AGENDA FOR THE PUBLIC MEETING OF THE COUNCIL OF GOVERNORS
Wednesday 20 July 2016, 17:00 – 19:00hrs
Room 4/5, Level D, CTC, Basildon Hospital
(\Tea/coffee, biscuits will be available from 16:45hrs\)

<table>
<thead>
<tr>
<th>Time</th>
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<tbody>
<tr>
<td>17:00</td>
<td>1</td>
<td>Apologies for absence: Nigel Beverley Governors quorum check</td>
<td>Mtg Chairman</td>
<td>Verbal</td>
<td>To note</td>
<td></td>
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<tr>
<td></td>
<td>2</td>
<td>Minutes of the Meeting 11.05.2016</td>
<td>Chairman</td>
<td>Papers</td>
<td>Approval</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Matters arising /Action Log</td>
<td>Chairman</td>
<td>Papers</td>
<td>Discussion</td>
<td></td>
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<td></td>
<td>4</td>
<td>Declarations of Interest and Governor Eligibility</td>
<td>Chairman</td>
<td>Verbal</td>
<td>Assurance</td>
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**SECTION 2: TRUST UPDATE**

<table>
<thead>
<tr>
<th>Time</th>
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<tbody>
<tr>
<td>17:05</td>
<td>5</td>
<td>Chairman's Report</td>
<td>Chairman</td>
<td>Written</td>
<td>Information</td>
<td>17</td>
</tr>
<tr>
<td>17:10</td>
<td>6</td>
<td>Chief Executive’s Report (including updates on Trust financial position and the Essex Success Regime)</td>
<td>Steve McManus, Managing Director</td>
<td>Present’n</td>
<td>Information</td>
<td></td>
</tr>
<tr>
<td>17:30</td>
<td>7</td>
<td>Proposed changes to Trust car park charges</td>
<td>Director of Environment and Infrastructure</td>
<td>Report</td>
<td>Information</td>
<td>18</td>
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**SECTION 3: GOVERNOR MATTERS - FOR DISCUSSION/DECISION**

<table>
<thead>
<tr>
<th>Time</th>
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<tbody>
<tr>
<td>17:40</td>
<td>8</td>
<td>External Auditors Report(s) to Governors</td>
<td>David Eagles, BDO, External Auditors Working Group Chairman</td>
<td>Report</td>
<td>Information/ approval</td>
<td>22</td>
</tr>
<tr>
<td>17:50</td>
<td>9</td>
<td>Reports from the Council of Governors Working Group Meetings:</td>
<td>Reports</td>
<td>Approval</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>a) Patient Experience Working Group</td>
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<td></td>
<td></td>
<td>b) AMM &amp; Membership Development Working Group</td>
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<td>c) FT Editorial Working Group</td>
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<tr>
<td>17:55</td>
<td>10</td>
<td>Revised term of references for CoG Working Groups (as in 9 above)</td>
<td>Deputy Co Sec</td>
<td>Documents</td>
<td>Approval</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>Reports from Governor representatives on Trust Groups: -Nutrition and Hydration Strategy Group</td>
<td>Marlene Moura</td>
<td>Report</td>
<td>Information</td>
<td>57</td>
</tr>
<tr>
<td>18:00</td>
<td>12</td>
<td>Incident Reporting, near misses – timely feedback from the Trust</td>
<td>Penny Bryant, Staff Governor</td>
<td>Verbal</td>
<td>Discussion</td>
<td></td>
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**SECTION 4: BOARD COMMITTEE REPORTS – REPORTS FROM GOVERNOR OBSERVERS**

<table>
<thead>
<tr>
<th>Time</th>
<th>Item</th>
<th>Committee/Observer</th>
<th>Chair/Member(s)</th>
<th>Type</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>18:10</td>
<td>13</td>
<td>a) Finance and Resource Committee</td>
<td>Marlene Moura, Wendy Barnes</td>
<td>Paper</td>
<td>Information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b) Quality &amp; Patient Safety Committee</td>
<td>Ron Capes, Jane Day</td>
<td>Paper</td>
<td>Information</td>
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<tr>
<td></td>
<td></td>
<td>c) Audit Committee</td>
<td>Joy Pons, Alan McFadden</td>
<td>Paper</td>
<td>Information</td>
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**SECTION 5: FOR INFORMATION ONLY**

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<tbody>
<tr>
<td>18:20</td>
<td>14</td>
<td>Lead Governors’ Report</td>
<td>Lead Governor</td>
<td>Paper</td>
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**SECTION 6: CLOSING ADMINISTRATION**

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<tr>
<th>Time</th>
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<tbody>
<tr>
<td>18:25</td>
<td>15</td>
<td>Items for Next Agenda</td>
<td>Chairman</td>
<td>Verbal</td>
</tr>
<tr>
<td>18:35</td>
<td>16</td>
<td>Any Other Business</td>
<td>Chairman</td>
<td>Verbal</td>
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**18:40 PART 2 In Confidence**

The Council of Governors resolves:

“That representatives of the press and other members of the public be excluded from this part of the meeting having regards to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest (Section 1(2) Public Bodies (Admission to Meetings) Act 1960)”

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<tr>
<td>18:40</td>
<td>17</td>
<td>NED Remuneration and Appointments Committee</td>
<td>Chairman</td>
<td>Paper</td>
</tr>
<tr>
<td>18:45</td>
<td>18</td>
<td>Outline of Chairman’s appraisal and objectives set for 2016-17</td>
<td>John Govett, NED/SID</td>
<td>Verbal</td>
</tr>
<tr>
<td>18:50</td>
<td>19</td>
<td>To receive the NEDRAC report on NED appraisals and set objectives for 2016-2017</td>
<td>Deputy Chairman</td>
<td>Verbal</td>
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**Next Meeting**

Annual Members Meeting - Thursday 15 September 2016, 15:30-17:30hrs, Education Centre, Basildon Hospital
Membership and Quoracy of Meetings of the Council of Governors

Chairman  
Nigel Beverley

Public Governors – Basildon Public Constituency
Alan McFadden  Pamela Binfield  Alan Ursell
Ronald Capes JP  Colin Moore  Joy Pons
Marlene Moura  Peter Hatch

Public Governors – Brentwood Public Constituency
Amanda Burton  Jane Day  Neville A. Brown JP

Public Governors – Thurrock Public Constituency
Russ Allen  Tony Coughlin  James Little
Karen Boyles  Julia Harding  Vacancy

Public Governors – Rest of England Constituency
Mercedes de Dunewic  Vacancy

Staff Governors – BTUH Staff Class
Danny Day  Liz Carpenter  Cathy Crouch
Dave Bebbington  Penny Bryant

Appointed Governors

Prof James Hampton-Till  Anglia Ruskin University
Wendy Barnes  South Essex College
Dr Aroon Lal  UCL Medical School
Cllr Mark Coxshall  Thurrock Borough Council
Vacant  Essex County Council
Dee Truesdale  Representing: Thurrock
CVS, Basildon, Billericay
and Wickford CVS,
Brentwood CVS

Quorum
Nine Members, the majority of which shall be Public Governors. No business shall be carried out at a meeting which is not quorate.

Raising Issues at Council of Governor Meetings
Governors are reminded that issues relating to individual matters should initially be raised through the normal channels and that individual patient names must not be referred to at Council of Governors’ meetings.

Contact  
Ali Jones, Assistant Board & Membership Secretary
Tel. no. & e-mail:  01268 598975 ali.jones@btuh.nhs.uk
MINUTES OF THE MEETING OF THE COUNCIL OF GOVERNORS
ON 2 MARCH 2016, 14:30 – 16:10
COMMITTEE ROOMS 1 AND 2, LEVEL G, TOWER BLOCK, BASILDON HOSPITAL

Present
Nigel Beverley Chairman

Public Governors
Russ Allen Public Governor Thurrock
Pamela Binfield Public Governor Basildon
Amanda Burton Public Governor Brentwood
Karen Boyles Public Governor Thurrock
Ron Capes JP Public Governor Basildon
Tony Coughlin Public Governor Thurrock
Jane Day Public Governor Brentwood
Peter Hatch Public Governor Basildon
James Little Public Governor Thurrock
Alan Fiddenden Public Governor Basildon
Colin Moore Public Governor Basildon
Marlene Moura Public Governor Basildon
Joyce Pons Public Governor Basildon
Alan Ursell Public Governor Basildon

Staff Governors
Dave Bebbington Staff Governor
Penny Bryant Staff Governor
Liz Carpenter Staff Governor
Danny Day Staff Governor

In Attendance
Cllr Keith Bobbin Essex County Council
Renata Drinkwater Non-Executive Director
John Govett Non-Executive Director
Nigel Kee Chief Operating Officer
Dr V N Malhotra Member of the public
Steve McManus Managing Director
Tom Phillips Non-Executive Director
Sophie Prosser Student (Observing)
Diane Sarkar Director of Nursing
Rick Tazzini Director of Finance

Secretariat
Suzanne Cross Deputy Corporate Secretary
Andrew Stride Corporate Secretary
Angus Wyatt Board Secretary

Apologies

Public Governors
Neville A Brown JP Public Governor Brentwood
Mercedes de Dunewic Public Governor Rest of England
Julia Harding Public Governor Thurrock

Staff Governors
Cathy Crouch Staff Governor
1 – APOLOGIES FOR ABSENCE AND QUORUM CHECK

1.1 The Chairman opened the meeting; apologies for absence were as noted above. The Chairman welcomed Non-Executive Director Renata Drinkwater and Steve McManus, Managing Director to their first meeting of the Council. He also welcomed the newly elected Governors to their first meeting of the Council.

2 – MINUTES OF THE MEETING ON 2 MARCH 2016

2.1 The minutes of the meeting held on 2 March 2016 were accepted as a fair and accurate record and would be signed by the Chairman outside the meeting, subject to the inclusion of Russ Allen in the attendance list.

3 – MATTERS ARISING AND ACTION LOG

3.1 The Chairman advised that there were no outstanding actions from the last meeting.

3.2 Marlene Moura asked whether the Trust would be introducing the role of whistleblowing guardian at the Trust. In response the Director of Nursing advised that she and the Medical Director shared the role and that consideration was to be given to the appointment of a Non-Executive Director as “freedom to speak up Guardian”, in the near future. In response to a follow up question from Tony Coughlin the Council noted that the guardians covered all Trust sites.

4 – DECLARATIONS OF INTEREST AND GOVERNOR ELIGIBILITY

4.1 The Chairman asked if there were any Declarations of Interest. No declarations were made.

5 – CHAIRMAN’S REPORT

Mid and South Essex Success Regime

5.1 The Chairman advised that the Success Regime was now moving at an increasing pace across all of the key work streams to build a future for healthcare provision in Mid and South Essex which was both clinically and financially sustainable. The clinical teams at Basildon, Mid Essex and Southend had started working together to identify changes to clinical pathways and how high quality patient care could be delivered more efficiently across the three hospitals.

5.2 Work had also commenced to identify similar opportunities with regard to “back office” (such as HR, finance and information) and in terms of clinical support services (such as pathology and pharmacy).

5.3 The first meeting of the Acute Joint Working Project Steering Group met on 20 April 2016. This Steering Group comprised representatives from the boards of all three Trusts and is chaired by Sheila Salmon, Chair of Mid Essex. This Trust was represented by its Chairman, Non-Executive Director Elaine Maxwell and the Chief Executive, Clare Panniker. The meeting was positive and all parties were clearly committed to making the
Success Regime work for the benefit of patients.

5.4 The Chairman reminded the Council that the focus of the Success Regime was to ensure a financially sustainable future for the Healthcare provision in Mid and South Essex.

5.5 The Council noted that the Acute Joint Working Project Steering Group would soon be considering the development of the Clinical Strategy. This would involve the consideration of some difficult issues. An update in relation to these discussions would be presented to the next meeting.

5.6 Alan McFadden advised that whilst he was beginning to understand the process, he was not sure if it was stepping outside the legal framework which governed the three acute Trusts. In response the Chairman provided assurance that the Group and the three Trust’s had engaged the services of Capsticks, who were providing legal support to this project. The model was similar to that which had been used when the Primary Care Trust’s had clustered prior to their transition to Clinical Commissioning Groups. The process was however new to the Acute Sector.

5.7 The Chairman advised that the proposal was not a merger of the three acute Trusts and that advice was being sought at each stage from the Competition and Marketing Authority to make sure the proposals were not in breach of any competition rules.

5.8 Alan McFadden expressed his concern that whilst there was not a proposal to merge the three acute Trusts at this stage, the process could move to a position where it became a de facto merger in the future.

5.9 Ron Capes advised that he was aware of the governance processes and the legal framework within which each Trust was meant to operate. He questioned whether the new working arrangements could challenge the Governors role in supervising the Board through the Non-Executive Directors and whether there was a specific challenge posed by one of the Three partnership Trusts not being an NHS Foundation Trust.

5.10 The Chairman advised that the Trust was part of a Group that was breaking new ground and that there was a lot of interest in both the Group and this organisation regarding how the project progressed.

5.11 Marlene Moura advised that the Group should keep in mind the patient’s view and the need for any changes to service provision to consider the issue of the accessibility of services.

Clinical Excellence Awards

5.12 The Chairman advised that he had been involved in the judging panel for the Trust’s Clinical Excellence Awards on 20 April 2016. The results had not yet been announced; however it was fair to say how impressed the Panel was with the excellent standard of care exemplified by all nominees.

Stepping Up to Green Week

5.13 The Chairman advised that during week commencing 25 April 2016, the Trust held a “Stepping Up to Green” Week. This was an initiative, which aimed to “reset” the Trust to enable it to move on from a period of sustained “black alert”, which had been almost continuous since December 2015.

5.14 Stepping Up to Green Week incorporated exciting innovations such as deploying staff volunteers from corporate areas to act as Ward Liaison Officers, more senior clinical presence in A&E and on the wards and an enhanced level of proactive and reactive support from partner agencies to help get patients out of hospital into a supported
community setting wherever it was clinically appropriate and safe to do so.

5.15 By Thursday of that week, the Trust had achieved “green” alert status where it remained for several days. Regrettably however, many of the capacity issues re-emerged over the Bank Holiday weekend. Debrief sessions were held regularly during the week and there would be a formal debrief and write-up shortly to ensure that learning from the week is captured so that the improvements could be made more sustainable.

Chairs Advisory Forum

5.16 The Chairman advised of his membership of the Chairs Advisory Forum of NHS Improvement (the body which incorporated both Monitor and the NHS Trust Development Authority from 1 April 2016). The forum had direct access to the Chief Executive of NHSI and provided the Trust with an opportunity to influence regulatory policy and practice at the highest level. The Chairman advised that understandably, the main focus of the discussion had been on the financial challenges which faced the NHS over the course of the next financial year.

6 – CHIEF EXECUTIVE’S REPORT

6.1 The Managing Director advised that the focus of his presentation was the current performance of the organisation, the opportunities for the Trust moving forward and the challenges ahead. The presentation included updates relating to the following key points:

- Our Financial Performance
- Operational Performance
- Stepping Up to Green Week
- Quality and Patient Safety
- Workforce

A copy of the presentation is attached at appendix 1.

6.2 The Managing Director asked the Executive Directors present to supplement his presentation and provided further detail regarding their own key areas. The Director of Finance advised that 2015/16 had been a very challenging year for the NHS; only three acute Trusts were in surplus at the end of the year.

6.3 The Trust recorded a year-end deficit of £26.92m, which represented a £2m improvement against the Monitor stretch target of £28.9m. The original plan for the year was a £38.8m deficit. The Trust was one of only a few which had managed to deliver or better its stretch target in 2015/16, and was the only Trust in East Anglia to achieve this.

6.4 In contrast to most Trust’s, the organisation had managed to reduce its agency spend in 2015/16 by £1m in comparison to the previous year. The Trust’s deficit was the fourth lowest in the County and was testament to the hard work which had been undertaken by the Finance team.

6.5 The Council was advised that the Trust had submitted its 2016/17 annual plan with a forecast deficit of £29.9m. Following the agreement of the contract value with local Commissioners, the Trust had revised its plan, and was looking to deliver the regulators stretch target of a £27.2m deficit. The Trust was again one of only a few which had indicated their plan to deliver its control total for 2016/17.

6.6 He advised that if the Trust was able to deliver this and also deliver on access targets in 2016/17, it would be eligible to receive Sustainability and Transformation funding of £11.6m in 2016/17, which would reduce the deficit even further, to £15.6m. The Trust’s
current forecast of a deficit of £27.2m was the lowest forecast deficit in the county.

6.7 In response to a question regarding the costs associated with the change in the Junior Doctors’ contract, the Director of Finance advised that £500k had been set aside within the current year’s budget to cover the additional costs which were anticipated during the year. These costs were likely to double in 2017/18.

6.8 The Chief Operating Officer referred to the operational performance of the Trust advising that activity had increased in 2015/16 in comparison to the previous year. He advised that staff had worked very hard during periods of intense and sustained pressure. He advised that progress was being made in relation to improving cancer access performance. The referral time for patients with skin cancer was 12 days, which compared favourably with a target referral time of 38 days. He was working closely with Southend and Mid Essex and the key commissioners at a ‘three by three’ meeting.

6.9 He advised that the Trust was working with its external partners to improve the emergency care pathway. The sustained periods of black alert presented real patient quality, safety and experience challenges for the organisation.

6.10 The Director of Nursing advised that the recent CQC review of critical care had concluded with the unit being rated as good. This meant that the Trust was rated as green across all domains and areas, with the exception of A&E where the safety domain was presently rated as requiring improvement.

6.11 She advised that the Trust had recorded an increase in Pressure ulcers, which had been attributed to the roll out of new hybrid mattresses. There had been a reduction in the number of injurious falls recorded each month. The biggest challenge for the trust was the high nursing vacancy rate, which was at its highest ever rate.

6.12 Marlene Moura referred to the increase in the nurse vacancy rate, questioning whether the Trust’s nurses were still required to undertake 12 hour shifts. In response the Director of Nursing advised that whilst the majority of nursing shifts were 12 hours, there was now flexibility within the nursing teams for staff to work shorter shifts.

6.13 Marlene Moura also questioned the 62 day cancer performance and the delays associated with this access target. In response the Chief Operating Officer advised that the difficulty with this performance measure was that it related to relatively low numbers of patients. For head and neck cancers, one breach meant that the percentage performance was poor. The Managing Director advised that whilst the actual number of breaches was relatively small, these patients had a confirmed diagnosis of cancer. If it was a friend or a member of the family, then he would be keen for the patient to be treated quickly.

6.14 The Chief Operating Officer advised that the percentage performance suggested that large numbers of patients were waiting, which was not the case.

6.15 Amanda Burton sought clarification regarding the two never events which had been recorded at the beginning of the year and the lessons which had been learned in each case. In response the Director of Nursing advised that incidents were graded according to their severity. The 24 most serious incidents were categorised nationally as never events. She advised that the incidents were unrelated and that lessons had been learned immediately following each incident.

6.16 Colin Moore referred to the Trust’s positive news stories, including those relating to the financial performance of the organisation. He questioned how the Trust could protect this good performance moving forward, through the Essex Success Regime and the partnership working arrangements with organisations who had performed less well than
6.17 In response, the Managing Director advised that his position had been created to support this organisation structurally through the Essex Success Regime process. He would maintain the focus on the performance of this organisation, whilst ensuring the Trust had the capability to look forward and ensure it was fully engaged in the change processes associated with the Essex Success Regime.

6.18 The Chairman was clear that this organisation’s successes and positive performance must not be adversely challenged by the partnership working with Mid Essex and Southend. It was essential that the proven areas of good performance, practice and leadership were shared across the three Acute Trusts.

6.19 Tony Coughlin asked how confident the Director of Finance was that the Trust would achieve the milestones and be eligible to receive the Sustainability and Transformation funding of £11.6m in 2016/17. In response the Director of Finance provided assurance that he was confident that the Trust could deliver the required levels of performance. Whilst it would be a stretch for the organisation and it was likely that the Trust would not over achieve against this target in 2016/17, he believed the revised deficit was achievable.

6.20 Non-Executive Director John Govett, in his capacity as Chairman of the Finance and Resources Committee advised that the Committee had discussed the possibility of the Trust missing the targets and had received assurance that the plan was prudent, but achievable. He also advised that the Committee was well sighted regarding the challenge facing the organisation in delivering a Cost Improvement Plan of 4%, when the sector average was presently between 1.5% and 2.5%.

6.21 Danny Day sought clarification regarding what actions were being taken to retain staff and ensure that the newly recruited nursing workforce stayed with the Trust. In response the Director of Nursing advised that one of the challenges which had been identified related to a clear and defined career pathway for qualified nurses. She advised that rotational posts were being introduced which would allow staff to gain experience of working in more than one clinical area. This included periods of working in mental health.

6.22 She advised that consideration was being given to reintroducing the senior staff nurse level post as an opportunity for more senior qualified nurses to gain experience in management. The trust was also working with local universities to ensure that training was available for career progression. The Trust was also taking action to encourage the band 4 unqualified staff to become qualified.

6.23 Dave Bebbington referred to the ideas campaign and the previous initiative whereby staff were invited to make suggestions which could improve practice or save the organisation money. He advised that a significant proportion of the ideas had not been acted upon and questioned whether these would be revisited. In response the Managing Director undertook to discuss the matter further outside the meeting.

6.24 Amanda Burton suggested that an innovation council should be introduced where suggestions which could be considered which could support the organisation’s improvement agenda and save the organisation money.

6.25 Dave Bebbington also raised the issue of the quality of advertising for job vacancies at the Trust. He had raised the matter previously with Human Resources; however the adverts remained dull and uninviting. He suggested that the Trust should look to use the format of advertisements for organisations such as Great Ormond Street Hospital, whose adverts were more encouraging to prospective job applicants. The Managing Director undertook to also discuss this matter further outside the meeting.
7.1 The Deputy Corporate Secretary presented her report which provided an update on the final position within to the 2016 Election process. For 2016 the following seats were available, by constituency:

- Basildon – 6 seats
- Thurrock – 2 seats
- Brentwood – 1 seat
- Rest of England – 1 seat
- Staff employed by BTUH - 3 seats

7.2 There were two ‘contested’ constituencies; Public Basildon and Public Brentwood constituency which went to a Ballot. Jane Day was elected to the Public Brentwood constituency for a three year term of office. During the election process, Paul Barrell, Public Brentwood Governor resigned. Therefore the remaining two year term of office was offered to the next highest polling candidate Neville A. Brown JP, who accepted this two year term of office.

7.3 In the Public Basildon constituency there were six governors to elect; four for a three year term of office and two for a two year term of office. The seats were drawn by ERS following the Election, and were reported as follows:

- Ron Capes
- Marlene Moura
- Peter Hatch
- Joy Pons
- Alan Ursell (2 years)
- Colin Moore (2 years)

7.4 The Staff Governors constituency was uncontested. There were two governors to elect for a three year term of office and one for a two year term of office): the seats were allocated as follows:

- Penny Bryant
- Dave Bebbington
- Liz Carpenter (2 years)

7.5 James Little was appointed to one of the two seats in the Public Thurrock constituency. In the Public Rest of England constituency there was one set for a one year term of office and no candidates. It was agreed by the Council of Governors on 2 March 2016 to run with this vacancy until 31 March 2017.

7.6 The Deputy Corporate Secretary sought the Council’s consideration of the Public Thurrock vacancy. She advised that in line with the Trust Constitution, there were two options available;

- 15.2.3 Where no reserve candidate is available or willing to fill the vacancy, to call an election; or
- 15.2.4 to leave the seat vacant until the next scheduled annual elections are to be held.

7.7 In response to a question from Karen Boyles regarding whether there was an opportunity
to co-opt a candidate to fill this vacancy, the Deputy Corporate secretary advised that the position must be filled following an election process. In light of the potential cost of running an election the Council agreed that the Public Thurrock vacancy should remain vacant until the next scheduled annual elections in 2017.

The Council noted that successful newly elected candidates were invited to attend an Induction programme on 19 April 2016 along with re-elected Governors to attend as a refresher.

**DECISION**  That the Public Thurrock seat should remain vacant until the next scheduled annual elections in 2017

### 8 – APPOINTMENT OF A LEAD GOVERNOR AND DEPUTY LEAD GOVERNOR

8.1 The Deputy Corporate Secretary presented her report, which advised that since the last meeting, nominations had been sought for the position of Lead Governor and Deputy Lead Governor on the Council of Governors for 2016-17. All Governors were provided with a copy of the Nomination Form to either self-nominate, or nominate another Governor with their permission for either or both, of these positions. The deadline to submit a Nomination Form was 5pm on 27 April 2016.

8.2 At this time, one candidate was put forward for the Lead Governor position by a number of Governors; Ron Capes, Public Governor Basildon. A number of nominations were also received for the Deputy Lead Governor position, all in support of Alan McFadden, Public Governor Basildon.

8.3 The Council therefore noted that the positions of Lead Governor and Deputy Lead Governor were declared as ‘uncontested’ and Ron and Alan were to be re-appointed for 2016/17.

### 9 – NOMINATIONS FOR MEMBERSHIPS FOR 2016-17

#### Council of Governors Working Groups

9.1 The Deputy Corporate Secretary presented her report, which provided an update regarding the governor self-nominations for governor representatives on the following:

- Foundation Times Editorial Working Group
- Annual Members Meeting and Membership Strategy Working Group
- Patient Experience Working Group
- The NED & Chairman and Remuneration and Appointments Committee (NEDRAC).

9.2 The Nomination Forms were sent out following the 2016 Election and newly elected public and staff Governors had attended Induction; giving all Governors an opportunity to self-nominate for NEDRAC and Working Groups of the Council of Governors.

9.3 At the meeting held on 21 January 2009, the Council of Governors endorsed the nomination process for the appointment of Governors to Working Groups/Committees. Governor representation on Council of Governors Working Groups/Committee. Ideally, up-to 7 Governors to form each Working Group/Committee, with the majority of each membership being from the Public Constituencies. The Council noted the self-nomination to each Working Group.

9.4 The Deputy Corporate Secretary advised that both the Foundation Times Editorial Working Group and the Annual Members Meeting and Membership Strategy Working Group could run with the list of nominees as appended to the report. The Council
supported her suggestion that as Joy Pons and Alan Ursell had chosen NEDRAC as their fourth and third choice respectively, that their nominations would be removed and that the membership would comprise the remaining eight Governors.

9.5 The Deputy Corporate Secretary proposed the drawing of names for the membership of the Patient Experience Working Group. After names had been drawn, Alan McFadden questioned why the membership of this Group should be restricted. He referred to attendance at the Patient Experience Working Group Meetings and questioned whether, given not all members attended all meetings, it would be possible for the membership to be expanded to include all nominees.

9.6 On a motion proposed by Alan McFadden and seconded by Russ Allen, the Council agreed that the membership of the Patient Experience working Group should include all nominees.

**DECISION** The Council AGREED the membership of the Working Groups and NEDRAC as follows:

**Foundation Times Editorial Working Group**
- Russ Allen
- Karen Boyles
- Amanda Burton
- Peter Hatch
- Alan McFadden
- Colin Moore
- Joy Pons
- Alan Ursell

**Patient Experience Working Group**
- Dave Bebbington
- Karen Boyles
- Neville A Brown JP
- Amanda Burton
- Ronald Capes JP
- Jane Day
- Julia Harding
- Peter Hatch
- Alan McFadden
- Colin Moore
- Marlene Moura
- Joy Pons
- Alan Ursell

**Annual Members Meeting and Membership Strategy Working Group**
- Amanda Burton
- Julia Harding
- Peter Hatch
- Alan McFadden
- Colin Moore
- Joy Pons
- Alan Ursell
The Deputy Corporate Secretary advised that the relevant Committee Chairman were considering the nominations that had been received for Governor Observers on the following Board Sub Committees: Quality & Patient Safety Committee (1), Audit Committee (2) and Charitable Funds Committee (1).

10 – TRUST CONSTITUTION – RECOMMENDATION FOR A MINOR CHANGE TO ANNEX 5

10.1 The Deputy Corporate Secretary presented her report, which proposed an amendment to Annex 5; Eligibility and Disqualification Criteria for Governors and Directors, of the Trust Constitution. The Council noted that the Trust Constitution was reviewed following the publication of the revised Health and Social Care Act 2012. A number of additions were made to Annex 5 – Eligibility and Disqualification Criteria for Governors and Directors. In the Model Constitution issued by Monitor there were a number of statutory criteria listed and others could be added at the discretion of the Trust.

10.2 At this time an addition was made by the Trust, as follows:

A person may not become or continue as a member of the Council of Governors or the Board of Directors if the individual

h) is a member of a Health and Wellbeing Board

10.3 It had since been recorded that there was a minimum membership required for a health and wellbeing board, as follows:

- a local elected representative
- a representative from the local HealthWatch
- representative from each local Clinical Commissioning Group
- director of adult social services
- the local director of children's social services
- the local director of public health
- a representative nominated by the NHS Commissioning Board

10.4 Beyond this minimum membership, other interested local stakeholders may also be invited to hold membership of a health and wellbeing board. These may include representatives of third-sector or voluntary organisations, other public services, or the NHS. The Council noted that, in the interest of local partnership working, the Trust’s Chief Executive was invited as a Member to attend health and wellbeing board meetings.

10.5 The Council noted that there was no legal reason why this would present a conflict of interest, unlike some of the other exclusions; for example HealthWatch and Local Authority Health Overview and Scrutiny Committees. Therefore it was proposed that this point be removed from the current Trust Constitution Annex 5. The Council noted that the
amendment would also need to be considered and approved by the Board of Directors.

| DECISION | The Council of Governors APPROVED the removal of point h) “is a member of the Health and Wellbeing Board” from Annex 5 in the Trust Constitution. |

11 – BOARD COMMITTEE REPORTS

Finance and Resources Committee
11.1 The Council noted the report of the Governor representatives on the Finance and Resources Committee, Wendy Barnes and Marlene Moura, which provided an overview of the matters that had been discussed at the meeting, held on 30 March 2016.

Quality and Patient Safety Committee
11.2 The Council noted the report of the Governor representative on the Quality and Patient Safety Committee, Ron Capes, which provided an overview of the matters that had been discussed at the meeting held on 19 April 2016.

12 – LEAD GOVERNORS REPORT FROM THE NHS PROVIDERS GOVERNORS CONFERENCE ON 20.04.16

12.1 The Council noted the report of the Lead Governor which provided an overview of the matters which had been discussed at the NHS Providers Governor Focus Group Conference held on 20 April 2016. The event brought together governor representatives from three quarters of the Foundation Trusts in the Country.

13 – COUNCIL OF GOVERNORS ANNUAL REVIEW OF THE YEAR

13.1 The Council noted the report of the Lead Governor, which provided an overview of the key work and developments of the Council of Governors of Basildon and Thurrock University Hospitals NHS Foundation Trust in the last year. The Council noted that details from this Review would be reported to the Annual Members Meeting in September 2016.

14 - NHS PROVIDER GOVERNWELL: FOUNDATION TRUST CONSTITUTIONS. A REFERENCE GUIDE AND B) INFORMATICS SHEET FOR 2015-16

14.1 The Council received the NHS Provider Governwell document entitled “Foundation Trust Constitutions - a reference guide”, which provided governors with information about their role in approving the foundation trust’s constitution. The Council also received the NHS Provider document entitled Governor Support; a year in highlights, which provided a summary of the governor support activities which had been undertaken by NHS Providers in 2015.

15 – ITEMS FOR NEXT AGENDA

15.1 The Chairman invited suggestions for the next meeting Agenda, and asked that they should be forwarded to the Corporate Secretary or the Deputy Corporate Secretary.

16 – ANY OTHER BUSINESS

Senior Independent Director
16.1 John Govett reminded the Council that Non-Executive Director Peter Sheldrake had retired at the end of March 2016 and that he had since been appointed to the role of Senior Independent Director. He advised that if Governors had difficulty in making contact with him, that the Corporate Secretary would share his contact details.
Appointmen of the External Auditors

16.2 The Director of Finance presented his report, which sought the Council’s consideration and approval of a recommendation for the appointment of the Trust’s external auditor. He reminded the Council that it had responsibility to appoint, re-appoint or remove the auditor at a general meeting of the council. In August 2015, the Council approved the process and timetable for the mini-competition of external audit services.

16.3 A working group was established with four volunteers under the chairmanship of Ron Capes; with Amanda Burton, Danny Day and Pam Binfield. The group was supported by Tom Phillips (Non-Executive Director and Chairman of the Audit Committee), the Corporate Secretary and the Director of Finance, with procurement support from Oyin Famodun. The Group was supplied with a very good guide (from GovernWell) for Governors, on the general approach to Appointing the external auditor, as well as Monitor’s own guidance.

16.4 The Group agreed the specification for the Invitation to Quote (ITQ), evaluation criteria and weightings, tender documentation and timetable. The Group agreed that the evaluation would be based upon the following:

- 40% Quality (incl experience)
- 10% Technical merit
- 10% Risk and deliverability
- 20% Price
- 20% Supplier Presentation Day

16.5 The ITQ notice was posted in December with responses received by 30 January. There were seven firms on the framework, eligible to bid and four bids were received. The panel reviewed the submissions from BDO, Grant Thornton, KPMG and Mazars. All were deemed to meet the criteria for interview at the presentation day on 11 May. The working Group agreed in advance to the questions and presentation topic for the day.

16.6 The Council noted that the presentations had taken place earlier in the day and that the quality of the presentations was high. The difference in scoring was 88% for the highest scoring provider, and 82% for the lowest. The panel chose BDO, the incumbent External Auditor, as its preferred provider.

16.7 In response to a question from Marlene Moura regarding whether appointing BDO compromised any previous decisions taken by the Council, the Director of Finance advised that the Council had previously agreed that the External Audit contract should be market tested after 5 years. The process which had been undertaken was in line with this.

16.8 Marlene Moura advised that in her opinion, the auditors should be appointed for a maximum term of five years; the auditors would not be eligible for reappointment for the next term. Alan McFadden sought assurance regarding the cost of the contract. In response the Director of Finance advised that the preferred candidate offered the lowest cost of the four companies. He also advised that in line with good practice the External Audit lead would rotate within the company to ensure the relationship between the Trust and its External Auditors remained impartial.

DECISION The Council AGREED that BDO should be awarded the External Audit contract, with effect from 2016/17 for 3-years with a permitted extension, subject to performance of a maximum of two further 12-month periods.

Non-Executive Directors’ Appraisal

16.9 The Deputy Corporate Secretary advised that the process for appraising the Chairman
and Non-Executive Directors was underway. She advised that Governor feedback would be sought to support the process.

16.10 As there were no other items of any other business the meeting closed at 16:10

CLOSE

SIGNED AS A FAIR AND ACCURATE RECORD OF THE MEETING

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<th>Chairman:</th>
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<td>Date:</td>
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COUNCIL OF GOVERNORS

MEETING: 20TH JULY 2016

AGENDA ITEM NO: 5

CHAIRMAN’S REPORT

1. Introduction

Welcome to our second Council of Governors meeting of the new financial year and for our new intake of governors. I am sorry that I cannot be with you today. There is a lot going on across the Trust and in the broader health and care economy. I have asked Steve McManus, our Managing Director, to talk in detail about the Trust’s performance. I hope my report is helpful in terms of an overview of key strategic issues which are facing us at present.

2. Mid and South Essex Success Regime

The work around the Success Regime has progressed significantly in the past few months. Clinical and non-clinical professionals are working effectively together across the three Trusts to develop options for improving the patient experience and the efficiency, effectiveness and sustainability of in-hospital care across Mid and South Essex. Over the Summer, a menu of specific options will be developed for consultation with governors, staff, patients and the public in the Autumn.

From the outset of the Success Regime project, the acute joint working project steering group have been very clear about the need for robust and meaningful engagement with governors, as well as with the wider public. I met on 13th July 2016 with the Chair of MEHT, the Vice Chair of SUHT, the Lead Governors of BTUH and SUHT and the Chair and Vice Chair of the MEHT Patient Council to commence a formal dialogue between the Councils of BTUH and SUHT and to support MEHT in developing an equivalent mechanism given that NHS Trusts do not have Council of Governors. This was a positive forward looking session with some important next steps having been decided upon.

3. Financial Governance Review

The Council are aware of the shortcomings in financial control and governance that led the Trust to report a significant and unpredicted deficit in 2014/15, as a result of which our regulator, Monitor (now NHS Improvement) placed restrictions on the Trust’s autonomy to manage its finances.

The Trust commissioned a formal review of its financial governance from Grant Thornton (a professional services company) in February 2015, the report being produced in June 2015. This report was highly critical of the Trust’s systems of financial control and governance and made extensive recommendations. Extensive work has taken place since that time to make sustainable improvements, overseen by a dedicated steering group which I chair.

Grant Thornton conducted a review of progress in June this year and whilst the final report is still to be published, early indications from Grant Thornton are very positive about the progress made, whilst recognising that there is further work to be done to ensure that progress in the last year is sustained and properly embedded throughout the organisation. The final report will be received by the Finance and Resources Committee and the Board of Directors over the Summer.
I will ensure that the Council of Governors are kept fully appraised of its findings and recommendations.

4. **Staff Awards**

I had the pleasure of chairing the BTUH Staff Awards Ceremony on 28\textsuperscript{th} June 2016. Awards were presented to 12 individuals and teams, selected from 166 entries for the excellent care they provide to patients and the support they give to colleagues. The Trust also recognised the contribution made by our dedicated network of volunteers and those staff who have served more than 20 years at BTUH.

On behalf of the Board of Directors and the Council of Governors, I wish to commend the professionalism, commitment and dedication of all of our staff, both in clinical and corporate areas.

**DECISION**

The Council of Governors is asked to note this report

Author: Nigel Beverley  
Title: Chairman  
Date: 14.07.2016
0.1.1 Executive Summary

0.1.2 The purpose of this report is to update Governors on the car park infrastructure upgrade project which has recently taken place and to give information on the revised visitor car parking charges which will come into force on 1st August 2016.

0.1.3 A Full Business Case was presented to and approved by Board in (??) which built upon the Outline Business Case (OBC) and detailed the final car parking and travel management proposal for implementation at Basildon and Orsett Hospitals.

0.1.4 The project objectives were as follows

- To implement a standardised approach to car park and traffic management across all sites
- To implement an integrated management system that manages car park demand within existing capacity.
- To improve the experience of patients and visitors by ensuring available capacity at all times, achieved through capping staff demand by appropriate means.
- To provide a revenue source which will allow re-investment to continually improve car park management and access arrangements.
- To promote more sustainable travel and better integration with public transport.
- To encourage shared car usage.
- To provide a dedicated management structure for the operation of the Car Parking and Travel Management Systems.
- To ensure compliance with car parking policies through appropriate management and enforcement techniques.

0.2 Background

0.2.1 The Trust appointed a consultant team in 2014 to develop a travel management and car parking strategy that met the project objectives for the Trust. An outline business case (OBC) was developed and taken to the Trust Board in January 2015. The OBC set out the recommended strategy for approval.

0.3 Drivers for Change

0.3.1 The case for change was driven by a combination of factors which supported the position that the status quo was no longer viable. These factors are set out below:

- Parking capacity at Basildon Hospital did not align with demand from parking users leading to long waits for spaces and traffic congestion on the site with undesirable knock on effects to service delivery.
• There was no incentive for staff to adopt car sharing or green travel methods.
• Front-line staff advised through their management that they received a high number of unofficial complaints about the current parking systems, the inability to find a space and delays in leaving the site.
• Poor experience and complaints were experienced on a regular basis.
• There was scope to review the service user/visitor tariff against local Trusts and public car park providers to improve the tariff structure.
• There was no singular car park budget responsibility allowing ongoing investment into the car park infrastructure.

0.4 Recommended Solution

0.4.1 After a tender exercise the Veri-park system was chosen as it is a ticketless parking payment system, removing the need for a ticket to be collected at the barrier entry point. The transaction is instead made using the vehicle’s number plate as a reference; this is managed via Automatic Number Plate Recognition (ANPR) Cameras.

0.4.2 The recommended solution fully upgrades all car parking equipment at Basildon and Orsett. The solution specification provides a variety of payment options for users including online and card payments. This is expected to be well received by users and will also reduce the amount of non-payment incidents.

0.4.3 The management of the car park function has been revised as part of the Facilities restructure and there is now a dedicated Car Parking and Travel manager, as recommended in the OBC.

0.5 New Parking Tariff

0.5.1 The current charges are: 0-30 minutes free, up to 8 hours £3, up to 12 hours £6 and over 12 hours £10.

0.5.2 From 1st August 2016 the new charges for patients and visitors will be as follows:

<table>
<thead>
<tr>
<th>Duration</th>
<th>Fee</th>
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<tr>
<td>Up to 30 minutes</td>
<td>free</td>
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<tr>
<td>30 minutes to 2 hours</td>
<td>£3</td>
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<tr>
<td>2 to 3 hours</td>
<td>£4</td>
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<tr>
<td>3 to 5 hours</td>
<td>£5</td>
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<tr>
<td>5 to 6 hours</td>
<td>£6</td>
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<tr>
<td>Over 6 hours</td>
<td>£10</td>
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0.5.3 There are parking spaces designated for blue badge holders near to the hospital entrances. Parking in these designated spaces remains free of charge.

0.5.4 There is no charge for motorcycle bays and they are on a first come basis. Motorcycle bays are available in the following areas:
• At Basildon Hospital, there are spaces by the cycle sheds outside the Maternity department
• The Essex Cardiothoracic Centre has dedicated bays by the visitors’ car park
0.5.5 The car parking at the St Andrew's Centre in Billericay remains free of charge.

DECISION

The Council of Governors is asked to note this report.

Author: Zoe Asensio-Sanchez
Title: Director of Environment & Infrastructure
Date: July 2106
PUBLIC SECTOR ASSURANCE
BASILDON AND THURROCK UNIVERSITY HOSPITALS
NHS FOUNDATION TRUST

ANNUAL AUDIT LETTER  |  Audit for the year ended 31 March 2016
5 July 2016

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EXECUTIVE SUMMARY

Purpose of the letter
This Annual Audit Letter summarises the key issues arising from the work that we have carried out in respect of the year ended 2015/16. It is addressed to the Trust but is also intended to communicate the key findings we have identified to key external stakeholders and members of the public.

Responsibilities of auditors and the Trust
It is the responsibility of the Trust to ensure that proper arrangements are in place for the conduct of its business and that public money is safeguarded and properly accounted for.

Our responsibility is to plan and carry out an audit that meets the requirements of the NAO’s Code of Audit Practice (the Code), and to review and report on:

• the Trust’s financial statements
• whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are also required to review and report on the governance statement, annual report, remuneration report and the accounts summarisation schedules.

We also undertake a review of the Trust’s Quality Account, to confirm that it has been prepared in line with requirements and to test three performance indicators, two mandated by Monitor (now NHS Improvement) and one selected by the Governors.

We recognise the value of your co-operation and support and would like to take this opportunity to express our appreciation for the assistance and co-operation provided during the audit.

Audit conclusions

FINANCIAL STATEMENTS
We issued an unqualified true and fair opinion on the financial statements on 26 May 2016.

We reported our detailed findings to the Audit Committee on 20 May. There were no uncorrected misstatements.

Our opinion included an “emphasis of matter” paragraph which was not a qualification of the accounts audit opinion, but just highlighted the importance of the Trust’s going concern considerations as a context for our opinion.

USE OF RESOURCES

Our audit opinion issued on 26 May 2016 included an exception report, which is a qualification, in respect of the Trust’s arrangements for securing economy, efficiency and effectiveness in its use of resources.

This qualification was in respect of the financial position of the Trust and ongoing material uncertainties, as expanded upon later in this Letter.

Our certificate was qualified as a result of this issue.

QUALITY ACCOUNT

We issued an assurance report on the Quality Account on 26 May 2016 which was unqualified except in respect of the indicator for Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period, which we could not conclude was reasonably stated in all material respects.
FINANCIAL STATEMENTS

OPINION
We issued an unqualified true and fair opinion on the financial statements on 26 May 2016.

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

This includes an assessment of whether the accounting policies are appropriate to the Trust’s circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates, and the overall presentation of the financial statements.

Our assessment of risks of material misstatement
Our audit was scoped by obtaining an understanding of the Trust and its environment, including the system of internal control, and assessing the risks of material misstatement in the financial statements.

We set out below the risks that had the greatest effect on our audit strategy, the allocation of resources in the audit, and directing of the efforts of the audit team.

Key: ■ Significant risk ■ Normal risk

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<tr>
<th>NATURE OF RISK</th>
<th>SIGNIFICANCE OF RISK</th>
<th>HOW THE RISK WAS ADDRESSED BY OUR AUDIT</th>
<th>CONCLUSION AND RECOMMENDATION</th>
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<tr>
<td>MANAGEMENT OVERRIDE OF CONTROLS</td>
<td>Auditing standards presume that a risk of management override of controls is present in all entities and require us to respond to this risk by testing the appropriateness of accounting journals and other adjustments to the financial statements, reviewing accounting estimates for possible bias and obtaining an understanding of the business rationale of significant transactions that appear to be unusual.</td>
<td>We reviewed the appropriateness of journal entries and other adjustments made in the preparation of the financial statements. We also reviewed accounting estimates for evidence of possible bias.</td>
<td>The work completed on accounting estimates has not highlighted any potential bias on the part of management. Our review of the appropriateness of journal entries and other adjustments made in the preparation of the financial statements has not identified any issues.</td>
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## FINANCIAL STATEMENTS

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<th>NATURE OF RISK</th>
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<th>HOW THE RISK WAS ADDRESSED BY OUR AUDIT</th>
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| **REVENUE RECOGNITION** | Under International Standard on Auditing 240 “The Auditor’s responsibility to consider fraud in an audit of financial statements” there is a presumption that income recognition presents a fraud risk. For Trust’s, the risks can be identified as affecting the completeness, accuracy and existence of income. We consider that the risk of fraudulent revenue recognition can be rebutted for the following income streams:  
- Private patient income  
- Other non-protected income  
- R&D and Education income  
- Charitable contributions  
This risk relates to all other income areas. The majority of the Trust’s income is from NHS commissioners for the provision of healthcare services. The controls over the Trust’s income include monthly reviews of recurring income to look for anomalies, monthly meetings with the commissioning partners and regular uncoded activity reports. | We completed the following testing:  
- We reviewed and considered the design and implementation of controls in place for the revenue system covering both NHS and non-NHS income  
- We increased sample sizes when completing sample based income testing  
- We lowered the tolerable variance when investigating differences on the agreement of balances exercise  
- We agreed a sample of income with Clinical Commission Groups (CCGs) back to contract amounts and agreements reached for over/under performance against this contract  
- We substantively tested a sample of receipts either side of the year end to ensure that the revenue was correctly recognised  
- We ensured that all income items tested were accounted for in line with the revenue recognition policy adopted by the Trust. | We did not identify any issues in relation to revenue recognition. |
| **ASSET UNDER CONSTRUCTION CAPITALISATION OF COSTS** | The Trust identified the potential need to impair the value of some assets included in assets under construction which related to cancelled or reduced projects. These discussions were ongoing at the time of submission of the draft financial statements and at the time the reduction in value was posted as a special payment. | During the audit we reached an agreement with management at the Trust that the write down meets the definition of an impairment due to abandonment of (part of) a project. We also reviewed the Trusts calculations of the element which should be impaired and agreed that it was reasonable. | This has been adjusted in the final accounts but has no impact on the deficit reported in the financial statements but is reclassified between the different categories of operating expenses in the Statement of Comprehensive Income. The impairment totalled £976,000. |
## ACCOUNTING ESTIMATES

Our views on significant estimates arrived at the preparation of your financial statements are set out below:

<table>
<thead>
<tr>
<th>ESTIMATES</th>
<th>COMMENT</th>
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<tr>
<td>1 PROVISIONS</td>
<td>We have reviewed the workings for the provision included for employment tribunal costs including external advice provided by the Trust’s lawyers in relation to ongoing cases and we have concluded that the basis for this provision is reasonable. We have also reviewed the workings which form the basis of the NHS contract income provision against the contract position and conclude that the provision included in the accounts is reasonable.</td>
</tr>
<tr>
<td>2 FAIR VALUE OF LAND AND BUILDINGS</td>
<td>We have reviewed the valuation reports provided by the external valuer for two valuations completed during the year. For these we have considered the independence, expertise and qualifications of the management expert (valuator). We have confirmed whether the basis of valuation for assets valued in year was appropriate based on their usage and specialist nature. We challenged the indices and assumptions adopted by the Trust in valuing their assets. For assets not revalued in the year we also reviewed price movements for classes of assets against the percentage movement in relevant indices and agreed that the movements were in line with the indices.</td>
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<tr>
<td>3 ACCRUALS</td>
<td>We reviewed a sample of accruals raised by the Trust and traced them to either post year end invoices or other supporting documentation to confirm the reasonableness of the estimate and any indications of bias. Our testing has concluded that the accruals raised were appropriate and reasonable.</td>
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Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements.

We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonably knowledgeable users that are taken on the basis of the financial statements.

Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

The materiality for the financial statements as a whole was set at £4.9 million. This was determined with reference to a benchmark of gross expenditure (of which it represents 1.5 per cent) which we consider to be one of the principal considerations for the Trust in assessing the financial performance.

We agreed with the Audit Committee that we would report all individual audit differences in excess of £148,000.

There were no unadjusted audit differences.

Governance statement

The governance statement was not inconsistent or misleading with other information we were aware of from our audit of the financial statements, the evidence provided in the Trust’s review of effectiveness and our knowledge of the Trust.

Annual report

The Annual Report was not inconsistent or misleading with the financial statements or with our knowledge acquired in the course of our audit.

Remuneration report

The auditable parts of the remuneration report was found to have been properly prepared in accordance with the requirements.

Internal controls

We did not find any significant deficiencies in internal controls during the course of our audit.
USE OF RESOURCES

**Scope of the audit of use of resources**

We are required to be satisfied that proper arrangements have been made to secure economy, efficiency and effectiveness in the use of resources based on the following reporting criterion: *In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.*

As part of reaching our overall conclusion we consider the following sub criteria in our work: informed decision making, sustainable resource deployment, and working with partners and other third parties.

**Our assessment of significant risks**

Our audit was scoped by our cumulative knowledge brought forward from previous audits, relevant findings from work undertaken in support of the opinion on financial statements, reports from the Trust including internal audit, information disclosed or available to support the governance statement and annual report, and information available from the risk registers and supporting arrangements.

We set out below the risk that had the greatest effect on our audit strategy, the allocation of resources in the audit, and directing of the efforts of the audit team.

<table>
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<tr>
<th>RISK</th>
<th>RISK DETAIL AND WORK PERFORMED</th>
<th>AUDIT ISSUES AND IMPACT ON CONCLUSION</th>
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<tr>
<td><strong>FINANCIAL SUSTAINABILITY</strong></td>
<td>The Trust is currently regarded as being at a material level of financial risk in respect of the continuity of services. We will review the position at year end and the robustness of medium term financial plans to address this moving forward, to assess the impact on our exception report relating to use of resources. We have considered the outturn performance for 2015/16, the achievement of CIPP schemes, planned / target outturn and control totals for 2016/17 and progress to date against the financial governance action plan. We have considered early developments of the Essex Success Regime and the Trust’s involvement and preparations to date. We have discussed developments with the Trust, NHSE and Monitor/NHSI.</td>
<td>The Trust has made significant progress during the year, showing a considerable improvement on the original deficit target and exceeding the “stretch” target for the year. The financial position has stabilised in a number of areas, although challenges remain in others. Hard negotiations have seen the Trust become the only Trust within Essex that has approved a 2016/17 plan to reach the control total, unlocking Sustainability and Transformation monies. However, material uncertainties remain, and the challenges for the future, through the Success Regime, are considerable and will require significant resource input, close co-operation with partner bodies (providers and others) and robust governance arrangements to progress. Clear vision for changes to achieve reductions in the economy deficit (approximately £85m for 2015/16) will be necessary. The Trust’s self-assessment against the financial management review action plan shows notable progress, but with further work necessary to complete and embed actions. Licence restrictions remain, although some show potential to be lifted. Overall, arrangements and the continuing material uncertainties warrant an opinion qualified by exception.</td>
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QUALITY ACCOUNT

CONCLUSION
We issued our assurance report on the Quality Account on 26 May 2016. It was unqualified except for in respect of the indicator for Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period.

Scope of the review of the Quality Account
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 Account is not prepared in line with the guidance issued by Monitor
• the Quality Account is not consistent with the sources specified in Monitor’s detailed guidance for external assurance on Quality Reports 2015/16
• the two performance indicators subject of limited assurance review are not reasonably stated in all material respects in accordance with the Regulations and the six dimensions of data quality set out in the Guidance.

Specified indicators for testing
We are required to test two mandated performance indicators, from a suite of four indicators, chosen in the order of priority required by Monitor:
• **Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period**
• **Percentage of patients with a total time in A&E of four hours or less from arrival to arrival, admission, transfer of discharge**
• **Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers**
• **Emergency readmissions within 28 days of discharge from hospital.**

The Trust reports all 4 indicators, so we reviewed the first two on the list, as well as “Reducing harm from avoidable pressure ulcers” chosen by the Governors.

<table>
<thead>
<tr>
<th>REQUIREMENTS</th>
<th>RESPONSE</th>
<th>FINDINGS</th>
</tr>
</thead>
</table>
| Review the content of the report and consistency with specified documents. | We reviewed the contents of the Quality Account and compared this to the guidance and issued by Monitor. We read the information included in the Quality Account and considered whether it was materially inconsistent with:  
• Board minutes for the period April 2015 to May 2016  
• Papers relating to quality reported to the Board over the period April 2015 to May 2016  
• Feedback from Commissioners and Health watch organisations May 2016  
• The Trust’s complaints reports published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 5 August 2015, 21st October 2015 and 16 February 2016  
• Latest national and local patient survey dated May 2015  
• Latest national and local staff survey dated 2015  
• Head of Internal Audit’s annual opinion for 2015/16  
• Care Quality Commission Intelligent Monitoring Report dated May 2015. | The Trust amended the Quality Report to reflect our recommended changes and we concluded that the content of the report is compliant with the guidance issued by Monitor. We read the draft quality report and reported to management where there were inconsistencies to the information we are required to read. The Trust amended the Quality Report to reflect our changes and we concluded that it was not materially inconsistent with our review of the information we are required to read as set out in Monitor’s detailed guidance for external assurance on Quality Reports 2015/16. |
QUALITY ACCOUNT
Continued

<table>
<thead>
<tr>
<th>REQUIREMENTS</th>
<th>RESPONSE</th>
<th>FINDINGS</th>
</tr>
</thead>
</table>
| Percentage of patients with a total time in A&E of four hours or less from arrival to arrival, admission, transfer of discharge | We undertook testing to:  
• confirm the definition and guidance used by the Trust to calculate the indicator  
• document and walk through the Trust’s systems used to produce the indicator  
• undertake substantive testing on the underlying data against six specified data quality dimensions. | We concluded that both indicators were reasonably stated in all material respects. |
| Reducing harm from avoidable pressure ulcers | | |
| **Requirement** | **Response** | **Findings** |
| Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period. | We undertook testing to:  
• confirm the definition and guidance used by the Trust to calculate the indicator  
• document and walk through the Trust’s systems used to produce the indicator  
• undertake substantive testing on the underlying data against six specified data quality dimensions.  
We tested of a sample of 25 cases included in the reported performance. | The Trust did not report the yearly average or final quarter values for this performance indicator against a target of 92% in the original draft Quality Report. The Trust subsequently amended the Quality Report to include a reported performance of 91% at the end of the reporting period.  
Our testing of 25 cases where the patient was on an incomplete pathway included checks to ensure the clock had started on the correct date and that an appropriate referral to consultant-led treatment had been made.  
We identified two errors where the referral date on to the system did not agree to supporting documentation for the referral that was provided. We understand that this issue had already been identified and a new process has now been put in place. However, this was only in place for part of the 2015/16 year and as such we cannot conclude that these were isolated incidents. There is no suggestion that these errors represented deliberate manipulation.  
We also tested 10 cases where manual stops to the clock had been made to ensure these were appropriate and that it was correct to exclude them from the indicator calculation. Our testing did not identify any errors in this sample.  
As a result of the errors identified in our testing which we cannot confirm are isolated, we have been unable to conclude that this performance indicator is reasonably stated in all material respects. The limited assurance opinion was qualified in respect of this indicator. |
The matters raised in our report prepared in connection with the audit are those we believe should be brought to the attention of the organisation. They do not purport to be a complete record of all matters arising. No responsibility to any third party is accepted.

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EXECUTIVE SUMMARY

Significant audit findings

This report covers the findings of our review of Basildon and Thurrock University Hospitals NHS Foundation Trust’s (the Trust) Quality Report for the year ended 31 March 2016, which is included within the Trust’s Annual Report. The scope of the limited assurance review includes checking the contents of the quality review against guidance issued by Monitor, considering its consistency with other specified information and spot checks of a sample of reported performance indicators.

<table>
<thead>
<tr>
<th>AREA OF AUDIT</th>
<th>SUMMARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Content of the report</td>
<td>We have reviewed the draft Quality Report and we have reported to management where there are omissions or where additional information and disclosure is required to comply with the guidance issued by Monitor. The Trust has amended the Quality Report to reflect our recommended changes and we conclude that the content of the report is compliant with the guidance issued by Monitor.</td>
</tr>
<tr>
<td>Consistency checks with specified documents</td>
<td>We have read the draft quality report and have reported to management where there are inconsistencies to the information we are required to read. The Trust has amended the Quality Report to reflect our changes and we conclude that it is not materially inconsistent with our review of the information we are required to read as set out in Monitor’s detailed guidance for external assurance on Quality Reports 2015/16.</td>
</tr>
</tbody>
</table>

Mandated indicator 1: Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways (Incomplete pathways)

The Trust did not report the yearly average or final quarter values for the incomplete pathways performance indicator against a target of 92% in the original draft Quality Report. The Trust subsequently amended the Quality Report to include a reported performance of 91% at the end of the reporting period. Our testing of 25 cases where the patient was on an incomplete pathway included checks to ensure the clock had started on the correct date and that an appropriate referral to consultant-led treatment had been made.

We identified two errors in our testing where the referral dates on to the system did not agree to supporting documentation for the referrals that was provided. This would have an impact on the reported performance for the year.

We also tested 10 cases where manual stops to the clock had been made to ensure these were appropriate and that it was correct to exclude them from the indicator calculation. Our testing did not identify any errors in this sample.

As a result of the errors identified in our testing which we cannot confirm are isolated we have been unable to conclude that this performance indicator is reasonably stated in all material respects. As such the limited assurance opinion will be qualified in respect of this indicator.

Mandated indicator 2: Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge (A&E 4 hour waiting times)

The Trust did not report the yearly average or final quarter values for the A&E 4 hour waiting times performance indicator in the original draft Quality Report. The Trust subsequently amended the Quality Report to include a reported performance of 89.2% at the end of the reporting period against a target of 95% in the original draft Quality Report.

Our testing of a sample of 25 cases for patients included checks on A&E attendees from throughout the 2015/16 year, checking the arrival and departure dates to confirm that all had been correctly recorded as meeting the 4 hour target where applicable. All were concluded to have been accurately recorded.

As a result of our audit work performed, we have been able to conclude that this performance indicator is reasonably stated in all material respects.
<table>
<thead>
<tr>
<th>AREA OF AUDIT</th>
<th>SUMMARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local indicator (not covered by our assurance report): Reducing harm from avoidable pressure ulcers (Pressure ulcer)</td>
<td>The Trust initially reported performance of 0.237 in respect of the pressure ulcer indicator, against a target of 0.25 in the draft Quality Report. The Trust subsequently amended the Quality Report to include a reported performance of 0.247 at the end of the reporting period. Our testing of a sample of 20 cases of pressure ulcers included checks to ensure that the correct grading and categorisation between avoidable and unavoidable had been used in the indicator calculation. During the course of our audit we identified that 2 cases of avoidable pressure ulcers had not been included in the data originally used to calculate the indicator. We have raised a recommendation to include a check for completeness going forward in Appendix I. The indicator has been restated to 0.247 to include the previously excluded cases. Although this indicator does not form part of our overall opinion, we have been able to conclude that this performance indicator is reasonably stated in all material respects.</td>
</tr>
</tbody>
</table>

| Limited assurance opinion | We have read the draft Quality Report and conclude that it is not materially inconsistent with our review of the information we are required to read as set out in Monitor’s detailed guidance for external assurance on quality reports 2015/16. We conclude that the content of the Quality Report is in line with Monitor’s Annual Reporting Manual 2015/16 and that the reported Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge performance indicator is reasonably stated in all material respects. However we conclude that the reported Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways performance indicator is not reasonably stated in all material respects and as such our limited assurance opinion will be qualified in this respect. |

We would like to thank staff for their co-operation and assistance during the audit.
## AUDIT SCOPE AND OBJECTIVES

### Requirement to publish a Quality Report

<table>
<thead>
<tr>
<th>QUALITY ACCOUNT</th>
<th>QUALITY REPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>All trusts are required under statute to publish a Quality Account which must include prescribed information as required by the Health Act 2009 and in the terms set out in the NHS (Quality Account) Regulations 2010 as amended by the NHS (Quality Account) Amendments Regulations 2011 and NHS (Quality Account) Amendments Regulations 2012 (collectively “the Quality Accounts Regulations”). For 2015-16, there is no significant change in the arrangements for producing quality accounts. NHS England, NHS Trust Development Agency and Monitor wrote to all trust chief executives in March 2016 to confirm this.</td>
<td>Monitor requires Foundation Trusts to include a Quality Report in their Annual Report. Monitor’s detailed requirements for Quality Reports for 2015/16 document confirms that their requirements for the Quality Report incorporates all the requirements of the Quality Account Regulations, as well as a number of additional reporting requirements set by Monitor.</td>
</tr>
</tbody>
</table>
AUDIT SCOPE AND OBJECTIVES
Limited assurance audit review

SCOPE AND OBJECTIVES

Monitor requires that NHS Foundation Trusts obtain external assurance from auditors for the Quality Report to include:

1. A review of the content of the quality report against Monitor’s detailed requirements for quality reports 2015/16.
2. A review of the content of the quality report for consistency against the other information sources as directed by Monitor.
3. Testing of mandated performance indicators (and one indicator selected by Governors), to assess whether these have been reasonably stated in all material respects.

MANDATED INDICATORS

We are required to test two mandated performance indicators, from a suite of four indicators, chosen in the order of priority required by Monitor:

1. Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period
2. Percentage of patients with a total time in A&E of four hours or less from arrival to arrival, admission, transfer of discharge
3. Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers
4. Emergency readmissions within 28 days of discharge from hospital.

The results of this review are reported in our limited assurance report in the quality report.

OTHER INDICATORS

The Trust is also required to obtain external assurance over one local indicator included in the Quality Report, as selected by the Council of Governors of the Trust.

We are not required to provide any assurance over this indicator.

Governors selected the following local indicator for external review:

• Reducing harm from avoidable pressure ulcers.
COMMUNICATIONS

The required outcomes of this review are:

• Limited assurance report on the Quality Report
• Detailed report on the findings and recommendations for improvements, including the additional indicator, addressed to the Council of Governors.

The content of this report has been discussed and agreed with the Chief Operating Officer and Trust Secretary.
**DETAILED FINDINGS**

**Review of the quality report**

<table>
<thead>
<tr>
<th>CONTENT OF THE REPORT</th>
<th>CONCLUSIONS AND AUDIT ISSUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>We reviewed the Quality Report against the requirements set out in Monitor’s detailed requirements for Quality Reports for 2015/16.</td>
<td>We reviewed the draft quality report and have reported to management where there are omissions or where additional information and disclosure is required to comply with the guidance issued by Monitor. The Trust has amended the Quality Report to reflect our recommended changes and we conclude that the content of the report is compliant with the guidance issued by Monitor.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CONSISTENCY CHECKS</th>
<th>CONCLUSIONS AND AUDIT ISSUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>We read the Quality Report to assess if it is materially inconsistent with any of the following documents, as directed by Monitor:</td>
<td>We have read the draft quality report and have reported to management where there are inconsistencies to the information we are required to read. The Trust has amended the Quality Report to reflect our changes and we conclude that it is not materially inconsistent with our review of the information we are required to read as set out in Monitor’s detailed guidance for external assurance on Quality Reports 2015/16.</td>
</tr>
<tr>
<td>• Board minutes for the period April 2015 to May 2016</td>
<td></td>
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<td>• Papers relating to quality reported to the Board over the period April 2015 to May 2016</td>
<td></td>
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<td>• Feedback from Commissioners and Health watch organisations May 2016</td>
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<tr>
<td>• Latest national and local patient survey dated May 2015</td>
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<td>• Latest national and local staff survey dated 2015</td>
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</tr>
<tr>
<td>• Head of Internal Audit’s annual opinion for 2015/16</td>
<td></td>
</tr>
<tr>
<td>• Care Quality Commission Intelligent Monitoring Report dated May 2015.</td>
<td></td>
</tr>
</tbody>
</table>
DETAILED FINDINGS
Mandated indicator testing

The Referral to Treatment (RTT) operational standards are that 90% of admitted and 95% of non-admitted patients should start consultant-led treatment within 18 weeks of referral. In order to sustain delivery of these standards, 92% of patients who have not yet started treatment should have been waiting no more than 18 weeks.

The Trust is required to report the percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period. The reporting period being the average across the whole year.

The Trust did not report the yearly average or final quarter values for this performance indicator against a target of 92% in the original draft Quality Report. The Trust subsequently amended the Quality Report to include a reported performance of 91% at the end of the reporting period. The data set used to calculate the indicator has been used to re-calculate the reported performance level. From this, it has been determined that the indicator has been calculated correctly.

Our testing of 25 cases where the patient was on an incomplete pathway included checks to ensure the clock had started on the correct date and that an appropriate referral to consultant-led treatment had been made.

We identified two errors where the referral date on to the system did not agree to supporting documentation for the referral that was provided. The first relates to the case of an e-referral where the patient logged on to try and book an appointment but none were available. As such they were transferred onto the Appointment Slot Issue (ASI) work list which is monitored daily to try and get the patient an appointment. The start date recorded on the system was the date at which an appointment was made for the patient. However, per national guidance, it should have been recorded as the date that the patient was transferred onto the ASI list. The difference in dates means that patient would have breached the 18 week limit and as such this would have an impact on the reported performance for the year.

From our discussions with staff we understand that this issue had already been identified and a new process has now been put in place to ensure that patients put onto the ASI list are checked to have their start date correctly recorded. However, this was only in place for part of the 2015/16 year and as such we cannot conclude that this is an isolated incident.

The second case related to a faxed referral where the fax header was missing on the electronic copy of the form. The document was not date stamped and no other information could be located to confirm the date the referral was received which is different to the date the referral was signed by the GP. Given the nature of this error we also cannot confirm that this is an isolated incident. The difference in date’s means that patient would have breached the 18 week limit and as such this would have an impact on the reported performance for the year.

We also tested 10 cases where manual stops to the clock had been made to ensure these were appropriate and that it was correct to exclude them from the indicator calculation. Our testing did not identify any errors in this sample.

As a result of the errors identified in our testing which we cannot confirm are isolated, we have been unable to conclude that this performance indicator is reasonably stated in all material respects. The limited assurance opinion will be qualified in respect of this indicator.
DETAILED FINDINGS
Mandated indicator testing (continued)

<table>
<thead>
<tr>
<th>A&amp;E 4 HOUR WAITING TIMES INDICATOR</th>
<th>AUDIT ISSUES AND IMPACT ON ASSURANCE REPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Trust is required to report the percentage of patients who are admitted, discharged or transferred within 4 hours of arrival at A&amp;E.</td>
<td>The Trust did not report the yearly average or final quarter values for the A&amp;E 4 hour waiting times performance indicator in the original draft Quality Report. The Trust subsequently amended the Quality Report to include a reported performance of 89.2% at the end of the reporting period against a target of 95% in the original draft Quality Report. The data set used to calculate the indicator has been used to re-calculate the reported performance level. From this, it has been determined that the indicator has been calculated correctly. Our testing of a sample of 25 cases for patients included checks on A&amp;E attendees from throughout the 2015/16 year, checking the arrival and departure dates to confirm that all had been correctly recorded as meeting the 4 hour target where applicable. All were concluded to have been accurately recorded. We also reviewed the general control environment around the compilation of the indicator data. No deficiencies in control were identified. As a result of our audit work performed, we have been able to conclude that this performance indicator is reasonably stated in all material respects.</td>
</tr>
</tbody>
</table>

LIMITED ASSURANCE OPINION

We have read the draft Quality Report and conclude that it is not materially inconsistent with our review of the information we are required to read as set out in Monitor’s detailed guidance for external assurance on quality reports 2015/16.

We conclude that the content of the Quality Report is in line with Monitor’s Annual Reporting Manual 2015/16 and that the reported Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge performance indicator is reasonably stated in all material respects.

However we conclude that the reported Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways performance indicator is not reasonably stated in all material respects and as such our limited assurance opinion will be qualified in this respect.
The indicator records the number of avoidable pressure ulcers recorded as grade 2, 3 and 4 per 1000 bed days. This is a locally reported indicator with no national target however the Trust has internally set a target of 0.25.

The Trust initially reported performance of 0.237 in respect of the pressure ulcer indicator, against a target of 0.25 in the draft Quality Report. The Trust subsequently amended the Quality Report to include a reported performance of 0.247 at the end of the reporting period.

We tested a sample of 20 cases of pressure ulcers to supporting documentation to ensure that they had been included as the correct grading and categorisation between avoidable and unavoidable in the data used for the indicator calculation.

During the course of our audit it was identified that 2 cases of avoidable pressure ulcers had not been included in the data originally used to calculate the indicator, we have raised a recommendation to include a check for completeness going forward in appendix I. The indicator has been restated to 0.247 to include the previously excluded cases.

Although this indicator does not form part of our overall opinion, we have been able to conclude that this performance indicator is reasonably stated in all material respects.
APPENDICES
## APPENDIX I: RECOMMENDATIONS AND ACTION PLAN

<table>
<thead>
<tr>
<th>CONCLUSIONS FROM WORK</th>
<th>RECOMMENDATIONS</th>
<th>MANAGEMENT RESPONSE</th>
<th>TIMING</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PERFORMANCE INDICATORS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Incomplete Pathways PI</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our testing identified one case where an e-referral patient who was transferred to the Appointment Slot Issue (ASI) work list did not have their start date recorded as the date in which they appeared on that list.</td>
<td>From our discussions with staff we understand that this issue had already been identified internally and a new process has now been put in place to ensure that patients put onto the ASI list are checked to ensure that they have their start date correctly recorded.</td>
<td>This issue had already been identified subsequent to the case highlighted and a new process has now been put in place to ensure that patients put onto the ASI list are checked to have their start date correctly recorded.</td>
<td>Already implemented</td>
</tr>
<tr>
<td><strong>Pressure Ulcer PI</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our testing identified that two cases of avoidable pressure ulcers from October 2015 had been excluded from the data originally used to calculate the indicator.</td>
<td>A formal check for completeness of all cases submitted to the weekly meetings of the tissue viability team, who determine the classification of the pressure ulcer, against those included in the data used to calculate the indicator should be introduced and formally documented.</td>
<td>Changes have already been made since a change in staff in November 2015 and since discussions with BDO we have agreed we will run the information at month end to ensure everything matches going forward.</td>
<td>Already implemented / May 2016</td>
</tr>
</tbody>
</table>
The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the organisation and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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COUNCIL OF GOVERNORS

MEETING: 20 JULY 2016

AGENDA ITEM NO: 10a

PATIENT EXPERIENCE WORKING GROUP
MEETING CHAIRMAN’S REPORT

The meeting was held on 15 June 2016 and all new members were welcomed. We were pleased to welcome Nigel Beverley, Trust Chairman who attended for half of the meeting. Mike Riley from Healthwatch Thurrock was unable to attend and will be invited to the next meeting.

Terms of Reference were reviewed with one amendment, to extend the Membership from 8 to 13 Governors. Membership comprises:
- Dave Bebbington
- Karen Boyles
- Neville A Brown JP
- Amanda Burton (Deputy Chair)
- Ron Capes
- Jane Day
- Julia Harding
- Peter Hatch
- Alan McFadden
- Marlene Moura (Chair)
- Colin Moore
- Joy Pons
- Alan Ursell

Minutes of the meeting held on 16 February 2016 were accepted as fair and accurate record.

Marlene Moura was elected as Chair, and Amanda Burton as Deputy Chair, for 2016/17

Following outstanding items were reviewed and discussed:

- **Phlebotomy Appointment System** Members agreed that on some occasions there has been an improvement, but waiting times and booked appointments require continued review. Also review of Children’s process for attending blood test.
- **Chronic Illness Cards** Agreed that feasibility of incorporating Chronic Illness details into the new electronic noting system should be investigated by advanced I.T. department.
- **Blue Badge Parking** Blue badge holders parking in multi-storey must present at Car Park Office. Concerns if badge holder is of limited mobility, will attendant go to car? For review.
- **Toilets in OPD** Lack of signage to alternative toilets – under review
- **Clinell Wipes** Concerns that boxes of wipes still being left open meaning they dry out and are no longer fit for use. Great expense to Trust.
Work Plan for 2016/17

- **Place Audits** Training will take place ‘on the job’ with new Governors being ‘buddied’ with experienced members of the team.
- **Here2Hear** timetable in place and places allocated
- **Quality and Patient Safety Committee** Ron Capes, Governor Observer, confirmed that Jane Day is now also a Governor Observer and will keep PEWG updated on any issues.

New issues raised included:

- **Outpatient Appointment System** Concerns continue about the areas of the appointment system not handled by the Trust but does impact on the Trusts' reputation, also MSKs failing patients.
- **Maternity Ultrasound** Concerns raised over the condition of waiting area and staff attitude. This has been passed to the Head of Patient Experience to review concerns.

**RECOMMENDATION**
The Terms of Reference to be ratified by the Council of Governors and to note the content of this report.

Author: Marlene Moura
Title: Public Governor Basildon
Date July 2016
COUNCIL OF GOVERNORS  
MEETING:  20 JULY, 2016  
AGENDA ITEM NO: 10b

REPORT OF THE AMM & MEMBERSHIP DEVELOPMENT WORKING GROUP  
MEETING CHAIRMAN

Introduction

The first meeting of the group was held on 1st July, 2016 and members were welcomed. Membership comprising:
Julia Harding (Chair)
Amanda Burton
Peter Hatch
Alan McFadden
Colin Moore
Joy Pons
Alan Ursell
Pam Binfield

The terms of reference were reviewed and the following change agree subject to approval at the next meeting of the Council of Governors:
• The name of the group was changed from Annual Members Meeting (AMM) and Membership Strategy Working Group to: AMM & Membership Development Working Group.

There were two actions arising from the Action Log:
• Email governors requesting support for Castle Point Show on the 24th July, 2014.
• Invite a staff governor to join the group.

Election of Chairman/Vice Chairman

• Julia Harding was elected Chairman for the coming year.
• Pamela Binfield was elected Vice Chairman for the coming year.

Annual Members Meeting

Members agreed to the recommendation that the Guest Speaker for the Annual Members be Dr Stuart Harris, Clinical Director for Cardiothoracic Services.

Unfortunately, due to clinic commitments, Dr Harris had been unable to attend the meeting.

Progress on Preparation for the AMM

The following was discussed in regards to progress with the arrangements:
• Location and date -The AMM will be held on the 18th August, 2016 at 4.00 pm at the Education Centre, Basildon Hospital. The time was subsequently changed to 3.30 pm to accommodate the Chief Executive’s Attendance at the AGM at Broomfield Hospital.
• Governor Presentation - this is usually the responsibility of the Lead Governor and Chair of the AMM & MDWG but could be another Governor. This will be discussed further at the next meeting of the Group when the task list is populated.
• Involvement on the day – this will be led by members of the Group who will be allocated as ‘lead’ for a specific task. The task list will be completed at the next meeting of the group.
• Success Regime – It was discussed and it was agreed that this should be included in the Chief Executive’s report rather than as a separate agenda item.
• Car Parking – Due to the introduction of the new car parking system, there will need to be discussion with the car park Manager as to the arrangements for free parking for Trust members attending the AMM.
All Governors are encouraged to support the AMM on 24.09.15 by assisting with a task on the day.

**Membership Strategy**

**2015-16 Membership Statistics Report**

The report was presented and discussion took place concerning which recruitment targets had been met and which areas still needed to be achieved.

Those targets achieved were:
- Total new members
- Members living in the Brentwood area
- Members living in the Thurrock Area

Those targets which still needed to be achieved were:
- Male members
- Young members (under 22). It was explained that one reason for this was that the Trust had been unable to attend the Fresher’s Fair events at the South Essex College this year. It was hoped to attend 1 or 2 this year.

**Membership Framework Action Plan**

The key recruitment targets for 2016/17 were highlighted. There was discussion concerning the areas that are under-represented and events etc that would be suitable for Trust Officers/Governors to attend. These included:
- St Francis Hospice in Romford as this covered the Brentwood area.
- Grays Beach Party
- A monthly meeting of the Stanford Le Hope & District U3A.

**Governors Engagement Activity Plan**

An outline the purpose of the plan and the community & engagement events that have been confirmed were discussed.

The Plan included:

- **Hear2Hear** – invitation to be sent to all Governors to participate in these events which would take place at both Basildon and Orsett Hospitals.
- **Probus Meeting** – Ali Jones would be attending a meeting of the Basildon Ladies Probus Group early in 2017 with Pam Binfield. Date to be agreed.
- **Castle Point Fete at Waterside Farm Canvey Island** – to be held on Sunday 24th July, 2016.

Other engagement activities, to be confirmed would include:
- Fresher’s Fairs at S E College; Thurrock and Southend Campuses
- Brentwood Family Fun Day

**NHS Providers 2016 Governor Survey Results**

Members were given a brief history of NHS providers, their origins and purpose. The Governor Survey results were presented for information.

**Good News**

Members discussed the ways that the Trust could communicate with the local community. One suggestion put forward was the use of local taxi drivers to spread “good news” to the public.

**Date and Time of Next Meeting**

The date and time of the next meeting was agreed as 18th August, 2016 at 9.30 am.

**RECOMMENDATION**

The Terms of Reference to be ratified by the Council of Governors and to note the content of this report.

Author: Julia Harding
Title: Thurrock Public Governor
Date: July 2016
COUNCIL OF GOVERNORS

MEETING: 20 JULY 2016

AGENDA ITEM NO: 10c

FOUNDATION TIMES EDITORIAL WORKING GROUP
CHAIRMANS REPORT

Members of Group
Russ Allen
Karen Boyles
Amanda Burton
Mercedes de Dunewic
Colin Moore
Joy Pons

Date of Last meeting 26th May 2016
In attendance were: -
Amanda Burton (AB) - Public Governor Brentwood
Mercedes de Dunewic (MdD) – Public Governor Rest of England
Nicola Laver (NL) - Publications and Publicity Manager
Ali Jones (AJ) – Asst. Board and Membership Secretary

AJ welcomed the Governors and NL to the meeting. Apologies were received from Karen Boyles, Russ Allen, Colin Moore & Joy Pons.

The first item on the agenda was to agree to the Terms of Reference for the group (ToR) and this was done. A copy of this is attached for your information.

It was also confirmed that members of the group should contact NL or a member of the Communications team for advice on articles and the Membership office for confirmation of events, meetings, venues and any relevant paperwork.

Election of Chairman

Due to the numbers of apologies and that there were only two members of the group in attendance, it was not possible to democratically elect a Chair. It was suggested that MdD continue in post and agreed that all other members of the group who were not present were emailed for approval of this.

As there are now only two issues of Foundation Times issued per year it was felt that it was important to be as inclusive of as many relative and engaging articles as is possible given the practical space in the magazine.

It was also agreed that members of the group would be called on to contribute and write articles for submission.

After discussion, it was agreed that the five key themes should be retained and at least one article on each of the following topics should be included in each edition. These are:

Engagement Events
Orsett
New Technology
Clinical Excellence
Sponsorship & Fundraising

Articles to be included were agreed as follows; details of the AMM, complete with tear off strip for attendance etc., Governors, a welcome to our new and goodbye to our long servers, Changes to car parking at Orsett and Basildon, Opening of the New Frailty Unit, Hearing Aid App, Polly Parrot Appeal and further dates and details for your diary.

An agreed proof reading date was set and draft copies would be emailed to group members.

Any other business, AB suggested an article advising members on how they can make suggestions /comments on improving services at the hospital and also asked if there was an Innovations Panel.
NL agreed on an article on Comment Cards, Friends and Family and PALS services.

Meeting closed and next meeting was set for 01 December 2016 at 9.30pm.

Overall the group has worked well and the help and advice from members of staff supporting the group has been very much appreciated. I would like to thank them on behalf of the group for all their dedication and hard work.

RECOMMENDATION
The Terms of Reference to be ratified by the Council of Governors and to note the content of this report.

Author: Mercedes de Dunewic
Title: Public Governor, Rest of England
Date July 2016
CONSTITUTION AND TERMS OF REFERENCE FOR
THE COUNCIL OF GOVERNORS PATIENT EXPERIENCE
WORKING GROUP FOR 2016-17

1. Authority
The Working Group is authorised by the Council of Governors to undertake any activity within
its terms of reference and report back or make recommendations to the Council of Governors.

2. Composition of the Group
The Working Group will be appointed by the Council of Governors and shall consist of up to
12 Governors, with the majority being from the Public Constituencies. Plus 1 x Governor
Observer who sits on the Quality and Patient Safety Committee

One of the two governor observers on the Board of Directors Quality and Patient Safety
Committee should automatically sit on this sub-group and provide feedback and reassurance
from that Committee. The second representative could deputise.

Where specific areas have been identified for scrutiny or as a project, the Group may co-opt
other Governors with a special interest in that topic.

3. Chair
The meeting will be chaired by a Governor who will be elected at the first meeting along with a
Deputy Chair.

4. Attendance
Members of the Group should attend a minimum of 50% of the meetings. Trust Managers may
be invited to attend meetings for specific items.

5. Frequency and Conduct
The Group should meet at least 4 times a year but no more than 6.

6. Secretary
The Deputy Corporate Secretary or a deputy will act as Group secretary. Papers will be
circulated approx. one week in advance of meetings. Minutes will be circulated to the Working
Group.

7. Primary Purpose
The Working Group has no executive powers, and exists to advise and assist the Council in
achieving its functions.

On behalf of the Council of Governors, the Group will consider and make recommendations to
the Governors on enhancing the patient experience in the Trust.

To engage positively and meaningfully with our patients, service users, carers, staff, public and
partners and feed their views back into the Trust. *(Legal requirement: Under the 2012 Health
and Social Care Act governors have a duty to represent the interests of the members of
the trust and the public)*

In carrying out these tasks, the Group will ensure that the principles of equality and diversity
are applied.

8. Specifically the Group will
8.1 Consider and make recommendations to the Council on appropriate projects for
Governor involvement in enhancing patient experience.

8.2 Recommend to the Council ways in which Governors can support the patient experience programme.

8.3 Assist in ensuring that examples of good practice in relation to obtaining patients / carers and members views on the patient experience are spread across the Trust.

8.4 Offer advice to the Council on the Trust’s Quality Accounts and priorities relating to the patient experience.

8.5 Develop approaches to gather and harness feedback received from individual Governors in respect of the patient experience. This could feed into the forward planning process for the Trust.

8.6 Review any reports from HealthWatch in respect of the patient experience at the Trust.

8.7 Be involved in working with the Trust on essential standards relating to the patient experience, specifically the outcomes related to Personalised Care, Treatment and Support.

8.8 Receive and consider information from the governor observer on the Quality and Patient Safety Committee.

8.9 The Group will produce an annual work plan and annual report for agreement by the Council.

9. Reporting lines
9.1 The Group will, at least once a year, review its own performance and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Council of Governors for approval.

9.2 The minutes of meetings will be formally recorded and a written report from the Chairman submitted to the Council of Governors.

9.3 The Working Group will make whatever recommendations to the Council of Governors it deems appropriate on any area within its remit where action or improvement is needed.

10. Monitoring
The effectiveness of the Group will be monitored by the Council of Governors via the report and subsequent discussion.

Approved by Council of Governors:

Next review date: May 2017
CONSTITUTION AND TERMS OF REFERENCE FOR THE
ANNUAL MEMBERS MEETING & MEMBERSHIP DEVELOPMENT WORKING GROUP FOR 2016/17

Name of Committee: Council of Governors Annual Members Meeting (AMM) and Membership Development Working Group

Accountable to: Council of Governors

Primary purpose:

To propose the arrangements for the AMM and to work with Trust officers to organise all aspects of the Annual Members Meeting, taking into account the required formalities of an AMM event. To ensure feedback is provided to the Members on the activity undertaken by the Council of Governors in the previous year.

To review the Membership Strategy from time to time to ensure that it remains a relevant and meaningful document with any changes for joint agreement by the Council of Governors and the Board of Directors. To consider and agree actions to be taken in growing a representative membership as a key element reflected in Monitor’s annual reporting on membership requirements. (Ref: Monitor’s Risk Assessment Framework, August 2013) **

To oversee the implementation of the Governors Engagement Plan for 2016-17. Agreeing the promotion and involvement required from Governors to ensure appropriate support at planned engagement events.

Composition of the Group

Composition of ideally up to 7 governors will form this working group with the majority being public governors.

A Chairman from the membership will be appointed by the Group at the first meeting.

In attendance: Non-Executive Director - Barbara Riddell

Lead officer: Deputy Corporate Secretary

Serviced by: Membership Officer

Frequency of meetings: This group will meet a minimum of 4 and no more than 6 times, during the year

Reporting mechanism: Written reports to the Council of Governors

Minutes circulated to: Working Group Members

Responsibilities:

Annual Members Meeting:
1. To propose arrangements for the AMM.
2. To work with Trust Officers to organise all aspects of the Annual Members Meeting, taking into account the required formalities of an AMM event.
3. To provide feedback back to the Members on the activity undertaken by the Council of Governors in the previous year.

Membership:
4. To review the Membership Strategy in order to present to Members on progress and to confirm that membership of the constituencies are

Review Date: May 2017
representative of those eligible for such membership, at the Annual Members Meeting.
5. To be aware of the Trust recruitment plans and encourage all Governors to contribute to the growth of a representative membership, as a key element of membership development.
6. To receive progress reports from the Deputy Corporate Secretary on membership activity, in line with the requirements of the Membership Strategy.
7. To ensure progress with the Governor Engagement Plan for 2016-17 is monitored and reported on to the Council of Governors.

Assurance
To provide an annual report to include in the Annual Council Review of the year, including work undertaken and Member attendance at meetings.

**Reference: Monitor’s Risk Assessment Framework, August 2013**

Governor and membership reporting
NHS foundation trusts should maintain a representative membership base; Monitor will require information from trusts on members and membership elections.

**Governor development and membership report**
- commentary on governor development activity in previous year and plans for coming 12 months
- membership data including present and projected membership by constituency, election turnout rates and stratified comparisons with eligible groups
- commentary on membership strategy.

Review Date: May 2017
CONSTITUTION AND TERMS OF REFERENCE FOR

FOUNDATION TIMES (FT) EDITORIAL WORKING GROUP FOR 2016/17

Name of Committee: Council of Governors FT Editorial Working Group

Accountable to: Council of Governors

Primary purpose: On behalf of the Council of Governors, assist in the production of the Members Foundation Times Newsletter

Composition of Committee: Ideally, up to 7 governors will form this committee:

Any combination will be acceptable as long as there is a majority of public governors. In the event of more than the required number of governors self-nominating, the Council of Governors will agree membership of the Committee. A Chairman from the membership will be appointed by the Group at the first meeting.

Lead officer: A Communications Manager

Serviced by: Asst. Board & Membership Secretary

Frequency of meetings: This Group will meet twice a year

Note: A draft newsletter, for proof-reading, will be circulated via e-mail to group members.

Reporting mechanism: Written reports to the Council of Governors meeting

Minutes circulated to: Committee Members only

Responsibilities:

- To identify content for the Members newsletter.
- To assist in collating information for the newsletter to ensure timely publication to Members, in accordance with the annual schedule.
- Each Member to contribute at least one item per edition

Review date: May 2017
COUNCIL OF GOVERNORS

MEETING: 20 JULY 2016  AGENDA ITEM NO: 12

REPORT OF NUTRITION AND HYDRATION STRATEGY GROUP
GOVERNOR REPRESENTATIVE – MARLENE MOURA

The group last met on 7th June 2016 12.30 to 2.00pm.

Main discussion points were:

- Feeding tubes connections to be changed in September, some concerns re patients in community, under review.
- Nil by mouth and I.V. Fluids Policy complete.
- Patients enjoying cake with afternoon tea, not sure if they like green fruit cake

The next meeting due on 5th July was cancelled

A Governor to deputise for me when I am unavailable is currently being sought.

RECOMMENDATION

The Council of Governors is asked to note this report.

Author: Marlene Moura
Title: Public Governor – Basildon
Date: July 2016
REPORT OF FINANCE AND RESOURCE COMMITTEE
GOVERNOR OBSERVER – MARLENE MOURA

JULY MEETING

- Noticeable improved engagement between Execs/NEDs and acknowledgement of each other’s expertise/experience.
- Appear to have control of quality and financial balance within the Trust
- Developing good challenging yet supportive relationships at divisional levels between teams, particularly in divisions below management
- Encouraging all staff to be aware of their responsibilities to provide quality and safe care within financial constraints wherever possible

MAIN TOPICS OF DISCUSSION AT JUNE MEETING

- IT strategy
- Impact of Brexit on aspects of the Trust’s work
- Financial position going forward
- Success Regime

DECISION

The Council of Governors is asked to note this report.

Author: Marlene Moura & Wendy Barnes
Title: Public Governor Basildon
Date: July 2016
COUNCIL OF GOVERNORS

MEETING: 20 JULY 2016

AGENDA ITEM NO: 13b)

REPORT OF QUALITY & PATIENT SAFETY COMMITTEE

GOVERNOR OBSERVER – RON CAPES

Public Governor Jane Day was welcomed as a new member of the QPSC, joining Ron Capes as the second Governor Observer.

The Committee began by considering the Integrated Quality Report, presented by the Director of Nursing. This summarised the statistics on quality of care for April and May. Although the figures were generally satisfactory, there was some concern around the number of grade 3 and 4 pressure ulcers. The probable causes of the increased incidence in more serious pressure ulcers were thought to be linked to the introduction of new mattresses. This matter was discussed separately later in the agenda.

The latest mortality report showed that current rates were within or better than the expected rates indicating a sustained improvement.

The Committee received the Patient Survey Report which gave details of how the Trust scored in a survey of patients carried out by the CQC. Most responses indicated that the hospital has improved but one or two areas showed a reduced performance. Remedial actions being taken by the Trust were discussed.

An agenda item an SI review related to the recent introduction of new mattresses was discussed. For this item the committee was joined by Staff Governor Danny Day whose function in the hospital includes maintenance and use of the new mattresses linked to the issues around pressure ulcers. Danny had raised this matter in a meeting of the NEDs and Governors held on the previous day and was therefore invited to attend the QPSC to give the benefit of his knowledge and experience. He made a useful contribution to the search for solutions and was thanked by the Committee Chairman for his contribution.

The Committee was then given an update on the Cancer Action plan which seeks to recover delivery of the 62 day national standard.

Diane Sarkar then presented reports on the Safeguarding of Children and Young People which covered both Quarter 4 and the Annual Report.

Further assurance was given regarding whistle blowing and more on this would be brought to the next meeting.

The Committee then received the Internal Quality Assurance and Compliance Report and a number of other assurance reports covering Quarter 4 and the Annual CLIC Report (Complaints, Litigation, Incidents and Coronial Cases).

The Annual Report on Patient Experience and Engagement for 2015-16 indicated an increase in the number of PALS contacts and a reduction in formal complaints, indicating an increase in the number of incidents resolved before escalation to complaints. A Total of 438 plaudits were received and 67% of postings on the NHS Choices website awarded the Trust five stars. The rating of Maternity Services as Outstanding by CQC was noted.
A presentation by the Medical Director on 'Stepping Up to Green' indicated that the week had been successful with several good outcomes. It was noted that there was good involvement throughout from outside organisations.

The Committee Chairman continues to attempt to reduce the quantity of agenda papers for this meeting and has been gradually achieving success; however this meeting required the presentation of a large number of reports which resulted in the Agenda Papers for this meeting running to a total of 210 pages. The production of these reports represent a great deal of work on the part of those involved in their preparation the Committee, through the Chairman, thanked them for their efforts.

**DECISION**

The Council of Governors is asked to note this report.

Author: Ron Capes  
Title: Public Governor Basildon  
Date: 23 June 2106
A presentation was made by the Trust’s Managing Director on the 5 priorities for the Trust and the actions taken to achieve them. Questions were asked by the NEDs on the actions taken to consistently meet A&E waiting time targets. The Trust has employed an experienced A&E manager to improve patient flow and a geriatric consultant for elderly patients known in the community to have chronic health problems who consequently attend A&E.

The Divisional Clinical Director for Clinical Support Services gave a very interesting presentation on the new structures and new staff resources put into place to report and discuss governance issues, to escalate them to Board level where necessary and to disseminate actions to staff. The NEDs asked for assurance that this type of structure was in place for all Clinical Directorates and this was confirmed by the Director of Nursing.

The Trust’s new internal auditors RSM Tenon presented the signed off audit plan for 2016/17 agreed with the Director of Finance. Also the Internal Audit Progress Report and Follow up recommendations. NEDs questioned sections where the person responsible for the action was stated as unknown where it was obvious who it would be e.g. any IT actions would be under the responsibility of the Director of ICT. They also questioned a recommendation with a status of actioned where 45 members of staff had failed to provide a response. Also it would be more useful to see percentage attainments rather than numbers. Amendments will be made to the report.

External Auditors presented their report for the year 2016/17. They would like to put their findings on the Trust’s public website and intend to present the report to the Trust’s governors for discussion on whether the document is appropriately worded.

The Director of Nursing provided the first draft of the Board Assurance Framework (BAF). The NEDs were particularly interested and praised the new way of reporting high level risks to the Board. There was debate between the NEDs and RSM Tenon on whether the targets set for each risk should be aspirational or attainable – it was agreed a balance needed to be achieved. The risks need to be revisited to ensure they match the high level priorities reported by the Managing Director at the beginning of the meeting.

The Director of Nursing presented the Risk Management Strategy and confirmed that it was due for review in March 2017.

There were also presentations from Counter Fraud and the Director of Finance on Losses and Special Payments, Standing Orders and Waivers. NEDS confirmed that it was important that the Trust did all it could to retrieve money lost through the treatment of oversees patients.

The Governor was asked to comment on the meeting – I found it provided lively discussion and I found it most informative. The Chairman confirmed that a guest speaker will come to each meeting to discuss the progress of governance and risk management in the Trust.
Recommendation/Decision:
The Council of Governors is asked to note this report

Joy Pons
Basildon Public Governor/Governor Observer on the Audit Committee

July 2016
LEAD GOVERNOR’S REPORT

Members of the NEDRAC committee have undertaken their annual role of appraisal of the Chairman and Non-Executive Directors (NEDs). All Governors (in post during 2015-16) were asked to comment on their observations on the performance of individuals.

Clearly some will have had more opportunity than others to observe NEDs ‘in action’, e.g. as chairs of committees. However I would urge all Governors to contribute to whatever extent they can, however limited their observations may have been. This will contribute to a broader picture of the performance of the non-executive team.

Several contributions were received and Non Executives have now received feedback together with objectives for the future year.

Governors will be well aware that our Hospital is part of the Mid and South Essex Success Regime affecting not only ourselves, Southend Hospital and Mid Essex Hospital (Chelmsford), but also our partners in the whole of the care pathway. This includes the five CCGs covering the area, GP practices, primary and community care, mental health and social care.

While one aim is to identify efficiency savings that can offer opportunities to reduce annual deficits, the aim will also be to facilitate a more ‘joined up’ care pathway for patients with improved level of care.

Governors have raised concerns regarding the creation of an ‘overarching board’ which is intended to take decisions which are in the ‘common good’ rather than each Trust working in isolation.

As Governors have a statutory responsibility to hold their board of directors to account through the non-executive directors, there was concern about how assurance could be gained regarding the function and decision-making of this new committee.

An added complication is that although BTUH and Southend Hospital are both Foundation Trusts, Mid Essex Hospital is not, and therefore does not have a Council of Governors.

I am pleased to say that these concerns have been recognised by the three trusts and they are positively addressing the issue. On 13 July I attended a meeting of Chairmen and Governors from the two trusts and representatives of the Mid Essex Patient Council for the purposes of this meeting.

The Chair of Mid Essex Hospital agreed she would investigate the potential of establishing a panel of elected patient representatives. This would enable the creation of a similar governance model to that of Foundation Trusts for the purposes of assurance regarding the functions of the Success Regime process.

It was further agreed that representatives of each of the three hospital Governors groups shall be accepted as observers to attend future meetings of the overarching committee.
I believe this to be a major positive development in terms of assurance to Trust members and the local community, through Governors, that high level management decisions are being taken with due consideration. It also demonstrates that the role of Governors is fully accepted and valued by senior management across the three hospitals.

**DECISION**

The Council of Governors is asked to note this report

Author: Ron Capes JP  
Title: Lead Governor  
Date: 14.7.2016
NON-EXECUTIVE DIRECTORS REMUNERATION AND APPOINTMENTS COMMITTEE
(NEDRAC) CONSTITUTION AND TERMS OF REFERENCE

PRIMARY
PURPOSE:

On behalf of the Council of Governors to:

a) determine the process for appointment or reappointment of Non-Executive Directors, including the Chairman and to initiate and oversee the recruitment process for Non-Executive Directors making their recommendations to the Council of Governors.

b) determine the remuneration, allowances and terms of office of the Non-Executive Directors, including the Chairman. To ensure that on appointment to the Board of Directors, NEDs and the Chair receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings; and to make recommendations to the Council of Governors in respect of the same.

APPOINTMENT PROCESS

DUTIES:

1. Regularly review the structure, size and composition (including the skills, knowledge and experience) required of non-executive directors of the Board of Directors compared to its current position and make recommendations to the Council of Governors concerning any changes.

2. Consider succession-planning, taking into account the recommendation of the Trust Remuneration and Nomination Committee, the challenges and opportunities facing the Trust and therefore the NED skills and capabilities are needed on the Board of Directors in the future.

3. Be responsible for identifying, interviewing and recommending, for the approval of the Council of Governors at a general meeting, final candidates to fill non-executive director vacancies, including the chair, as and when they arise.

4. Make recommendations to the Council of Governors as regards the re-appointment of any NED/Chair at the conclusion of their specified term of office, following the process agreed with the Council for the re-appointment of NEDs/Chair.

5. In the event that a current NED is ineligible or does not wish to seek re-appointment, to oversee the recruitment and selection process, approve all relevant documentation and ensure compliance with Trust governance requirements (including provision 31 of the Trust’s Constitution [July 2015]), national standards and best practice.

6. Before commencing to make a recommended appointment, evaluate the balance of skills, knowledge and expertise of the Board and, in the light of this evaluation, prepare a role description and person specification for individual NED/Chair appointments, taking into consideration the opinion of the Board of Directors.
7. Review the job descriptions of the non-executive director role and that of the chair on an on-going basis

8. Keep under review the leadership needs of the Trust, with a view to ensuring the continued ability of the organisation to deliver services effectively

9. Review annually the time required from the chairman and non-executive directors to perform their roles effectively. Performance evaluation/appraisal should be used to assess whether the non-executive directors are sufficiently fulfilling their duties.

10. The Committee, having consulted the Board of Directors, will make recommendations to the Council of Governors on the appropriate processes for the evaluation of the chair and non-executive directors.

11. Alongside other Governors participate, on a non-voting basis, on the appointment of other Directors, External Assessor(s) or specialists as the Committee determines.

12. To ensure that on appointment to the Board of Directors, NEDs and the Chair receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.

13. To ensure any training needs of the Committee are identified and that training is undertaken.

**REMUNERATION, ALLOWANCES AND TERMS OF OFFICE**

1. Determine and agree with the Council of Governors, in liaison with the Board of Directors, the framework or broad policy for the remuneration and terms of office of the Trust’s non-executive directors.

2. Review the on-going appropriateness and relevance of the remuneration policy.

3. Ensure that contractual terms on termination, and any payments made, are fair to the individual and the trust, and aligned with the interests of patients, that failure is not rewarded and the duty to mitigate loss is fully recognized.

4. Within the terms of the agreed policy and in consultation with the Chairman, determine the total individual remuneration package of each non-executive director, including allowance or other rewards.

5. To undertake any research, take advice, consider the options and document the reasons for any proposals and to make recommendations to the Council of Governors for decision.
6. Recommendations from the NEDs Remuneration and Appointments Committee will be presented to the next full meeting of the Council of Governors where they will be adopted or rejected.

7. Rates of remuneration are to be disclosed in the annual report and accounts.

**ACCOUNTABLE TO:**
The Council of Governors

**REPORTING MECHANISM:**
Written or verbal reports to the Council of Governors

**COMMITTEE CHAIRMAN:**
The members of the Committee will elect a committee chairperson, who may change annually as new members are elected for the committee. This could be the Trust Chairman.

**COMPOSITION OF COMMITTEE:**
Trust Chairman* plus, up-to 8 governors (who are free from any conflict of interest) will form this committee:
- Public Governors x 6
- Appointed Governor x 1
- Staff Governor x 1
- Plus the Lead Governor (if not elected as one of the above)

If this ratio of governors is not possible from the governors who self-nominate, any combination will be acceptable as long as there is a majority of public governors. In the event of more than the required number of governors self-nominating, the Council of Governors will select the members of the Committee.

Directors, Advisors or specialists may attend the committee as required to support the selection process.

*The Trust Chairman need not necessarily chair the NEDs Remuneration and Appointments Committee. However, the Trust Chairman will chair the Appointment Panel for recruitment of NEDs.*

When the Committee is dealing with the matter of succession to the Trust chairmanship, the performance or possible re-appointment of the current Chair. The Trust Chairman will not be present at such meetings or the relevant part of such meetings. Either the Senior Independent Director or the Deputy Chairman will assist the Committee, provided they are not conflicted in the matter being considered.

Appointment Panel members will be selected from the Committee members by the NEDRAC. All members of an Appointment Panel must have undergone training in recruitment and selection.

There will be no more than 5 NEDRAC members on the Appointment Panel. The Panel will be selected from the Committee members and will be comprised of a majority of public governors.

**IN ATTENDANCE:**
Director of Workforce & Organisational Development
The Senior Independence Director or Deputy Chairman (for issues...
relevant to the Chairman)
External advisors as requested by the Committee.

QUORUM: Five (5) Governors of which the majority must be public governors

DECLARATIONS OF INTEREST: Any member of the Committee conflicted on any aspect of an agenda presented to the Committee, such as succession planning for a non-executive director vacancy or the chair’s position shall declare their conflict and withdraw from discussions.

ADMINISTRATION: Corporate Governance and Membership Services

FREQUENCY OF MEETINGS: As required, in a year where recruitment of an individual occurs, unlikely to be more than 3 meetings.

AUTHORITY: This Committee is constituted as a sub-committee of the Council of Governors for the purpose of undertaking the necessary search, selection and provisional appointment of Non-Executive Directors and Trust Chair and for remuneration, allowances and terms of office.

The Committee is authorised by the Council of Governors to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee, and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Council to request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary and to seek advice and support from the Corporate Secretary and external experts as required.

TERMS OF REFERENCE: These terms of reference will be reviewed every two years or before if a change is required.

REVIEW DATE: July 2018
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<tr>
<th>NAME</th>
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<tr>
<td><strong>Trust Chairman</strong></td>
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<td>Nigel Beverley</td>
<td>Trust Chairman</td>
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<td><strong>Governors</strong></td>
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<td>Neville A. Brown JP</td>
<td>Public Governor, Brentwood</td>
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<td>Amanda Burton</td>
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<td>Karen Boyles</td>
<td>Public Governor, Thurrock</td>
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<td>Ron Capes</td>
<td>Lead Governor and Public Governor, Basildon</td>
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<td>Peter Hatch</td>
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<td>Julia Harding</td>
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<td>Alan McFadden</td>
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<td>Colin Moore</td>
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<td><strong>In attendance (as required)</strong></td>
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<td>Danny Hariram</td>
<td>Director of Workforce &amp; Organisational Development</td>
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<td>John Govett</td>
<td>Senior Independent Director (for issues relevant to the Chairman)</td>
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<td>Corporate Secretary (and/or his deputy)</td>
<td>As identified and required by the Committee</td>
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<td>External advisors</td>
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