Minutes of a Joint Meeting of County Durham and Darlington NHS Foundation Trust Board and Council of Governors held on Wednesday 26 March 2014 from 14:30hrs in the Summerson Suite of the Hall Garth Hotel, Coatham Mundeville, Darlington.

**PRESENT:**

**From the Board of Directors**
- Dr T A Waites  
  Trust Chairman  
- Rt Hon Baroness Armstrong  
  Non-Executive Director  
- Dr I Robson  
  Non-Executive Director  
- Mrs L Snowball  
  Non-Executive Director  
- Dr R M Waterston  
  Non-Executive Director  
- Mr A Young  
  Non-Executive Director  
- Mrs S Jacques  
  Chief Executive  
- Mr P Dawson  
  Executive Director of Finance  
- Mr M Wright  
  Executive Director of Nursing & Patient Experience  
- Mr T Hunt  
  Executive Commercial Director  

**From the Council of Governors**
- Mr R Beckwith  
  Public Governor (Derwentside)  
- Cllr V Copeland  
  Appointed Governor (Darlington Borough Council)  
- Dr K Davison  
  Public Governor (Wear Valley & Teesdale)  
- Mrs M Dunn  
  Public Governor (Darlington)  
- Mrs B Dyer  
  Public Governor (City of Durham)  
- Ms J Fenny  
  Staff Governor (Nursing & Midwifery)  
- Ms T Gordon  
  Staff Governor (Nursing & Midwifery)  
- Mr J Heap  
  Public Governor (Tees Valley, Hambleton, Richmondshire)  
- Mr J Hillary  
  Staff Governor (Admin, Clerical & Managers)  
- Mrs B Hoy  
  Public Governor (Darlington)  
- Prof P Keane OBE  
  Appointed Governor (Local Universities)  
- Dr C Martin-Ruiz  
  Public Governor (Chester le Street)  
- Mrs L Moore  
  Public Governor (Sedgefield)  
- Mr A Murray  
  Public Governor (Easington)  
- Mrs S Pringle  
  Public Governor (City of Durham)  
- Mrs L Sanderson  
  Public Governor (Darlington)  
- Dr R Scothon  
  Public Governor (City of Durham) (from Item 5)  
- Mr J Short MBE  
  Public Governor (Teesdale)  
- Rev K Tromans  
  Staff Governor (AHPs, Professional and Technical & Pharmacists)  
- Mr L Welsh  
  Public Governor (Derwentside)  
- Mrs C Woolley-Brown  
  Public Governor (Wear Valley & Teesdale)  

**IN ATTENDANCE**
- Mr W Edge  
  Senior Associate Director of Assurance & Compliance  
- Mr W Headley  
  Executive Director of Estates & Facilities
1 **Welcome and Apologies**

The Trust Chairman welcomed all those present. Apologies for absence were recorded from:

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<td>Prof C Gray</td>
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<td>Ms C Bailey</td>
<td>Staff Governor (Nursing &amp; Midwifery)</td>
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<td>Mrs A Bone</td>
<td>Public Governor (Chester le Street)</td>
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<td>Mr W Davies</td>
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<td>Mr A Galston OBE</td>
<td>Public Governor (Sedgefield)</td>
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<td>Mr K Gunning</td>
<td>Staff Governor (Medical)</td>
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<td>Ms Dorothy Teasdale</td>
<td>Appointed Governor (NEAS)</td>
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2 **Declarations of Interest**

Anyone who was aware of a private or personal conflict of interest relating to any item on the agenda was required to disclose it at this stage, or when the conflict arose, during consideration of the item. No declarations of interest were made.

3 **Minutes and Matters Arising from the Joint Trust Board and Council of Governors meeting held on 18 December 2013**

**Accuracy**  
*Item 4 Chairman’s Opening Remarks (fifth bullet: page 4)*  
To read: “… the governing body from the local GP Clinical Commissioning Groups …”

Subject to that one amendment, the Minutes of the previous meeting were signed as a true record.

**Matters Arising from the Minutes of the Previous Meeting**  
*Item 3 Minutes & Matters Arising from the Joint Trust Board and Council of Governors Meeting held on 22 May 2013*

In response to a question about Prof Yiannakou’s forthcoming presentation to the Council of Governors, the Chairman advised that Prof Yiannakou had been made aware of this invitation. A date was, however, yet to be confirmed.

*Item 7 Chief Executive’s Update*

- Mrs Jacques reported that feedback received from Monitor in relation to Q3 had secured CDDFT a financial score of ‘3’ along with a governance rating of ‘green’. The Chairman asked Mrs Jacques to elaborate on that award of ‘green’. Mrs Jacques advised that the Trust had had two areas of performance difficulty in Q3. Under the Monitor regulatory compliance framework, this would ordinarily have given rise to a score of ‘amber/red’ but, under revised arrangements, the scoring system resulted in a rating of “green” and acknowledgement that, in respect of A&E and Cancer 62-day
screening, the trust was doing everything possible. Mrs Jacques advised that, due to patient choice, the Trust was subject to limitations in terms of patients attending for treatment within the required 62 day timeframe. In terms of A&E, it was recognised that this was a national issue. The Chairman added that Governors would be conscious that CDDFT was the third largest provider of A&E services in the country and had only just fallen short of the 95% 4-hour waiting target. Many other organisations had missed that target.

- Mr Short sought information about the position with regard to the Bishop Auckland Midwifery Led Unit. Mrs Jacques reported that the latest position was that commissioners had now nominated a lead individual and, as a result, a meeting was anticipated between CDDFT staff and the commissioner's lead, with Clinical Senate representation, either side of Easter. She confirmed that, at this time, the Midwifery Led Unit remained temporarily closed.

4 Chairman’s Opening Remarks

The Chairman put on record that this meeting had been convened in order for Governors to consider CDDFT’s 2-year Operational Plan to Monitor, the updated Executive Directors’ self-assessment as well as the organisation’s risk assessment and declarations. It was noted that a great deal of work had been carried out on the two year Operational Plan which had been submitted to the Trust Board earlier in the day - first within the private Trust Board meeting when, for reasons of commercial confidentiality, some of the background detail had been elucidated and there had then been a further debate in the public part of that Board meeting when a handful of members of the public had been present. In conclusion, the Trust Board had been of the view that the Plan was now in a form which could be submitted to Monitor. However, it was important that the Board also had the support of the Council of Governors. It was noted that, although this was a matter which historically would have been debated at a later stage of the year, Governors were now asked to concentrate upon the Plan for 2014-15 and 2015-16. Governors would also understand that, following submission of this two year Plan to Monitor, the Trust was then required to produce a five and a ten year plan. The Trust now looked to receive the comments of Governors and, hopefully, their endorsement of the 2-year Operational Plan.

5 Monitor Two Year Plan

(a) Plan

Mr Hunt referred Governors to the documentation in the agenda pack on CDDFT’s Operational Plan for the years ending 31 March 2015 and 2016. It was noted that the Strategy Committee of the Council of Governors had been very much involved in the drawing up of this Plan. Mr Hunt then went on to outline the content - which had been set out in accordance with that format laid down by Monitor.

Mrs Jacques emphasised that both the Trust Board and Executive Team had been working extremely hard on this Plan to ensure that the organisation reached a position of delivery. As part of this work, the Trust Board had commissioned KPMG to advise the Trust throughout the critical planning process as well as to provide the Trust with some external assurance that its Plan was reasonably robust and had a good chance of delivery. That debate earlier in the day, alluded to by the Chairman under Item 4, had highlighted several issues which required to be brought to the attention of Governors:

- The first was the fact that the Trust and its Governors sat today without a contract with
commissioners and, in particular, that everything within the 2-year Plan was predicated upon an assumed contract. It would be essential for CDDFT to be satisfied that it could deliver within a certain envelope of money prescribed quality standards. As a consequence of this situation, Members of the Trust Board had, this morning, delegated authority to the Chairman and Chief Executive to endorse any minor changes to the contract and, further, had agreed to the submission of the 2-year Plan to the Regulator. Linked to that decision, Mrs Jacques acknowledged that it may prove necessary to make amendments to details of the financial section of that Plan and she put on record that the Executive Director of Finance had been charged to make any necessary changes to the financial schedules within the documentation.

- In the previous week, Governors would have been made aware of the announcement in respect of NHS pay awards and Mrs Jacques advised that, although that pay uplift was not reflected in the financial schedules at this point, it was likely that the current reserve was overstated by £1m.
- Mrs Jacques advised that the Executive was confident of delivery of the Plan. This had been confirmed this morning by Prof Gray in both the private and public meetings of the Trust Board. With that confidence in the capability to deliver, and with 8,000 employees, Mrs Jacques shared her view that there was a need to work more closely with CGs and corporate directorates on more detailed planning to ensure delivery. It was also highlighted that many other FTs and non-FT organisations were currently experiencing some distress in terms of financial and non-financial matters.
- It was noted that some small changes were to be made to the Plan as a consequence of some comments made by KPMG as well as some other observations made earlier in the day.
- In terms of workforce, Mrs Jacques emphasised that the Trust had clearly articulated the level of challenge in respect of the numbers and the gaps. As a consequence of there being a national shortage of health care professionals, there was a need to elaborate on the different types of roles which the Trust envisaged moving forward.
- It was also intended to make very clear that plans covered both the acute and community aspects of care provided by CDDFT and, particularly, the Integrated Short-Term Intervention Service (ISIS) scheme - which had a significant community element.
- Mrs Jacques reported that there were further plans afoot which were likely to come to fruition within the local health economy which, it was anticipated, would have a positive impact. To draw out this point, it was put on record that The Friarage was to downgrade its paediatric services and, as a result, the Trust had formally confirmed that it was able to take additional workflow into DMH. All of this was to be made more explicit in terms of identified breakthroughs. Some of those breakthroughs had a component which linked to cost reduction, whilst others did not. This was to be made particularly explicit to the reader with an elaboration of the governance arrangements to be laid down to avoid any double counting or duplication of services.
- On the downside Governors were advised that, if work was to move more rapidly out of each sector than had initially been identified, a note was to be inserted in the plan to state that, if that should happen, the Trust would be able to support the cash implications by dipping into its capital programme. It would, however, be necessary to determine a further plan for the organisation in the longer term. Those implications were to be shared with Members of the Trust Board in order to seek their approval over the summer.
- The Trust’s Executive was very conscious of the opening of the Clinical Trials Unit which, it was hoped, would heighten the Trust’s academic and research profile.
Agreement had also been obtained for investment in a Simulation Centre. Mrs Jacques stressed that those developments were critical to the Trust’s ability to attract individuals from the very top echelon of healthcare professionals.

- Mrs Jacques went on to report that capital plans had been agreed in principle – all of which were required to go through four gateways. Each stage of capital planning was to be made clear to the reader.
- The Trust had taken a formalised programme management approach to CRT, with a great deal of executive support and leadership.
- Throughout the Plan, reference had been made to a singular emergency department. This was to be clarified to make it explicit that CDDFT had two A&E sites.
- In terms of those statements around Centres of Excellence, these were to be amended to read that the DMH theatre suite would be an enabler – rather than a principal enabler.
- More detail was to be added in respect of prioritisation around operational requirements and the capacity part of the Plan with elective demand. This sought to make it clear to the reader that, although CDDFT had experienced some modest increases in 2013-14, over the previous three years, there had been significant increases which had compromised the organisation’s ability to deliver on the Regulator’s requirements.
- On reconfiguration of Trust Front of House services, issues in respect of the reconfiguration of clinical pathways and reconfiguration of clinical estate were to be fully explained.
- The theatre case was now at its final gateway and, again, this was to be made very specific to the reader. It had also been recognised that some figures in respect of that theatre case made reference to predicted activity for the beginning of 2014 – which obviously was now history. That section of the narrative was to be updated.
- In respect of those contracts which would not run for the whole of the period and where notice had been served, for example, in respect of sexual health, those circumstances were to be made very clear in the Plan.

In summary, having had fundamental discussions, various minor amendments were to be made.

Mrs Jacques put on record that KPMG had taken the view that all risks and expectations had been largely captured. KPMG had also committed to writing a report before Christmas 2014 and the Trust had asked that, with their wealth of international experience, KPMG provide advice in their report on anything which would allow CDDFT to deliver more effectively. Of course, details of that report were to be provided to the Council of Governors.

(b) **Updated Executive Directors’ Self-Assessment**
Mrs Jacques informed the Council of Governors that the Executive Directors had assessed themselves against those criteria which Monitor had suggested as being required to score highly. That self-assessment had then been submitted to Non-Executive Director colleagues. All of the documentation had been provided in the agenda pack for the information of Governors - to make them aware of that very searching process.

(c) **Risk Assessment and Declarations**
Mrs Jacques then referred to the Declaration of Risks against Healthcare Targets and
Indicators, contained within the agenda pack, which was to be put forward to Monitor and would become part of CDDFT’s Annual Plan scoring assessment. It was highlighted that the paper recommended that risk was declared in respect of four areas:

- Total time in A&E under 4 hours (95%);
- Cancer 62 day waits for first treatment from a referral from the NHS Cancer Screening Service;
- 18 weeks referral to treatment targets – admitted patients; and
- Cancer 2 week waits (breast symptoms).

Governors were also well sighted upon those significant pressures in A&E which had stemmed from a very high demand which had not been forecast.

Mrs Jacques went on to advise that the 18 week referral to treatment target was a new area of risk which the Trust had not previously failed quarterly – although the Trust had at times been close to failure on a monthly basis. This risk had arisen purely as a result of an increase in referrals – despite commissioners having anticipated a reduction in the number of referrals. Further, physical limitations as a consequence of increased unscheduled care had entailed the cancellation of some procedures. If this situation was to continue, the risk would become more acute and therefore it had been decided that it would be wise to declare to Monitor that the organisation was unable to guarantee delivery of that target in every quarter.

In addition to the 18 week referral to treatment risk, Governors were advised that there had been a long debate in respect of the HCAI risk and the requirement to report avoidable cases of C.diff to Monitor. Whilst Monitor would accept a de minimis of six cases, if CDDFT was to reach that number, it had been decided that the organisation would submit a narrative to Monitor but would not declare a formal risk.

At this stage of the proceedings the Chairman invited Prof Keane, as Chair of the Council of Governors’ Strategy Committee, to comment on the position thus far. Prof Keane reported that there had been a meeting of Strategy Committee on the evening of 24 March when Committee Members had spent some time going through CDDFT’s 2-year Operational Plan. Overall, the Plan had been endorsed with some of the observations made having been addressed in Mrs Jacques’ presentation. In terms of communication Prof Keane acknowledged that there had been considerable consultation throughout the Trust in preparing this Plan but he was concerned to emphasise that this was not only about planning but about implementation of that Plan going forward. It was essential that the workforce was fully engaged and Prof Keane believed that additional communication would be necessary. Another area in terms of observations on the part of Strategy Committee Members had been in respect of the Trust’s capacity to deliver - with some reservations that, in a time of economic restraint, senior clinical staff would become involved in the delivery of the Plan and that this might detract from clinical capacity within the organisation.

As had already been alluded to by Mrs Jacques, Strategy Committee Members had also expressed concerns with regard to workforce vacancies - despite the ongoing work to attract and retain healthcare professionals. Prof Keane suggested that it may prove necessary to use additional techniques to ensure that the organisation kept its good workforce. Strategy Committee had also considered what the Trust could do to ensure
that the right facilities and resources were available in the community and which agencies had the responsibility to monitor the quality of those other organisations. A particular area of concern had been in respect of the Better Care Fund and that £46m was to transfer out of the acute sector and, specifically, the consequences in relation to an increased number of admissions should that money disappear for other reasons. Another area of uncertainty was the fact that contracts had not yet been signed with commissioners. The Chairman thanked Prof Keane for his report. There were no other comments from Members of Strategy Committee.

The Chairman suggested that, as Governors had been presented with a number of papers and the Trust Board had decided upon some amendments to the documents, Governors be given a further opportunity to reflect upon the Operational Plan and to address any remaining reservations. Comments were invited.

Mr Short stated that, in his view, the Trust was inundated with the term ‘care closer to home’ and he went on to propose that it might be more appropriate to say ‘care at home’ because, in order to provide that care, there would be a real need for collaborative work with social services and other agencies – as well as with GPs. Mr Short also highlighted that some small rural surgeries may encounter financial difficulties in the near future. As a consequence, there was a need to ensure engagement from all parties. Mr Short then went on to question if it was proving more difficult for CDDFT to deal with three separate commissioning bodies. Mrs Jacques advised that this was undoubtedly the case. She also reminded Governors that there were now three Area Teams and two Health & Wellbeing Boards.

Drawing upon Mr Short’s first point, the Chairman advised that the phrase, ‘care closer to home’, was generally accepted terminology within the NHS. He acknowledged, however, that there was no harm in making some other reference to this type of care. Other comments were then invited from the floor.

Mrs Woolley-Brown asked when it was expected that contracts would be signed. Mrs Jacques advised that the organisation had not yet been made aware of certain components of the contracts. In pursuing this point, those arrangements which would come into force if the contracts were not signed were then questioned. Mrs Jacques reported that there were two separate contracts in respect of acute and community provision. If these were not signed by the beginning of April, and there was no idea of commissioners’ expectations, there would be no alternative but to roll forward existing contracts. This could, however, lead to some misunderstandings. Governors were advised that, whilst there had been some communication, this had not given the Trust a satisfactory understanding of commissioners’ intentions and, further, the organisation could not deliver on what had been offered. All of this had been fully explained and with the Trust already having put its own offer to commissioners.

Mrs Jacques took this opportunity to flag that the local health economy had received a financial uplift of 2.14% from April 2014 and was to receive a further 1.7% from April 2015. She shared her view that it would be possible to come to a sensible arrangement with commissioners and to increase the quality of health care with that uplift. It was noted that, if contracts were not signed by the end of April, this matter was to be escalated to Chief Executive Officer level.
In response to a question about the Learning Centre, Mrs Jacques advised that Mr Headley would organise a visit for Governors at an appropriate stage. The Chairman confirmed that a building had been leased by the organisation and required to be converted for the Trust’s own purposes. It was of further note that this had avoided the need for that capital expenditure which had been planned for the UHND site. In addition, Mr Headley reported that, once the re-fitting of the leased property was complete, the old Education Centre was to be demolished – with the creation of new car parking spaces.

Mr Beckwith queried the source of that £70.3m to be invested in capital schemes from 2014-2018. Mr Dawson advised that this was predicated on cash currently held, together with the assumption that there would be a surplus going forward. He also confirmed that the only prospective property sale was in respect of Escomb Road.

Subject to the inclusion of those various amendments outlined by Mrs Jacques, and reflecting upon those points raised by the Council of Governors Strategy Committee, the Chairman then formally asked if Governors were satisfied that they could clearly state to Monitor that the Trust’s Operational Plan for the years ending 31 March 2014 and 2015 had their support. Governors were in agreement. There was no dissent.

The Chairman then asked if there were any comments on the Executive Directors’ self-assessment and, in particular, if there were any areas in which CDDFT’s Executive Directors had over-stated the position. Dr Davison expressed the view that there had not been sufficient time for Governors to digest all of the detail and he asked for further time to read through the documentation. By way of comment, Mrs Jacques advised that this information was much more pertinent to the June 2014 position and she suggested that Governors provided feedback within that timeframe. Essentially, this represented a first look before arriving at the June position and confirming CDDFT’s five year plan to Monitor. The Chairman proposed, and it was agreed, that Governors’ feedback be dealt with under the Minutes and Matters Arising of the next meeting of the Council of Governors.

In terms of the Declaration of Risks Against Healthcare Targets and Indicators, Ms Jacques advised that this was part of the continuous story with which Governors would be very familiar. Mr Young took this opportunity to highlight that, on the first page of Annex 1 there was a reference to Plastics but not to Dermatology. However, elsewhere in the documentation Dermatology had been rated as a risk but not Plastics. Mrs Jacques agreed that both, to varying degrees, were to be regarded as a risk. As a consequence, she undertook to ensure that Plastics was added to CDDFT’s Declaration of Risks Against Healthcare Targets and Indicators.

6 Any Other Business

In drawing the meeting to a close the Chairman commented that much of the business had been very specific and he expressed his gratitude to Governors for their support in terms of the submission of the Operational Plan to Monitor. It would, however, be necessary to hold a further debate with regard to key issues in connection with the Trust’s five and ten year plans.

The Chairman then asked if there were any further items of business or questions to raise.
(a) **External Auditors**
Mr Dawson reported that the contract in respect of Deloitte LLP, the Trust’s External Auditors, was due to conclude on 31 March 2014. External Auditors were, however, to undertake work in April/May to audit the Trust’s 2013-14 position. As it was the statutory responsibility of Governors to appoint External Auditors, in order to bridge that gap and to allow Deloitte LLP to audit 2013-14, Mr Dawson sought Governors’ endorsement to award a three month extension of that contract.

As Chair of the Council of Governors’ Audit & Governance Committee, Mr Short was content to support the extension of that contract. The Chairman put on record that it was the business of the Audit & Governance Committee to make a formal appointment. Governors were in agreement that this contract should be extended.

(b) **Learning Centre**
In response to a question from Mr Hillary, Mr Headley anticipated that the Learning Centre would be open by the beginning of August 2014.

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<th><strong>Close &amp; Announcement of Next Meetings</strong></th>
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<td>Council of Governors Full Council Meeting</td>
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<td>(Venue to be announced)</td>
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The meeting was declared closed at 15:40hrs

Signed:……………………………………..
Dr TA Waite
Chairman

Dated: 21 May 2014