

Council of Governors
 2.00pm – 4.00pm, Monday 8 November 2021
 Via Lifesize Video Conferencing

Part One Agenda – Open Meeting

1. Formalities		2.00-2.10	Chair
a) Welcome	Verbal		
Apologies for Absence:			
b) Declarations of Interest	Verbal		
c) Minutes of Council of Governors Part One Meeting 13 September 2021	Enclosure		
d) Actions and Matters Arising from those Minutes	Enclosure		
2. Governor Matters			
a) Dorset Care Record – update included in CEO Report under item 5	Verbal	---	Simon Bishop
b) Update on ED/Minors/ Weymouth MIU - included in CEO Report under item 5		---	GWG
c) Staff COVID Vaccinations – verbal update to be provided by CEO under item 5		---	David Cove
d) Governor Portal		2.10-2.20	Simon Bishop
3. NED Update:			
a) Judy Gillow – CQC new approach and framework	Presentation and Questions	2.20-2.50	Judy Gillow and Margaret Blankson
b) Margaret Blankson – overview of the People and Culture Committee			
4. Governance Items:			
a) Lead Governor Ratification	Enclosure	2.50-3.00	Trevor Hughes
b) Temporary ToRs Revisions			
c) Governor Observer Arrangements from January			
To approve			
Break		3.00-3.10	
5. Chief Executive's Report Q2			
To receive	Enclosure	3.10-3.35	Patricia Miller, CEO
6. Finance Report Q2			
To receive	Enclosure	3.35-3.45	Paul Goddard, Chief Financial Officer

7.	Feedback from Membership Development (Oct) To receive	Verbal	3.45-3.55	Kathryn Harrison (MDC Chair)
8.	Chair's Closing Remarks and Date of Next Meeting: Council of Governors February 2022, date to be confirmed	Verbal	3.55-4.00	
	Meeting Closes			

Council of Governors Meeting: Part One Dorset County Hospital NHS Foundation Trust

Minutes of the meeting of Monday 13 September 2021
via Lifesize Video Conferencing

Present: Mark Addison (Chair)

Public Governors

Mike Byatt (Weymouth and Portland)
Simon Bishop (East Dorset) (from item CoG21/029)
David Cove (West Dorset) (Lead Governor)
Judy Crabb (West Dorset)
Kathryn Harrison (West Dorset)
Steve Hussey (West Dorset)
Maurice Perks (North Dorset)
Dave Stebbing (Weymouth and Portland)
Lynn Taylor (North Dorset) (from item CoG21/034)
David Tett (West Dorset)

Staff Governors

Kathryn Cockerell (from item CoG21/031)
Tracy Glen
Tony Petrou

Appointed Governors

Davina Smith (Weldmar Hospicecare)

In Attendance: Abi Baker (Governance Support Officer)
Rees Batley (KPMG) (item CoG21/032)
Liz Beardsall (Deputy Trust Secretary) (minutes)
Paul Goddard (Chief Financial Officer) (item CoG21/030)
Trevor Hughes (Head of Corporate Governance)
Nick Johnson (Deputy CEO/Director of Strategy) (item CoG21/029)
Ian Metcalfe (Non-Executive Director)
Adam Savin (Associate Director of Performance) (item CoG21/031)
Stephen Tilton (Non-Executive Director)
Natalie Violet (Corporate Business Manager to the CEO) (to item CoG21/029)

Apologies: Tony Alford (Dorset Council)
Margaret Alsop (Weymouth and Portland)
Sarah Carney (West Dorset)
Stephen Mason (Weymouth and Portland)
Patricia Miller (Chief Executive Officer)
David Richardson (Weymouth and Portland)
Dave Thorp (Age UK)

CoG21/025

Welcome and Apologies for Absence

The Chair welcomed everyone, especially the new governors, to the meeting via Lifesize videoconferencing. There were apologies from Tony Alford, Margaret

Outstanding care for people in ways which matter to them

Alsop, Sarah Carney, Stephen Mason, Patricia Miller, David Richardson and Dave Thorp.

CoG21/026

Declarations of Interest

The Chair reminded governors that they were free to raise declarations of interest at any point in the meeting should it be required.

CoG21/027

Minutes of the Previous Meeting held on 10 May 2021

The minutes of the previous meeting held on 10 May 2021 were accepted as a true and accurate record.

CoG21/028

Matters Arising

It was noted that there were no actions from the previous meeting. There was a matter arising regarding meetings between Governor Observers and Committee Chairs, and it was confirmed that dates had been arranged for these.

The Chair noted that it was a very full agenda. He reminded governors of the importance of not straying into operational detail and that the Trust was currently under extreme pressure and therefore any requests of the Trust for information or action should be considered in this light.

CoG21/029

Chief Executive's Report Q1

The Deputy Chief Executive Officer (DepCEO) attended the meeting on behalf of the CEO. He drew the governors' attention to the previously circulated report regarding the hospital's performance in quarter one, which was taken as read. He highlighted the significant pressures that the Trust was under due to an increase in emergency department (ED) attendances and the resulting impact on flow, delayed discharges, workforce pressures, and increased demand and activity. Despite the pressures there were however many positives, including the approval of the strategic outline business case for ED expansion and the integrated care hub, and the Kickstarter programme. He provided an update on the Integrated Care System (ICS) and its priorities prior to implementation on 1 April 2022. He also provided governors with an update on the work that was underway system-wide on health inequalities.

In relation to questions from Mike Byatt, the meeting discussed the work which was already underway regarding how the patient voice would be incorporated into the ICS model, how outcomes around health inequalities would be measured and how the Trust maximised the funding opportunities that were available. There was also discussion regarding the catchment area for the ICS; how the ICS would impact on the current governance model and in particular the governors; third sector input into the ICS; the impact of social media messaging regarding the pressures on ED; and how the patient initiated follow-up system functioned.

It was agreed that the governance team would discuss how the governors could be kept up to date with developments in the ICS work and a session would be arranged for all governors, under the banner of the Strategic Plan Committee, for a broader discussion on the revised Trust strategy and the ICS work so far.

ACTION: LB

The Chair thanked the DepCEO for the report.

Outstanding care for people in ways which matter to them

CoG21/030

Finance Report Q1

The Chief Financial Officer (CFO) drew the governors' attention to the previously circulated finance report which summarised the position for the first quarter of the 2021/22 financial year. He explained that under the current financial regime the Trust was receiving a fixed income from the Government with top-up payments for COVID related costs. Guidance was awaited on how the regime would work in the second half (H2) of the financial year, although it was now expected that it would be similar to the first half (H1). In H1 the plan had been a breakeven position. There was currently a small deficit of £278,000 which should be recoverable by year end.

In relation to questions from Simon Bishop, the CFO explained that there had been a small Cost Improvement Programme (CIP) requirement in H1 (0.82%) but it was anticipated that this would rise to 3% in H2. This would be a significant pressure for the Trust.

The Chair thanked the CFO for his report.

CoG21/031

Update on Waiting Lists and Recovery Plan

To provide an update on waiting lists and the recovery plan, and to address questions raised by Ms Glen, Mrs Alsop and Mr Hussey, the Chair welcomed Adam Savin (Associate Director of Performance) to the meeting.

Adam provided the governors with a comprehensive presentation covering the Trust's current position, the national requirement for recovering elective activity, the immediate actions that were in place and how this work was monitored through the governance structure. The key message was that the Trust was currently delivering 85% of its pre-COVID elective activity but would be required to perform at 125-130% above the baseline to meet the national requirement of reaching 2019 performance levels by March 2024.

The governors thanked Adam for his excellent presentation. The meeting discussed staff availability rather than funding being a limiting factor in much of the recovery work; the hospital's plans for the autumn and winter in light of COVID, flu and winter pressures; the challenges in ring-fencing beds for elective work; the need for consistent, system-wide messaging; and how the hospital was engaging with GPs regarding the current situation.

The Chair thanked Adam for his presentation and for addressing the governors' questions so comprehensively.

CoG21/032

Governor Matters

The Chair explained that, as indicated on the agenda, Governor Matters items (b) to (h) had been covered under the items above. He invited Mrs Harrison to raise her item (a) regarding Governor Observers. Mrs Harrison suggested that rather than observing Board sub-committees for six meetings, Governor Observers should be able to sign up for single meetings to increase flexibility. The governors discussed various options. It was agreed, that to maintain continuity, Governor Observers would continue to observe Board sub-committees for six meetings and that the governance team would bring a recommendation back to the next meeting regarding how a system of reserves could best be implemented.

ACTION: LB

Outstanding care for people in ways which matter to them

The meeting took a short break.

CoG21/033

Auditor's Report on the Annual Report and Accounts

The Chair welcomed Rees Batley from the Trust's external auditors KPMG. Rees explained KPMG's responsibilities and the audit timetable. He confirmed that the audit of the Annual Report and Accounts had been completed on plan, with no significant issues and all deadlines were met. It was noted that due to COVID restrictions the audit was undertaken remotely for the second time. He explained the findings of the audit in relation to the four key audit areas:

- financial statements – unqualified opinion with no material errors identified,
- value for money – no significant weaknesses identified in relation to the Trust's arrangements,
- whole of Government accounts – unqualified consistency certificate issued,
- and the annual report – prepared in line with the Annual Reporting Manual guidance and no material inconsistencies identified.

Rees also provided details of the areas which the auditors thought would be emerging issues in future audits including the ICS, waiting list recovery, digital future and capital investment.

The meeting discussed the potential impact of future digital development, how the Trust monitored risks relating to health inequalities and how the Board gained assurance on the recovery work underway.

The Chair thanked Rees and the KPMG team, and also the finance team at the hospital, for their work on the Annual Report and Accounts audit.

CoG21/034

NED Update: the Annual Report and Accounts from the view of FPC and RAC

Stephen Tilton, NED and Chair of the Finance and Performance Committee (FPC) and Ian Metcalfe, NED and Chair of the Risk and Audit Committee presented to the governors on the role of FPC and RAC in relation to the Annual Report and Accounts. Stephen explained FPC's remit regarding both finance and performance issues, highlighting key financial commitments made during the 2020/21 financial year and the key performance highlights and challenges. Ian provided the governors with key assurances relating to both the Accounts and the Annual Report, including the Annual Governance Statement. He also provided governors with an overview of the year-end process. Both NEDs thanked the hospital team and KPMG for their work on the Annual Report and Accounts, and thanked the Governor Observers for their support on the committees.

CoG21/035

Governor Vacancies

The Chair drew the meeting's attention to the previously circulated report which asked governors to approve the carrying of three governor vacancies until the next governor election. The proposal was unanimously approved.

Resolved: the Council of Governors agreed to carry three vacancies in East Dorset, South Somerset and the Staff Constituency until the elections due in 2023.

CoG21/036

Feedback from Governor Committees

Chair of the Membership Development Committee, Kathryn Harrison, provided an update for governors from the June meeting of the committee. She reported that

Outstanding care for people in ways which matter to them

this had been a small meeting, but that new governors had now joined the committee and she looked forward to seeing them at the October meeting. The meeting had focused on refreshing the membership leaflet and membership welcome pack. The committee would be discussing further how the governors could communicate with the members, and Mrs Harrison asked for any suggestions from the governors via email.

ACTION: ALL

CoG21/037

AOB

It was noted that Mr Stebbing had raised an item with the Trust regarding the hospital's attendance at the Weymouth and Portland Primary Care Network, and that the Trust would provide an answer to Mr Stebbing outside the meeting.

CoG21/038

Chair's Closing Remarks and Date of Next Meeting

The Chair reminded Governors that the AGM would be taking place via Lifesize livestreaming at 5pm on Thursday 30 September. There would be a Governor Working Group on 11 October with a presentation from the Your Voice group and a Council of Governors meeting on 8 November. A Strategic Plan Committee meeting, to which all governors would be invited, would be arranged for late October/early November (see CoG21/029). He drew governors' attention to the email which had been circulated regarding the proposal to temporarily amend the Terms of Reference to increase the committee size for Nominations and Remuneration and the Constitution Review committees, and recommended this proposal to the governors.

The Chair announced that this was Ian Metcalfe's last Council of Governors meeting as he was leaving the Trust at the end of November. The Chair thanked Ian on behalf of the governors for his hard work.

The Chair thanked everyone for their attendance and closed the meeting.

Council of Governors Meeting – Part One

Presented to the meeting of 8 November 2021

Meeting Dated: 13 September 2021				
Minute	Action	Owner	Timescale	Outcome
CoG21/029	<p>a) Governors to be kept up to date with developments in the ICS work.</p> <p>b) A session would be arranged for all governors, under the banner of the Strategic Plan Committee, for a broader discussion on the revised Trust strategy and the ICS work so far.</p>	LB	October 21	<p>a) Governors will be kept up to date via the CEO Quarterly Report to the CoG, the weekly CEO Brief and updates from the Deputy CEO via the Strategic Plan Committee (next is 10 11 21). Further sessions regarding the ICS will be arranged for governors in early 2022. Governors can also access the ICS website: https://ourdorset.nhs.uk/ for background information, latest news and case studies.</p> <p>b) Complete. Workshop session arranged for Weds 10 November and details circulated to all Governors.</p>
CoG21/032	It was agreed that to maintain continuity, Governor Observers would continue to sit on committees for six meetings and that the governance team would bring a recommendation back to the next meeting regarding how a system of reserves could best be implemented.	LB	November 21	On agenda for CoG 08 11 21.

CoG21/036	The Membership Development Committee would be discussing further how the governors could communicate with the members, and asked for any suggestions from the governors via email to Kathryn Harrison	All	October 21	Complete. On the October Membership Development Committee agenda.
------------------	---	-----	------------	--

Title of Meeting	Council of Governors
Date of Meeting	Monday 8 November 2021
Report Title	Lead Governor Selection - Ratification
Author	Liz Beardsall, Deputy Trust Secretary

<p>Purpose of Report (e.g. for decision, information) For ratification.</p>	
<p>Summary</p> <p>Lead Governors are required by NHS Improvement (NHSI) so that they can have a Governor with whom to communicate - without going through the Chairman or Trust Secretary - if there are problems in a Trust. The functions of Lead Governor, as defined by NHSI, are very narrow. However, in addition to these statutory duties the Lead Governor role at the Trust includes a range of other duties which are listed in the Lead Governor Role Description, as agreed by the Council of Governors in August 2018.</p> <p>Following the call for expressions of interest for the Lead Governor role, which opened on 9 September 2021 and closed on 15 September, three expressions of interest were received from Mike Byatt, David Cove and Kathryn Harrison. The first round ballot concluded on 23 September. David Cove and Kathryn Harrison went forward into the second round ballot which concluded on 29 September. David Cove received the largest number of votes and therefore continues as Lead Governor until September 2022.</p> <p>As the outcome of the selection has been made by ballot there is no requirement for the governors to approve the selection, however the governors are asked to formally ratify the selection.</p> <p>David's new term will run from 1 October 2021 to 30 September 2022.</p>	
<p>Freedom of Information Implications – can the report be published?</p>	<p>Yes</p>
<p>Recommendation</p>	<p>The Council of Governors are requested to ratify the selection of David Cove as Lead Governor for a further term of one year, from 1 October 2021 to 30 September 2022.</p>

Title of Meeting	Council of Governors
Date of Meeting	Monday 8 November 2021
Report Title	Temporary Amendments to Governor Committee Terms of Reference
Author	Liz Beardsall, Deputy Trust Secretary

Purpose of Report (e.g. for decision, information)

For approval.

Summary

Following the expressions of interest in the Governor Committee memberships a number of committees were oversubscribed.

The governance team emailed governors on Monday 13 September 2021 to ask for their agreement to temporarily amend the Terms of Reference of the Membership Development Committee, Nominations and Remunerations Committee and Constitution Review Committee to enable all interested governors to join these committees. No objections were received and confirmation of the changes and of the committee memberships were emailed to governors on Thursday 16 September 2021. Governors agreed that these committee memberships would run until the end of December 2022, rather than being refreshed again in the usual way in January 2022.

As agreed by email, the governors are asked to approve the following amendments to the Terms of Reference detailed below, and the minor updates marked on the attached documents.

Membership Development Committee

Oversubscribed for public governors, but undersubscribed for staff and appointed governors. Amendment: total number of committee members remains the same but a staff governor slot has been converted to public governor one.

Nominations and Remunerations Committee

Oversubscribed for public governors, but undersubscribed for staff governors. Amendment: the staff governor slots converted into public governor ones and an increase the total number of governors on the committee by one so that all governors who have expressed an interest can join the committee.

Constitution Review

Oversubscribed

Amendment: total number of governors on the committee increased by one so that all governors who have expressed an interest can join the committee.

Outstanding care for people in ways which matter to them

For information, the committee memberships from 16 September 2021 to 31 December 2022 are:

Nominations and Remuneration Committee

David Cove (Lead Governor)
 Simon Bishop
 Stephen Mason
 Kathryn Harrison
 David Tett
 Dave Stebbing
 Steve Hussey
 Davina Smith

Membership Development Committee

Kathryn Harrison (Chair)
 Margaret Alsop
 Simon Bishop
 Stephen Mason
 Sarah Carney
 Judy Crabb
 Vacancy (Staff or Appointed Gov)

Constitution Review Committee

David Cove (Lead Governor)
 Simon Bishop
 Sarah Carney
 Dave Stebbing
 Steve Hussey

Strategic Plan Committee

David Cove (Lead Governor)
 Stephen Mason
 Simon Bishop
 Mike Byatt
 Kathryn Harrison
 Maurice Perks
 Sarah Carney
 Judy Crabb
 Davina Smith
 Tony Alford
 Vacancies (1 Public and 2 Staff Governors)

**Freedom of Information Implications
 – can the report be published?**

Yes

Recommendations	<p>a) The Council of Governors are asked approve the temporary amendments to the committee membership for Membership Development Committee, Nominations and Remunerations Committee and Constitution Review Committee (to 31 December 2022)</p> <p>b) The Council of Governors are asked approve the minor updates to the Terms of Reference for the Membership Development Committee, Nominations and Remunerations Committee and Constitution Review Committee, including formatting changes and job title updates.</p>
------------------------	---

Outstanding care for people in ways which matter to them

DCHFT COUNCIL OF GOVERNORS – MEMBERSHIP DEVELOPMENT COMMITTEE

TERMS OF REFERENCE

1. Purpose

The purpose of the Membership Development Committee (known in this document as the Committee) is to specifically address the requirement of the Foundation Trust to develop its membership. Development not only encompasses achieving an increase in numbers, but also improving engagement and ensuring the membership is representative of the population the Foundation Trust serves.

The CoG Membership Development Committee will:

- 1.1 Review and develop the Trust's membership strategy for inclusion within the Annual Plan
- 1.2 Identify ways of engaging with the membership
- 1.3 Monitor and develop the membership, especially in those areas that are not representative of the community
- 1.4 Take into account best practice of membership management from the NHS sector
- 1.5 Support all Governors in their membership engagement, especially those who do not have immediate peer support
- 1.6 Provide a quarterly membership report to the Council of Governors
- 1.7 Link into the Annual Plan and Strategic Plan
- 1.8 Encourage input to the membership newsletter – Getting Involved

2. Delegation of Authority

The Committee has delegated authority from the Council of Governors to act on its behalf to achieve the tasks noted above. The activities undertaken and the actions of the Committee will be reported to the Trust Board and the Council of Governors.

3. Membership

The Committee will consist of:

Members

- 3.1 Six ~~public elected~~ Governors ~~(five public and one staff)~~ and one appointed or staff Governor (temporary until 31 December 2022)

Attendees

- 3.3 Head of Corporate Governance Trust Secretary or their nominee
- 3.4 Others may be invited by the Chair as appropriate

4. Chair

Governor members of the committee will elect two Governors as Chair and Vice Chair of the committee on an annual basis. In the Chair's absence the Vice Chair will act as the Chair.

5. Secretary

The Trust Secretary or their nominee shall act as the secretary of the Committee.

6. Appointment of Committee

The Committee will be filled on a yearly basis in ~~June~~ January. ~~The six Elected Governor positions on the Committee will be filled on a yearly basis by the Council of Governors.~~

7. Committee Vacancies

Where a Governor vacancy occurs, the Council of Governors will be requested to provide another ~~Elected~~ Governor replacement by the Council of Governors.

8. Quorum

The quorum necessary for the transaction of business shall include at least 3 Governors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in, or exercisable, by the Committee.

9. Frequency of Meetings

The Committee shall meet quarterly.

10. Extraordinary Meetings

Extraordinary meetings can be convened by Governors with a minimum of 3 in attendance. These meetings must be held within 5 working days of convening the meeting.

11. Notice of Meetings

The notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers shall be forwarded electronically and by post to each member of the Committee and any other person required to attend no later than five working days before the date of the meeting.

12. Minutes of Meetings

The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

13. Reporting

The Chair~~man~~ shall ensure reports are submitted to the Council of Governors quarterly.

COUNCIL OF GOVERNORS' NOMINATIONS AND REMUNERATION COMMITTEE

Terms of Reference

Establishment

The Council of Governors (CoG) may appoint Committees of the Council. The CoG shall approve the membership of all the Committees that it has formally constituted and shall determine the Chair of each Committee. (*Constitution Annex 6 paragraphs 6.7.*)

Purpose

- To ensure that appropriate procedures and processes are in place for the selection, recruitment, remuneration and other terms and conditions of the Chair and Non-Executive Directors (NEDs).
- To undertake such procedures and processes as required and make recommendations to the CoG in this regard for Council approval.
- To regularly review the skill mix of the NEDs to ensure it adequately reflects the needs of the Board and Trust at the time.
- To annually review information regarding the performance of the Chair and NEDs.

Duties

The Nominations and Remuneration (NRC) has the following duties:

- Regularly review the Terms and Conditions, including Job Description and Person Specification, of the Chair and NEDs and make recommendations to the CoG in respect of any proposed amendments.
- To develop and undertake the selection processes for any new Chair and/or NED appointments, taking into account the views of the Board of Directors on the skills and experience required and the leadership needs of the organisation.
- To advertise Chair and/or NED vacancies in at least one appropriate publication, short list suitable candidates (not more than 5 for each vacancy), convene an interview panel consisting of committee members and external assessors as appropriate, conduct interviews and select a candidate for recommendation to the Council of Governors for approval.
- To consider any extension of tenure of the Chair and/or NEDs at the end of each three year term of office (up to 6 years in total, then annually up to a maximum of 9 years) taking into account the latest annual appraisal and bearing in mind the requirement to regularly refresh the composition of the Board and make recommendations to the CoG in this regard.
- Annually review the remuneration of the Chair and NEDs to ensure they are fairly rewarded for their contribution to the organisation, having taken into account benchmarking remuneration from other NHS Foundation Trusts and any relevant national arrangements, and make recommendations to the CoG in respect of any proposed amendments.
- Receive details of the annual appraisal of the Chair from the Vice Chair.
- Receive details of the annual appraisals of the NEDs (including the Vice Chair) from the Chair.

- Regularly review the skill mix of the Chair and NEDs to ensure it adequately reflects the needs of the Board and Trust at the time, bearing in mind the requirement to regularly refresh the composition of the Board, and make recommendations to the CoG in this regard.
- Provide Governor input as required to the Board of Directors' Remuneration and Terms of Service Committee in relation to selection processes to appoint the Chief Executive.
- Regularly review its Terms of Reference, recommending any changes to the CoG.
- Evaluate its own performance on a regular basis.

All Committee recommendations must be reported to the next scheduled CoG meeting for Council consideration and, if appropriate, approval.

Membership

Members:

- Chair of the Trust
- Vice Chair of the Trust
- Lead Governor (to be included in the 4-6 Public Governors ~~or 2 Staff Governors~~, i.e. not additional to those numbers)
- ~~Four~~ Six Elected Public Governors (temporary amendment until 31 December 2022)
- ~~Two Elected Staff Governors~~
- One Appointed Governor

In attendance (as required) without voting rights:

- Chair of another Foundation Trust acting as independent assessor to the Committee for Trust Chair appointments.
- Chief Executive representing the Board of Directors for Trust Chair appointments.
- Chief People Officer ~~Director of Workforce and Human Resources~~— to provide HR advice.
- The Head of Corporate Governance ~~Trust Secretary~~ or his/her nominee will act as secretary to the Committee.

Chair of the Nomination and Remuneration Committee

The Chair of the Trust or a NED is to chair the NRC. (*Monitor Code of Governance provision C.1.3*). Where the Chair is absent, or issues associated with the Chair are under discussion, the Vice Chair of the Trust will chair the NRC.

Delegated Authority

The NRC has delegated authority from the CoG to carry out its purpose and duties as defined within these Terms of Reference. All recommendations made by the Committee must be reported to the next CoG meeting.

Appointment of Committee

Committee membership will be reviewed annually. Membership will be allocated on a voluntary basis in the first instance, with ballots being held for any over-subscribed places where an agreement cannot be reached between the Governors. Membership will be agreed by the Council of Governors.

Committee Vacancies

Where a Governor vacancy occurs, the Council of Governors will be requested to provide a replacement.

Quorum

The quorum shall be any 5 members of the Committee including the Chair or Vice Chair of the Trust.

Frequency of Meetings

All meetings of the NRC are closed to the public because of the sensitive and personal nature of the information discussed.

The NRC shall meet when required but not less than once per year.

Notice of Meetings

Meetings of the NRC shall be called at the request of the Chair. Notice of each meeting, including an agenda and supporting papers, shall be forwarded to each member of the NRC five working days before the date of the meeting.

Minutes of Meetings

The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

Reporting arrangements

The Chair or his/her designate shall present a report of each meeting of the NRC to the next meeting of the Council of Governors, this will be presented to the CoG in private session when details concerning individuals are to be discussed.

| October 2021 ~~August 2012~~

COUNCIL OF GOVERNORS' CONSTITUTION REVIEW COMMITTEE

Terms of Reference

Establishment

The Council of Governors (CoG) may appoint Committees of the Council. The CoG shall approve the membership of all the Committees that it has formally constituted and shall determine the Chair of each Committee. (*Constitution Annex 6 paragraphs 6.7.*)

Purpose

The purpose of the Constitution Review Committee ("the Committee") is to review the Trust's Constitution to ensure it meets current Statutory and Local and National governance requirements. All revisions will be presented to the Board of Directors and Council of Governors for approval. ~~Until the full enactment of the Health and Social Care Act 2012 (likely to be April 2013), revisions to the Constitution will continue to require final approval from Monitor.~~ In line with the Health and Social Care Act 2012 the regulator will be informed of any changes to the constitution.

Duties

The CoG Constitution Review Committee has the following duties:

- To review and develop the Trust's Constitution taking into account statutory requirements and best practice.
- To ensure that all amendments to the Constitution are first presented to the Board of Directors for approval.
- To ensure that all Constitution amendments, once approved by the Board of Directors, are presented to the Council of Governors for approval.
- ~~Up to April 2013, I~~ to ensure that Constitution amendments are notified to Monitor and receive final approval. the regulator.

Membership

The Committee will consist of:

- Chair of the Trust
- Vice Chair
- One Executive Director
- Lead Governor
- ~~Four~~ Three Public Governors (temporary amendment to 31 12 22)
- ~~Trust Secretary~~ Head of Corporate Governance
- ~~Others~~ Others may be invited by the Chair as appropriate

Chair

The Chair of the Trust shall act as the Chair of the Committee. In the Chair's absence, the Vice Chair shall act as Chair.

Secretary

The ~~Head of Corporate Governance Trust Secretary~~ or his/her nominee shall act as the secretary of the Committee.

Delegated Authority

The Committee has delegated authority from the Board of Directors and Council of Governors to carry out its purpose and duties as defined within these Terms of Reference. The activities undertaken and other actions of the Committee will be reported to the Board of Directors and Council of Governors.

Appointment of Committee

Committee membership will be reviewed annually. Membership will be allocated on a voluntary basis in the first instance, with ballots being held for any over-subscribed places where an agreement cannot be reached between the Governors. Membership will be agreed by the Council of Governors.

Committee Vacancies

Where a Governor vacancy occurs, the Council of Governors will be requested to provide a replacement.

Quorum

The quorum necessary for the transaction of business shall comprise the Chair or Vice Chair and 3 Governors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in, or exercisable, by the Committee.

Frequency of Meetings

The Committee shall meet as required.

Notice of Meetings

Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chair.

The notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded electronically and by post to each member of the Committee and any other person required to attend no later than five working days before the date of the meeting.

Minutes of Meetings

The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

Minutes of Committee meetings, once approved by the Committee Chair, shall be circulated to all members of the Committee and, once approved, shall be submitted to the Council of Governors for ratification and to the Board of Directors for information.

Reporting

The Chair or his/her designate shall present the minutes of each meeting of the Committee to the next meeting of the Council of Governors.

October 2021, August 2012

Title of Meeting	Council of Governors
Date of Meeting	Monday 8 November 2021
Report Title	Governor Observer Reserves on Board Sub-Committees 2022
Author	Liz Beardsall, Deputy Trust Secretary

Purpose of Report (e.g. for decision, information) For agreement.	
Summary At the Council of Governors' meeting on 13 September 2021, it was agreed that to maintain continuity Governor Observers would continue to observe their allocated board sub-committee for six meetings and that the governance team would bring a recommendation to the governors regarding how a system of reserves could be implemented to ensure that there were Governor Observers present at all board sub-committee meetings (action CoG21/032). The governance team propose that for each six meeting cycle, in addition to the two observer slots on each committee, there will also be two reserve slots for each committee. Governors in the reserve slots will be asked by the governance team to observe committee meetings that the allocated Governor Observers are unable to attend. Observer sessions are unchanged and will run as follows: January to December - Risk and Audit Committee, Charitable Funds Committee January to June and then July to December - People and Culture Committee, Quality Committee, Finance and Performance Committee Expressions of interest will be sought for observers and reserves in December for the period commencing January 2022.	
Freedom of Information Implications – can the report be published?	Yes
Recommendation	The Council of Governors are requested to agree the arrangements for Governor Observer reserves to commence from January 2022.

Title of Meeting	Council of Governors
Date of Meeting	08 November 2021
Report Title	Chief Executive's Report, Quarter 2 – 2021/22
Author	Natalie Violet, Corporate Business Manager to the CEO
Responsible Executive	Patricia Miller, CEO

1.0 Introduction

This quarterly report provides a detailed overview of how the Trust is performing against the key operational, quality, and workforce standards and progress being made against the Trust Strategy.

2.0 Operational Performance

Our Emergency Department continues to experience an increase in attendances. Seeing a 5.83% increase in September compared to the same period in 2019 and 12.66% compared to September 2020. Along with the increase in activity levels, we continue to experience higher patient acuity and high bed occupancy rates. This is impacting our ability to achieve the four hour standard however there was a small increase of 0.8% in performance in September, achieving 76.1%.

Minor injury units across Dorset reopened in June and continue to operate a pre-booked appointment service. During this quarter, as part of the expansion to our Emergency Department, the minor injuries service has been temporarily relocated to Weymouth Hospital. Opening hours have been extended to midnight. The Dorchester Emergency Department is still available 24/7 for serious and life-threatening injuries and conditions.

We have seen an increase in the number of patients with a length of stay over seven days, the biggest backlog and cause for delay remains to be patients awaiting discharge home with a package of care.

Elective care performance against the 18 week standard achieved around 57% for each month in the quarter. The waiting list size continues to increase above trajectory. However, the profile of the waiting list at the end of the quarter saw a reduction in patients waiting between 52 and 103 weeks. We remained challenged with patients waiting over 104 weeks with 59% of patients awaiting treatment with Maxillo Facial. We are exploring insourcing, outsourcing, and support from our system partners to reduce these numbers.

The number of COVID positive inpatients is continuing to increase as case numbers in Dorset are now significantly higher than during the previous peak in January this year. As Governors please encourage your communities to continue to wear masks in enclosed spaces and socially distance where appropriate. The combination of COVID inpatients and significant delays in discharges, approximately 30% of our adult bed capacity, means the hospital is struggling to maintain elective activity.

Referral numbers are above pre-pandemic levels. We have seen a change in patient priority with a significant increase in two week wait referrals. Despite this, the conversion rate to a cancer diagnosis has not increased.

The elective recovery fund threshold of 95% was not achieved during this quarter, this is the same across all system partners. The threshold increased from 85% on 01 July 2021. The operational planning guidance for the second half of 2021/22 has been published. The elective recovery fund will now focus on completed referral to treatment (RTT) pathway activity above a 2019/20 threshold

Outstanding care for people in ways which matter to them

of 89%. This is different to the measure used during the first six months of the year which was based on total cost weighted activity. We are working through as a system whether or not we can achieve this.

We continue to monitor our waiting lists by ethnicity. The data illustrates a difference in waiting times for patients from ethnic minorities and further analysis is underway to understand why. We will be taking this work further to analyse waiting times for patients from deprived areas. As well as reviewing the waiting list criteria with the aim of avoiding putting pressure on other health resources.

Virtual outpatient appointments are continuing. However, at the end of September we did not meet the requirement of seeing 25% of new patients using a virtual platform, we achieved 23%. Advice and Guidance continues to be utilised by GPs and we are successfully meeting the requirements with the best turnaround times in the Dorset system.

At the end of September our cancer performance did not achieve the two week wait, 28 day or 62 day standards. However, we did achieve the 31 day standards for first and subsequent treatments. We are working with partners in both the Dorset Cancer Partnership and Wessex Cancer Alliance on improvement plans against the two week wait standard, which is impeding our ability to achieve the 28 day standard.

Diagnostic performance at the end of September achieved 92.42% against the 99% standard. We saw a reduction in the backlog of 293 patients.

Table One – Performance against key standards:

Metric	Threshold/Standard	Reporting period	Jul-21	Aug-21	Sep-21	Q1	Q2	YTD	Movement on Previous month
RTT *	92%	Monthly	57.1%	57.2%	56.5%	56.4%	56.5%	56.5%	↓
Waiting List Size *	Trajectory Sept = 17599	Monthly	18,505	19,089	19,123	17,928	19,123	19,123	↓
52 week waits *	0	Monthly	2,256	2,227	2,124	2,386	2,124	2,124	↑
Diagnostics	99%	Monthly	85.4%	86.3%	92.4%	81.0%	87.8%	84.3%	↑
Cancer - 62 day	85%	Quarterly	74.0%	70.5%	71.0%	76.5%	71.7%	74.1%	↑
Cancer (ALL) - 14 day from urgent GP referral to first seen	93%	Contractual (National Operational Standard)	55.8%	44.3%	59.5%	67.0%	52.7%	59.5%	↑
Cancer (Breast Symptoms) - 14 day from GP referral to first seen	93%	Contractual (National Operational Standard)	9.4%	9.4%	52.6%	4.5%	24.2%	12.9%	↑
ED (DCH Only)^	95%	Monthly	63.9%	61.1%	63.8%	75.2%	62.9%	69.2%	↑
ED (Including MIU)^	95%	Monthly	76.9%	75.4%	76.1%	82.9%	76.2%	79.5%	↑

* Quarter / YTD position is latest month end position in the period

** Cancer Waiting Times (CWT) will continue to alter until the Quarter position is closed as reports from treating centres are updated via Open Exeter. Diagnostic waiting times included as there could be impact on RTT and Cancer pathway standards.

3.0 Quality

Highlights from September 2021 were:

Positive Quality Improvement:

- No Never Events reported, remains at zero year to date
- No MRSA bacteraemia reported, remains at zero year to date
- No confirmed reportable Grade 3 pressure ulcers in this month. The Tissue Viability Specialist Nurse is proactively working with teams across the Trust
- Venous thromboembolism (VTE) sustained the standard in this month

Outstanding care for people in ways which matter to them

- Reduction in the number of falls for the month. The Patient Safety Team are progressing quality improvement work reporting into the Patient Safety Group

Challenges to Quality Improvement:

- Summary Hospital-level Mortality Indicator (SHMI) standards outside of expected ranges. This is due to a backlog of uncoded episodes. We are developing an urgent action plan to deal with this including employing contract coders.
- Clostridium difficile (C-Diff), Root Cause Analysis (RCAs) continue to be undertaken. Many cases are not attributed to the Trust confirmed through a pan-Dorset panel.

The NHS recently commenced the COVID-19 booster programme. In line with the new advice set by the Joint Committee on Vaccination and Immunisation on 14 September 2021, the programme now invites eligible people, who received their second COVID vaccination at least six months ago, for a top up. The Hospital Hub opened in early October and is vaccinating both health and social care staff groups across the Integrated Care System who are currently patient facing. Modelling based on previous vaccination programme numbers indicate the hub could vaccinate up to 10,570 staff. However, with the national booking system giving staff several different routes to receive their vaccine the Project Group expects this number to be significantly lower at possibly circa 6,000 staff.

4.0 Workforce

Our COVID staff testing pod continues to offer seven day a week testing for symptomatic staff and those they live with. September saw a considerable increase, coinciding with the new school term, with 410 tests taking place, an increase of 161 compared to the previous month. As a result, there has been an increase in positive cases during September, in line with the national increase. 18 staff members and 50 household members tested positive in the month.

International nursing recruitment continues with nine overseas nurses arriving in September with a further nine expected in December. We are trialling the use of an agency for several hard to fill medical posts, including two consultant radiologists and a rheumatology consultant.

We continue to run our Kickstart Scheme providing work experience for 16–24-year-olds on Universal Credit. In September the first of our 'Kickstarters' left the organisation securing a role as a Health Care Assistant at the Blandford GP Practice. This individual felt she would not have been successful in her new role if she had not participated in our Kickstart Scheme. It has allowed her to gain the knowledge, experience, and confidence to take her next step in her career journey. Our sign-up to the Kickstart scheme comes because of our Social Value commitment, which recognises that we need to help improve the economic, environmental, and social wellbeing of our communities to help keep people healthy.

Our newly appointed Freedom to Speak Up Guardian, Ula Brocklebank commenced during this quarter. We have seen an increase in concerns being raised. It is encouraging to see this because it demonstrates staff feel empowered to speak up.

Our Transforming People Practices programme, which began earlier this year working with members of our Diversity Network, continues with three key workstreams with the ambition to start to launch new policies from November.

- **Inclusive recruitment:** improving inclusivity and provide fair, equitable recruitment services that recruits the best candidate for the role. There are three initial priorities which include the assessment processes, criteria for roles, and a review of interview panels.
- **Appraisal and succession planning:** ensuring every member of staff have high quality conversations which focusses on the reflection on the previous year, performance and

Outstanding care for people in ways which matter to them

behaviours against objectives, clarity on future objectives, career aspirations and a development plan to include this. Appraisal training is being reviewed and a programme of development sessions and supporting resources for managers is being developed. There will be sessions for appraisees to help them recognise the part they play in the appraisal process, how they prepare, and to clarify alternative routes for the appraisal conversation if staff feel they are not being heard or supported. In addition, the paperwork is being simplified, recognising the conversation is more important.

- **Just and learning culture:** striving towards an environment where we put equal emphasis on accountability and learning. A lived disciplinary experience report was produced and shared as pre-reading for the third module of the Inclusive Leadership Programme in September. We are looking to transform our Disciplinary Policy from process centred to people centred which will be the 'blueprint' for all future people policies.

During this quarter we ran the second and third modules of the Inclusive Leadership Programme. The course is aimed at helping us understand how to see, respond, and lead differently. It is very heartening to see the high levels of staff engagement in this programme and their willingness to participate in difficult conversations and share aspects of their personal life. I feel we have made real progress this quarter in helping participants understand why this programme is necessary.

5.0 Strategy and Transformation

Planning for the introduction of the new Integrated Care System on 01 April 2022 continues across the Dorset health and care system. Proposals for the Integrated Care Board (ICB) membership and constitution have been approved in principle. The Chair Designate of the ICB has been confirmed as Jenni Douglas-Todd who is the current Chair of the Dorset System Partnership Board. Jenni has also been appointed as Interim Chair of the Integrated Care Partnership which will provide consistency and continuity. Recruitment for the role of Chief Executive Officer for the ICB has commenced and will be complete by November. The ICB will aim to appoint all Board members by the end of March. Plans for the Integrated Care Partnership, Provider Collaboratives and Place Based Partnerships are all progressing well. Co-design work has also commenced to develop the Voluntary, Community and Social Enterprise (VCSE) Alliance and plans for community and public engagement are in development.

A recent review into private patient activity here at DCH has concluded with recommendations to explore partnership working with a commercial partner. With the aim of addressing some of our elective NHS backlog and provide protected space for developing our private patient service. Conversations are now underway with potential partners to scope the opportunities.

DCH has submitted a formal patent application to the UK patent office for a piece of equipment designed by our clinical engineers supporting radiology. This product not only supports the stage and transport of calibration equipment, but addresses identified manual handling risks.

Following approval of the Trust Strategy earlier this year, work has commenced to develop a three-year delivery plan. The delivery plan is in production and next steps will include engagement with key leads. Following this a delivery dashboard which will provide the appropriate measures to monitor successful implementation will be developed. The Strategy and Transformation Senior Leadership Group held its first meeting on 01 September 2021 and will continue to run bi-monthly, providing the forum to monitor Trust wide strategic and transformational change.

Integral to the delivery of the Trust Strategy is the development of the Trusts Clinical and People Strategies. A Project Group was set up to oversee the planning and delivery of several engagement activities across the Trust, including ten externally facilitated away days to enable discussion about

Outstanding care for people in ways which matter to them

the future plans for our clinical services. The away days will conclude in November, following which several follow up sessions will allow for more integrated discussions. Feedback from the engagement sessions is being captured and will form the basis of the corresponding strategies. The enabling strategies will be presented to Trust Board, for final sign off, in March 2022 ready to be included in individual objectives for 2022/23.

The Health Inequalities (HI) Programme has recently formed and aims to ensure equity of access and outcomes for all our communities. The objective of this initial stage is to identify and contextualise the actual issues and to consolidate the spread of HI activities already underway in the hospital. The programme will use an array of data and personal experiences to scope and enlighten the aims of this activity. Work with the OPTUM group and Dorset Intelligence & Insight Service (DiiS) has already started to provide a focus to the ICS Elective HI Group.

The Transformation and Improvement Team continue to develop an innovative and modular approach to implementing the national Patient Initiated Follow Up (PIFU) programme. Several specialties will go live with PIFU in October to give patients and their carers the flexibility to arrange their follow-up appointments as and when they need them. The goal of the national PIFU programme is that 2% of all outpatient activity will result in a PIFU appointment and that it will be offered in all major specialties by March 2022. The Trust's approach to PIFU implementation has been heralded as a paradigm of best practice and has been showcased at several NHS England and Improvement regional events.

The ED15 project has entered its core construction phase, with works progressing well. Rigorous measures are in place to ensure the project does not adversely affect the daily operational service of the Emergency Department and Radiology. The two major risks currently facing the project are the supply chain; some materials and items are very difficult to source, and operational activity is very high. The project will only make changes when it is safe for patients and staff. The project remains within budget and has spent £2.5m this financial year to date. As part of this work, and our master estates plan, we are regularly asking patient groups to walk the design to ensure we have met the needs of our patients and their families.

The Social Value Programme Group is currently considering the most effective way of embedding the delivery of social value across the organisation, aligned to the Trust Strategy. This will involve introducing a social value impact assessment into our policies and business proposals. The Trust's Sustainable Procurement Policy was recently approved which embeds social value requirements in our procurement procedures. Our social value delivery is reflected in a range of current activities including development of the new DCH Green Plan; the Kickstart programme; and the multistorey car park development. This major capital project is providing local employment, skills and training, working with local schools and colleges, and is forecast to deliver £4m social return on investment.

We recently contributed to a Health Foundation led workshop with our Dorset system partners looking at the role of anchor institutions in post-pandemic recovery. This will lead to the establishment of a Dorset Anchors Network and Anchor Charter to take forward our ambition to improve the social, economic, and environmental wellbeing of our communities.

In November we will be commencing multi professional clinics from South Walks House in Dorchester. We are working in partnership with Dorset Council and our health care colleagues to offer a range of outpatient services in one location. Consequently, reducing footfall and travel to DCH.

The Charity Team would like to thank the Governors who have offered their involvement in helping the charity to promote its work and fundraising in our local communities. This is very much

Outstanding care for people in ways which matter to them

appreciated as we plan to rebuild our support from the community post-pandemic. We are pleased to report that there are signs that community fundraising is re-starting. This was shown by the tremendous support provided by Maiden Castle Farm's Sunflower Trail this summer which raised nearly £25,000 for the Special Care Baby Unit. We would be very pleased to hear from any Governors who feel they could assist in spreading the word on behalf of DCH Charity in their local communities. You may contact the Charity Team via charity@dchft.nhs.uk or call 01305 253215.

The Dorset Care Record has seen success in several key areas over the last quarter. The final single sign on functionality, for Dorset HealthCare and Dorset's GPs, has been successfully implemented and is in the process of being rolled out. The usage of the system has significantly increased influenced by a big push from University Hospitals Dorset. The system now regularly has almost 50,000 patient records being viewed every month. This has increased from approximately 20,000 at the beginning of 2021. The infrastructure behind the system has been upgraded to ensure it is operating in a safe and secure environment including the patient portal (myDCR). The next release for the system is scheduled to be the Somerset Cancer Registry Remote Monitoring solution which will enable cancer patients to directly receive appropriate results and letters from cancer teams. This is currently going through the design phase. myDCR is in the final delivery steps in anticipation of a series of pilots to prove functionality. The first pilot will be with Rheumatology and is due to commence in November. The Diabetes care pathway within DCR is in the final stages of delivery and pilot implementation plans within the service at DCH are being drawn up. It is due to start imminently.

Matthew Gould, Chief Executive of NHSX, visited Dorset in October. The purpose of the visit was to experience first-hand how Dorset is a great place to live, work, and innovate by visiting a variety of locations across the ICS. He met the Our Digital Dorset teams who demonstrated, as the demands on our services become greater through a growing and ageing population, the role of digital is pivotal in meeting the needs and expectations of our patients and staff. We were able to gain feedback from NHSX into our current roadmap whilst building strong foundations for future collaborative projects. The feedback received after the visit was very positive, Matthew was impressed with our achievements across Dorset and was 'delighted to find such an excellent trailblazer for digital transformation'.

During October we celebrated Black History Month including themed menus in the restaurant and displays of staff underpinning the Proud To Be theme for this year. We hosted an evening with Louisa Parker, a local writer and poet, talking about her experience of growing up in Dorset and Dorset's connection to the slave trade. It was an evening of listening to lived experiences, learning, and celebrating difference and the richness it brings to Team DCH. Some of our overseas nurses ended the evening by dancing for the audience. We are also displaying a portrait, by Chloe Cox, of her grandfather. It is a wonderful piece of art which beautifully captures the positive contribution black people have made to British history. Chloe is the daughter of Doreen Cox, one of our Consultant Radiologists, who recently won Young Portrait Artist of the year. Her inspirational artwork signifies those underrepresented and empowers individuals from ethnic minorities in British art.

Our Going the Extra Mile (GEM) award ceremony will be taking place on Friday 12 November 2021 at Kingston Maurward. After such a difficult 18 months we are very much looking forward to the opportunity to thank all our staff and particularly those who have been identified as going above and beyond for colleagues, patients, and their families.

Outstanding care for people in ways which matter to them

Title of Meeting	Council of Governors
Date of Meeting	8 November 2021
Report Title	Finance Report to 30 September 2021
Author	Claire Abraham, Deputy Director of Finance
Responsible Executive	Paul Goddard, Chief Financial Officer
Purpose of Report (e.g. for decision, information) For information	
<p>Summary This report summarises the Trust's financial performance for the six months ended 30 September 2021, known as H1 (half 1).</p> <p>As previously reported to the Council of Governors, due to the impact of the ongoing COVID-19 pandemic, a break-even requirement for all Systems for the period ending 30 September 2021 was required and a mechanism to recover elective activity known as the Elective Recovery Fund (ERF) was introduced by NHS England/Improvement (NHSE/I). Targeted levels of activity were set which needed to be met at a System level in order to access funding for each period. An increase in targeted activity levels was applied by NHSE/I in early July to achieve 95% of 2019/20 levels instead of 85%, which was subsequently highlighted as a key risk that funding may not being awarded if the revised target is not achieved across the Dorset System.</p> <p>For the H1 period, Dorset County Hospital NHS Foundation Trust (DCHFT) has delivered a residual deficit of £0.592 million against a planned break even position. Despite an improved agency position for the month of September, the adverse position against plan is predominantly the result of a shortfall in Elective Recovery Fund (ERF) income available for the System, highlighted as a key risk during H1.</p> <p>In early October, the Trust was notified of a reduction in expected ERF income distributed by the Dorset Clinical Commissioning Group (DCCG). This reduction across the System amounted to £1.1 million, affecting Dorset County Hospital Foundation Trust (DCHFT) and University Hospitals Dorset; £0.6 million and £0.5 million respectively.</p> <p>This resulted in £2.9 million of income being confirmed as available for Dorset County Hospital, against £3.5 million of expenditure incurred supporting activity to deliver elective recovery.</p> <p>Further guidance received in early October from NHSE/I relating to the financial period known as H2 (1 October 2021 to 31 March 2022), broadly saw a continuation of the H1 financial regime.</p> <p>The guidance confirms the financial year will be treated as a whole and any surplus or deficit positions during H1 will be carried forward into H2 with the anticipation of reaching a break even position by the end of the financial year.</p> <p>The cash balance at 30 September 2021 was £14.8 million.</p> <p>The Trust is operating with a reduced capital plan following a >20% reduction applied to all Provider organisations within the Dorset System in order to meet the System Capital Department Expenditure Limit (CDEL) for the financial year.</p>	

Capital expenditure was £5.696 million, £0.317 million ahead of plan year to date.	
Paper Previously Reviewed By Paul Goddard, Chief Financial Officer	
Strategic Impact Trusts are expected to achieve a break even financial position by the end of the financial year 2021/22.	
Risk Evaluation <p>The position to the end of quarter two shows the Trust being behind plan due to the shortfall in Elective Recovery Fund (ERF) income received during H1. H2 guidance issued has confirmed that the financial year will be treated as a whole period and as such, organisations are expected to close the financial year with a balanced position.</p> <p>As mandated by NHSE/I, the Trust has continued to provide for the legal provision associated with overtime payments and pay during annual leave (known as Flowers legal case) which is contributing to the deficit position and currently unfunded by NHSE/I.</p>	
Impact on Care Quality Commission Registration and/or Clinical Quality As above	
Governance Implications (legal, clinical, equality and diversity or other): As above	
Financial Implications Failure to deliver a balanced financial position could result in the Trust being put into special measures by NHSE/I.	
Freedom of Information Implications – can the report be published?	Yes
Recommendations	a) To review and note the financial position as at 30 September 2021

COUNCIL OF GOVERNORS FINANCE REPORT FOR 6 MONTHS ENDED 30 SEPTEMBER 2021

	Plan YTD £m	Actual YTD £m	Variance £m
Income	120.7	119.6	(1.1)
Expenditure	(120.7)	(120.2)	0.5
Surplus / (Deficit)	0	(0.6)	(0.6)

1. YEAR TO DATE VARIANCE

- 1.1 The income and expenditure position at the end of the first half is a deficit of £0.592 million against a planned break even position, resulting in an adverse variance of £0.592 million.
- 1.2 Income levels were lower than plan, predominantly due to the shortfall in ERF income expected for the six months and reductions against plan in Research and Development income. Private patient income was ahead of plan by £0.110 million.
- 1.3 Pay costs were above plan by £4.8 million for the six months with £2.5 million relating to the COVID-19 response. September included the impact of the national pay award which included arrears to April totalling £1.7 million. High agency costs of circa £1 million are being incurred each month, predominantly covering medical and nursing vacancies, sickness and increased bed pressures.
- 1.4 £0.156 million is included in the position year to date relating to the Flowers legal case provision. This is currently unfunded by NHSE/I.
- 1.5 Drugs, clinical supplies and general non pay costs were £0.5 million more than plan for the first half, primarily as a result of increased elective activity and bed occupancy during the first six months.
- 1.6 Depreciation and PDC Dividend costs were higher than plan by £0.270 million for the first half of the year.

2. CASH

- 2.1 At the end of September, the Trust held a cash balance of £14.761 million, £3.049 million more than the planned position. The favourable position is due to timing of payments within the Dorset System.

3. CAPITAL

- 3.1 Capital expenditure in the six months to 30 September 2021 was £5.696 million being £0.317 million ahead of plan. This is largely driven by Medical equipment arriving earlier than planned.