

Council of Governors Meeting
Tuesday 21 July 2020 13:30 – 16:00
By Videoconference

AGENDA

Time			Lead	Purpose
Opening Matters				
13:30	1	#Hellomynameis and Apologies for Absence	Lynne Hunt	Verbal
13:35	2	Declarations of Interest	Lynne Hunt	For approval
13:40	3	Minutes of meeting held on 05.03.2019 & 04.02.2020 and Action Log • Written Motions	Lynne Hunt	For approval
13:45	4	Annual Report and Accounts 2019/2020 and External Auditor's Report to the Governors <i>(This is considered the Annual Governors' Meeting for the purposes of fulfilling para 42 of the Trust Constitution)</i>	Sasha Lewis, PWC	To note
14:00	5	Impact of COVID-19 - emerging needs and impact on services	Hazel Nicholls	Verbal
14:15	6	Impact of COVID-19 on BAME Staff (TBC)	Sarb Birk / Siven Rungien	Verbal
14:30	7	Overview from the Chief Executive	Ron Shields	Verbal
14:50	8	Financial update	Paula Anderson	To note
15:00	9	Update from Board Committees	Non-Executive Directors	Verbal
15:20	10	Corporate Governance Report	Rebecca Lawry	For approval
15:30	11	Lead Governor Reflections	Andrew Jackman	To note
15:40	12	Any Other Business	Lynne Hunt	Verbal
15:45	13	Review of Meeting	Lynne Hunt	Verbal
15:50	14	Questions from the public	Lynne Hunt	Verbal
16:00	15	Close		

Date of next Council of Governors' meeting: 13 October 2020
Venue: Virtually / Tatchbury Mount, Calmore, Southampton SO40 2RZ

Quorum

No business shall be transacted at meetings of the Council of Governors unless at least one third of the total number of Governors is present and the majority of these Governors present are members of the public constituency of the Trust.

Audio Recording








The Trust will take an audio recording of Board meetings held in public and of Council of Governors' meetings held in public. The recording will be held on file with the meeting documentation and published following the meeting. In accordance with Standing Order 4.1.2 of the Trust's Constitution and Standing Orders, any other audio recordings of the proceedings of Board meetings held in public or of Council of Governor's meetings held in public will require the prior agreement of the person chairing the meeting.

Resolution to exclude members of the public

In accordance with Paragraph 19.2 of the Trust's Constitution that publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted or for other special reasons stated and arising from the business or nature of the proceedings.

**Council of Governors
Attendance List**

Any meeting of the Council of Governors requires a quorum of at least one third of the total number of Governors in post to be present, with a majority of those present being Public Governors.

		Did they attend?		
		21.07.2020	13.10.2020	09.02.2021
Members				
	Lynne Hunt Chair	Yes		
	Professor David Baldwin Appointed Public Governor, University of Southampton	No		
	Robert Blackman Public Governor, South East Hampshire	Yes		
	Councillor Lorna Fielker Appointed Governor, Southampton City Council	Yes		
	Councillor Rob Humby Appointed Governor, Hampshire County Council	Yes		
	Andrew Jackman Public Governor, Southampton	Yes		
	Paul Lewzey Public Governor, Southampton	Yes		

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Respect

	Venus Madden Public Governor, North Hampshire	Yes		
	Margaret Martins Staff Governor, South West Hampshire	Yes		
	Josie Metcher Public Governor, South West Hampshire	Yes		
	Michael North Public Governor, Rest of England	Yes		
	Suzanne Pepper Public Governor, South East Hampshire Constituency	Yes		
	Peter Smith Public Governor, South West Hampshire	Yes		
	Russell Stevens Public Governor, South West Hampshire	Yes		
	Adrian Thorne Appointed Governor, Carers Together	Yes		
	Louise Vinell Staff Governor, North Hampshire	No		

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Attendees				
	Paula Anderson Finance Director	Yes		
	Michael Bernard Non-Executive Director	Yes		
	Jeni Bremner Non-Executive Director	Yes		
	Ron Shields Chief Executive	Yes		
	Amanda Bryant Corporate Governance Manager	Yes		
	Paul Draycott Director of Workforce, Organisational Development and Communications	Yes		
	Kate FitzGerald Non-Executive Director	Yes		
	Rob Goldsmith Non-Executive Director	Yes		
	Dr David Hicks Non-Executive Director	Yes		
	Paula Hull Director of Nursing and Allied Health Professionals	Yes		

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	David Kelham Non-Executive Director	Yes		
	Rebecca Lawry Associate Director of Corporate Affairs (Company Secretary)	Yes		
	Grant MacDonald Chief Operating Officer	Yes		
	Heather Mitchell Executive Director for Strategy and Infrastructure Transformation	Yes		
	David Monk Non-Executive Director	Yes		
	Karl Marlowe Medical Director	No		

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CoG Action Log 2020/2021

Meeting	Date	Action Ref	Action NB from Minutes	Owner	Target Closure Date	Current Position	Status
ARAC	08/10/2019	13.1	David Kelham, Paula Anderson and Rebecca Lawry to agree how external audit performance should be presented to the Council of Governors	Rebecca Lawry	07/01/2020 Revised target date of February 2021	A tender process to appoint an external auditor is due to commence in early 2021 and Governors will receive a report on performance as part of this process.	In progress
CoG	04/02/2020	2.4	Sarah Courtney to liaise with Natalie and her daughter to help improve the level of care and support received previously, as well as going forward.	Sara Courtney	21/04/2020 Revised target date of 13.10.2020	Verbal update scheduled for 13.10.2020 CoG meeting	In progress
CoG	04/02/2020	2.5	Quality & Safety Committee to look into the level of support and advice offered to people who raised with the Trust their concerns or complaints, to ensure it is consistent with the level offered at the meeting today	Paula Hull	23/06/2020 Revised target date of 08.09.2020	Scheduled for 08.09.2020 Governor Development session	In progress
CoG	04/02/2020	5.2	Update on the Legs Matter Programme to be presented to the April 2020 Council of Governors' meeting	Paula Hull	21/04/2020 Revised target date of 13.10.2020	Verbal update scheduled for 13.10.2020 CoG meeting	In progress
CoG	04/02/2020	5.5	Director of Finance to provide an update on key worker housing	Paula Anderson	23/06/2020 Revised target date of 13.10.2020	Verbal update scheduled for 13.10.2020 CoG meeting	In progress

CoG Action Log 2020/2021

Meeting	Date	Action Ref	Action NB from Minutes	Owner	Target Closure Date	Current Position	Status
CoG	04/02/2020	8.3	Rebecca Lawry to present the Board Assurance Framework and the Risk Register to a future Governor Development Session.	Rebecca Lawry	02/12/2020 Revised target date of 08.09.2020	Scheduled for 08.09.2020 Governor Development session	In progress

Minutes of the Council of Governors meeting

Tuesday 4 February 2020 13:30 – 16:30

Conference Room, Sterne 7, Tatchbury Mount, SO40 2RZ

Members:

Lynne Hunt	Chair
Professor David Baldwin	Appointed Public Governor, University of Southampton
Robert Blackman	Public Governor, South East Hampshire
Councillor Rob Humby	Appointed Governor, Hampshire County Council
Andrew Jackman	Public Governor, Southampton
Paul Lewzey	Public Governor, Southampton
Margaret Martins	Staff Governor, South West Hampshire
Josie Metcher	Public Governor, South West Hampshire
Michael North	Public Governor, Rest of England
Gemma Surridge	Staff Governor, Southampton
Peter Smith	Public Governor, South West Hampshire
Adrian Thorne	Appointed Governor, Carers Together

In Attendance:

Paula Anderson	Finance Director
Michael Bernard	Non-Executive Director
Jeni Bremner	Non-Executive Director
Amanda Bryant	Corporate Governance Manager
Sarah Courtney	Deputy Director of Nursing and Infection Prevention & Control Clinical Director for Patient Safety and Quality Improvement
Paul Draycott	Director of Workforce, Organisational Development & Communications
Kate FitzGerald	Non-Executive Director
Rob Goldsmith	Non-Executive Director
Dr David Hicks	Non-Executive Director
David Kelham	Non-Executive Director
Rebecca Lawry	Associate Director of Corporate Affairs
Grant MacDonald	Chief Operating Officer
Heather Mitchell	Director of Strategy & Infrastructure Transformation
David Monk	Non-Executive Director
Karl Marlowe	Medical Director

Present:

Natalie Duffy	Media and Communications Manager
Tom Westbury	Associate Director of Communications
Anna Williams	Associate Director of Corporate Governance and Risk
Dean Garret	Head of Business Development
Angeline Jackson	Project Coordinator for Patient & Public Engagement and Patient Experience
Beth Ford	User Involvement Facilitator for Mental Health, Learning Disabilities and Specialities Services
Natalie Waite	Carer and Member of the Public

Apologies:

Gary Butler	Public Governor, South East Hampshire
Councillor Lorna Fielker	Appointed Governor, Southampton City Council
Venus Madden	Public Governor, North Hampshire
Suzanne Pepper	Public Governor, South East Hampshire
Louise Vinell	Staff Governor, North Hampshire
Dr Nick Broughton	Chief Executive
Paula Hull	Director of Nursing and Allied Health Professionals

1. #Hellomynameis and Apologies for Absence

1.1. Lynne Hunt welcomed members to the meeting and apologies were noted as above.

2. Carer Story from Natalie

2.1. Natalie shared with the Trust experiences of her daughter who was a service user, as well as her own experiences as her daughter's carer. She highlighted the level of care received by her daughter, as well as issues that they had both experienced during her care, such as communication and the availability of information. Natalie highlighted that she had spent a considerable amount of time contacting services over the years to get the information she needed to be able to help and support her daughter. She also reported that she had set up her own support group because there wasn't anything available within her area.

2.2. The Council of Governors asked a number of questions and Natalie confirmed that:

- improvement to the information available to service users and their carers was essential;
- other avenues of support should be advertised to anyone who is in contact with a service, whether it be shared with service users or family members to provide additional help and support if required;
- logistical support should be shared more readily, as she had not been aware that she could obtain financial support for travel expenses to see her daughter;
- communication with all parties involved in someone's care needed to be improved as she felt her daughter hadn't received all of the help and support she needed; and
- Consistency of therapies that work was required throughout someone's care. Suggesting that just because they had been moved to be cared by a different team, this didn't mean that that particular therapy should cease.

2.3. Natalie shared with the Council that her daughter had needed to keep being referred to the service over the years, and suggested that practices be put in place to help identify and support these service users. She also suggested that service users be supported to have a structure in place or to develop goals for when they leave a service, such as attending college or volunteering.

2.4. The Council of Governors thanked Natalie for sharing her experiences with them and a number of Governors offered to speak with her outside of the meeting to see if they could provide any support or advice. Lynne suggested that Sara Courtney make contact with Natalie to discuss how they could look to make the changes identified during the meeting, as well as to see if there was any further areas of support the Trust could provide to her daughter or herself.

Action: Sarah Courtney to liaise with Natalie and her daughter to help improve the level of care and support received previously, as well as going forward.

2.5. David Monk highlighted that as a result of Natalie attending the meeting and sharing her experiences with the Council of Governors, the Trust would be responding to her concerns and offering support and assistance where required. He queried whether people who come through alternative routes, received the same level of advice and support. Lynne asked the Quality & Safety Committee to look into this.

Action: Quality & Safety Committee to look into the level of support and advice offered to people who raised with the Trust their concerns or complaints, to ensure it is consistent with the level offered at the meeting today.

3. Update on Out of Area Bed Audits

3.1. Beth Ford provided an update on the recent audits which were taking place on out of area beds. She reported that an increase in contact with service users had taken place to check in with them to find out how they were doing, wishing them luck on any appointments they had coming up, or any special occasions such as birthdays etc. This had resulted in an increase in contact with service users and had decreased the number of days for contact between the service user going into an out of area placement and the care coordinator from 110 days to approximately eight days.

3.2. Beth reported that the Trust currently had 15 service users in out of area beds (not including Marchwood and Solent), which was a dramatic decrease in previous months. She confirmed that each of these service users were contacted daily, which have been received favourably by service users, carers and families. She also confirmed that there had been a reduction in long stay service users and that there was only one located far out, and they were due to be relocated closer to the Trust the following week.

3.3. Beth reported that the Trust was undertaking a project to identify why service users were needing to be placed into out of area beds, to see if there was a theme which may influence service provision within the Trust going forward.

3.4. Margaret Martins suggested that those service users in out of area beds would be discharged back into the Trust's care and therefore relationships, support and advice needed to be in place to support them through their care wherever they were placed.

3.5. Bob Blackman highlighted that this programme of work exhibited a duty of care and duty of candour and he congratulated Beth.

Beth Ford, Natalie Waite, Sara Courtney and Andrew Jackman left the meeting

4. Declarations of Interest and Eligibility to Vote

4.1. The Register of Interests was noted. Adrian Thorne noted that his declaration needed to be updated to reflect changes in his role at Carers Together.

4.2. Lynne Hunt noted that agenda item 11 directly related to her reappointment and therefore for the purposes of this section, Jeni Bremner would chair the meeting.

4.3. There were no other declarations of interest relating to items on the agenda

Sara Courtney and Andrew Jackman joined the meeting

5. Minutes of the meeting held on 01.10.2019 and action log

5.1. The minutes of the meeting held on 30.07.2019 were agreed as an accurate record of the meeting.

5.2. In response to Michael North's request for an update on 'Our Legs Matter', Paula Anderson confirmed that contract negotiations were currently taking place with Clinical Commissioning Groups and that the Trust was also finalising income with providers this month. It was agreed that this would be discussed in more detail at the April 2020 Council of Governors' meeting.

Action: Update on the Legs Matter Programme to be presented to the April 2020 Council of Governors' meeting

5.3. The Council of Governors considered the action log; the actions completed and the target dates for submission of items to the Board and relevant Committees were noted.

5.4. CoG28.05.2019/8.2 – Paula Anderson reported that progress continued to be made with partners around key worker housing, but that this was restricted as the Trust wasn't leading the programme. She reported that this work needed to be linked in with the recruitment strategy to make the Trust the employer of choice. Paula indicated that the Workforce & Organisational Development Sub-Committee were due to discuss this further at their next meeting and suggested that once this had taken place, an update be presented to the June 2020 meeting.

5.5. Lynne suggested that further information be provided to the Council of Governors such as confirmation on who was leading this work; how many units would be available; and when would the units become available etc. Paula highlighted that Trust was looking at two potential housing locations within Southampton and Councillor Rob Humby provided an update on Hampshire County Council's programme of work around affordable housing/key worker housing which would link into this.

Action: Director of Finance to provide an update on key worker housing to the June 2020 meeting

5.6. Grant Macdonald indicated that the Trust was aware that this was an area where the Trust was short of specialist expertise. He reported that from March 2020, someone from a national level would be working with the Trust to look at securing and maintaining accommodation for the people we serve and workforce, which would link into the key worker housing programme too.

5.7. CoG01.10.19/12.4 – Councillor Rob Humby provided an update, confirming that he had met with Stagecoach to discuss the reintroduction of the hourly bus service, as well as the Confederation of Passenger Transport to talk about pilot

schemes around transport to hospitals. He confirmed that a partnership had been formed and that discussions continued to take place in trying to run schemes in rural areas/around hospitals. It was agreed this action was closed.

5.8. CoG01.10.2019/10.3 – Natalie Duffy provided an update on the Every Life Matters Campaign, highlighting progress and support received since the campaign had commenced. She reported that social media and news stations had also picked up the campaign, and over £34,000 cards had gone worldwide with requests being received from all emergency services. It was recognised that the launch was a success and that this action was closed.

6. Update from Chair

6.1. Lynne Hunt presented the report which highlighted activities since the last meeting.

7. Update from Lead Governor

7.1. Andrew Jackman shared his report, welcoming Bob Blackman as a new Governor and Venus Madden as a public Governor returning for her second term.

8. Reporting from Board Committees

8.1. David Kelham provided an update on the Audit, Risk & Assurance Committee highlighting that attendance at the Committee had changed to include two members of the Information & Technology Department, that External Audit had presented their audit plan for the year with fees and that the new courier contract had been discussed, noting that work continued to take place on this ahead of Board approval being sought on the final recommendation.

Heather Mitchell joined the meeting

8.2. He confirmed that the Committee had received and discussed the internal audit on capital spend on Austen House and Ashford facilities, and that they had reviewed and approved the Terms of Reference and membership of the new Electronic Patient Records group.

8.3. David confirmed that the Committee had discussed the revised Board Assurance Framework and Risk Register, ensuring that they were connected to each other and that they continued to progress. It was agreed that the Council of Governors would like to receive a presentation on these two items at a meeting later in the year.

Action: Rebecca Lawry to present the Board Assurance Framework and the Risk Register to the December 2020 Governor Development Session.

8.4. Jeni Bremner provided an update on the Finance & Performance Committee, highlighting that the Committee had spent time at the last meeting hearing from the divisions on what their plans were to reduce their run rate. She confirmed that work continued to take place on the Integrated Performance Report, that they had discussed the value for money risk and that two business development contracts had recently been won.

8.5. Jeni highlighted that she was due to attend a meeting with David Hicks, Paula Hull, Paula Anderson and Grant Macdonald to discuss the roles of the Finance & Performance Committee and the Quality & Safety Committee, to ensure that they didn't overlap and that discussions remained focused on the remit of each of the Committees.

8.6. In response to Peter's question relating to the financial position, Paula Anderson confirmed that the Trust had delivered the control total in month and had therefore been able to secure additional funding. She confirmed that work had been undertaken to refresh the work on recovery, but that the Trust would miss the quarter 4 control total by £7.3 million, and that work continued to take place with partners to improve this where possible.

8.7. Paula reported that the Trust was looking to reduce its run rate as much as possible, and that they were still working hard with Clinical Commissioning Groups and NHSE&NHSI to secure as much income as possible for the year. She confirmed that plans for next year's financial position were underway and discussions had commenced.

8.8. In response to a query from Andrew Jackman relating to capital expenditure, Paula confirmed that the Trust continued to prioritise capital spend projects. She confirmed that all capital projects were risk assessed to determine the impact on different people/areas and this therefore set out the order they would be delivered in.

8.9. Paula reported that in the past, capital expenditure had been controlled by organisations themselves, but that the NHS would now be operating in a breakeven position and therefore the STPs would then make the decision as to which schemes would be prioritised. She expressed that capital spend for next year would be tight and discussions with Clinical Commissioning Groups had already commenced.

8.10. A detailed discussion took place around services which were underfunded and how the Trust was working with partners to ensure they were costed and funded properly. Heather Mitchell highlighted that this was an issue across the whole health service and that one of the projects taking place was looking at the resource we would need in place to be fully able to deliver the ambition.

8.11. Lynne Hunt provided an update on the Mental Health Act Review Managers Meeting, highlighting that they had discussed the top five concerns of the Mental Health Act Review Managers and then shared them with the Quality & Safety Committee and demonstrated the use of the Mental Health Act. She confirmed that they had also been received by the Mental Health Legislation Sub-Committee.

8.12. Lynne reported that the group had received training from Karl Marlowe and had looked at the Quality Improvement project for MHARMS, confirming that it should continue. She confirmed that the meeting had generated a feedback form to be used at the end of a hearing which enabled a fast track line directly to the Board if required.

8.13. David Monk highlighted that the Mental Health Legislation Sub-Committee was due to meet next on 11 February and would be discussing the Mental Capacity Act, what it is, how it operates and how this is embedded within the Trust. He confirmed that a QI programme was taking place around administration of the act to try and achieve efficiencies, and that Karl had commissioned work to look at section 117 and Community Treatment Orders and the use of these.

8.14. David Hicks provided an update on the Quality & Safety Committee, confirming that a review of the Terms of Reference and Agenda frameworks were due to be discussed at the next meeting. He outlined that the aim for the Committee would be for it to become more of a quality improvement committee looking at key performance indicators.

8.15. Robert Goldsmith reported that the Workforce & Organisational Development Committee had met last week and had held a powerful and emotive session on RPIW report out. He confirmed that the report highlighted how the Trust managed the impact of, and how we could better handle the process around grievances, bullying and harassment across the workforce.

8.16. Robert confirmed that the Committee had received an update on junior doctors health & wellbeing and considered how this could be looked at across the whole workforce. He highlighted that they had received an update on staff pensions, specifically around high earners and the national guidance surrounding this, as well as having a positive initial discussion around the staff survey results.

9. Chief Executive Update

9.1. Margaret Martins indicated that she was particularly interested in climate change and enquired whether the Trust held any information on the impact of climate change on the health of the population. Karl Marlowe highlighted that there continued to be significant debate around air pollution which was the number one cause of cardiovascular events as well as having a clear association with development disorders. He reported that Clinical Commissioning Groups were involved in the development of an operating plan around prevention. Karl noted that this was a system wide and worldwide issue and that the Trust would continue to work with partners.

Anna Williams and Dean Garret joined the meeting

10. Chair & Non-Executive Director remuneration policy

10.1. Paul Draycott reported that the Trust had changed from one Remuneration policy, covering the whole of the Trust, to three separate policies aligned with NHS England and NHS Improvement Guidance. He confirmed that the policies had been shared with the Employment Council, with minor amendments being made. The Council of Governors approved the policy.

Lynne Hunt left the meeting

11. Recommendation on Chair & NED appointment

11.1. Andrew Jackman highlighted that the Appointment Committee had received a presentation from Lynne Hunt in relation to her achievements since her term commenced as well as her intentions for the remainder of her term. He reported that they had heard her aspirations for the Trust, should she be reappointed for a second term, and that the Appointment Committee were unanimous in their decision to propose to the Council of Governors her reappointment for a further three year term, which was subsequently approved.

11.2. Andrew confirmed that David Kelham was due to come to the end of his term in July 2020 and would therefore present to the next Appointment Committee ahead of a decision on his reappointment being made.

Lynne Hunt re-joined the meeting

12. Quality Account process

12.1. Sara Courtney shared with the Council of Governors they key dates and actioned relating to the production of the Quality Report and Account for 20/21. She outlined the quality priorities for 2019/20 and shared the quality indicators from which the Governors could chose for testing by the auditor.

12.2. Sara provided an overview of each of the indicators. After due discussion, the Governors expressed that they wished to choose the indicator which would be most valuable to the patients and service users and therefore agreed that they wold request indicator 1.2 NEWS2 and PEWS in mental health services to be tested.

12.3. Peter Smith suggested that the Trust look to make the test more meaningful by looking at outcome measures and the quality of service provided relating to the indicator. Sara confirmed that the Trust could look to introduce this, but that the quantitative data would be the only aspect reviewed by the auditors.

12.4. The Council of Governors considered the dates and Governor involved as listed within the report. Four Governors agreed that they wished to form part of the Governor group looking in more detail at the Quality Report and Account and provide the Governor statement, and this was agreed as Michael North, Margaret Martins, Adrian Thorne and Paul Lewzey. The Council of Governors delegated authority for the four Governors to provide comments and a statement on the Quality Report and Account on behalf of the full Council of Governors.

13. Rapid Process Improvement Workshop (RPIW) 30/60/90 day action plan update

13.1. Dead Garrett informed the Council that he had been asked to share more information in relation to the monitoring and implementation of actions after the 90 day period. Adrian Thorne noted that he had witnessed that after the 90 day workshop period that a number of the recommendations and actions had not been implemented/rolled out, and confirmed that this had concerned him around potential actions being blocked as well as the message this would give to service users, carers and families who had been involved in the projects.

13.2. Dean confirmed that during the first year, there had been a series of teething issues, specifically that although staff had been released to attend the workshop and participate, when they returned to their day job, they didn't necessarily have the protected time to keep pushing it through. He shared examples of where it had worked really well, specifically at Kingsley Ward where they were able to keep focussing on making the changes happen, which had made a remarkable impact on the service. Dean noted that the Trust hadn't quite established how to ensure this happened in all areas.

13.3. Dean highlighted that as more staff went through the training programme the more this would help change the culture within the Trust and therefore produce more deliverables.

13.4. Robert Goldsmith asked whether there were any metrics/measurements in place to track delivery of the actions and recommendations. Dean confirmed that the groups try to deliver all of the actions/recommendations during the workshop, but that there currently wasn't the resource to continue to drive the recommendations during the 30/60/90 days. He confirmed that the team would look into this further alongside as a project to revisit some of the projects to identify the impact/changes from a service user's point of view.

Dean Garrett and Heather Mitchell left the meeting

14. Corporate Governance Report

14.1. Rebecca Lawry presented the report, requesting approval for the external audit contract with PricewaterhouseCoopers to be extended for a further period of one year. This was approved by the Council of Governors.

15. Any Other Business

15.1. There were no other business.

16. Review of meeting effectiveness

16.1. Josie Metcher indicated that she was pleased that they had an opportunity to hear stories directly from patients, service users and their families/carers and confirmed that she would like this to continue for future meetings.

16.2. Kate Fitzgerald noted that communication appeared to be recurring theme in relation to patients stories she had heard at the Council of Governors' meeting and the Board meetings. Lynne confirmed that this had been noted and would be picked up as part of the feedback and learning collected by Sara Courtney and Paula Hull.

17. Questions from the public

17.1. Lynne Hunt read out two questions from member of the public Susie Scorer in relation to recruitment of medical staff at Antelope House, as well as whether there were new ways of delivering change to transform the experience of patients in Antelope House. Lynne shared the Trust's responses to the two questions posed, and agreed to forward these onto Susie outside of the meeting.

18. Close

18.1. There being no further business the meeting was declared closed.

Certified as a true record of the meeting

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Chair – Lynne Hunt

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Date

DRAFT

Minutes of the Extraordinary Council of Governors' meeting
Tuesday 5 March 2019
14:30 – 15:00

Conference Room, Sterne 7, Tatchbury Mount, Calmore, Southampton, SO40 2RZ

Members:

Lynne Hunt	Chair
Andrew Jackman	Public Governor, Southampton
Prof David Baldwin	Appointed Public Governor, University of Southampton
Dave Cubbon	Public Governor, South West Hampshire
Alia Sidki Gomez	Staff Governor, Southampton
David Lee	Public Governor, North Hampshire
Paul Lewzey	Public Governor, Southampton
Venus Madden	Public Governor, North Hampshire
Margaret Martins	Staff Governor, South West Hampshire
Peter Smith	Public Governor, South West Hampshire
Adrian Thorne	Appointed Governor, Carers Together
Lilian Turner	Public Governor, North Hampshire

In Attendance:

Rob Goldsmith	Non-Executive Director
Dr David Hicks	Non-Executive Director
David Kelham	Non-Executive Director
Rebecca Lawry	Company Secretary and Head of Corporate Governance
David Monk	Non-Executive Director
Sarah Spooner`	Corporate Governance Manager

Apologies:

Peter Bell	Public Governor, Rest of England
Gary Butler	Public Governor, South East Hampshire
Malc Carpenter	Public Governor, South East Hampshire
Cllr Lorna Fielker	Appointed Governor, Southampton County Council
Cllr Rob Humby	Appointed Governor, Hampshire County Council
Josie Metcher	Public Governor, South West Hampshire
Denise Wyatt	Public Governor, Southampton
Louise Vinell	Member of Staff

1. Chair's Welcome and Meeting Protocol

1.1. The Chair welcomed members to the meeting, which she opened at 14:30.

2. #Hellomynameis

2.1. Members and attendees of the meeting introduced themselves.

3. Apologies for Absence

3.1. The Chair reported the apologies received.

4. Declarations of Interest and Eligibility to vote

4.1. There were no declarations of interest relating to items on the agenda.

5. Recommendation for the appointment of the Non-Executive Director

5.1. Lynne Hunt set out the context of the meeting, namely, to consider the recommendation for the appointment of two new Non-Executive Directors, following the recent appointment process.

5.2. Andrew Jackman confirmed that seven candidates were interviewed and provided an overview of the appointment process, which included a meeting with two stakeholder groups (one consisting of service users, carers and the voluntary sector and the other consisting of Directors and Governors) and a formal interview.

5.3. Alia Gomez advised that there had been a focus on finding a candidate with either a Digital or Legal skill set which had been successfully met; Michael Bernard had a Digital background and Kate Fitzgerald had a legal background. She felt that both candidates would bring some challenge to the Board and was fully supportive of the recommendation.

5.4. Adrian Thorne stated that the process had been robust and well managed internally. He confirmed that the two recommended candidates were the two that he considered appointable and fully supported the recommendation.

5.5. Paul Lewsey confirmed that he chaired the service users, carers and voluntary sector stakeholder panel and wished to formally thank them for their participation. The group had a focus on engagement with service users, carers and partnership working. He supported the proposal to appoint the two recommended Non-Executive Directors.

5.6. Rob Goldsmith confirmed that he chaired the Board and Governor stakeholder panel which primarily looked at evidence on strategic improvements.

5.7. Peter Smith confirmed that the panel's decision to recommend Michael Bernard and Kate Fitzgerald was a unanimous decision.

5.8. On the basis of the above conversations, the Council of Governors approved the appointment of Michael Bernard and Kate Fitzgerald as Non-Executive Directors for a three-year term of office, to commence in post as soon as possible, with all other terms and conditions as previously agreed.

6. Any Other Business

6.1. There was no other business reported.

7. Close

7.1. Lynne Hunt thanked Governors for their attendance and closed the meeting at 14:48.

Certified as a true record of the meeting

.....
Chair – Lynne Hunt

.....
Date



Written Motion of the Council of Governors

Tuesday 23 March 2020

Chief Executive Appointment

In accordance with section 4.5 of the Trust Constitution, in urgent situations and with the consent of the Chair, business may be effected by a Governor's written motion to deal with business otherwise required to be conducted at a meeting of the Council of Governors.

With the agreement of the Chair, Governors were asked to approve the appointment of Ron Shields as Chief Executive.

The motion was approved on 27.03.2020.

Signed

.....
Lynne Hunt - Chair

Written Motion of the Council of Governors

30 March 2020

Non-Executive Director Appointment – David Monk

In accordance with section 4.5 of the Trust Constitution, in urgent situations and with the consent of the Chair, business may be effected by a Governor’s written motion to deal with business otherwise required to be conducted at a meeting of the Council of Governors.

With the agreement of the Chair, Governors were asked to approve the appointment of David Monk as Non-Executive Director.

The motion was approved on 03.04.2020.

Signed

.....
Lynne Hunt - Chair

Written Motion of the Council of Governors

30 March 2020

Non-Executive Director Appointment – David Kelham

In accordance with section 4.5 of the Trust Constitution, in urgent situations and with the consent of the Chair, business may be effected by a Governor’s written motion to deal with business otherwise required to be conducted at a meeting of the Council of Governors.

With the agreement of the Chair, Governors were asked to approve the appointment of David Kelham as Non-Executive Director.

The motion was approved on 03.04.2020.

Signed

.....
Lynne Hunt - Chair

Written Motion of the Council of Governors

04 June 2020

Lead Governor Appointment Process

In accordance with section 4.5 of the Trust Constitution, in urgent situations and with the consent of the Chair, business may be effected by a Governor’s written motion to deal with business otherwise required to be conducted at a meeting of the Council of Governors.

With the agreement of the Chair, Governors were asked to approve the appointment process and timeline for the Lead Governor position.

The motion was approved on 09.06.2020.

Signed

.....
Lynne Hunt - Chair

REPORT TO THE COUNCIL OF GOVERNORS

Title	Annual Report & Accounts 2019/20 and External Auditor's Report to Governors
Date	21.07.2020
Agenda item	04
Author(s)	Anna Williams, Associate Director of Corporate Governance & Risk Jenny Renyard, Head of External Communications
Executive Director	Trust Board Sasha Lewis, PricewaterhouseCoopers
Action Required	This Annual Report & Accounts 2019/20 and the External Auditor's Report to the Governors are presented to the Council of Governors in accordance with paragraph 42 of the Trust Constitution; Governors are asked to receive the reports and are invited to ask any questions
Executive Overview	The Annual Report & Accounts 2019/20 is attached for presentation to the Council of Governors. The Annual Report & Accounts 2019/20 was approved by the Board on 02.06.2020. The report was electronically laid before parliament on 22.06.2020. Due to changes to the reporting requirements as a result of the COVID-19 pandemic, the Report does not contain the Quality Report and Quality Account; this will be presented to the Board in the autumn for approval. Sasha Lewis, External Audit Lead for PricewaterhouseCoopers will attend the meeting on 21.07.2020 to present the Auditors' report to the Council of Governors
Previously considered by	Trust Board 02.06.2020

Strategic Priorities this paper supports

- Improve health and wellbeing through outstanding services
- Become the best employer
- Transform services through integration and sustainable partnerships
- Improve value

Strategic Risks this paper addresses

All

Southern Health NHS Foundation Trust External audit 2019/20

July 2020



Our role as auditors

- We are appointed as auditors by the Council of Governors and our audit is governed by the NHS Act 2006, the NAO's Code of Audit Practice and International Auditing Standards (UK)
- Our responsibilities as your auditors include:
 - Complying with the Code of Audit Practice
 - Expressing an opinion on the Trust's accounts
 - Satisfying ourselves that the Trust's accounts comply with the Department of Health & Social Care Group Accounting Manual (the "GAM")
 - Satisfying ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources, and
- For 2019/20, following changes to the reporting timetable and requirements due to Covid-19, we are not required to provide assurance on the Trust's Quality Report

Areas of audit focus

- Management override of controls (standard risk)
- Fraud in revenue and expenditure recognition (standard risk)
- Valuation of the Trust's estate
- Going concern
- Value for money

Results of 2019/2020 audit

- The deadline for the submission of the audited annual report and accounts to NHSI was extended to 25 June 2020 due to Covid-19
- We discussed our findings with the Audit, Risk & Assurance Committee on 27 May 2020, before the accounts were approved by the Board on 2 June 2020
- We issued an unqualified opinion on the Trust's financial statements on 5 June 2020. Our opinion included an emphasis of matter due to the material uncertainty relating to going concern for the Trust. This was due to the risk that the Trust might fail to deliver on its financial plan for 2020/21 and require financial support from the Secretary of State to meet its liabilities and be able to continue to provide healthcare services. The extent and nature of the financial support required, including whether such support would be forthcoming or sufficient, was uncertain at the time of signing the financial statements.
- We issued an adverse opinion in relation to the Trust's economic, efficient and effective use of resources. This is consistent with the prior year and was due to the Trust remaining in breach of its licence conditions (with enforcement undertakings remaining in place) and the unplanned deficit reported in 2018/19 and 2019/20.

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REPORT TO THE COUNCIL OF GOVERNORS

Title	Financial Update
Date	21.07.2020
Agenda item	08
Author(s)	Paula Anderson, Finance Director
Executive Director	Paula Anderson, Finance Director
Action Required	The Council of Governors' is asked to note this report.
Executive Overview	This paper provides a summary of the outturn financial position for the Trust for 2019/20 and outlines the arrangements in place during 2020/21 as part of the Covid-19 response. In addition a summary of the quarter 1 finances is included.
Previously considered by	N/A

Strategic Priorities this paper supports

- Improve health and wellbeing through outstanding services
- Become the best employer
- Transform services through integration and sustainable partnerships
- Improve value

Strategic Risks this paper addresses

Briefing for the Council of Governors: Financial Overview

Introduction

This paper provides a summary of the outturn financial position for the Trust for 2019/20 and outlines the arrangements in place during 2020/21 as part of the Covid-19 response. In addition a summary of the quarter 1 finances is included.

2019/20 Revenue position including control total delivery and performance against reforecast

The Trust were expected at the beginning of the year to achieve a breakeven position for our control total – this was made up of a £6.2m deficit which was neutralised to zero if the control total was achieved on a quarterly basis. At the end of quarter 3 we reforecast and assumed that we would have a deficit of £13.6m and would only receive Quarters 1-3 of PSF / FRF which would result in an adverse variance of £9.5m made up of £7.3m deficit and £2.2m loss of Q4 PSF / FRF.

Our actual control total deficit improved on the reforecast by £3.2m (purple box below) and was finalised as £10.4m. Once PSF / FRF is applied to this and changes to the control total taken into account the deficit is reduced to £5.7m (amber box below). The total adverse variance against the revised control total is £6.3m (green box below) as the adjusted control total required us to achieve a £600k surplus.

The final point is that there are a number of technical adjustments which go into the accounts which are not considered as part of the control total. Once these are included the deficit reduces to £3.4m (blue box below).

The table below shows our final position against control total and then reconciled to the final accounts:

	Control Total £'000	Forecast / Actual £'000	Variance £'000
<i>deficits and adverse variances - red / - surplus and positive variances black</i>			
Reforecast as at Q3: deficit	-6,203	-13,564	-7,361
Q4 improvement		3,195	3,195
Deficit pre PSF / FRF	-6,203	-10,369	-4,166
PSF / FRF planned and paid	6,203	4,032	-2,171
Original control total post PSF / FRF	0	-6,337	-6,337
Late changes: MH Provider funding - agreed Mar 2020	878	878	0
Late changes: Holiday accrual allowance - agreed April w/c 20th April	-278	-278	0
Total surplus / deficit: control total basis (revised)	600	-5,737	-6,337
Add back all I&E impairments/(reversals)		1,655	
Add back capital donations/grants I&E impact		574	
Add back impact of prior year PSF post accounts reallocation		155	
Accounts deficit		-3,353	

amber box: final deficit on a control total basis

green box: adverse variance to control total

purple box: improvement between reforecast and outturn

blue box: deficit in the accounts

Our total miss against the control total is split between increased deficit of £4,166k and the quarter 4 PSF/FRF not being paid of £2.2m.

Although the final position is a miss of our control total of £4.2m (excluding the PSF/FRF for Q4) this is a significant improvement when compared back to the reforecast exercise we carried out in December. We committed in the January Board to continue to improve the outturn position despite reforecasting. We were able to secure significant improvement against our most likely position and improve by £3.2m in addition to absorbing materialised risk of £2.1m linked to NHS Property Services. The key areas of improvement were a reduction in divisional run rates (£600k), a reduction in out of area bed costs (£400k) and additional income from Commissioners including the Provider Collaborative for Adult Secure Services of £4.7m.

It has been confirmed that there were no further PSF bonus schemes paid out to organisations in Hampshire even those that achieved their control total. The national bonus schemes were targeted at organisations and systems that achieved their control totals. We may have benefited from the unused PSF in other ways: the MH allocation of £878k and the national funding to NHS Property Services which enabled the old year debts to be written off.

We recorded capital spend of £18.8m in comparison to the capital limit set within our planning and forecast returns to NHS E/I of £18.7m. We are reviewing the capital expenditure on all plans to fully understand the commitment for next year; we allowed a number of schemes to go ahead with relatively low levels of spend in quarter 4 which we had originally been planning in 2020/21 such as additional laptops and door sensors for secure services.

We ended the year with a relatively high cash balance of £13.3m given our overall deficit. This cash balance was supported by the revenue support (loan) of £5m which was secured in early March. As expected the financial regime is changing in 20/21 and this loan will not now need to be repaid and has effectively been added to our PDC. The advantage of this is there will not be a need to repay the £5m but it will attract an annual charge based on 3.5% (under review) in the same way as all PDC does.

In the following paragraphs I have described the changes in the financial arrangements for 20/21 as a positive step in supporting the Covid-19 response. In itself though it lead to a level of uncertainty which required us to consider whether we could describe that the Trust could assume it would continue as a going concern. We arrived at the conclusion that we were and the accounts were prepared on this basis, but that there were a number of material uncertainties. There is a full disclosure included in the annual report.

Operating Plan 20/21 and arrangements put in place in support of the response to the Covid-19 pandemic

The Operating Plan was submitted in draft in February 2020 as an ICS submission. At this stage there remained uncertainty about income levels including investment levels and contract values had not been finalised. The final plan was due to be submitted in early April.

In mid March the financial arrangements for 2020/21 were changed to ensure maximum support was given to the pandemic. The overall approach was to reduce burden, increase cash flexibility and give confidence about the short term financial position but within an environment that still required strong financial control. This included pausing the operating plan, replacing the contract negotiations between commissioners and providers with a nationally calculated block and top up arrangement which did not include any new efficiency requirements as well as the commitment that legitimate additional costs incurred as a result of responding to Covid-19 would be covered. In the event that organisations did not breakeven then a further top up would be available.

The intention was that for most organisations these arrangements would minimise adverse cash issues and alongside the formal announcement that revenue support previously acquired would not need to be repaid, it was anticipated that not many organisations would need to access further revenue support. These arrangements were initially put in place until July and further guidance was promised for month 5-12 – this has not yet been received and its impact cannot therefore be assessed.

Key financial metrics – month 3 year to date

Given the above arrangements as at month 3 the trust is at break even. To understand that in a little more detail:

- We have incurred Covid-19 spend in year of £5.4m and been reimbursed in full. There is a relatively equal split between pay and non pay. As a percentage this equates to 6.2% compared to 6.5% nationally,
- In addition to Covid-19 spend we have required £1m additional funding to achieve breakeven
- Out of area beds have reduced significantly and in the first 3 months of the year we have spent £1.6m in contrast to £3.3m this time last year. The majority of this spend has been on planned usage of Marchwood Priory (17 acute beds) and Thornford Park (6 female PICU)
- The use of medical locums is a significant cost pressure (£0.5m in month 3) and has been broadly consistent so far this year. There are a number of ongoing work streams to support the reduction of locums. The use of other agency has been impacted by Covid-19.
- The planned CIP target for the year is c£10m plus a target for out of area beds which is currently being exceeded. The £10m relates to prior year targets which have not been achieved or achieved non recurrently. Tackling these within the divisions is key although there has been limited progress up to this point in the year. All divisions are currently reviewing identified schemes for appropriateness to progress through the QIA signoff.

Our cash position is very strong as we are effectively being paid a month in advance.

Spend on capital is now being managed within a total envelope at ICS level. These plans have been submitted and the final approvals for 2020/21 are being finalised. Approximately 60% of the programme was committed in advance of the beginning of the year but the final 40% will be confirmed in July.

Priorities for quarter 2

As we move into quarter 2 there are 3 key priorities around the finances. The first one is to assess all on going covid-19 related expenditure and ensure sign off approval process is in place and the steps we will take to turn off all spend which is not approved to continue. This will support us to ensure on going funding is secured when the new arrangements are finalised.

The second key area is to identify and progress cost improvement plans to ensure that services have a credible plan to be sustainable in line with April 2021 income assumptions.

The final priority is to work within our systems to ensure that the pressures facing the NHS over the remaining months of this year are managed in a financially appropriate way. There will need to be a discipline in agreeing which schemes are funded. As part of this it is so important we have worked through how we will return our services to financial balance as it gives a clarity to the baseline we are working from.

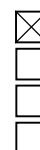
Once the guidance is clear on the financial arrangements for the rest of the year we will assess the impact and whether or not all of our current CIP target is required. Our current funding for months 1-4 is based on month 8-10 run rate for last year and if this funding level is secured for the remainder of the year and will potentially influence next year's contracts then this could influence the service budgets and therefore the CIP requirement.

REPORT TO THE COUNCIL OF GOVERNORS

Title	Corporate Governance Report
Date	21.07.2020
Agenda item	10
Author(s)	Rebecca Lawry, Associate Director of Corporate Affairs (Company Secretary) Amanda Bryant, Corporate Governance Manager
Executive Director	Ron Shields, Chief Executive
Action Required	<p>This report is to summarise items requiring approval by the Council of Governors and matters that Governors should note. Specifically the Council of Governors is asked:</p> <ul style="list-style-type: none">• To note this report;• To note the written motions;• To approve the appointment of a new Non-Executive Director;• To note the upcoming governor elections;• To ratify the Audit, Risk & Assurance Committee Terms of Reference; and• To approve the recommendation to extend the external audit contract for one year.
Executive Overview	This report provides an update on key corporate governance matters that the Council of Governors should note, and required decision on items as identified in the recommendations set out above.
Previously considered by	Terms of reference considered by the Audit, Assurance & Risk Committee Written motions have been approved by the Chair and the Council of Governors, and included in the minutes.

Strategic Priorities this paper supports

Improve health and wellbeing through outstanding services
Become the best employer
Transform services through integration and sustainable partnerships
Improve value



Strategic Risks this paper addresses SR9: There is a risk that we fail to provide good governance which prevents effective decision making.

CORPORATE GOVERNANCE REPORT

1. Executive Summary

- 1.1. This report is to summarise items requiring approval by the Council of Governors and matters that Governors should note.

2. Written Motions

- 2.1. As set out in our Constitution, in urgent situations and with the consent of the Chair, the Trust may conduct via written motion, business which would otherwise be required to be conducted at a meeting of the Council of Governors.
- 2.2. Since the start of the Coronavirus pandemic, the Trust has used this provision and the details of these are located at appendix A.
- 2.3. The Council of Governors is asked to note the written motions included in appendix A, with written logs of these included with the minutes at item 3.

3. Lead Governor

- 3.1. With Andrew Jackman coming to the end of his current term in July 2020, the Council of Governors approved the process to elect another governor to the role through written motion.
- 3.2. After going through the agreed process, it was confirmed that Adrian Thorne had received the most votes cast and therefore was elected. He will commence this role from 25.07.2020 until the end of his term in February 2022.

4. Changes to the Board

- 4.1. Ron Shields has been appointed as the Chief Executive and commenced in his role from 07.06.2020.
- 4.2. David Kelham and David Monk have been reappointed as Non-Executive Directors and commenced their second terms from 14.07.2020.
- 4.3. The Council of Governors is asked to **approve** the appointment of a further Non-Executive Director (NED). If in agreement to this, the appointment process will commence following the meeting and seek to appoint a NED who can lead diversity and inclusion within the Trust. The appointment process will be taken through the Appointment Committee and members of the Council of Governors are asked to put themselves forward for membership of this Committee.

5. Changes to the Council of Governors

- 5.1. David Baldwin has been nominated as Appointed Governor for University of Southampton; for a second his term of office.
- 5.2. Russell Stevens joins us as the Public Governor for the South West Hampshire Constituency, and we continue to work with the successful governor candidate for the North Hampshire public constituency to process their paperwork.

6. Upcoming Governor Elections

- 6.1. The Trust is looking to hold elections in the near future for the governor positions identified below. Quotes for the process and timelines are currently being agreed and will be shared with all Governors and members of the public once finalised.

Constituency / Class	Seats
Public – Southampton	2
Public – South East Hampshire	1
Staff – South West Hampshire	1
Staff – Southampton	1

7. Audit, Risk & Assurance Committee Terms of Reference

- 7.1. The Audit, Risk & Assurance Committee have undertaken a full review of the Committee terms of reference, in line with the Audit Committee Handbook and the Committee effectiveness review.
- 7.2. As outlined in the Code of Governance, C.3.2. the Council of Governors should be consulted on the Audit Committee terms of reference, which should be reviewed and refreshed regularly. Therefore the updated terms of reference are included at Appendix B for your consideration.

8. External Auditor Reappointment

- 8.1. In 2016 the Council of Governors approved the appointment of the External Auditor for a three year period with the option for two further one year extensions. This contract is due to end in November 2020.
- 8.2. It was suggested at the July Audit, Risk & Assurance Committee meeting, that due to the impact on the Procurement team as a result of the pandemic, the final one year extension be recommended. This recommendation was supported by the Audit Assurance & Risk Committee where it was agreed that a tender process would commence in early 2021. The Council of Governors is asked to approve this.

9. Recommendation

- 9.1. The Council of Governors is asked to:
- 9.1.1. To note this report;
 - 9.1.2. To note the written motions;
 - 9.1.3. To approve the appointment of a new NED;
 - 9.1.4. To note the upcoming governor elections;
 - 9.1.5. To ratify the Audit, Risk & Assurance Committee Terms of Reference; and
 - 9.1.6. To approve the recommendation to extend the external audit contract for one year.

Covid 19: Governance Arrangements - Decision Making Log

Date proposed	By whom	Chair approval given [date]	Written motion / exercise of emergency powers	Motion	Board / CoG / Committee	Approved [Y/N]	Effective date of resolution	Comments	Review date
25.03.2020	Anna Williams	24.03.2020	Written Motion	Chief Executive Appointment – Ron Shields	CoG	Yes	27.03.2020	N/A	N/A
30.03.2020	Rebecca Lawry	20.03.2020	Written Motion	NED Reappointment – David Monk	CoG	Yes	03.04.2020	N/A	N/A
30.03.2020	Rebecca Lawry	20.03.2020	Written Motion	NED Reappointment - David Kelham	CoG	Yes	03.04.2020	N/A	N/A
04.06.2020	Rebecca Lawry	27.03.2020	Written motion	Lead Governor Appointment Process	CoG	Yes	09.06.2020	N/A	N/A

Audit, Risk & Assurance Committee

Terms of Reference

1. Constitution

1.1. The Board hereby resolves to establish a committee of the Board, to be known as the **Audit, Risk & Assurance Committee** (the Committee). The Committee is a non-executive committee of the Board and has no executive powers, other than those specifically delegated in these terms of reference.

2. Purpose

2.1. This Committee shall provide the Board of Directors with a means of independent and objective review of financial and corporate governance, assurance processes and risk management across the whole of the foundation trust's activities (clinical and non-clinical), both generally and in support of the annual governance statement.

2.2. The Trust seeks to abide by the highest standards of business conduct and customer delivery and through good governance the non-executive directors, as members of Committee should be able to independently assert this to the Board.

2.3. The Committee seeks to remain up to date with generally accepted best practices and in this regard will make continual reference to the current NHS Audit Committee Handbook.

3. Membership (Including Quorum)

3.1. The Committee will be appointed by the Board from amongst the non-executive directors of the Trust and will consist of four members; to include the non-executive director Chairs of the Quality & Safety Committee, Finance & Performance Committee and Workforce & Organisational Development Committees (or successor Committees thereof).

3.2. All members of the Committee are required to be independent, and at least one shall have recent and relevant financial experience.

3.3. One of the members will be appointed Chair of the Committee by the Board. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

Appendix B

- 3.4. A quorum will be two of the four independent members.
- 3.5. The Chair of the organisation shall not be a member of the Committee.
- 3.6. Members are expected to attend at least 75% of meetings annually.
- 3.7. Up to a maximum of three Governors are invited to observe and contribute at all meetings of this Committee.

4. Attendance

- 4.1. The Finance Director and appropriate internal and external audit representatives shall normally attend meetings.
- 4.2. The Counter Fraud Specialist will attend a minimum of two Committee meetings a year.
- 4.3. The Chief Executive (in his role as Accounting Officer) should be invited to attend meetings and should discuss at least annually with the audit committee the process for assurance that supports the annual governance statement. He or she should also attend when the Committee considers the draft annual governance statement and the annual report and accounts.
- 4.4. The Finance Director will act as lead executive director for the Committee.
- 4.5. Executive directors and senior managers shall be invited to attend, particularly when the Committee is discussing areas of risk or operation that are within their remit or responsibility, and when the Committee considers the draft internal audit plan and the annual report and accounts.
- 4.6. Representatives from other organisations (for example, NHS Counter Fraud Authority) and other individuals may be invited to attend on occasion.
- 4.7. At least once a year the Committee should meet privately with the external and internal auditors.
- 4.8. The Head of Internal Audit and representative of External Audit have a right of direct access to the chair of the Committee.
- 4.9. Appropriate secretarial and administrative support will be provided to the Committee by the Corporate Governance team; this will include, but is not limited to:
 - 4.9.1. Agreement of the annual agenda framework with the Committee, ensuring that this is regularly reviewed, updated and circulated to all members periodically throughout the year;
 - 4.9.2. Finalisation of each meeting's agenda with the Chair of the Committee, in conjunction with the lead executive director;
 - 4.9.3. Circulating a request for papers no later than 10 working days prior to the submission deadline and collating papers;
 - 4.9.4. Ensuring that the agenda and papers are distributed no less than five working days in advance of the meeting;

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4.9.5. Ensuring that minutes of the meeting are taken, including a record of decisions taken, matters arising and that issues to be carried forward are kept in a rolling log;

4.9.6. Ensuring that draft minutes are circulated within 10 working days of the meeting to all members;

4.9.7. Advising the Committee as appropriate;

4.9.8. Supporting the Chair of the Committee to conduct the annual review of the Committee's effectiveness against the terms of reference.

4.10. The Chair of the Committee may, at their discretion, invite other observers to attend on terms and conditions as deemed fit.

5. Frequency

5.1. The Committee will meet at least five times per year at appropriate times in the reporting and audit cycle. Additional meetings may be scheduled where necessary to allow the Committee to discharge all of its responsibilities. The external auditors or Head of Internal Audit may request an additional meeting if they consider that one is necessary.

6. Authority

6.1. The Committee is authorised by the Board 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.

6.2. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

7. Duties

Integrated governance, risk management and internal control

7.1. The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the organisation's objectives.

7.2. In particular, the Committee will review the adequacy and effectiveness of:

7.2.1. All risk and control related disclosure statements (in particular the annual governance statement) together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to submission to the Board.

Appendix B

7.2.2. The underlying assurance processes that indicate the degree of achievement of corporate objectives and the effective management of the principal risks and the appropriateness of the above disclosure statements.

7.2.3. The policies for ensuring compliance with relevant regulatory, legal and conduct requirements.

7.2.4. The policies and procedures for all work related to counter fraud, bribery and corruption as required by NHS Counter Fraud Authority.

7.3. In carrying out this work, the Committee will primarily utilise the work of Internal Audit, External Audit and other assurance functions, but will not be limited to these sources. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness. This will be evidenced through the Committee's use of an effective assurance framework to guide its work and that of the audit and assurance functions that report to it.

7.4. As part of its integrated approach, the Committee will have effective relationships with other key Committees so that it understands processes and linkages. However these other Committees must not usurp the Committee's role.

Internal Audit

7.5. The Committee shall ensure that there is an effective internal audit function that meets the Public Sector Internal Audit Standards, 2017 and provides appropriate independent assurance to the Committee, Accounting Officer and Board. This will be achieved by:

7.5.1. Considering the provision of the internal audit service and the costs involved;

7.5.2. Reviewing and approving the annual internal audit plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation, as identified in the assurance framework;

7.5.3. Considering the major findings of internal audit work (and management's response), and ensuring coordination between the internal and external auditors to optimise the use of audit resources;

7.5.4. Ensuring that the internal audit function is adequately resourced and has appropriate standing within the organisation

7.5.5. Monitoring the effectiveness of internal audit and carrying out an annual review.

External Audit

7.6. The Committee shall review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process. In particular, the Committee will review the work and findings of the external auditors and consider the implications and management's responses to their work. This will be achieved by:

Appendix B

7.6.1. Considering the appointment and performance of the external auditors, as far as the rules governing the appointment permit (and make recommendations to the governing body when appropriate)

7.6.2. Discussing and agreeing with the external auditors, before the audit commences, the nature and scope of the audit as set out in the annual plan

7.6.3. Discussing with the external auditors their evaluation of audit risks and assessment of the organisation and the impact on the audit fee

7.6.4. Reviewing all external audit reports, including the report to those charged with governance (before its submission to the Board and Council of Governors) and any work undertaken outside the annual audit plan, together with the appropriateness of management responses

7.6.5. Ensuring that there is in place a clear policy for the engagement of external auditors to supply non-audit services.

7.7. As required, the Committee shall oversee the conduct of a market testing exercise for the appointment of an auditor at least once every five years and, based on the outcome, make a recommendation to the council of governors with respect to the appointment of the auditor. This may include a report to the Council of Governors in relation to the performance of the external auditor, including details such as the quality and value of the work and the timeliness of reporting and fees, to enable the Council of Governors to consider whether or not to re-appoint them. This assessment should include the review and monitoring of the external auditor's independence and objectivity and effectiveness of the audit process in light of relevant professional and regulatory standards.

Other Assurance Functions

7.8. The Committee shall review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications for the governance of the organisation.

7.9. These will include, but not be limited to, any reviews by Department of Health & Social Care arm's length bodies or regulators/inspectors – for example, the Care Quality Commission, NHS Resolution, etc. and professional bodies with responsibility for the performance of staff or functions – for example, Royal Colleges, accreditation bodies, etc.

7.10. In addition, the Committee will review the work of other committees within the organisation, whose work can provide relevant assurance to the audit committee's own areas of responsibility. In reviewing the work of a clinical governance committee, and issues around clinical risk management, the audit committee will wish to satisfy itself on the assurance that can be gained from the clinical audit function.

Counter Fraud

7.11. The Committee shall satisfy itself that the organisation has adequate arrangements in place for counter fraud, bribery and corruption that meet NHS

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Counter Fraud Authority's standards and shall review the outcomes of work in these areas.

7.12. The committee will refer any suspicions of fraud, bribery and corruption to the NHS Counter Fraud Authority.

Management

7.13. The Committee shall request and review reports, evidence and assurances from directors and managers on the overall arrangements for governance, risk management and internal control.

7.14. The Committee may also request specific reports from individual functions within the organisation (for example, clinical audit).

Financial Reporting

7.15. The Committee shall monitor the integrity of the financial statements of the organisation and any formal announcements relating to its financial performance.

7.16. The Committee should ensure that the systems for financial reporting to the governing body, including those of budgetary control, are subject to review as to the completeness and accuracy of the information provided.

7.17. The Committee shall review the annual report and financial statements before submission to the governing body, focusing particularly on:

7.17.1. The wording in the annual governance statement and other disclosures relevant to the terms of reference of the Committee

7.17.2. Changes in, and compliance with, accounting policies, practices and estimation techniques

7.17.3. Unadjusted misstatements in the financial statements

7.17.4. Significant judgements in preparation of the financial statements

7.17.5. Significant adjustments resulting from the audit

7.17.6. Letters of representation

7.17.7. Explanations for significant variances.

Whistleblowing

7.18. The committee shall review the effectiveness of the arrangements in place for allowing staff to raise (in confidence) concerns about possible improprieties in financial, clinical or safety matters and ensure that any such concerns are investigated proportionately and independently.

7.19. The Committee will receive escalation reports, minutes and an annual report from designated sub-groups reporting to the Committee.

8. Reporting

8.1. The minutes of the committee meetings shall be formally recorded and submitted to the Board once approved.

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8.2. The Chair of the Committee shall draw to the attention of the Board any issues that require disclosure, or executive action.

8.3. The Committee will report annually to the Board of Directors in respect of fulfilment of its functions as set out in these terms of reference and on its work in support of the annual governance statement, specifically commenting on:

8.3.1. The fitness for purpose of the assurance framework

8.3.2. The completeness and 'embeddedness' of risk management in the organisation

8.3.3. The integration of governance arrangements

8.3.4. The appropriateness of the evidence that shows the organisation is fulfilling regulatory requirements relating to its existence as a functioning business

8.3.5. The robustness of the processes behind the quality accounts.

8.3.6. This annual report should also describe how the Committee has fulfilled its terms of reference and give details of any significant issues that the Committee considered in relation to the financial statements and how they were addressed.

8.4. The foundation trust's annual report shall include a section describing the work of the Committee in discharging its responsibilities.

9. Review

9.1. An annual review of effectiveness will be undertaken by the Committee and a report provided to the Board.

9.2. The terms of reference of the Committee shall be reviewed by the Board of directors at least annually and updated to take account of any feedback arising from the Committee effectiveness review.

9.3. During this review the Committee will be assessed to ensure it has performed in accordance with these terms of reference, specifically that:

9.3.1. The Committee has carried out the duties required;

9.3.2. The Committee has reported to the Board and other Committees as required;

9.3.3. Membership, frequency of meetings and attendance has been as stated;

9.3.4. The Committee has been quorate each time it has met.

REPORT TO THE COUNCIL OF GOVERNORS

Title	Lead Governor Reflections
Date	21.07.2020
Agenda item	11
Author(s)	Andrew Jackman, Lead Governor
Executive Director	Lynne Hunt, Chair
Action Required	The Council of Governors' is asked to note this report.
Executive Overview	The report shares Andrew Jackman's reflections from his nine years as a Southern Health governor.
Previously considered by	N/A

Strategic Priorities this paper supports

- Improve health and wellbeing through outstanding services
- Become the best employer
- Transform services through integration and sustainable partnerships
- Improve value

Strategic Risks this paper addresses

Lead Governor Reflections

My final Lead Governor report is mainly the text of a document I wrote in May reflecting on nine years as a Southern Health governor, most of it as Lead Governor. In the weeks since it was written, Ron has joined the Trust and I have been delighted to hear his early reflections from his various visits to Trust hospitals and teams. We will, I understand, hear more from him today.

Also in the weeks since I wrote in May, Adrian has been elected as Lead Governor and I'd like to again congratulate him and to offer any help he might want as he settles into the role. I'm sure he'll do a brilliant job, not least in the vitally important task of getting the voice of carers heard as loudly and clearly as it should be on a consistent basis throughout the Trust, and I'm also sure we'll hear more from him today. Here's what I wrote in May:

My reflections as a three-term public governor and long-term Lead Governor

I am nearing the end of my third term as a public governor for Southampton and for much of this time I have also been the Trust's Lead Governor, re-elected several times by my fellow governors. I have worked alongside six Chairs and, from the start of June, five Chief Executives (in both cases including interim roles).

My first two terms were challenging. With much more time on my hands in the last three years, I have been able to devote more time and energy to my governor role, and also to branch out by becoming a Mental Health Act Review Manager (MHARM) and by attending various Trust and sector meetings, including work supporting individual patients/families and becoming an active member of the Lead Governor Association. The last three years have also often been challenging but have been much, much more rewarding.

The journey of Southern Health over the last decade has been both one of the saddest but also one of the most interesting in the Foundation Trust community. I thought I would take a few moments to share some of my reflections and to thank some very special people.

The first six years of a journey

After some years in which my youngest daughter had been a significant user of Trusts services, I felt a strong pull to both challenge and support the development of mental health services. I stood as a candidate for Southampton public governor in 2011 after meeting Susie Scorer and other Southampton governors at a public meeting in Southampton Central Hall. Susie's enthusiasm then and throughout my time as a governor has been a real motivator for me.

The early years were difficult and became more difficult. There was the expansion of LD services; the deaths of Connor Sparrowhawk, TJ Colvin and others; increasing friction within the governor group; and a palpable lack of trust between governors and the Board and between the public and the Trust. Keeping track of executives was difficult, keeping track of Trust activity equally difficult.

In 2015 The Trust was, quite properly, rated as Requires Improvement by the CQC. In 2016 and as Lead Governor I was contacted by Monitor directly, when they formally invoked their powers to require the Trust to make changes to the Board of Directors. Two Chairs were imposed on the Trust by the regulator, and many millions were spent on external investigations. The Southern Health name was hated, and I can recall one instance in Southampton when a member of the public spat at me because I wore a Trust lanyard. I also witnessed some behaviours from complainants, Trust staff and fellow governors which could have been perceived to be out of line with our values. Over those

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years, however, I also witnessed some inspiring care which at times went far beyond normal expectations.

Much has been written about this time, some accurate, some libellous, and this isn't the opportunity for me to join in with specific comments.

The last three years

The last three years has seen an emphasis on Trust values, putting patients at the centre of everything we do. Under the leadership of Lynne and Nick we have seen a relentless drive towards quality improvement, openness and transparency. Words like kindness and compassion have been heard far more often than before, but words like performance and grip are also often heard, as is right. Under Lynne and Nick's leadership, the Trust is pursuing a strategy to deliver world class services.

Lynne's arrival brought a real and sustained focus on values. Every conversation seemed to cite Trust values. The requirement to create a "new Board" allowed NED and executive appointments within the framework of Trust values and under Lynne's watchful eye that Board has matured, and significant progress has been made. Patients, carers and staff have been rooted at the heart of Board thinking even when the relentless and oppressive weight of criticism and personal attack from certain individuals could have overwhelmed other, less resilient teams.

The CQC's decision to rate the Trust as Good is just one example evidencing this improvement. I am writing this nine weeks after the Prime Minister imposed lockdown. In that time, the Board has shown excellent leadership in confronting the risks and opportunities from the covid-19 pandemic; I have seen the Trust leadership meet the challenge of a lifetime head-on, and they have not been found wanting.

Lynne has also given governors the opportunity for meaningful interaction with the Trust and encouraged real engagement. Governors are trusted and allowed access to confidential Board meetings, given seats around the table at Board committees, and much more besides. This level of openness is rare within the FT sector. In my role of Lead Governor Lynne clearly set out her expectation of how we would work together – openness and full engagement offered and expected – and has consistently delivered. Lynne has also encouraged NEDs and governors to sit as MHARMs and has actively sought feedback from those of us who have taken up this most valuable role. Lastly, Lynne has actively supported those of us who have wanted to interact within our communities and who have wanted to expand the Trust's interaction with Third Sector organisations.

Nick came to public prominence early in role from media interviews following his appearance in Court when the Trust pleaded guilty to the HSE prosecution concerning the deaths of Connor and TJ. His honesty and openness were seen widely as genuine, the hallmark of a compassionate leader. The willingness of Roger Colvin to work alongside Nick and the Trust is further evidence of Nick's character. As I have talked with staff, patients, commissioners, third sector people and the wider public, there is one comment heard time after time – Nick is an inspiring leader. Nick always supported me in my governor role and I very much hope that he will enjoy continuing success in his new role in Oxford.

The journey to our current Good rating has been hard, and the Board is now set on achieving an Outstanding rating in due course, focusing always first and foremost on our patients; I believe that the groundwork has been set for this to be achieved.

The future

As most governors will know, I have recently been elected as a public governor for the Hampshire and Rest of England Constituency at Surrey & Borders Partnership NHS Foundation Trust. SaBP, which is also rated as Good by the CQC, provides health and social care services for people of all ages with mental ill-health and learning disabilities as well as drug and alcohol services, all areas I'm really interested in. I am getting to know the Trust online and am keen to meet new colleagues in person and visit some locations when the time is right.

Whilst my Southern public governor role will end in the coming weeks, I would like to stay close to the Trust. I hope to continue as a MHARM, whether in online or face to face hearings, helping to ensure that the rights of patients under Section are protected. Having enjoyed and valued time with Southern's Quality Improvement programme, I will also happily continue involvement in any such work if offered the opportunity; I suspect that new transformation work will be heavily influenced by the pace and extent of change seen in recent weeks.

I also hope to share the learning from my new role in Surrey with Lynne and the team and to continue seeking opportunities to bring third sector organisations closer to Southern, as I have done recently with No Limits and One Small Thing. And, of course, I'll aim to keep a close eye on the Trust's activity in Southampton.

My involvement with Southern Health was inspired initially by a desire to support and challenge after seeing the care offered by the Trust to my youngest daughter but has become, over time, one of the most interesting and fulfilling aspects of recent years; I won't easily walk away from the Trust's journey of improvement towards world class care.

Thanks

I could write so much by way of thanks. I'll try to be brief. My particular thanks go to:

- the amazing professionals who worked so hard to help my youngest daughter and who work day-in, day-out to help our patients. I have seen much to inspire me, not least in recent months; and
- Lynne and other members of the Board who have demonstrated a genuine desire to work with governors; under Lynne's watchful eye, governors have been welcomed, trusted and encouraged to share their talents with the Trust to improve patient care and, I suspect, to get a more meaningful governor experience; and
- our Corporate Governance Team, and particularly Anna, Amanda and more recently Rebecca, who have provided enthusiastic support in some challenging times; and
- my governor colleagues, past and present, and with a particular focus on fellow Southampton public governors (thank you, Susie, Paul and Tom) and to Nick and Vicky, my Deputy Lead Governors. Our current governor cohort is the most positive group I've worked with, with less unhelpful tensions and far more supportive behaviours, but throughout the last nine years there have been governors whose support, challenge and encouragement I have really valued.

Final words

I would like to close by conveying a special “thank you” to two people.

My sixth Chair, Lynne, is a real leader. Her focus on values that should always be at the core of every health organisation and her enduring personal qualities have inspired me to commit more time and effort to my governor role but, far more importantly, have created the base for such huge, positive, patient-focused improvement.

Last, but definitely not least, I would like to thank my Appointed Governor colleague Adrian for sharing so generously his friendship, support, challenge and his very special sense of humour.

Andrew Jackman
May 2020