-case activity had over-performed;
- Non-elective activity was on plan;
- The trust was on track to achieve 100% of its CQUIN (Commissioning for quality & innovation) payments; and
- The trust had been compliant with the RTT18 targets since December.

In contrast, whilst the 2014/15 activity plan had been phased to increase from quarter 3, in-patient elective activity had under-performed. RT had instigated an investigation into the areas affected. This concluded underperformance in Plastics was caused by a combination of consultant retirement/resignations, junior doctor vacancies, consultant sickness and changes in case mix. In MaxFacs, this had been as a result of pressures in day-case activity due to junior doctor vacancies. RT stressed these issues were as a result of short term problems with capacity and not indicative of a long term shift in referral patterns. However, there had been a significant increase in day-case activity to meet waiting list pressures within Ophthalmology.

RT reminded Council that in a recent query raised via the Governor Log, he had been asked if the trust could implement better controls in the future. Whilst it was not possible to mitigate against such circumstances, RT agreed that the trust needed to improve its planning.

Governors were advised that the tariff setting process had been particularly complex this year, not just for QVH but nationally. They were then given a brief explanation of the key differences between the Default Tariff Rollover (DTR) and the Enhanced Tariff Offer (ETO). In the run up to making its decision, the board had met or spoken daily. Eventually, it had agreed to adopt the DTR for setting tariff prices. This option was judged to be more financially advantageous (even after taking into account the loss of CQUIN funding of approximately £1.2m). It was noted that ETO would have reduced income by a further £0.7m. RT asked governors to note that there was also a risk that the tariff could be increased mid-year and so provision had been set aside to take account of this.

The trust planned to deliver a cost improvement programme (CIP) of £1.7m. This equated to 2.7% of budget and was in line with other trusts. RT assured Council that the Medical Director had reviewed the CIP and was satisfied it would not impact negatively on the quality of patient care.

RT outlined plans for the trust to support a higher level of capital investment (£4.5m) in 2015/16, in particular IT infrastructure and development of the Electronic Patient Record system (EPR). In addition, it intended to make strategic investments of around £0.8m which would include trauma, orthodontics and the organisational restructure. The trust planned to achieve a net surplus of £1.0m. RT explained that when taking into account the above, this surplus was broadly the same as in 2014/15.

The governors sought and gained assurance from the NEDs on the following:

- That the trust had plans to mitigate overspend in 2015/16: Much work had been done to improve engagement with budget holders and agreements would be in place with individual business units to better hold them to account. The Finance and Performance board sub-committee (referred to earlier) would also enable the trust

	<p>to react quicker to issues than in previous years.</p> <ul style="list-style-type: none"> • That delivery of the Cost Improvement Programme was realistic. Whilst higher than in previous years, this equated to 2.7% of budget and was in line with other trusts. Budget holders had been given an opportunity to identify cost pressures and additional financial management support had been provided to all divisions. Changes within procurement had also been introduced. New measures would not impact negatively on the quality of patient care. There was also a reminder that there would be fewer requirements to fund interim posts this year. • That sufficient project management support would be included within the IT infrastructure programme and that appropriate cost benefits analyses would be undertaken. <p>In summary, Council was asked to NOTE that the plan for 2014/15 had been achieved and that a robust plan supporting key strategic investments in 2015/16 was in place. Whilst acknowledging that this plan was not without risk, Council was assured that NEDs would be focusing on board assurance in the coming months.</p>
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KNOW YOUR TRUST

05-15	<p>NHS staff survey results 2014</p> <p>GA introduced his presentation. A summary of the report had been circulated to governors prior to the meeting. This compared results since 2013 and formed a basis for actions to be taken forward during 2015/16.</p> <p>GA advised Council that the 2014 Staff Survey results continued to show QVH to be one of the top performing trusts. However, there remained areas where results required improvement. GA explained that the national context should also be taken into account and reported that across the NHS results had deteriorated in:-</p> <ul style="list-style-type: none"> • Staff recommending their trust as a place to work • Staff experiencing an increase in in work pressures • More staff saying they had suffered work related stress • Staff experiencing bullying, harassment and abuse from work colleagues. GA confirmed that bullying and harassment rates were within reasonable tolerance thresholds at QVH, but assured governors that work would continue on improving these. Governors were also assured by the increase in the number of staff feeling safe about raising concerns about clinical practice and knowing how to raise those concerns within their organisation. It was agreed this was a positive indicator, demonstrating a greater degree of openness. <p>GA pointed out that the 2014 results reflected a number of other external factors for example, 3 years of pay freeze (although this had now been addressed in 2015). He also noted the detrimental impact of reports such as Francis and Savile on staff morale. Whilst intended to improve patient care by developing a more open culture these reports had also caused a negative impact by continuously reminding staff of when things go wrong</p> <p>Areas for immediate consideration by QVH were:</p> <ul style="list-style-type: none"> • Improved staff engagement; • Appraisals rates and Health and Safety training. GA assured Council that current issues had been caused by changes to mandatory training refresh rates and that improvements were already apparent, (although due to the nature of the rolling
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	<p>programme it would never be possible to achieve a 100% target. This observation was corroborated by a long-standing member of Council. The current appraisal process would also be refined to better support performance management;</p> <ul style="list-style-type: none"> • Management of work related stress. However, it was noted that since the survey in October 2014 sickness related stress had dropped significantly; • Improvements in team working. In addition to external issues already highlighted, it was acknowledged that results may have deteriorated in 2014 due to the current organisational restructure; and, • Culture and values, with the trust aiming to cultivate greater openness through its values and behaviour <p>Whilst the trust was currently developing an improvement action plan, GA explained that in order to progress effectively, a more detailed review of survey results over the last 5 years was required. This would review trends and identify those areas which needed to be tackled. Following comments by several governors, GA promised to include rates of bullying and harassment in this review, in order to identify any trends. [Action: GA]</p> <p>Wide ranging staff engagement sessions, (similar to those associated with the recent management restructure) would be used to seek ideas on actions for improvement. Other suggestions included:</p> <ul style="list-style-type: none"> • Changing the current monthly staff briefing to enable more staff to share their thoughts; • Continuation of the current 'Back to the Floor' sessions, with feedback where appropriate; • Review and improve overall trust internal communications; • Increase focus on staff training and development opportunities; and, • Simplify the QVH 2020 strategic goals and enable specific targets <p>JEB noted that potential actions at this stage were quite broad. In response, GA agreed to undertake a detailed analysis which would produce more specific actions and update Council in October [Action: GA] In the meantime, the action plan would be monitored and regular feedback on progress would be provided to staff and to the Board.</p> <p>In closing, BH reiterated that the Board was taking organisational culture very seriously. She thanked GA for his update, the contents of which were NOTED by Council.</p>
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REPRESENTING THE INTERESTS OF MEMBERS AND THE PUBLIC

<p>06-15</p>	<p>Quality indicators 2014/15 and quality account priorities 2015/16</p> <p><u>Quality Account (QA) Priorities for 2015/16</u></p> <p>JMT advised the process for developing proposals for the 2015/16 QA priorities had been fully inclusive, with feedback sought from staff, commissioners and the Council of Governors. Discussions had also taken place at both Clinical Cabinet and the Board of Directors. JMT reminded Council that following a discussion at its December meeting 2014, a list of the previous year's priorities (with information to help formulate opinions) had been circulated to them. A full list of suggestions for 2015/16 was included in today's report. Subsequent to this consultative process, priorities for 2015/16 had been agreed as:</p> <ol style="list-style-type: none"> 1. Scheduling of elective surgery; 2. Expansion of trauma capacity to reduce waiting time for patients waiting for trauma surgery; and
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	<p>3. Improvement of patient experience of food provided at meal times and snacks throughout the 24 hours period, 7 days a week.</p> <p>Work was already underway and JMT reported a good level of engagement with managers and staff.</p> <p><u>National and Local quality indicators for external audit of 2014/15 Quality Account</u> JMT introduced NH of KPMG who was attending today's meeting to provide additional clarification of this year's process. NH reminded Council that as an FT, the trust was required to publish an Annual Report, which included a Quality Account. He went on to explain that as the trust's external auditors, KPMG was required to</p> <ul style="list-style-type: none"> • Issue a public limited assurance opinion on the content of the trust's 2014/15 Quality Account: • Issue a public limited assurance opinion on two of three mandated performance indicators. NH reported that the two national mandated indicators selected for QVH (agreed at the Audit Committee and in conjunction with KPMG) were: <ul style="list-style-type: none"> • Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; and, • Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers. <p>NH clarified that in this instance 'limited' assurance referred to the limited set of procedures undertaken to provide assurance on the trust's quality report.</p> <p>Additionally, KPMG was required to provide assurance that a local quality indicator, selected by governors, was included in the Quality Account. NH reminded Council that this was a retrospective indicator, looking back over 2014/15. In conjunction with KPMG and senior managers, the trust had prepared a short list of options from which governors could choose. These included:</p> <ol style="list-style-type: none"> 1. Cancelled operations 2. Pressure ulcers identified between grade 2-4 3. Percentage first response received by the complainant within agreed time <p>In a vote, the vast majority of governors expressed a preference for Priority 1, Cancelled Operations. Accordingly Council AGREED this should be the local indicator for audit of the 2014/15 quality account.</p> <p>In addition, Council NOTED the 2015/16 quality account priorities and the national indicators for external audit of the 2014/15 quality account.</p> <p>It was also agreed that this item be scheduled for the October Council meeting to enable governors to select a local indicator for the 2015/16 Quality Account. This would be built into the Council work programme. [Action: KD].</p> <p>The Chair thanked JMT and KPMG for their update.</p>
07-15	<p>Membership strategy: proposed additional actions</p> <p>KD reminded Council that the trust's membership strategy had been re-established in April 2013 and reviewed and presented to governors in September 2014. Since returning in February, KD had been considering the revised strategy and suggested the following could</p>

be added;

- Engagement

KD reminded Council that a recent change in legislation in 2014 now allowed online voting for governor elections. The trust was preparing to hold the next elections for public governors on 1 July and will therefore be able to offer electronic voting to all members for whom it holds an email address. This could save in the region of £2k on costs associated with the traditional ballot process.

- E-membership

KD suggested savings made through the introduction of on-line voting could be invested in developing the trust's e-membership. KD and BH acknowledged the significant efforts by a small group of governors to increase the proportion of the membership for which the trust holds an email address. Given this success, it was proposed, the trust should invest approximately £10k with its membership database provider (MES) to make telephone calls to existing members on behalf of the trust with the aim of increasing e-membership to 50%. (KD explained that MES was also the leading provider of NHS foundation trust recruitment campaigns). This conversion of members should save the trust around £10k per annum in costs associated with the bi-annual membership newsletter *QVH News*.

After due consideration, the Council of Governors **APPROVED** these additions to be included in the membership action plan for 2015.

KD then reminded Council that the membership strategy updated in 2014 aimed to maintain membership levels (about 8,900 in August 2014). However, despite steadily recruiting using methods outlined in the strategy, membership continued to decline as more members had died or moved out of the area.

KD assured governors that the current membership figures were acceptable to Monitor. However, community services was a key element of the trust's QVH 2020 strategy and it was proposed therefore that the trust invest in a targeted recruitment campaign to return the membership base to its original level (equating to approximately 2,000 new members). As a guide, KD explained that MES would charge around £10 per member for a fully managed campaign, (on a 'no win, no fee basis').

Council went on to discuss at length points of clarification about the proposal, including:

- the accuracy of assumptions that the trust should increase its membership reach into areas served by its spoke sites;
- the benefits of membership and the need to be clear about the specification provided to MES;
- the need now for tried and tested professional help in order to progress further.

RT commended a targeted approach, emphasising the need for our membership to be aligned to the trust's strategic direction which focused on thriving services for the local population.

Taking the above feedback into account, KD explained that next steps would involve reviewing the current demographic of our membership. This would provide an opportunity to target individuals currently underrepresented by the existing membership. KD agreed to develop a detailed proposal which would be presented to Council at its meeting in July.

	<p>[Action: KD]</p> <p>The Chair thanked KD for her report.</p>
ANY OTHER BUSINESS	
08-15	<p>By application to the Chair</p> <ul style="list-style-type: none"> • JT advised that, following a stringent procurement process, the trust had now appointed Mazars (who had recently acquired the Deloitte Public Sector internal audit unit) to replace Chantrey Vellacott as its internal auditors. He confirmed he had every confidence in the appointment. The new team had taken over with effect from 01 April. • JB advised Council that he was a member of the Estates & Facilities group and would be happy to raise any questions which governors might have in this area. BH reminded JB also to advise HS of any issues raised so they could be included in the Governor Log. This would ensure all members of Council would be updated automatically.
QUESTIONS	
09-15	<p>To receive any questions or comments from members of the foundation trust or members of the public</p> <p>There were none</p>
<p>Further to paragraph 21.1 and annex 6 of the Trust's Constitution, it was agreed that members of the public and representatives of the press shall be excluded from the remainder of the meeting for the purposes of allowing the Council to discuss issues of a confidential nature.</p>	
<p>Following a brief discussion in private, the public meeting was briefly reconvened to announce that Council had today APPROVED the appointment of Ian Playford as non-executive director. Ian will be attending his first board meeting on 30th April 2015.</p>	

Chair:..... Date:.....

Report to: Council of Governors
Meeting date: 9 July 2015
Agenda item reference no: 15-15
Author: Kathleen Dalby, Company Secretary
Date of report: 1 July 2015

Council of Governors' Code of Conduct

Background

1. The QVH council of governors established a code of conduct in 2008.
2. In 2011 the Foundation Trust Network (FTN) (now known as NHS Providers) published a compendium of best practice for good governance of foundation trusts.
3. The compendium included a model code of conduct for councils of governors upon which an updated QVH code was based and agreed in 2012.
4. Since then the context within which foundation trusts and their councils of governors operate has changed with the enactment of the Health and Social Care Act 2012. The FTN updated its compendium of best practice in 2013 to bring it up to date with the new legislation.
5. The compendium states that "good governance needs to be principled and ethical and intrinsic to these are codes of conduct that are well known and well used." It also states that its model codes are "intended to be practical guides to conduct and should not be seen as obstacles to effective performance. They do not deal with boardroom etiquette, which is properly a matter for the chair to address."
6. The QVH council of governors' code of conduct has not been reviewed since 2012 and the 2012 Act.
7. The following draft code is based on the model code updated in the second edition of the FTN compendium.

Recommendation

8. The council of governors is asked to consider the draft revised QVH code and make suggestions for it to be refined for adoption by the council.

Queen Victoria Hospital NHS Foundation Trust

Council of Governors' Code of Conduct

Purpose

1. The purpose of this code is to provide clear guidance on the standards of conduct and behaviour expected of all governors.
2. The code, along with the trust's standards of business conduct policy and the NHS constitution, forms part of the framework designed to promote the highest possible standards of conduct and behaviour within the trust.
3. The code is intended to operate in conjunction with the constitution, standing orders and Monitor's Code of Governance.
4. The code applies at all times when governors are carrying out the business of the foundation trust or representing the foundation trust.

Principles of public life

5. The principles underpinning this code of conduct are drawn from the 'Seven Principles of Public Life' (or 'the Nolan principles') are as follows:
 - 5.1. **Selflessness**

Holders of public office should act solely in terms of the public interest: they should not do so in order to gain financial or other benefits for themselves, their family or their friends.
 - 5.2. **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
 - 5.3. **Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
 - 5.4. **Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

5.5. **Openness**

Holders of public office should be as open as possible about all the decisions and actions they take: they should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

5.6. **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

5.7. **Leadership**

Holders of public office should promote and support these principles by leadership and example.

Corporate vision and values

6. When conducting business on behalf of the trust, governors will take account of the trust's vision of “**delivering excellence**” and adhere to its values of **pride, humanity, continuous improvement and quality**.
7. Governors will familiarise themselves with and take account of the key strategic objectives (KSOs) for the trust, which are:

7.1. Outstanding patient experience

We put the patient at the heart of safe, compassionate, competent care provided by well-led teams in an environment that meets the needs of patients and their families.

7.2. World-class clinical services

We provide a portfolio of world-class services that are evidenced by clinical and patient outcomes and underpinned by our reputation for high quality education and training and innovative research and development.

7.3. Operational excellence

We provide streamlined services that ensure our patients are offered choice and are treated in a timely manner.

7.4. Financial sustainability

We maximise existing resources to offer cost-effective and efficient care whilst looking for opportunities to grow and develop our services.

7.5. Organisational excellence

We seek to maintain and develop a strong professional and caring culture through clear standards, high expectations and exemplary leadership.

Directors' duties and liabilities and the council of governors

8. The general duties of the role of the council of governors are to hold the non-executive directors individually and collectively to account for the performance of the board of directors and represent the interests of members of the foundation trust as a whole and the interests of the public.
9. The role is set out in detail in the constitution, standing orders, the Monitor Code of Governance and is further addressed in Monitor's guidance for governors.
10. In carrying out its work the council of governors needs to take account of and respect the statutory duties and liabilities of the board of directors and individual directors.

Confidentiality

11. Governors must comply with the foundation trust's confidentiality policies and procedures. Governors must not disclose any confidential information, except in specified lawful circumstances, and must not seek to prevent a person from gaining access to information to which they are legally entitled.
12. Nothing said in this code precludes governors from making a protected disclosure within the meaning of the Public Disclosure Act 1998. The trust's company secretary should be consulted for guidance.

Register of interests

13. Governors are required to register all relevant interests in the foundation trust's register of interests in accordance with the provisions of the trust's constitution.
14. It is the responsibility of each governor to provide an update to their register entry if their interests change.
15. A pro-forma is provided annually by the company secretary and must be completed, signed and returned by all governors – including those who will submit a nil return – by the advised deadline.
16. Failure to register a relevant interest in a timely manner may constitute a breach of this code and the constitution.

Conflicts of interest

17. Governors have a duty to avoid a situation in which they have a direct or indirect interest that conflicts or may conflict with the interests of the foundation trust.
18. Governors must not accept a benefit from a third party by reason of being a governor or for doing (or not doing) anything in that capacity.
19. Governors must not offer a benefit to a third party by reason of being a governor for doing (or not doing) anything in that capacity.
20. Governors must declare the nature and extent of any interest at the earliest opportunity. If such a declaration proves to be, or becomes, inaccurate or incomplete, a further declaration must be made. It is then for the chair to advise whether it is necessary for the governor to refrain from participating in discussion of the item or withdraw from the meeting.
21. Failure to comply is likely to constitute a breach of this code and the constitution.

Meetings

22. Governors have a responsibility to attend council of governor meetings. When this is not possible apologies should be submitted to the trust's company secretary in advance of the meeting.
23. Persistent absence from council of governors' meetings without good reason may be grounds for removal from the council of governors.

Personal conduct

24. Governors are expected to conduct themselves in a manner that reflects positively on the foundation trust and not to conduct themselves in a manner that could reasonably be regarded as bringing their office or the foundation trust into disrepute.
25. Specifically governors must treat each other, directors, trust staff and patients with respect; not breach the equality enactments and not bully any person.
26. Governors must not seek to use their position improperly to confer disadvantage on any person and must comply with the foundation trust's rules on the use of its resources.
27. Finally, governors must have regard to advice provided by the chair and trust company secretary pursuant to their statutory duties.

Training and development

28. Queen Victoria Hospital NHS Foundation Trust is committed to providing appropriate training and development opportunities for governors to enable them to carry out their role effectively.
29. Governors are expected to undertake to participate in training and development opportunities that have been identified as appropriate for them.
30. To that end governors will participate in any appraisal process and skills audit carried out by the foundation trust.

Undertaking and compliance

31. Governors are required to give an undertaking that they will comply with the provisions of this code.
32. Failure to comply with the code may result in disciplinary action in accordance with agreed procedure.

Interpretation and concerns

33. Questions and concerns about the application of this code should be raised with the trust's company secretary.
34. At meetings the chair will be the final arbiter of interpretation of the code.

Review and revision of the code

35. This code has been agreed by the council of governors.
36. The trust company secretary will lead periodically a review of the code.
37. It is for the governors to agree to any amendments or revisions to the code.

Report to: Council of Governors
Meeting date: 9 July 2015
Agenda item reference no: 16-15
Author: Kathleen Dalby, Company Secretary
Date of report: 1 July 2015

Annual declarations by governors

Declaration of interests

1. Governors are required by paragraph 22 (and annex 8) of the trust's constitution to disclose any interests which may conflict or may be perceived to conflict with the licence, principle purpose and activities of the trust.
2. In turn, the trust has a duty to have in place principles and procedures to register, minimise and manage interests and potential conflicts which could influence decisions made by the council of governors or which could be perceived to influence decisions.
3. To enable these duties, governors are asked to make declarations of interest for inclusion in the register of governors' interests which is maintained by the company secretary and made available for inspection upon request.
4. Declarations are sought from governors on election to the council and each financial year thereafter using a standard pro-forma. A signed copy of the completed pro-forma is kept on file and the details from it are entered into the register.
5. All governors are required to complete and sign a pro-forma annually, including those who will make a nil return.
6. Governors' declarations for the 2015/16 register are now due.
7. The company secretary has amended the standard pro-forma for 2015/16 to incorporate clearer advice and definitions to help governors to complete the declaration accurately and in good faith.

Declaration of eligibility

8. In addition, the standard pro-forma has been expanded to incorporate an annual declaration of eligibility to vote at meetings of the council of governors as required by paragraph 21.18 of the trust's constitution.

Recommendation

9. An amended pro-forma is included at appendix A and the board is asked to **APPROVE** it for immediate use by all governors.
10. If approved, the pro-forma and associated documents will be provided to all governors to be completed, signed and returned to the deputy company secretary by Friday 24 July for inclusion in the 2015/16 register.

Annual declarations by governors

Declaration of interests

Duty

As established by section 20 and annex 8 of the trust's constitution, a governor of the Queen Victoria Hospital NHS Foundation Trust has a duty to disclose the nature and extent of any relevant and material interest or a pecuniary, personal or family interest in any proposed contract or other matter which is under consideration or is to be considered by the council of governors. Governors must disclose any interests in the event that it is potential rather than actual or indirect rather than direct.

Definitions

“Relevant and material”

Interests which should be regarded as relevant and material for governors (and directors) are set out in annex 8 of the trust's constitution and are included in the table below.

“Pecuniary”

A person's pecuniary interests are their business interests (for example their employment, trade, profession, contracts, or any company with which they are associated) and wider financial interests they may have (for example trust funds, investments, and assets including land and property) from which the person may make a personal financial gain or loss.

“Personal interest”

A personal interest is non-financial but might still influence the person who holds the interest. Personal interests might be concerned with the reputation, status and positions of authority of the person and their family, friends and associates.

“Family interest”

A family interest is an interest of a close family member of a governor which would be defined as a personal or pecuniary interest of the governor if the interest was theirs. The QVH constitution defines 'close family member' as a spouse, personal whose status is that of "civil partner" as defined in the Civil Partnerships Act 2004, a co-habitee, a child, step-child or adopted child, sibling, parent or nephew, niece or cousin.

“Direct interest”

A direct interest is one where the person may financially benefit from the consequences of a decision.

“Indirect interest”

An indirect interest is one where the person is a partner, member or shareholder in an organisation that may benefit financially from the consequences of a decision.

Process

To facilitate their duty, governors are asked on election to the council of governors and thereafter in each financial year, to complete the following form to declare any interests or to confirm that the governor has no interests to declare (a 'nil return'). Governors must request to update any declaration if circumstances change materially. Governors are also asked to indicate any changes to previous declarations of interest at each formal meeting

Records

All declarations of interest and nil returns are kept on file by the trust and recorded in the register of interests of the governors which is maintained by the company secretary and made available for inspection on request.

Terms

By completing and signing this declaration you confirm your awareness of any facts or circumstances which conflict or may conflict with the interests of QVH NHS Foundation Trust.

Declarations

Relevant and material interests	Details of interest(s)	Nil return
Directorships, including non-executive directorships, held in private companies or public limited companies (with the exception of dormant companies).		<input type="checkbox"/>
Ownership, part ownership or directorship of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS or QVH.		<input type="checkbox"/>
Significant or controlling share in organisations likely or possibly seeking to do business with the NHS or QVH.		<input type="checkbox"/>
A position of authority in a charity or voluntary organisation in the field of health or social care.		<input type="checkbox"/>
Any connection with a voluntary or other organisation contracting for NHS or QVH services or commissioning NHS or QVH		<input type="checkbox"/>

services.		
Any connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with QVH, including but not limited to lenders of banks.		<input type="checkbox"/>
Any "family interest": an interest of a close family member which, if it were the interest of that director, would be a personal or pecuniary interest.		<input type="checkbox"/>

Declaration of eligibility

Duty

As established by section 21.18 of the trust's constitution, a governor of the Queen Victoria Hospital NHS Foundation Trust must make an annual declaration that he/she is qualified to vote at meeting of the council of governors.

Criteria

Governors shall do so in the form specified below with reference to the eligibility and disqualification criteria for governors set out in section 18 and annex 5 of the constitution (attached) and to paragraph 8 of schedule 7 of the *National Health Service Act 2006* which states that:

"The following may not become or continue as members of the board [council] of governors:

- (a) a person who has been adjudged bankrupt or whose estate has been sequestrated and (in either case) has not been discharged,
- (b) a person who has made a composition or arrangement with, or granted a trust deed for, his creditors and has not been discharged in respect of it,
- (c) a person who within the preceding five years has been convicted in the British Islands of any offence if a sentence of imprisonment (whether suspended or not) for a period of not less than three months (without the option of a fine) was imposed on him."

Declaration for elected public governors

I hereby declare that I am, at the date of this declaration a member of the public constituency, and I am not prevented from being a member of the council of governors by reason of any

provision of paragraph 8 of schedule 7 to the National Health Service Act 2006 or the QVH constitution.

Declaration for elected staff governors

I hereby declare that I am, at the date of this declaration a member of the staff constituency, and I am not prevented from being a member of the council of governors by reason of any provision of paragraph 8 of schedule 7 to the National Health Service Act 2006 or the QVH constitution.

Declaration for appointed governors

I hereby declare that I am, at the date of this declaration a properly appointed governor, and I am not prevented from being a member of the council of governors by reason of any provision of paragraph 8 of schedule 7 to the National Health Service Act 2006 or the QVH constitution.

Declaration

Name:

Signature:

Date:

Review and approval:

Chair

Company Secretary

Name:

Name:

Signature:

Signature:

Date:

Date:

Comments:

ANNEX 8 – CONFLICTS OF INTEREST OF GOVERNORS AND DIRECTORS

(Paragraphs 22 and 40)

- 1.1 Interests which should be regarded as “relevant and material” for Governors and Directors are set out below:
- a) directorships, including non-executive directorships, held in private companies or public limited companies (with the exception of dormant companies); or
 - b) ownership, part ownership or directorship of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS or the Foundation Trust; or
 - c) significant or controlling share in organisations likely or possibly seeking to do business with the NHS or the Foundation Trust; or
 - d) a position of authority in a charity or voluntary organisation in the field of health or social care; or
 - e) any connection with a voluntary or other organisation contracting for NHS or Foundation Trust services or commissioning NHS or Foundation Trust services; or
 - f) any connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the Foundation Trust, including but not limited to lenders of banks.
- 1.2 For the avoidance of doubt, they shall be included in the relevant register of interests of the Governors or the Directors, as the case may be.
- 1.3 A "family interest" is an interest of a Close Family Member of a Governor or Director which, if it were the interest of that Governor or Director, would be a personal or pecuniary interest of his.
- 1.4 If Governors or Directors have any doubt about the relevance or materiality of an interest, this should be discussed with the Secretary. Influence rather than immediacy of the relationship is more important in assessing the relevance of an interest.
- 1.5 There shall be arrangements for excluding Governors and Directors from discussion or consideration of matters in which they have a “relevant or material” interest.

Report to: Council of Governors
Meeting date: 9 July 2015
Agenda item reference no: 21-15
Author: John Thornton, Non-Executive Director and Chairman –
Audit Committee
Date of report: 26 June 2015

Assessment of the auditor's 2014-15 work and fees

1. KPMG have been our auditors for the past four years under the current contract. For this year's audit we had a change of audit partner with Neil Hewitson taking over from Neil Thomas. There was also a change in the number two on the team later in the year with James Carroll taking over from Michael Lowe who left KPMG to join Monitor.
2. The continuity and communication was not helped by changes in the QVH finance team with the departure of our director of finance and the appointment of two interim directors of finance during the year. We also had an interim deputy director of finance in place for the final stages of the audit process.
3. However there was a good level of continuity and knowledge in the wider KPMG team and the end of year audit process was completed smoothly and without any problems or issues arising.
4. KPMG have been well represented at all of our audit committee meetings throughout the year and have contributed fully to our wider assurance process. The board of directors has started a review of its assurance framework and KPMG have offered time and expertise to support this process.
5. The fee for KPMG's services for the last financial year was £59,220 inc VAT. Overall the audit committee continues to be satisfied with the value and quality of the support and service provide by KPMG.
6. QVH's current contract with KPMG was for an initial three years with the option for two one year extensions. Last year the council of governors agreed to extend the contract to 31 August 2015. The audit committee recommend that the contract is extended for a further year to 31 August 2016.
7. The current intention is that a formal review exercise will be undertaken in early 2016 with an appointment after the financial year end.
8. Governors are asked to confirm the appointment for a further twelve months to 31 August 2016.

Report to: Council of Governors
Meeting date: 9 July 2015
Agenda item reference no: 22-15
Author: Kathleen Dalby, Company Secretary
Date of report: 1 July 2015

Membership strategy – recruitment proposal

Background

1. The trust's membership strategy was re-established in April 2013. It was reviewed by the interim company secretary and presented to governors at the trust's annual membership meeting (AMM) on 11 September 2014.
2. In April 2015 the company secretary asked the council to consider support for a proposal to invest in a targeted membership recruitment campaign to replenish the trust's membership base by approximately 2,000 new members.
3. The council of governors and those in attendance at the meeting indicated support in principle for the proposal but asked for more information.

Context

4. The membership strategy agreed in 2013 and updated in 2014 aimed to maintain membership figures at roughly the levels at the time of writing (about 9,300 in April 2013 and 8,900 in August 2014).
5. Despite steadily recruiting members using the methods outlined in the strategy, membership has continued to decline as more members have died or moved out of the constituencies served by the trust than have been recruited.
6. Since peaking at approximately 11,000 in late 2009, approximately 25% of members have been lost in 5 years.
7. Although it remains the case that the trust's membership figures are acceptable to the regulator, the trust's 'delivering excellence' vision puts community services and its 'hub and spoke' operating model at the heart of its strategic aims and objectives for the coming years.

Proposal

8. The company secretary has discussed an outline proposal for a recruitment campaign with Membership Engagement Services (MES) – the trust's membership database provider and the leading provider of NHS foundation trust membership recruitment campaigns.
9. MES has analysed the trust's existing membership base to inform the following proposal:

Communities in and around East Grinstead

10. The legacy and modern-day success of QVH have contributed to the hospital enjoying huge support from communities in and around East Grinstead.
11. This support is central to the trust's vision for 'delivering excellence' to local people as well as to patients from across the south east who need our life-changing specialist services. Local support also underpins the trust's key strategic objective of financial sustainability as local people want QVH to maintain its hub in East Grinstead and continue to operate as an independent provider.
12. Despite the decline in membership numbers, local people are well represented as a whole among the membership base. However, of these members very few are younger people (less than 50 years of age) and few are from ethnic backgrounds that are not white. These characteristics are inconsistent with the characteristics of the communities in and around East Grinstead.
13. A local membership recruitment campaign should, therefore, aim to boost local support for the trust by improving the representative age range and ethnicity of the membership base in relation to local people.
14. A campaign should aim to recruit at least 1,000 new local members.
15. To achieve a targeted campaign in the local area if selected to do so, MES would deploy field researchers for two weeks to establish contacts and links with individuals, organisations, events and facilities associated with the target members. In addition, the trust would put MES in touch with trusted sources such as staff from the Philippines who are known to be involved with the local Pilipino community. This field work would inform a detailed plan for agreement with the company secretary before recruitment would begin.

Patients at QVH spoke sites

16. The trust recently reviewed its spoke-site activity as part its strategic objective to grow and develop services and to ensure that it offers a consistent calibre of care wherever that care is delivered.
17. A large proportion of the trust's spoke-site activity is delivered in Kent at a range of sites and across a range of services. In 2015/16 the board will commission a feasibility study to explore the potential to develop a consolidated spoke-site (or 'super spoke') in Kent.
18. Since many QVH patients now receive our care without attending the trust's 'hub' site in East Grinstead, there are limited opportunities to communicate with spoke patients out with their care pathway.
19. The trust's membership base extends across the four counties served by the trust but is less well represented in Kent than in the Sussex counties.
20. The potential to further develop the spoke-site model in Kent would be supported by greater public engagement and public advocacy of the trust in Kent.

21. A broader membership recruitment campaign should, therefore, aim to increase the proportion of Kent-based patients among the membership base.
22. A campaign should aim to recruit approximately 1,000 QVH patients receiving care at Kent spoke sites.
23. To achieve this, if selected to deliver a campaign for the trust, MES would deploy trained recruiters to spoke sites and specific clinics agreed with the company secretary and operations team.

Methods

24. MES and the company secretary are clear that while recruitment activities can be directed to certain groups, membership is open to any eligible individual and all prospective members who express an interest in joining the trust will be welcomed.
25. If selected to deliver a campaign for the trust, trained and insured MES staff would undertake the recruitment face-to-face following training on-site at the hospital from trust staff and governors to better inform their knowledge of the trust, its services and the local/relevant areas.
26. Standard membership recruitment methods aim to capture an email address for each member recruited.
27. A campaign would aim to recruit 100 members per day of activity, although campaign costs are usually charged on a per-member-recruited basis not a daily rate.
28. MES aims to over-recruit by 10-15% of the agreed target free of charge allow for any drop-outs.

Considerations

29. This proposal is indicative based on analysis of the trust's current membership base and engagement needs.
30. At present there is no allocated budget for membership recruitment and a limited engagement budget that covers the cost of production of a bi-annual membership newsletter. The costs to deliver the campaign proposal described above would be in the region of £19,750 based on MES' fees. A similar figure was submitted as a cost-pressure by the company secretary as part of the 2015/16 budget setting process.
31. MES has an existing contractual relationship with the trust for membership database services but, as the cost of a campaign would almost certainly exceed £10,000, the trust would need to seek three competitive quotes before awarding the work to any provider.

Recommendation

32. The council of governors is asked to consider this proposal and indicate whether it would be supportive in principle of the trust pursuing a membership recruitment campaign.