

# Council of Governors General Meeting (held in public)

07 November 2019, 14:00 to 16:00  
Conference Rooms, Walkergate Park, Benfield Road, Newcastle, NE6 4QD

## Agenda

1

### Welcome and Introductions

Welcome to the Council of Governors meeting held in public

Verbal

Ken Jarrold, Chairman

The big issues considered within this agenda are:  
Recovery Colleges

2

### Apologies for absence

Verbal

Ken Jarrold, Chairman

3

### Minutes for approval - 10 September 2019

Verbal

Ken Jarrold, Chairman



03 Governors meeting 10 September 2019 FINAL  
minutes approved by KJ.pdf

(8 pages)

4

### Matters arising not included on the agenda

Verbal

Ken Jarrold, Chairman

5

### Declarations of Interest

Verbal

Ken Jarrold, Chairman

## Business Items

6

### Chair's Report

Verbal

Ken Jarrold, Chairman



XX. CEO Report Nov 19.pdf

(7 pages)



CEO Report Appendix .pdf

(6 pages)

7

### Chief Executive's Report

Information

John Lawlor, Chief Executive



07. CEO Report Nov 19.pdf

(7 pages)

8

### Governors' Questions

Note: Questions relating to the agenda and papers may be asked at the meeting.

Verbal

Ken Jarrold, Chairman

For issues not covered by this meeting, questions must be submitted at least 3 working days in advance by emailing [corporateaffairs@ntw.nhs.uk](mailto:corporateaffairs@ntw.nhs.uk)


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**9**  
**Council of Governors Elections - Update**

Verbal update  
Ken Jarrold, Chairman

**10**  
**Approval of Governor Sub-Group Terms of Reference**

Decision  
Debbie Henderson, Deputy Director  
Communications and Corporate Affairs

 10.1 TOR Front sheet.pdf (1 pages)

**10.1**  
**Terms of Reference - Governors Steering Group**


 10.2 Quality Group ToR May 2019.pdf (2 pages)

**10.2**  
**Terms of Reference - Nominations Committee**


 10.4. Nominations Committee ToR 2018.pdf (3 pages)

**11**  
**External Audit Engagement letters and Specific Services Agreements**

Information  
Ken Jarrold, Chairman

 11.1. External Audit Engagement letters and Specific Services Agreements.pdf (1 pages)

 11.2. 2019-20 NTW FT Engagement Pack - signed by NTW FT.pdf (12 pages)

 11.3. 2019-20 Quality Report Engagement pack - signed by NTW (1).pdf (6 pages)

**Governor Feedback, including:**

**12**  
**Feedback from Governor Representatives on Board Committees**

**12.1**  
**Feedback from Resource and Business Assurance Committee**

Verbal  
Victoria Bullerwell & Bob Waddell,  
Governor Representatives

**12.2**  
**Feedback from Audit Committee**

Verbal  
Victoria Bullerwell, Governor  
Representative

**12.3**  
**Feedback from Quality and Performance Committee**

Verbal  
Margaret Adams & Anne Carlile,  
Governor Representatives

**12.4**  
**Feedback from Mental Health Legislation Committee**

Verbal  
Fiona Grant & Lucy Reynolds, Governor  
Representatives

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**13**  
**Feedback from Governors Working Groups and Committees**

Verbal  
Committee Representatives/ Working  
Group Chairs

**13.1**  
**Update from the Nominations Committee**

Verbal  
Ken Jarrold, Chairman/ Margaret  
Adams, Co-Chair

**13.2**  
**Update from the Governors Steering Group**

Verbal  
Ken Jarrold, Chairman

**13.3**  
**Update from the Governors Quality Group**

Verbal  
Margaret Adams, Chair

**13.4**  
**Update from the Audit Working Group**

Verbal  
Victoria Bullerwell

**14**  
**Feedback from External Events and Meetings**

**14.1**  
**Feedback from the Governor Advisory Committee**

Verbal  
Anne Carlile

**15**  
**Feedback from the Service User and Carer Reference Group**


verbal  
Margaret Adams

**Items for information (discussion by exception only)**

**16**  
**Board of Directors Minutes:**

Information  
Ken Jarrold, Chairman

**16.1**  
**4 September 2019**

 16.1 Board of Directors Meeting Approved Minutes  
4.9.19.pdf (10 pages)

**17**  
**Any other business**

Ken Jarrold, Chairman

**Break**  
**Big Issue Items**

**18**  
**Recovery Colleges**

Presentations

**18.1**

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**South Tyneside Recovery College**

Angie Angus

**18.2**

**North Tyneside Recovery College**

Ali Donkin

**18.3**

**Recovery College Collective (RE-CO-CO)**

Alisdair Cameron

**19**

**Date, time and venue of next meeting:**

11 March 2019, 10am - 12pm, Keswick House, St Nicholas Hospital, Jubilee Road, Gosforth, NE3 3XT

Ken Jarrold, Chairman

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**Draft Minutes of the Council of Governors Meeting**  
**Tuesday, 10 September 2019, 2.00 – 4.00 pm**  
**Conference Rooms, Walkergate Park, Newcastle**

**Present:**

Ken Jarrold	Chair
Andrew Fothergill	Service User Governor, Adult Services
Anne Carlile	Carer Governor, Adult Services
Bill Scott	Public Governor, Northumberland
Bob Waddell	Staff Governor, Non Clinical
Cath Hepburn	Public Governor, North Tyneside
enise Porter	Appointed Governor, Rethink Mental Illness
Dr Uma Ruppa Geethanath	Staff Governor, Medical
Fiona Regan	Carer Governor, Learning Disability Services
Kevin Chapman	Staff Governor, Clinical
Cllr Maria Hall	Appointed Local Authority Governor, Gateshead Council
Margaret Adams	Public Governor, South Tyneside
Russell Bowman	Service User Governors, Neuro Disability Services

**In Attendance:**

Alane Bould	Patient and Carer Involvement Team
Alexis Cleveland	Non-Executive Director and Deputy Chair
Ashton Davidson	Patient and Carer Involvement Team
David Arthur	Non-Executive Director
David Dougal	Patient and Carer Involvement Team
Debbie Henderson	Deputy Director, Communications and Corporate Affairs
Dr Les Boobis	Non-Executive Director
Dr Rajesh Nadkarni	Executive Medical Director
Jennifer Cribbes	Corporate Affairs Manager
John Lawlor	Chief Executive
Lynne Shaw	Acting Executive Director of Workforce and Organisational Development
Michael Robinson	Non-Executive Director
Peter Studd	Non- Executive Director
Steve O'Driscoll	Patient and Carer Involvement Team

**Apologies:**

Andrew Davidson	Governor, Learning Disability Services
Colin Browne	Carer Governor, Older People's Services
Felicity Mendelson	Local Authority Governor, Newcastle City Council
Fiona Grant	Service User Governor, Adult Services (Lead Governor)
Gary O'Hare	Executive Director of Nursing and Operations
Jack Wilson	Service User Governor, Children and Young People's Services
Kelly Chequer	Appointed Local Authority Governor, Sunderland City Council
Prof Kim Holt	Appointed Governor, Northumbria University
Lisa Quinn	Executive Director of Commissioning and Quality Assurance
Margaret Hall	Appointed Local Authority Governor, North Tyneside Council
Prof Daniel Nettle	Appointed Governor, Newcastle University
Stephen Blair	Public Governor, Newcastle/Rest of England and Wales
Victoria Bullerwell	Staff Governor, Non-Clinical

## 1. Welcome and Introductions

Ken Jarrold introduced the meeting and welcomed those in attendance.

A special welcome was extended to Councillor Maria Hall, Appointed Governor, Gateshead Council and the Patient and Carer Involvement Team who were in attendance for the big issue agenda item – Service User and Carer Involvement Strategy.

## 2. Apologies for absence

Apologies received for absence as recorded above.

## 3. Minutes for approval

The minutes of the meeting held on 14 May 2019 were agreed to be a true and accurate record of the meeting.

### Approved:

- **The minutes of the meeting held 14 May 2019 were agreed as an accurate record.**

## 4. Matters arising not included on the agenda

John Lawlor referred to the Governments Clean Air Strategy and reminded the Council of the discussions held at the previous meeting that related to proposed congestion and toll charges in the local area.

John explained that due to the high level of objections received, a process is currently being undertaken to review and revise the proposal. It was explained that the Trust is following the issue closely to ensure the impact on staff, services, and those we service is understood.

Ken Jarrold requested that updates are presented to the Council of Governors at future meetings.

### Resolved:

- **The Council of Governor's received and noted the matter arising relating to the proposed congestion and toll charges in the local area and would receive updates at future meetings via the Chief Executive updates**

## 5. Declarations of Interest

There were no conflicts of interest declared for the meeting.

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## Business Items

### 6. Chair's Report

Ken Jarrold provided a verbal update and informed Governors that he was very pleased to see the Service User and Carer Strategy as an agenda item.

Ken referred to the Integrated Care System (ICS) and reminded Governors of his previous concerns relating to the lack of involvement of Non-executive Directors and lay members in ICS governance arrangements. It was further explained that Chair's and Non-Executive Directors would be featuring in the governance arrangements within the Memorandum of Understanding which was approved at the Board of Directors meeting held on 4<sup>th</sup> September 2019.

Finally, Ken provided an update in relation to a meeting with the Cabinet Office and National Leadership Centre that he had recently attended. Ken provided background information on valuable research that had been conducted by Dr Toby Lowe, Senior Lecturer, Newcastle Business School. Ken explained that the research that had been conducted by Dr Lowe had questioned the previous NHS model of commissioning and payment by results and focused on new ways of working to build trusting relationships, have a values approach and involve services users and carers. Ken further explained that a meeting would be taking place on 28 November in Newcastle where the Cabinet Office would meet with representatives from Northumbria University, Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust, Newcastle University Hospitals NHS Foundation Trust and Northumbria Healthcare NHS Foundation Trust to look at ways of developing and embedding the learning.

Alexis Cleveland commended the work completed by Dr Lowe and the passion to improve services. However, Alexis highlighted previous attempts to improve services and questioned how the work could be embedded.

**Resolved:**

- **The Council of Governors received and noted the Chair's Report**

### 7. Chief Executive's Report

John Lawlor spoke to the enclosed Chief Executive's report to provide the Council with Trust, Regional and National updates.

John referred to the section of the report on the Trust name and provided a rationale for the proposed name change to Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust. John explained that the proposed name maintained the NTW brand and met the criteria for NHS England's Identity Guidelines whilst also reflecting the Trust's wider footprint and the transfer of services and workforce from North Cumbria.

John provided an update in relation to the NHS Staff Survey and explained that the Trust is currently in the process of commencing the next staff survey process. The Council were made aware that work is ongoing to consider the inclusion of additional Trust specific questions.

John informed the Council of work and conversations ongoing in relation to Climate Change. It was explained that a new group had been set up to consider the issues in depth and any actions that can be carried out by the Trust to reduce its Carbon Footprint.

In relation to Governance proposals for the ICS, John explained that the proposal sets out how the NHS organisations across the region will work together. Further information was provided in relation to the individual organisations that form the ICS and the work streams.

In response to a question raised by Russell Bowman in relation to working with schools to raise education on mental health and wellbeing, John Lawlor explained the current work ongoing in schools including a 2-year pilot and training programme.

Andrew Fothergill raised concerns in relation to a lack of access to hospital inpatient services. A detailed discussion took place relating to the criteria for admission to inpatient services, the motivation and care models that focus on treating more people within community services and the services currently available. It was acknowledged that there is a group of individuals where the support they require may not be available. Suggestions such as Crisis Houses were discussed in detail.

John Lawlor and Rajesh Nadkarni spoke about the Long Term Plan and its ambitions to improve services in this area.

In response to a question raised by Claire Keys, it was confirmed that the Trust was committed to ensuring engagement with people and staff when developing new ways of working.

It was agreed that Rajesh Nadkarni would meet with Andrew Fothergill to gain more information in relation to the concerns raised and that Governors would receive a presentation on the NHS Long Term Plan at a future meeting.

**Resolved:**

- **The Council of Governors received and noted the Chief Executive's Report.**

**Action:**

- **Rajesh Nadkarni, Executive Medical Director to meet with Andrew Fothergill, Governor to discuss concerns raised regarding access to inpatient services**
- **The Council of Governors to receive an update in relation to the Long Term Plan at a future meeting**

## **8. Governors' Questions**

There were no questions raised by Governors.

## **9. Non-Executive Director Appointment Approval**

Ken Jarrold spoke to the enclosed report and explained that the Nominations Committee, on behalf of the full Council of Governors, had conducted work in accordance with statutory guidance, to appoint two new Non-Executive Directors to the Trust. Ken provided further detail in relation to the process, the skills and experience of each candidate and requested the Council of Governors approval to appoint Darren Best and Paula Breen as recommended within the report.

The Council of Governors unanimously approved the appointment of Paula Breen and Darren Best as Non-Executive Directors of the Trust effective from 1<sup>st</sup> October 2019 for a three-year term.

**Approved:**

- **The Council of Governors approved the appointment of Paula Breen and Darren Best to the position of Non-Executive Director**

## **10. Constitution**

Debbie Henderson spoke to the enclosed report and explained that a Governors Constitution Review Group, led by Fiona Grant, Lead Governor, had been established to support the work to update the Trust's Constitution to reflect the transfer of North Cumbria Mental Health and Learning Disabilities services from Cumbria Partnerships NHS Foundation Trust.

Debbie referred to the executive summary section of the report and explained the main changes made to the composition of the Council of Governor's and membership constituencies to ensure that Cumbria would be appropriately represented on the Council of Governors from 1<sup>st</sup> October 2019.

It was further explained that Ken Jarrold, Debbie Henderson, Fiona Grant and Margaret Adams had delivered a presentation to Governors in Cumbria on the proposed changes.

Ken Jarrold thanked Fiona and Debbie for their work in relation to the Constitution and commended the summary report which provided clarity on each of the changes.

**Approved:**

- **The Council of Governors approved the Constitution for Cumbria, Northumberland, Tyne and Wear**

## **11. Feedback from Governor Representatives on Board Committees**

### **11.1 Feedback from Resources and Business Assurance Committee**

Bob Waddell, Governor Representative on the Resources and Business Assurance Committee provided a verbal update to inform the Council of Governors on the recent business of the Committee. Bob confirmed that he was confident that the Committee was carrying out its function.

**Resolved:**

- **The Council of Governors received and noted the feedback relating to the Resource and Business Assurance Committee**

### **11.2 Feedback from Audit Committee**

David Arthur provided a verbal update and explained that the Audit Committee had looked at matters of non-financial assurance at the last meeting. David explained that Alexis Cleveland had been in attendance at the meeting and had provided the Committee with a very clear understanding of the processes and governance structure that is in place that provides assurance to the Quality and Performance Committee.

**Resolved:**

- **The Council of Governors received and noted the feedback relating to the Audit Committee**

### 11.3 Feedback from Quality and Performance Committee

Margaret Adams, Governor Representative on the Quality and Performance Committee provided a verbal update on the business of the Committee. Margaret provided information on topics that had been discussed at the meeting including staff staffing levels, medicines and risks in relation to Brexit. Margaret explained that Non-Executive Directors appropriately questioned the information they received at the meetings.

Alexis Cleveland further explained that there are a number of governance groups who report directly to the Quality and Performance Committee. Therefore, the last meeting had been extremely busy receiving all of the updates.

**Resolved:**

- **The Council of Governors received and noted the feedback relating to the Quality and Performance Committee**

### 11.4 Feedback from Mental Health Legislation Committee

Denise Porter, Governor Representative on the Mental Health Legislation Committee provided a verbal update to inform the Council of Governors on the recent business of the Committee. Denise confirmed that she was confident that the Committee was carrying out its function.

**Resolved:**

- **The Council of Governors received and noted the feedback relating to the Mental Health Legislation Committee**

## 12. Feedback from Governors working Groups and Committees

### 12.1 Feedback from the Nominations Committee

Discussed under item 9 of this agenda.

### 12.2 Update from the Governors Steering Group

Ken Jarrold provided a verbal update and reminded Governors of the purpose of the Governors Steering Group which included planning the agenda's and future business of Governors meetings. Ken asked Governors to suggest any items, topics or updates that they would like to receive at a future meeting.

Ken explained that the Steering Group had received an excellent presentation from Debbie Henderson at the last meeting on the work done by her, Jen and Wendy, to develop the strategy in relation to membership engagement and governor development.

Russel Bowman requested that Governors receive an update on Neuro Services at a future meeting.

**Resolved:**

- **The Council of Governors received and noted the update from the Governors Steering Group**

**Action:**

- **Neuro Services update to be presented to Governors at a future meeting with a particular focus on support for patient following transfer or discharge**

### 12.3 Update from the Governors Quality Group

Margaret Adams provided a verbal update on the business of the Governors Quality Group and explained that the Group have recently received presentations from the Talk 1<sup>st</sup> Team, Employment Support Service and had been provided with an update on how the Locality Structures had been working.

Ken Jarrold provided further information in relation to the Employment Support Service and explained that 12 people had been appointed into the Trust's Community Teams to support our Services Users to gain employment.

**Resolved:**

- **The Council of Governors received and noted the feedback relating to the Governors Quality Sub-Group**

### 13. Feedback from External Events and Meetings

#### 13.1 Feedback from the Governors' Advisory Committee

Anne Carlile provided a verbal update on questions she had raised with the Governors' Advisory Committee on behalf of Ken Jarrold in relation to the Governance of Integrated Care Systems.

Ken Jarrold thanked Anne for her work and explained that he had been corresponding with Chris Hopson, Chief Executive of NHS Providers as a result.

Anne Carlile informed the Council that NHS Providers would be holding an Effective Charing training course on the 20 November for Governors. Governors who are interested in attending the training were encouraged to contact Debbie Henderson.

**Resolved:**

- **The Council of Governors received and noted the feedback relating to the Governors' Advisory Committee**

### Items for Information (discussion by exception only)

#### 14. Board of Directors Minutes

Ken Jarrold advised that the minutes of the Board of Directors meetings were enclosed for information.

There were no questions raised by Governors relating to the minutes.

**Resolved:**

- **The Council of Governors received and noted the minutes of the Board of Directors meetings held on 24 April 2019, 22 May 2019 and 3 July 2019**

## **15. Any other business**

Ken Jarrold provided an update in relation to changes to the Council of Governors. These included a welcome to new Appointed Governor in attendance, Councillor Maria Hall, Local Authority Governor, Gateshead Council who had replaced Councillor Helen Harran.

The Council were informed that Cheryl Wright, Public Governor, Gateshead had resigned. Ken thanked Cheryl for the contribution she had made to the Council and wished her the very best for her future.

Other changes included Councillor Geoff Walker having been replaced by Councillor Kelly Chequer, as appointed Local Authority Governor for Sunderland City Council.

There being no further business to discuss, the Chair declared the meeting closed.

## **Big Issue Items**

### **16. Service User and Carer Involvement Strategy**

Margaret Adams introduced the Service User and Carer Strategy and provided further detail in relation to each of the strategies ambitions.

Governors took part in group work which considered how the strategy could be implemented within the Trust and changes that are required to embed the strategy at every level of the organisation.

Ken Jarrold thanked the Patient and Carer Involvement Team including Margaret Adams, Alane Bould, Ashton Davidson, Steve O'Driscoll and David Dougal for all of their work relating to the strategy.

### **17. Date, Time and venue of the next meeting:**

Council of Governors Engagement Session – Thursday, 10 October 2019. 2 pm to 4 pm.  
Walkergate Park, Benfield Road, Newcastle, NE6 4QD.

Council of Governors meeting held in public - Thursday, 7 November 2019, 2 pm to 4 pm.  
Walkergate Park, Benfield Road, Newcastle, NE6 4QD.

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**Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust**

**Board of Directors Meeting**

**Meeting Date:** 6 November 2019

**Title and Author of Paper:** Chief Executive's Report  
John Lawlor, Chief Executive

**Paper for Debate, Decision or Information:** Information

**Key Points to Note:**

**Trust updates**

1. Service Transfer Update
2. Staff Survey
3. Investors in People (IIP)
4. Royal College of Psychiatry Mental Health Trust Engagement Event
5. Transcultural Continuous Professional Development (CPD) Event
6. Research and Development Conference
7. Psychiatry Update Continuous Professional Development (CPD) Event

**Regional updates**

8. Integrated Care System (ICS)/Long Term Planning
9. North Cumbria Health and Care Leadership Arrangements

**National updates**

10. Update from the Labour Party Conference
11. NHS Providers Campaign: Re-build our NHS
12. Nuffield Trust Article

**Outcome required:** For information

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# Chief Executive's Report

6 November 2019

## Trust updates

### 1. Service Transfer Update

On 1<sup>st</sup> October we welcomed our colleagues from North Cumbria and I wanted to take the opportunity to acknowledge the hard work, dedication and commitment of all teams from all of our localities and corporate functions who were involved in making the transfer of services a success. We are still working hard to address some outstanding IT issues but despite that, we are continuing to deliver high quality care across our patch.

### 2. Staff Survey

The 2019 NHS Staff Survey has been launched. At the time of writing, 33% of the workforce have completed their staff survey and we continue to encourage everyone to take an opportunity to feedback on their experiences of working at the Trust so that we can continue to make CNTW the best place to work. The survey will close at the end of November.

### 3. Investors in People (IIP)

The IIP Standard is recognised worldwide to reflect the very best in people management excellence. Underpinning the Standard is the IIP Framework which can be used to facilitate on-going development of people management. The Trust has held IIP accreditation since 2010 and was re-assessed against the latest version of the Standard during September 2019. The assessment included an initial exploratory analysis of the Trust, individual and group interviews, and an analysis of evidence gathered through a review of specific documentation.

I am pleased to say that we have maintained our IIP standard and strengths identified as part of the assessment against the 'developed' level of the IIP Framework include: clarity on the Trust's purpose, vision and strategic objectives and people's ability to demonstrate these; a structured cascade system/devolved leadership model; good communication of core values which are integrated into practices such as recruitment, induction/on-boarding and appraisal; clarity around individual expectations and understanding of their own personal contribution on Trust performance; evidence that line managers have supportive, developmental conversations with staff as part of supervision and appraisal; and the wide range of benefits available to the workforce. The assessors also identified a number of areas which went beyond the level required for assessment.

A number of recommendations were highlighted including: improving the effectiveness of some line managers to ensure people are consistently supported; further embedding practices to reward and celebrate individual and team achievements in non-financial ways; capture more evaluative data to help identify opportunities for continuous improvement i.e., impact of the work on equality and inclusion. Work has already commenced in these areas and a 12-month review will take place on 24<sup>th</sup> September 2020.

### 4. Royal College of Psychiatry Mental Health Trust Engagement Event

The College held an event on 10 October 2019 inviting Chief Executives and Medical Directors of Mental Health Provider Trusts. Dr Rajesh Nadkarni attended the event and was involved in discussions around the implementation of the NHS Long Term Plan, developing integrated care in practice, harnessing digital and technological

advances to improve outcomes for people with mental illness and looking at solutions to build up the psychiatric workforce.

The event was attended by Simon Stevens (NHS Chief Executive), Claire Murdoch CBE (National Director for Mental Health), and Dr Kevin Cleary, (new Deputy Chief Executive for Hospitals and Lead for Mental Health at the Care Quality Commission).

#### **5. Transcultural Continuous Professional Development (CPD) Event**

The first Transcultural CPD Event was held on 24 October 2019 and attended by nearly 60 delegates in Newcastle. Its aim was to improve understanding of how culture, race, gender, and allied factors affect the presentation of patients, their outcomes and how they underpin practice for professionals. The attendees were a mix of internal and external Consultant Psychiatrists, GPs, Higher Trainees, Nurse Practitioners and Social Workers from the two Mental Health Trusts within the region, St. Oswald's Hospice and General Practice. The event included lectures from Dr Shahid Latif (Chair of the Transcultural Specialist Interest Group, Royal College of Psychiatrists), Dr Samia Latif (Co-Chair, BAME Network, Public Health England) and Sue Palmer-Holland (Head of Innovation and Research at Northamptonshire NHS Foundation Trust). The event included lectures and workshops including contributions from service users with lived experiences. The group also tested out a qualitative tool from Northamptonshire NHS FT which measured an organisations' cultural competence, maturity and practices.

Initial analysis of the feedback suggested that the attendees found the day enjoyable, increased their awareness and understanding of how pertinent the issues are to their professional practice. We have also made links between our Equality and Diversity Lead and those in Northamptonshire to further develop our Equality and Diversity agenda.

#### **6. Research and Development Conference**

The 9<sup>th</sup> Annual Research and Development Conference was held on 16<sup>th</sup> October 2019 and attended by over 200 delegates including our Chairman, Ken Jarrold CBE. The conference focussed on the range of research happening within the Trust including talks by the Director of the Applied Research Collaboration (Eileen Kaner), Professor John O'Brien of Cambridge University and the number one ranked academic in Lewy Body Dementia.

There was a wide variety of talks and presentations from Psychologists, AHPs, Psychiatrists, Nurses and Academic Researchers on topics such as virtual reality therapy, drama therapy, mood app development, family therapy and game theory. There was also an innovative "Lightening Talk" section which enabled some rising nursing stars of the future to promote their dissertation research. The conference was a huge success, involving all disciplines and services users, confirming the scale and depth of research activity happening within the organisation, helping to promote and embed research and development into practice.

#### **7. Psychiatry Update Continuous Professional Development (CPD) Event**

The Psychiatry Update Day planned by professionals in the region, took place in Cumbria on the 10 October 2019. The agenda featured updates on psychosis, depression, risk assessment and management, gender identity and personality disorder pathways. 72 delegates including a mixture of Consultants, Nurse Practitioners, Junior Doctors, and Practice Pharmacists from CNTW, TEWV and Primary Care in Cumbria attended the event. A significant number of GPs also attended the event and provided a valuable opportunity for real engagement and

networking. Feedback from the day was very positive with delegates feeling they had benefitted from significant learning on interesting topics with the opportunity to network with colleagues across various CNTW sites and primary care.

## Regional updates

### 8. Integrated Care System (ICS)/Long Term Planning

The North East and North Cumbria is developing its strategy for the implementation of the NHS Long Term Plan over the next five years. This will bring together planning at place (Local Authority Level), Integrated Care Partnership (ICP) and Integrated Care System Level (ICS). The draft document reaffirms the ICS commitment to five core workstreams, which are:

- Population Health and Prevention
- Optimising Health Services (clinical standards and sustainability)
- Digital Transformation
- Workforce Transformation
- Mental Health and Learning Disabilities

Each organisation and system has submitted draft plans to support this submission, with a final version due to be submitted by the end of November. This will be considered by the Board at its December meeting.

As part of this work our Integrated Care System has agreed an ambition to be “England’s Greenest Region”. A work stream to support this ambition has been set up under the Sponsorship of Dame Jackie Daniel, Chief Executive of the Newcastle Upon Tyne Hospitals NHS Foundation Trust. Our Trust is fully engaged in the development of this work and further updates will be brought to the Board in the coming months.

The Trust has commenced work on its detailed long term planning in the light of national, ICS and ICP planning and the board will continue to be engaged in this work over the coming months. The Trust will be looking to take this work forward to support the submission of its operational plan, which is due by the end of March 2020.

### 9. North Cumbria Health and Care Leadership Arrangements

In 2018, North Cumbria was one of the 14 national Integrated Care Systems (ICS) and in June 2019 became part of the broader ICS in the North East to become North East and North Cumbria ICS. On 1 October 2019 Cumbria Partnership NHS FT (CPFT) and North Cumbria University Hospitals NHS FT (NCUH) merged to create North Cumbria Integrated Care NHS FT (NCIC). During this time, a lot of progress has been made to provide more joined up care for the region, including the transfer of mental health and learning disability services to CNTW.

Stephen Eames, Chief Executive of CPFT, NCUH and the newly formed NCIC will take up post as Executive Lead for the North Cumbria ICS two days per week while spending the other three days per week in the same role with Humber, Coast and Vale Health and Care Partnership. This means that NCIC will shortly commence a recruitment process for a new Chief Executive allowing a clear focus on improving patient outcomes and driving the Trust forward as a great place to work.

The Board would like to take an opportunity to congratulate Stephen on his new opportunity and wish him well for the future.

## National updates

### 10. National Review into the Quality of Children's Inpatient Services

NHS England has set up an independent Panel to review the quality of inpatient mental health, learning disabilities and autism services for children and young people, amid growing safety concerns nationally. John Lawlor has been invited to Chair the Panel which will be given the task of proposing rapid improvements in existing services, examining approaches to complex issues such as inappropriate care, out of area placements, length of stays and oversee the development of genuine alternatives to care, closer to home.

### 11. CQC State of Health and Adult Social Care in England 2018/19 Report

The Care Quality Commission has published its Annual Report on the NHS and social care, looking at trends in quality, sharing examples of good practice and highlighting key areas for improvement. The report highlights that overall quality of care has improved slightly from last year. When people receive care it is mostly good quality but people often struggle to get access to the care they need when they need it, impacting on their experience of care provided.

It was noted that emergency attendance and admissions continues to rise year on year impacting on access to non-urgent services and access and staffing are presenting challenges across all settings with particular problems experienced in some areas of the country.

There is a particular focus on mental health and learning disability services. The CQC note that while the overall picture remains relatively stable there has been a deterioration across specialist inpatient services. The report also notes that too many people with mental health or learning disability needs are supported by staff without the necessary skills, training, experience or support. In particular the CQC notes that this reflects the national shortage of nurses in these areas. Concerns are raised about the sustainability of adult social care services with providers continuing to exit the market.

The report calls for actions in the following areas: more and better services in the community; innovation in technology; workforce and models of care; system-wide action on workforce planning; and long term sustainable funding for adult social care. The report can be found on the CQC website.

### 12. The Queens Speech

The Queen's Speech delivered on 14th October set out the priorities for the current Government which outlined some of the priorities as set out for health and care, albeit since the speech, an early general election on 12 December has been announced.

Two Bills were introduced directly relating to health and social care (the Health Service Safety Investigations Bill and The Medicines and Medical Devices Bill), with the possibility of two more on the NHS Long Term Plan and the long awaited bill on adult social care.

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of NHS services that have, or may have, implications for the safety of patients. This body will have powers to investigate incidents confidentially (the bill would prohibit the disclosure of information held by the body, to encourage candour); it would improve the quality and effectiveness of local investigations by setting national standards and acting as an advisory service; and it would amend the Coroners and Justice Act 2009 to give English NHS bodies the power to appoint Medical Examiners, while also placing a duty on the Secretary of State to ensure that enough Medical Examiners are appointed in England.

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- Ensuring the government can update legislation relating to medicines and medical devices in response to patient concerns and as the future global relationship of the UK in these areas is developed

In addition the government plans to implement NHS England's proposals for legislative change to support the delivery of the Long Term Plan. This will lead to detailed proposals being brought forward, in turn, leading to the development of draft legislation. And finally the government plans to bring forward proposals to reform adult social care in England to include a 2% precept to enable councils to access a further £500m for social care, and bringing forward substantive proposals on social care reform.

#### **14. Quarter 1 NHS Financial Performance**

NHS England and NHS Improvement (NHSE/I) published their financial report for the first quarter of 2019/20 on 22nd October. This was significantly later than previous practice and also included significantly less analysis. This has been raised as an issue of concern by NHS Providers.

In summary, the quarter 1 revenue position across the NHS was broadly in line with plan, with a forecast overspend of £84m. The commissioning sector was reporting an adverse year to date variance to plan of £39m, with pressures across 35 CCGs who are reporting year to date positions worse than plan. CCG forecasts currently assume that any overspends will be recovered by the end of the financial year and that the sector will deliver a year end surplus of £196m.

The provider sector is £26m underspent against plan, recording an overall deficit of £840m at this stage of the year, broadly in line with last years. There are 20 Trusts reporting a financial position that is worse than plan including Provider Sustainability Funding (PSF), compared to 61 last year. If PSF is excluded, the number of Trusts reporting a year to date overspend reduces to 18, with four Trusts forecast to overspend at the end of the year (at the same time last year this was 25 and four respectively). The provider sector as a whole is forecasting to finish the year slightly ahead of plan with a £280m deficit.

#### **15. New NHS Financial Architecture**

As the Board are aware NHSE/I have been looking to develop a revised financial architecture for the NHS, with the intention to move away from control totals and the use of PSF as an incentive for delivery to a system where over time Trusts are

expected to deliver a balanced plan and have freedom to set any surplus requirements according to their individual need. Trusts in deficit will receive Financial Recovery Funding and will agree a trajectory to achieve financial balance independent of any external support. Trusts have now been issued with what are now called Long Term Plan Trajectories, alongside with expected call on Financial Recovery Funding. Our Trust Long Term Plan Trajectory is in line with the plan we have submitted and as a Trust in surplus, we will not receive additional financial support or incentives. However, in 2020/21, all Trusts that plan for break-even or better will receive a one off payment equivalent to 0.5% of turnover, and we would expect to receive this. This one off payment is available to all Trusts in the first year that they break-even following this financial re-set. An NHS Providers commentary on these changes is attached in the appendix to the report.

Cumbria, Northumberland Tyne and Wear  
10/31/2019 17:17:35

To all Chairs, CEOs and Directors

## Future Financial Architecture, System planning and FRF allocations

Dear Colleague,

As you know, NHS England/Improvement (NHSE/I) have been working to develop the NHS's future financial architecture. We have contributed to this work on behalf of members. Given the first results of this work have just circulated, we wanted to set out our understanding and view of what's been developed and the influencing work we have been doing.

### Context

In the long term plan (LTP) NHSE/I committed to delivering a series of government set financial objectives to improve frontline NHS finances including:

- Continuing to balance the NHS national and aggregate provider/commissioner positions;
- Reducing the aggregate provider sector deficit each year, with the provider sector achieving overall balance by 2020/21; and
- Reducing the number of trusts in deficit year on year with every NHS organisation in balance by 2023/24. NHSE/I's initial aim is to more than halve the number of trusts in deficit this year, from 107 in 2018/19 to around 50 in 2019/20.

To support delivery of these objectives, NHSE/I is creating a new financial architecture. This reshapes financial support for the provider sector, moving from centrally set control totals and a provider sustainability fund (PSF) available to all trusts, to a financial recovery fund (FRF), targeted at trusts with deficits. The basic underlying NHSE/I aim is to:

- Set a more realistic financial task for providers, with a more deliverable efficiency requirement, enabling most trusts to deliver a surplus without central financial support;
- Move away from a centrally set control total regime to one where trusts in surplus set and deliver their own year end financial position – so that trusts in surplus explicitly get greater regulatory freedom;
- Over time, concentrate central financial support on trusts and systems in deficit to support their return to surplus. Support will be allocated in return for agreement of a financial recovery plan and at least a 0.5% higher level of efficiency saving delivery; and



- Over time, lower the amount of central financial support and enable appropriate delivery of recurrent efficiency savings to help providers return to financial balance.

NHSE/I's January 2019 board allocated future central provider financial support as follows:

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Provider Sustainability Fund (PSF)	£2.45bn	£1.25bn	0	0	0	0
Financial Recovery Fund (FRF)	0	£1.048bn	£2.048bn	£2.048bn	£2.048bn	£1.949bn
Marginal Rate Emerg. Tariff (MRET)	0	£442m	£442m	£442m	£442m	£442m
<b>TOTAL</b>	<b>£2.45bn</b>	<b>£2.74bn</b>	<b>£2.49bn</b>	<b>£2.49bn</b>	<b>£2.49bn</b>	<b>£2.39bn</b>

Although these top level principles were set out in the LTP, more work was needed to finalise details of how the new financial architecture would operate in practice including:

- How quickly to shift from a PSF regime, with financial support available to all, to an FRF regime with financial support concentrated on those in deficit;
- Which trusts would be able to access FRF support, to what extent and how the linked financial recovery plans and any other requirements for FRF access will work;
- More broadly, how future financial accountability and management will work, given the transition to a four tier structure of national NHSE/I, stronger NHSE/I regions, STPs/ICs and individual providers/CCGs.

NHSE/I identified 2019/20 as a year of transition with a more reasonable financial task set for providers. This was delivered through a lower efficiency target, rebalancing the system by moving away from reliance on centrally-held risk reserves. Extra support for acute trusts was provided through compensation for the impact of the Marginal Rate Emergency Tariff (MRET). The 2020/21 PSF was reduced by £1.2bn, with £1 billion transferred into urgent and emergency care prices and £200m transferred to the new FRF, which totalled £1.048bn.

## Future financial architecture review work over the last two months

Julian Kelly, NHSE/I's chief financial officer, and his team have been leading a process over the last two months to design the new financial architecture for 2020/21 to 2023/24. They have been consulting widely. For example, they created a working group of providers, commissioners and system leaders which we have sat on. They have also gathered wider views, such as via the King's Fund and directly from NHS Providers and the Shelford Group.

The work has sought to balance a number of requirements:

- The urgent need for greater clarity on future finances to enable the creation of effective four year strategic system plans, with the deadline for first drafts already passed;

- Balancing risks between moving too quickly to concentrate future financial support on trusts in deficit and tipping trusts only just in surplus back into deficit;
- Ensuring incentives work effectively across all types of trust – that all trusts are incentivised to maximise their financial position, the regulatory freedoms from returning to surplus are clear and management failure is not inappropriately rewarded;
- Delivery of overall provider sector financial balance given current dependence on, partially control total driven, trust level surpluses to offset deficits;
- In setting each qualifying trust’s FRF allocation, assessing how much bespoke identification of each trust’s position is needed versus use of a national formula; and
- How, given the move towards system working, the need to bring organisations into balance interacts with efforts to balance local systems.

There are, understandably, different perspectives on these issues. Trusts in deficit and trusts in surplus, for example, are likely to have different views on the speed of shift from PSF to FRF. The impact of these issues may also play out differently for different sectors, across acute, community, mental health and ambulance providers. While PSF was available to all organisations in all sectors, FRF will only be available to trusts in deficit.

## Future financial architecture – initial outputs

NHSE/I has now issued each STP/ICS and constituent provider/CCG with a deficit reduction trajectory for each year between 2020/21 and 2023/24, set at a level and improvement rate that they believe is reasonably deliverable. They are also issuing FRF allocations by each year, making it clear that from 2020/21 FRF support will only be available to trusts in deficit. In addition, a “transitional reward payment” has been announced, worth 0.5% of turnover and available to trusts which are able to maintain breakeven or surplus positions – details are set out in the NHSE/I letter. We understand, if required, this will be funded separately, in addition to the existing amount set aside for the FRF.

## NHS Providers influencing work over the last two months

Trusts will have different interests depending on their financial position but we have been pushing for solutions that support the sector, and the diverse range of trusts within it, as a whole. Our main arguments have been as follows.

- 1 The current planning process is proving very difficult as a range of key, national level, elements have been missing, including the future financial architecture. NHSE/I should calibrate their expectations of how good the first draft plans, which have now been submitted, can be.
- 2 The work on future financial architecture must be fully co-created with the sector.
- 3 The needs of all types of trusts, and each individual trust, need to be carefully considered:

- While the acute sector may contain by far the highest proportion of trusts in deficit, it is vital to ensure the financial success and sustainability of the mental health, community and ambulance sectors and to address funding requirements for specialised services;
  - Particular groups of trusts are also likely to have particular needs. We have, for example, worked with a group of multi-site district general hospital and small rural acute trusts in deficit, at their request, to highlight the particular issues they face;
  - In determining individual trust FRF allocations, NHSE/I needs to ensure that trusts have the ability to discuss proposed allocations, for instance if trusts think they are dramatically wrong or are creating an undeliverable task. This is particularly important since they set the individual trust level financial task for the next four years. We need to avoid the “That’s it, take it or leave it” approach adopted in relation to control totals. Clearly this needs to be done without creating a free for all negotiation or creating incentives for trusts to try to game the system, given that there is a fixed pot of financial support, creating a zero sum game if any trust wants to change its agreed FRF allocation. How this might work in practice, and the governance around any such discussions or decisions, has not yet been set out.
- 4 Given the complexity and importance of these issues, clarity and frequency of NHSE/I communications on what they are doing, and why, is key. NHSE/I should be over- rather than under-communicating here. “Showing the workings” of any centrally determined figures is important.
  - 5 Given the growing importance of NHSE/I regions, appropriate consistency between regions is important. Full explanation and opportunity for debate is needed if individual regions take individual approaches – for example creating regional risk reserves.
  - 6 We have also flagged that we are concerned about any move from managing finances at individual provider level to local system level. We recognise that some advanced ICSs are ready to move in this direction and they should be supported to move voluntarily in this direction as fast as they are able. But, in many systems, trying to force this move too quickly is likely to cause confusion and increase risk. Formal legal and accounting officer accountability for provider finances lie with a unitary trust board and the trust chief executive and it would be wrong to blur these without an approach that has been co-created and agreed with the sector.
  - 7 If local systems and regions are to be the setting for discussions about adjusting initial, centrally created, deficit reduction trajectories and FRF allocations, there is a need for realism about their present capability and capacity to perform this task. NHSE/I need to work with the sector to identify what support, resource and system or process is needed to enable meaningful and effective discussions of this type.

## NHS Providers view on the approach adopted

We welcome the degree of consultation on the overall approach and NHSE/I’s desire to understand the perspectives of different types of trust. We welcome the clarity that is brought by having indicative figures.

While we recognise NHSE/I's desire to avoid opening a negotiating free for all, it is difficult to determine how much room there now is for providers to discuss and debate their deficit reduction trajectories and FRF allocations if they believe they are dramatically wrong. This feels particularly important given that these allocations have been made via central formula, with some regional input, rather than a bespoke identification of each trust's needs. While the recent NHSE/I letter does include an appendix breaking down the various factors underpinning a trust's recovery trajectory, such as MRET funding, efficiency and other impacts, it is not clear that this will result in a trajectory that providers and local systems agree is achievable. We'd like to hear your feedback on how this progresses.

The decision to create a reward fund for trusts who achieve a balanced position or better will be welcomed by members who had been concerned about the impact of losing PSF, as it mitigates the 'cliff edge' effect of moving to an FRF-only world in a single year.

We were unaware that the FRF would be available to CCGs as well as providers. We understand this will be funded by rolling in the existing commissioner sustainability fund, and will want to see sufficient resources made available to providers. We also think that the move to system financial management underpinning the approach here needs further collaborative discussion and work. We're also keen to understand the basis of, and rationale for, the regional risk reserves that some regions are now creating and whether this is being done consistently or not.

In short, this was always going to be a difficult process given the competing interests involved. It's definitely a good and important step forward to get some indicative figures. But we need your feedback on whether you think what's being asked for is deliverable and whether you get sufficient scope to discuss that ask if it's impossible to deliver. This is clearly a new process, with new bodies such as local systems and NHSE/I regions involved, so we will need to develop clear, new governance accordingly. It is critical that the right governance framework is put in place to enable the new architecture to work effectively and to set out clear lines of accountability.

## Capital

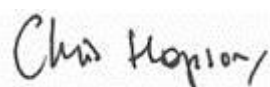
It is worth adding that we continue to push hard on capital issues. You will have seen the launch of our "Rebuild the NHS, creating a 21st century healthcare system" campaign. There has been good and welcome progress on hospital rebuilds and reversing the proposed 2019/20 20% cut in capital spend. But these announcements have been piecemeal and the overall strategic context is missing. There are also very obvious gaps – we will be pointing this weekend, for example, to the complete absence of longer term investment in mental health estate in the most recent high-profile announcement. We are also arguing that capital investment is often the key to delivering maximum value out of revenue funding, and that it is very difficult for local systems to create meaningful four year strategic plans without knowing how much capital will be available and how it will be allocated.

There is promising collaborative work under way to design a new capital prioritisation and allocation system, to which we are contributing. The latest letter on the future financial architecture includes an

explicit mention of the Department of Health and Social Care's Health Infrastructure Plan (HIP), published on 30 September. Our briefing on the plan can be found [here](#). Broadly, we welcome the government's acknowledgement of the need for a new capital settlement for the NHS but are concerned a lot of detail and gaps remain to be filled.

We hope you find this letter/briefing helpful. Your feedback would, as ever, be very useful. Please email David Williams, our senior policy adviser, on [david.williams@nhsproviders.org](mailto:david.williams@nhsproviders.org).

Yours sincerely,

A handwritten signature in black ink that reads "Chris Hopson".

Chris Hopson  
Chief Executive

A handwritten signature in black ink that reads "Saffron Cordery".

Saffron Cordery  
Deputy Chief Executive

Cumbria, Northumberland Tyne and Wear  
10/31/2019 17:17:35

**Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust**

**Board of Directors Meeting**

**Meeting Date:** 6 November 2019

**Title and Author of Paper:** Chief Executive's Report  
John Lawlor, Chief Executive

**Paper for Debate, Decision or Information:** Information

**Key Points to Note:**

**Trust updates**

1. Service Transfer Update
2. Staff Survey
3. Investors in People (IIP)
4. Royal College of Psychiatry Mental Health Trust Engagement Event
5. Transcultural Continuous Professional Development (CPD) Event
6. Research and Development Conference
7. Psychiatry Update Continuous Professional Development (CPD) Event

**Regional updates**

8. Integrated Care System (ICS)/Long Term Planning
9. North Cumbria Health and Care Leadership Arrangements

**National updates**

10. Update from the Labour Party Conference
11. NHS Providers Campaign: Re-build our NHS
12. Nuffield Trust Article

**Outcome required:** For information

Cumbria, Northumberland Tyne and  
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# Chief Executive's Report

6 November 2019

## Trust updates

### 1. Service Transfer Update

On 1<sup>st</sup> October we welcomed our colleagues from North Cumbria and I wanted to take the opportunity to acknowledge the hard work, dedication and commitment of all teams from all of our localities and corporate functions who were involved in making the transfer of services a success. We are still working hard to address some outstanding IT issues but despite that, we are continuing to deliver high quality care across our patch.

### 2. Staff Survey

The 2019 NHS Staff Survey has been launched. At the time of writing, 33% of the workforce have completed their staff survey and we continue to encourage everyone to take an opportunity to feedback on their experiences of working at the Trust so that we can continue to make CNTW the best place to work. The survey will close at the end of November.

### 3. Investors in People (IIP)

The IIP Standard is recognised worldwide to reflect the very best in people management excellence. Underpinning the Standard is the IIP Framework which can be used to facilitate on-going development of people management. The Trust has held IIP accreditation since 2010 and was re-assessed against the latest version of the Standard during September 2019. The assessment included an initial exploratory analysis of the Trust, individual and group interviews, and an analysis of evidence gathered through a review of specific documentation.

I am pleased to say that we have maintained our IIP standard and strengths identified as part of the assessment against the 'developed' level of the IIP Framework include: clarity on the Trust's purpose, vision and strategic objectives and people's ability to demonstrate these; a structured cascade system/devolved leadership model; good communication of core values which are integrated into practices such as recruitment, induction/on-boarding and appraisal; clarity around individual expectations and understanding of their own personal contribution on Trust performance; evidence that line managers have supportive, developmental conversations with staff as part of supervision and appraisal; and the wide range of benefits available to the workforce. The assessors also identified a number of areas which went beyond the level required for assessment.

A number of recommendations were highlighted including: improving the effectiveness of some line managers to ensure people are consistently supported; further embedding practices to reward and celebrate individual and team achievements in non-financial ways; capture more evaluative data to help identify opportunities for continuous improvement i.e., impact of the work on equality and inclusion. Work has already commenced in these areas and a 12-month review will take place on 24<sup>th</sup> September 2020.

### 4. Royal College of Psychiatry Mental Health Trust Engagement Event

The College held an event on 10 October 2019 inviting Chief Executives and Medical Directors of Mental Health Provider Trusts. Dr Rajesh Nadkarni attended the event and was involved in discussions around the implementation of the NHS Long Term Plan, developing integrated care in practice, harnessing digital and technological



advances to improve outcomes for people with mental illness and looking at solutions to build up the psychiatric workforce.

The event was attended by Simon Stevens (NHS Chief Executive), Claire Murdoch CBE (National Director for Mental Health), and Dr Kevin Cleary, (new Deputy Chief Executive for Hospitals and Lead for Mental Health at the Care Quality Commission).

#### **5. Transcultural Continuous Professional Development (CPD) Event**

The first Transcultural CPD Event was held on 24 October 2019 and attended by nearly 60 delegates in Newcastle. Its aim was to improve understanding of how culture, race, gender, and allied factors affect the presentation of patients, their outcomes and how they underpin practice for professionals. The attendees were a mix of internal and external Consultant Psychiatrists, GPs, Higher Trainees, Nurse Practitioners and Social Workers from the two Mental Health Trusts within the region, St. Oswald's Hospice and General Practice. The event included lectures from Dr Shahid Latif (Chair of the Transcultural Specialist Interest Group, Royal College of Psychiatrists), Dr Samia Latif (Co-Chair, BAME Network, Public Health England) and Sue Palmer-Holland (Head of Innovation and Research at Northamptonshire NHS Foundation Trust). The event included lectures and workshops including contributions from service users with lived experiences. The group also tested out a qualitative tool from Northamptonshire NHS FT which measured an organisations' cultural competence, maturity and practices.

Initial analysis of the feedback suggested that the attendees found the day enjoyable, increased their awareness and understanding of how pertinent the issues are to their professional practice. We have also made links between our Equality and Diversity Lead and those in Northamptonshire to further develop our Equality and Diversity agenda.

#### **6. Research and Development Conference**

The 9<sup>th</sup> Annual Research and Development Conference was held on 16<sup>th</sup> October 2019 and attended by over 200 delegates including our Chairman, Ken Jarrold CBE. The conference focussed on the range of research happening within the Trust including talks by the Director of the Applied Research Collaboration (Eileen Kaner), Professor John O'Brien of Cambridge University and the number one ranked academic in Lewy Body Dementia.

There was a wide variety of talks and presentations from Psychologists, AHPs, Psychiatrists, Nurses and Academic Researchers on topics such as virtual reality therapy, drama therapy, mood app development, family therapy and game theory. There was also an innovative "Lightening Talk" section which enabled some rising nursing stars of the future to promote their dissertation research. The conference was a huge success, involving all disciplines and services users, confirming the scale and depth of research activity happening within the organisation, helping to promote and embed research and development into practice.

#### **7. Psychiatry Update Continuous Professional Development (CPD) Event**

The Psychiatry Update Day planned by professionals in the region, took place in Cumbria on the 10 October 2019. The agenda featured updates on psychosis, depression, risk assessment and management, gender identity and personality disorder pathways. 72 delegates including a mixture of Consultants, Nurse Practitioners, Junior Doctors, and Practice Pharmacists from CNTW, TEWV and Primary Care in Cumbria attended the event. A significant number of GPs also attended the event and provided a valuable opportunity for real engagement and



networking. Feedback from the day was very positive with delegates feeling they had benefitted from significant learning on interesting topics with the opportunity to network with colleagues across various CNTW sites and primary care.

## Regional updates

### 8. Integrated Care System (ICS)/Long Term Planning

The North East and North Cumbria is developing its strategy for the implementation of the NHS Long Term Plan over the next five years. This will bring together planning at place (Local Authority Level), Integrated Care Partnership (ICP) and Integrated Care System Level (ICS). The draft document reaffirms the ICS commitment to five core workstreams, which are:

- Population Health and Prevention
- Optimising Health Services (clinical standards and sustainability)
- Digital Transformation
- Workforce Transformation
- Mental Health and Learning Disabilities

Each organisation and system has submitted draft plans to support this submission, with a final version due to be submitted by the end of November. This will be considered by the Board at its December meeting.

As part of this work our Integrated Care System has agreed an ambition to be “England’s Greenest Region”. A work stream to support this ambition has been set up under the Sponsorship of Dame Jackie Daniel, Chief Executive of the Newcastle Upon Tyne Hospitals NHS Foundation Trust. Our Trust is fully engaged in the development of this work and further updates will be brought to the Board in the coming months.

The Trust has commenced work on its detailed long term planning in the light of national, ICS and ICP planning and the board will continue to be engaged in this work over the coming months. The Trust will be looking to take this work forward to support the submission of its operational plan, which is due by the end of March 2020.

### 9. North Cumbria Health and Care Leadership Arrangements

In 2018, North Cumbria was one of the 14 national Integrated Care Systems (ICS) and in June 2019 became part of the broader ICS in the North East to become North East and North Cumbria ICS. On 1 October 2019 Cumbria Partnership NHS FT (CPFT) and North Cumbria University Hospitals NHS FT (NCUH) merged to create North Cumbria Integrated Care NHS FT (NCIC). During this time, a lot of progress has been made to provide more joined up care for the region, including the transfer of mental health and learning disability services to CNTW.

Stephen Eames, Chief Executive of CPFT, NCUH and the newly formed NCIC will take up post as Executive Lead for the North Cumbria ICS two days per week while spending the other three days per week in the same role with Humber, Coast and Vale Health and Care Partnership. This means that NCIC will shortly commence a recruitment process for a new Chief Executive allowing a clear focus on improving patient outcomes and driving the Trust forward as a great place to work.

The Board would like to take an opportunity to congratulate Stephen on his new opportunity and wish him well for the future.

## National updates

### 10. National Review into the Quality of Children's Inpatient Services

NHS England has set up an independent Panel to review the quality of inpatient mental health, learning disabilities and autism services for children and young people, amid growing safety concerns nationally. John Lawlor has been invited to Chair the Panel which will be given the task of proposing rapid improvements in existing services, examining approaches to complex issues such as inappropriate care, out of area placements, length of stays and oversee the development of genuine alternatives to care, closer to home.

### 11. CQC State of Health and Adult Social Care in England 2018/19 Report

The Care Quality Commission has published its Annual Report on the NHS and social care, looking at trends in quality, sharing examples of good practice and highlighting key areas for improvement. The report highlights that overall quality of care has improved slightly from last year. When people receive care it is mostly good quality but people often struggle to get access to the care they need when they need it, impacting on their experience of care provided.

It was noted that emergency attendance and admissions continues to rise year on year impacting on access to non-urgent services and access and staffing are presenting challenges across all settings with particular problems experienced in some areas of the country.

There is a particular focus on mental health and learning disability services. The CQC note that while the overall picture remains relatively stable there has been a deterioration across specialist inpatient services. The report also notes that too many people with mental health or learning disability needs are supported by staff without the necessary skills, training, experience or support. In particular the CQC notes that this reflects the national shortage of nurses in these areas. Concerns are raised about the sustainability of adult social care services with providers continuing to exit the market.

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#### **15. New NHS Financial Architecture**

As the Board are aware NHSE/I have been looking to develop a revised financial architecture for the NHS, with the intention to move away from control totals and the use of PSF as an incentive for delivery to a system where over time Trusts are

expected to deliver a balanced plan and have freedom to set any surplus requirements according to their individual need. Trusts in deficit will receive Financial Recovery Funding and will agree a trajectory to achieve financial balance independent of any external support. Trusts have now been issued with what are now called Long Term Plan Trajectories, alongside with expected call on Financial Recovery Funding. Our Trust Long Term Plan Trajectory is in line with the plan we have submitted and as a Trust in surplus, we will not receive additional financial support or incentives. However, in 2020/21, all Trusts that plan for break-even or better will receive a one off payment equivalent to 0.5% of turnover, and we would expect to receive this. This one off payment is available to all Trusts in the first year that they break-even following this financial re-set. An NHS Providers commentary on these changes is attached in the appendix to the report.

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**Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust**  
**Council of Governors Meeting**

**Meeting Date:** Thursday, 7 November 2019

**Title and Author of Paper:**

**Council of Governor Groups, Terms of Reference**

Debbie Henderson, Deputy Director of Communications and Corporate Affairs

**Paper for Debate, Decision or Information:** Decision

**Why is this paper coming to the Council of Governors?**

The Council of Governors has a number of committees and working groups to support its work. It is good practice to review the terms of reference for these groups each year.

This paper includes the reviewed Terms of Reference for the Governors' Steering Group and Governors' Quality Group.

The Terms of Reference for the Governors' Nomination Committee will be reviewed at the next meeting of the Committee and submitted to the March 2020 meeting of the Council of Governors for approval. The current Terms of Reference for the Nomination Committee are included for information.

**Recommendation**

The Council of Governors are asked to approve the Terms of Reference for the Governors' Steering Group and the Governors' Quality Group:

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# Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust

## Council of Governors: Quality Sub Group

Terms of Reference approved by the Governors' Quality Group on: 23 May 2019

<b>Purpose</b>	
The group provides a specific focus on quality and will add value to what already exists within the Trust, reporting directly to the Council of Governors on quality issues and making recommendations. Quality in this context explores the clinical effectiveness, safety, carer and patient experience of our services.	
<b>Membership</b>	
Two Public Governors Two Carer Governors	Two Service User Governors One Staff Governor
<ul style="list-style-type: none"> <li>• Whilst the core membership is shown above, all members of the Council of Governors are encouraged to attend.</li> <li>• Other members can be co-opted to the group for specific projects.</li> </ul>	
<b>Officer Attendance</b>	
<ul style="list-style-type: none"> <li>• Deputy Director, Commissioning and Quality Assurance (or deputy)</li> <li>• Deputy Director, Communications and Corporate Affairs (or deputy)</li> <li>• Other officers may be requested to attend.</li> </ul>	
<b>Chair and Deputy Chair(s)</b>	
Margaret Adams, Deputy Lead Governor and Public Governor for South Tyneside Anne Carlile, Carer Governor for Adult Services Russell Bowman, Service User Governor for Neuro Disability Services	
<b>Quorum</b>	
Any four of the core named membership. Core membership: Two Public Governors Two Carer Governors	Two Service User Governors One Staff Governor
<b>Frequency of Meetings</b>	
Bi Monthly	
<b>Reporting</b>	
Minutes (or draft minutes) to the Council of Governors meeting and Quality and Performance Committee	
<b>Key Responsibilities</b>	
<ol style="list-style-type: none"> <li>1. <b>Quality Accounts</b> - Contribute to the development of the Trust Quality Account and ensure that the published Quality Account accurately reflects the experience of Trust service users and carers.</li> <li>2. <b>Quality Priorities</b> - In recognition of the value of Governor involvement in Quality Accounts, it is felt that this could be strengthened by the group considering and supporting the annual Quality Priorities. The group would look to understand and be actively involved in selected priorities and could make recommendations to support leads to achieve the priorities.</li> <li>3. Other specific quality agenda areas identified by the Council of Governors.</li> <li>4. The Group will maintain a relationship with the Trust Quality and performance Committee via representatives attending the Q&amp;P Committee.</li> </ol>	

NB: it should be noted that this Group is not an appropriate route to raise individual issues. For advice on highlighting issues please contact the Corporate Affairs Office.

**Review Date**

May 2020

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## Council of Governors: Nominations Committee

Terms of Reference approved on: 17<sup>th</sup> May 2018

<p><b>Purpose</b></p> <p>As per the Trust Constitution, the Council of Governors shall establish a committee of its members to be called the Nominations Committee to discharge those functions in relation to the appointment and removal of the Trust Chair and Non-Executive Directors and their remuneration and allowances and other terms and conditions. The committee should comply with Monitor's 'Code of Governance' and Monitor's 'Your statutory duties: a reference guide for NHS FT Governors'.</p>
<p><b>Membership</b></p> <p>Trust Chair            One Public Governors            Two Service User and/or Carer Governors            One appointed Governor            One staff Governor            Two any other Governor</p> <p>Members to be appointed by the Council of Governors with each member's re-appointment being subject to review after three years.</p>
<p><b>Officer Attendance</b></p> <p>Trust Secretary or a deputy</p>
<p><b>Chair Arrangements</b></p> <p>The trust Chair and a governor from the public, service user and carer constituencies will co-chair the Committee. The Governor co-chair will chair the Committee on occasions when there is a potential conflict of interest if the Committee is chaired by the Trust Chair.</p> <p>On those occasions where it is inappropriate for the Trust Chair to chair the meeting and the Governor Co Chair is not present, a chair will be selected from those governors present with governors from the public, service users and carers constituencies taking precedent.</p>
<p><b>Secretarial Support</b></p> <p>Chief Executives Directorate</p>
<p><b>Quorum</b></p> <p>Any four members</p>
<p><b>Frequency of Meetings</b></p> <p>At least annually and at such other times as required to fulfil its duties as the Committee Chair shall decide.</p> <p>Should the Chair of the Committee following a request from at least three of its members, decline to call a meeting then they shall have the right to requisition a meeting by notice to the Trust Secretary indicating the matter or matters to be discussed. The Trust Secretary shall then convene the meeting.</p>
<p><b>Key Outputs</b></p> <p>As per appendix A.</p>

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## Linkages to other meetings and groups

Reports to Council of Governors

## Governance, rules and behaviours

- Compliance with the Constitution (which includes the Council of Governors standing orders), Monitor's Code of Governance and Monitor's Your Statutory Duties
- A member shall not disclose to any third party a matter dealt with by or brought before, the committee without the committee's permission until that committee has reported to the Council of Governors or has otherwise concluded action on the matter. Furthermore a member of the Committee shall not disclose any matter to a third party if the Council of Governors or committee resolves that it is confidential.
- Authority to see any information it requires from any employee of the Trust in order to perform its duties and to obtain outside legal or other professional advice on any matters within its terms of reference.
- All members are expected to attend wherever possible.

## Appendix A – Key Outputs

- Criteria and process: agree the criteria and process for the selection of candidates for Trust Chair or other Non-Executive Directors (NEDs) having first consulted with the Board of Directors and having regard to such views as may be expressed by the Board of Directors.
- Short list of suitable candidates: seek by open advertisement and other means candidates for office to assess and select for interview such candidates as are considered appropriate and in doing so the Committee shall be at liberty to seek advice and assistance from persons other than the members of the Committee or Council of Governors e.g. Search Adviser. Ensuring they can pass the CQC Fit and Proper Person Test
- Recommendation(s) for appointment: after interviewing, make recommendation to the Council of Governors as to potential candidates for appointment as Trust Chair or other NED.
- Recommendation(s) for remuneration and allowance and other terms and conditions: consider and make recommendations to the Council of Governors as to the remuneration and allowances and other terms and conditions of office of the Trust Chair and other NEDs. Levels of remuneration for the Trust Chair and other NEDs should reflect the time commitment and responsibilities of their roles.
- Recommendation(s) for removal: investigate the matter including any allegations against the Trust Chair or NED, where appropriate, following the steps and principles outlined in Monitor's Your Statutory Duties, and in particular legal advice on the legality of any removal and the process for it should be sought throughout. The Committee should present its finding on the investigation and consultation to the Council of Governors
- Reporting: the Committee Chair shall report to the Council of Governors on its proceedings after each Nominations Committee meeting on all matters within its duties and responsibilities. Where the Committee is reporting the names of selected candidates this will be conducted in private session, after the exclusion of the press and public, to allow a Governor the opportunity to make a comment which might be inappropriate in the setting of a public meeting

- Annual performance appraisal: determine the process and receive (i) the appraisal of the Trust Chair from the Senior Independent Director and (ii) the continuing effectiveness of each NED from the Trust Chair.

In exercising its powers relating to the appointment of the Trust Chair and NEDs, the Committee shall follow the principles outline in Monitor’s Your Statutory Duties, including:

- Ongoing review of job role and person specification defining the role and capabilities required including an assessment of the time commitment expected, recognising the need for availability in the event of emergencies.
- Consideration of his/her other significant commitments.
- Ensure that the independence criteria set out in Monitor’s Code of Governance is satisfied.
- Length of tenure as specified per the Code of Governance.
- Where a reappointment, consider the outcome of the annual performance appraisal, any changes in the candidates other significant commitments and the opportunity to refresh the Board of Directors.
- Where an appointment, consider the appropriateness of obtaining external advice and support – note approval for recruitment is delegate from the Council of Governors through these terms of reference.

When considering the appointment or re-appointments of NEDs, the views of the Chair and the Board of Directors should be taken into account on the qualifications, skills and experience required for each position in order to identify suitable candidates and regularly review the structure, size and composition of the Board and make recommendations for change where appropriate.

<b>Sub Groups</b>
None
<b>Monitoring</b>
The committee will review its performance annually against its Terms of Reference.
<b>Review Date</b>
May 2019

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**Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust**  
**Council of Governors Meeting**

**Meeting Date:** Thursday, 7 November 2019

**Title and Author of Paper:**

**Extension of External Audit Contract**

Author: Jennifer Cribbes, Corporate Affairs Manager and Mazars LLP

**Paper for Debate, Decision or Information:** Information

**Why is this paper coming to the Council of Governors?**

Appointing External Auditors is a duty of the Council of Governors. The Council of Governors, at its meeting held on 20 December 2018, approved the appointment of Mazars LLP for a period of 36 months from 1 June 2019 to 31 May 2022. With an option to extend by a further 24 months on a 12 months plus 12 months basis.

Enclosed are the engagement letters and specific service agreements in respect of the work they will conduct as External Auditors of the Trust and the work they will conduct to provide limited assurance on the Trust's Quality Report.

**Recommendation**

The Council of Governors are asked to note the report

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**Private and Confidential**

Council of Governors  
Northumberland, Tyne & Wear NHS Foundation Trust  
St Nicholas Hospital  
Jubilee Road  
Gosforth  
Newcastle upon Tyne  
NE3 3XT

18 September 2019

Dear Governors

**Engagement Letter**

Thank you for engaging Mazars LLP to provide the Services set out in this letter to Northumberland, Tyne and Wear NHS Foundation Trust (the Trust).

In order to set out the scope of our work and to enable us to provide you with the level of service you require it is important that we set out in this Engagement Letter the work we are to perform, our respective rights, obligations and responsibilities, the limitations and exclusions from liability, as well as the information and support we need from you in order to deliver the Services.

Because the financial reporting framework of your subsidiary, NTW Solutions Limited, differs to that of the group financial statements a separate Engagement Letter needs to be issued. The financial statements of NTW Solutions Limited will be consolidated into the group financial statements prepared by the Trust.

The attached General Terms and Conditions of Business (the latest version of which will always be available on our website) are incorporated into and form part of and should be read in conjunction with this Engagement Letter, unless otherwise amended in this letter. All appendices, schedules or annexes referred to and attached to this Engagement Letter shall also form part of this Engagement Letter.

**1. Services**

- 1.1. It is agreed with you that we should perform the audit of the Trust and its consolidated financial statements for the year ended 31 March 2020. Our audit will be conducted in accordance with International Standards on Auditing (UK) (ISAs (UK)) as issued by the Financial Reporting Council (FRC). The parent and consolidated financial statements are to be prepared in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union, as interpreted and adapted by the Government Financial Reporting Manual (FRM) as contained in the Department of Health and Social Care Group Accounting Manual (GAM), and the Accounts Direction issued under section 25(2) of Schedule 7 of the National Health Service Act 2006. The Annual Report is to be prepared in accordance with NHS Improvement's Annual Reporting Manual (ARM).
- 1.2. As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism. These standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

- 1.3. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation, structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 1.4. We are also required to conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Parent Trust's ability to continue as a going concern. If we conclude a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained to cover twelve months from the date of signing the financial statements. However, future events or conditions may cause the Group and Parent Trust to cease to continue as a going concern.
- 1.5. Because of the inherent limitations of an audit, together with the inherent limitation of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned in accordance with ISAs (UK).
- 1.6. We may also provide you with advice where appropriate, on other matters that come to our attention during the audit, for example comments on deficiencies in the accounting records and suggestions for addressing them; errors identified in the accounting records or financial statements and suggestions for correcting them; advice on the accounting policies in use and on the application of current and proposed accounting standards; and providing other advice that is a by-product of the audit, as permitted by the Ethical Standard for Auditors issued by the FRC, with which we comply.
- 1.7. As part of our normal audit procedures, we may request you to provide written confirmation of oral representations which we have received from you during the course of the audit on matters having a material effect on the financial statements. In connection with representations and the supply of information to us generally, we draw your attention to Paragraph 2 of Schedule 10 of the 2006 Act under which it is an offence for a director or officer of the Trust without reasonable excuse to fail to give us such information and explanation as we think necessary for the purposes of our audit.
- 1.8. In order to assist us with the examination of your financial statements, we shall require sight of all documents or statements, including the performance report, accountability report, annual governance statement and quality report, which are due to be issued with the financial statements. We are also entitled to attend all Board, Committee meetings and meetings of the Council of Governors and to receive notice of all such meetings.
- 1.9. The responsibility for the safeguarding of assets and the prevention and detection of irregularities, fraud, error and non-compliance with law or regulations rests with the Directors. However, we shall try to plan our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records (including those resulting from irregularities, fraud, error or non-compliance with law or



regulations) but our examination should not be relied upon to disclose all such material irregularities, fraud or errors or instances of non-compliance which may exist.

- 1.10. Once we have issued our report we have no further direct responsibility in relation to the financial statements for that financial year. However, we expect that you will inform us of any material event occurring between the date of our report and that of the Annual General Meeting which may affect the financial statements.
- 1.11. Should we agree to vary the scope of the Services in this Engagement Letter once this Engagement Letter has been signed by you, we will issue a separate Engagement Letter or Addendum clarifying the nature and extent of any agreed variations. In the absence of such a further Engagement Letter or Addendum, the terms set out herein shall continue to apply to any agreed and written variation.
- 1.12. We reserve the right to discuss and agree with you changes to the scope of the Services should they become necessary following a change in legislation.

## 2. Use of our Report

- 2.1. Our report is made solely to the Council of Governors of the Trust, as a body, in accordance with 24(5) of Schedule 7 of the National Health Service Act 2006. Our audit work will be undertaken so that we might state to the Council of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors, for our audit work, the audit report, or for the opinions we will form. The audit of the financial statements does not relieve you of your responsibilities.
- 2.2. We refer you to the relevant FRC bulletin on auditor's reports for the expected form and content of our auditor's reports. The form and content of our report may need to be amended in the light of our findings.
- 2.3. Save as otherwise expressly permitted in this Engagement Letter, the Deliverables may not be reproduced in whole or in part or distributed to any third party without our prior written consent. You are entitled to distribute the full annual reports, including our audit report, to such extent necessary to fulfil your statutory obligation, without obtaining our prior permission. No additional information should be included in the annual report that we have not seen.
- 2.4. As auditors we acknowledge that the Trust may wish to publish its financial statements and the auditor's report on their website or distribute them by electronic means such as e-mail.
- 2.5. The directors recognise responsibility for ensuring that any such publication properly presents the financial information and audit report. The directors also agree to advise us as your auditors of an intended electronic publication or communication before it occurs.
- 2.6. The directors also recognise their responsibility to set up appropriate controls to prevent or detect quickly changes to the electronically published information. We are not responsible for reviewing these controls nor for keeping the information under review after it is first published. The directors acknowledge that it is their responsibility for the maintenance and integrity of electronically published information, and we accept no responsibility for changes made to any audited information after it is first posted.
- 2.7. You acknowledge that if we are not satisfied with the presentation of the audited financial statements and audit report, we have the right to request the presentation to be amended and we have the right to withhold consent to the electronic publication of our report or the financial statements if they are to be published in an inappropriate manner.
- 2.8. Where the financial statements are published electronically you consent to adding the following paragraph into the statement of directors' responsibilities within the financial

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statements: "The directors are responsible for the maintenance and integrity of the Trust's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions".

### 3. Your Service Team

The following people are responsible for providing you with the Services and can be contacted to deal with any questions or queries that you may have:

Name	Department/Title	Contact details (direct line & email)
Mark Kirkham	Partner	<a href="mailto:mark.kirkham@mazars.co.uk">mark.kirkham@mazars.co.uk</a> 0113 394 5315
Campbell Dearden	Manager	<a href="mailto:campbell.dearden@mazars.co.uk">campbell.dearden@mazars.co.uk</a> 0191 383 6304

### 4. Fees

- 4.1. £38,600 for the Audit of the Trust's consolidated financial statements and Value for Money Conclusion (plus VAT), excluding the Quality Report which has a separate engagement pack.
- 4.2. Our fees are mainly calculated on the basis of the time spent on your affairs by our partners and staff, and on the levels of skill and responsibility involved.
- 4.3. Should factors beyond our control lead to significant increases in our costs and the time needed to complete the Engagement our fees will increase accordingly. The circumstances that may result in the fee having to be increased are stated in the attached Appendix A.
- 4.4. Our fees are due on the presentation of a fee note and any late settlement of bills may result in interest charges. We will present our fee notes as follows:

	Date	Amount
Monthly - Professional service fee in respect of the external audit of the year ending 31 March 2020 (excluding the Quality Report)	October 2019 to May 2020	£4,825 plus VAT

- 4.5. Where we cease to hold office we will have a legal duty to provide access to relevant information to any newly appointed auditor. This may incur additional costs for us in dealing with the requests of the newly appointed auditors. Such costs cannot be estimated in advance and will be based on the time and the hourly rates of the individuals involved. We reserve the right to pass these costs onto you and will advise you of any costs arising in this regard as soon as we become aware of such circumstances.

### 5. Responsibilities

- 5.1. The Trust and its directors are responsible for maintaining proper accounting records and preparing and approving financial statements which give a true and fair view and comply with the requirements of the NHS Act 2006 and any accounts directions issued under it. The



directors are also responsible for making available to us, as and when required, all the Trust's accounting records and all other records and related information, including minutes of all Trust Board and committee meetings. The directors must take all reasonable steps to make themselves aware of any relevant audit information and ensure we, as auditors, are aware of this information. We shall also be entitled to require from the Trust staff such information and explanations as we think necessary for the performance of our duties.

5.2. Our audit will be conducted on the basis that management and where appropriate, those charged with governance acknowledge and understand they have responsibility:

- for the preparation and fair presentation of the Trust and consolidated financial statements in accordance with the Directions made under paragraph 25(2) of Schedule 7 of the 2006 Act by NHS Improvement with the approval of Treasury, which will include;
  - i. selecting suitable accounting policies and then apply them consistently;
  - ii. making judgements and estimates that are reasonable and prudent; and
  - iii. preparing the financial statements on the going concern basis unless it is inappropriate to presume that the group and Trust will continue in business.
- for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- for the Trust preparing an annual report for each financial year complying in form and content with NHS Improvement's ARM;
- for the Trust undertaking its functions effectively, efficiently and economically; and
- to provide us with (i) access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters; (ii) additional information that we may request from management for the purpose of the audit; (iii) unrestricted access to persons within the group and Trust from whom we determine it necessary to obtain timely audit evidence; and (iv) draft financial statements and any accompanying other information in time to allow us to complete the audit in accordance with the proposed timetable.

5.3. We have a statutory responsibility to report to the Governors whether in our opinion:

5.3.1. the consolidated financial statements give a true and fair view of the state of the Trust's and Group's affairs for the year and whether they comply with the Directions made by NHS Improvement with the approval of Treasury under paragraph 25(2) of Schedule 7 to the 2006 Act; and

5.3.2. proper practices have been observed in the compilation of the accounts

5.4. We are required to report whether the information in the Performance Report and Accountability Report is consistent with that in the audited financial statements, whether the Performance Report and Accountability Report have been prepared in accordance with applicable legal requirements and whether, in light of the knowledge and understanding of the group and Parent Trust and its environment obtained in the course of the audit, any material misstatements have been identified; and where required, whether the part of the remuneration and staff report to be audited has been properly prepared in accordance with the relevant accounting and reporting framework.

5.5. In arriving at our opinion on the Trust and Consolidated financial statements where we are required to report by exception whether:

- adequate accounting records have been kept and returns adequate for our audit have been received from branches not visited by us; or

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- the financial statements are in agreement with the accounting records and returns; or
  - certain disclosures of directors' remuneration specified by law have been made; or
  - we have obtained all the information and explanations which we consider necessary for the purpose of our audit.
- 5.6. We have a professional responsibility to report if the financial statements do not comply in any material respect with applicable accounting standards, unless in our opinion the non-compliance is justified in the circumstances. In determining whether or not the departure is justified we consider:
- whether the departure is required in order for the financial statements to give a true and fair view; and
  - whether adequate disclosures has been made concerning the departure.
- 5.7. Our professional responsibilities also include:
- including in our report a description of the directors' responsibilities for the financial statements where the financial statements or accompanying information does not include such a description;
  - considering whether other information in documents containing audited financial statements is consistent with those financial statements; and
  - considering whether other financial and non-financial information in documents containing audited financial statements is materially correct and materially consistent with the knowledge acquired by us in the course of performing audit.
- 5.8. Trust consolidation reports
- 5.8.1. The Trust is responsible for the preparation and submission of Trust consolidation reports (known as 'TAC' forms) in accordance with the ARM and GAM.
- 5.8.2. We are responsible for reporting whether the Trust consolidation reports are consistent with the audited financial statements of the Trust. In reviewing the Trust consolidation reports we plan and perform our work to have a reasonable expectation of detecting information that contradicts information contained in the audited financial statements. We do not plan or perform our work to verify any information contained in the Trust consolidation reports that is not reported in the annual financial statements.
- 5.9. Whole of government accounts (WGA)
- 5.9.1. We are required to provide the Comptroller and Auditor General such information and explanations as they may reasonably require for the purposes of the audit of the WGA.
- 5.9.2. We shall undertake such procedures as specified by the NAO in group audit instructions issued to us and provide such report and such other information to the NAO as required by those instructions.
- 5.10. Scope of our work on value for money arrangements
- 5.10.1. In undertaking our work in respect of this objective we are not required to comply with auditing standards but will instead comply with the specific provisions of the Code of Audit Practice. We will undertake our work in respect of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources in line with the requirements of the Code of Audit Practice and with regard to guidance issued by the NAO in the form of Auditor Guidance Notes. We will report by exception should we not

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be able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness.

#### 5.11. Audit responsibilities in respect of the Annual Governance Statement (AGS)

5.11.1. We will review the AGS in accordance with the requirements of the Code of Audit Practice, and relevant guidance issued by the NAO.

#### 5.12. Auditor's reports

5.12.1. We shall issue a report on the financial statements that contains:

- o an opinion in the format specified in ISA 700 'The Auditor's Report on the Financial Statements', tailored appropriately for NHS Foundation Trusts; and
- o a certificate of completion of the audit.

5.12.2. NHS Improvement has determined that compliance with the NHS Foundation Trust Code of Governance constitutes compliance with the UK Corporate Governance Code. As a result, as external auditors we are required to comply with the additional reporting requirements outlined in the ISAs.

5.12.3. The auditor's report will therefore include:

- a description of the most significant assessed risks of material misstatement (whether or not due to fraud), a summary of the auditor's response to those risks and where relevant, key observations arising with respect to those risks;
- an explanation of how we applied the concept of materiality in planning and performing our audit including disclosing the materiality threshold we used for the financial statements as a whole; and
- an overview of the scope of our audit, including an explanation of how the scope addressed each Key Audit Matter relating to one of the most significant risks of material misstatement disclosed and was influenced by our application of materiality.

5.12.4. In particular we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

#### 5.13. Reporting in the public interest

5.13.1. Under paragraph 3 of Schedule 10 of the 2006 Act, we must consider whether, in the public interest, to report any matter arising either immediately or at the conclusion of our audit.

5.13.2. In preparing a report in the public interest we will, except in exceptional circumstances, allow individuals to answer any criticism that we propose to make, including via provision of copies of draft reports to the individuals concerned.

5.13.3. We will advise NHS Improvement in advance of any proposed report in the public interest.

5.13.4. Save in exceptional circumstances we will seek to reach agreement with directors on the circumstances giving rise to a report in the public interest. Save in exceptional circumstances we will send a copy of a report in the public interest to those charged with governance and to the Trust's governors.

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**5.14. Reporting to NHS Improvement**

5.14.1. Under paragraph 6 of Schedule 10 to the 2006 Act, if we have reason to believe that the Trust or a director or officer of the Trust is about to make, or has made, a decision which involves or would involve the incurring of expenditure which is unlawful or is about to take, or has taken a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency, we must refer the matter at once to NHS Improvement.

5.14.2. In so far as is consistent with the proper exercise of our powers and where we consider it appropriate, we will give the Trust or individual concerned an opportunity to respond to the matters that give cause for concern.

5.15. You agree that we can approach third parties as may be appropriate for information that we consider necessary to deal with this Engagement, so that we may be able to properly provide the Services to you.

**6. Communications to those charged with governance**

6.1. ISA 260 (UK) "Communication with Those Charged with Governance" requires auditors to communicate to those charged with governance matters of governance interest that come to the attention of the auditor during the audit process.

6.2. In making our risk assessments, we consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.

6.3. ISAs (UK) define 'those charged with governance' as 'the person(s) or organisation(s) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. For Northumberland, Tyne and Wear NHS Foundation Trust, we have agreed that the appropriate addressee of communications from the auditor to those charged with governance is the Board of Directors.

**7. Independence**

7.1. We have policies and procedures in place which are designed to ensure that we carry out our work with integrity, objectivity and independence.

7.2. Listed below are what we consider may be perceived as the principal threats to our objectivity and independence in carrying out your audit, along with the safeguards that we plan to implement to mitigate any such threats. Also included are the reasons why we consider these safeguards to be effective.

Threat	Safeguards implemented and why they are considered effective
<p>You have requested we perform the external assurance review of 'The Trust's Quality Report' for the year ended 31 March 2020.</p> <p>There is a threat to that, as a firm, our independence may be perceived to be compromised through the provision of non-audit services.</p>	<p>Our independence is safeguarded by:</p> <ul style="list-style-type: none"> <li>• the approach, scope and format of opinion being required and set by NHS Improvement; and</li> <li>• the fees for this non-audit services being substantially less than the external audit fee.</li> </ul>

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- 7.3. The overall assessment is that sufficient safeguards have been designed to enable the firm to mitigate any actual or perceived threats to our auditor independence and objectivity. If at any time you have concerns or questions about our integrity, objectivity or independence please discuss these with the Engagement Partner. If this does not deal with your concern to your satisfaction, please contact our Ethics Partner, Greg Hall at Tower Bridge House, St Katharine's Way, London E1W 1DD.

## 8. Data Protection

- 8.1. In the provision of the Services to you, we may have to process Personal Data, such as (but not limited to) names, addresses, dates of birth, contact details, information relating to gender and/or ethnicity, and financial information, for the purposes and duration of the Engagement.
- 8.2. We both agree to manage Personal Data in accordance with Data Protection Legislation, and for which both you and Mazars LLP are responsible as separate controllers (as defined in Data Protection Legislation).
- 8.3. We both agree to provide each other such support and assistance as may be necessary in order to assist with compliance with Data Protection Legislation, in such terms as we may agree.

## 9. Limitations of Liability and Exclusions

- 9.1. Other than set out in Clause 13.6 the remainder of Clause 13 of our General Terms and Conditions of Business is deleted and shall not apply to our work as statutory auditors under the provisions of the NHS Act 2006.

## 10. Complaints

- 10.1. If you are dissatisfied about any aspect of our service that cannot be resolved to your satisfaction by your service team, then you should bring the matter to the attention of the person named below:


Name	Department/Title	Contact details (email & direct line)
Jac Berry	Head of Quality, Partner	<a href="mailto:jac.berry@mazars.co.uk">jac.berry@mazars.co.uk</a> 020 7063 4171

## 11. Acceptance

- 11.1. If there is anything with which you do not agree or wish to discuss, please do not hesitate to contact us. Otherwise, please could you sign and return to us one copy of the Engagement Letter indicating your acceptance of its terms and the enclosed General Terms and Conditions of Business.
- 11.2. This Engagement Letter will continue until the completion of the Services, or unless it is terminated in accordance with Clause 12 of our General Terms and Conditions of Business, or it is replaced.

We look forward to working with you.

Yours faithfully

  
 Mark Kirkham (Sep 18, 2019)

Cumbria, Northumberland Tyne & Wear  
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For and on behalf of Mazars LLP

Enclosure: General Terms and Conditions of Business

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I confirm my agreement, on behalf of Northumberland, Tyne and Wear NHS Foundation Trust to this Engagement Letter and the enclosed General Terms and Conditions of Business, which together comprise the Engagement.

Signed:

A handwritten signature in black ink, appearing to read 'JAMES DUNCAN', written over a horizontal line.

Name: JAMES DUNCAN

Authorised for and on behalf of Northumberland, Tyne and Wear NHS Foundation Trust and its subsidiaries and affiliates.

Date: 08.10.2019

The Client represents and warrants that it has the power to act as agent on behalf of each of its subsidiaries and affiliates and executes this Engagement on behalf of itself and on behalf of and as agent for each and every subsidiary and/or affiliate.

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## Appendix A – Circumstances affecting time frame and agreed fee

Circumstances may arise during the Engagement that may significantly increase the time and resources required to complete the Services. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:

1. Changes to the timing of the provision of the Services at your request. Timing for the audit will be agreed with you prior to its start. Changes to the timing of the Services usually require reassignment of members of staff and may involve us in significant unanticipated costs.
2. Complete audit schedules (a) are not provided by you on the date requested and/or (b) are not mathematically correct and/or (c) are not in agreement with the appropriate accounting records. We will provide you with a separate listing of required schedules and deadlines prior to the start of the audit.
3. Electronic files in a format to be agreed between us and containing the information requested by us is not provided by you on the date requested for our use in performing file interrogation. We will provide you with a separate listing of the required files and the dates the files are needed.
4. The quality of draft financial statements provided are such that the review time is increased from that which would reasonably be expected or more than two drafts requiring review are provided as a consequence of late changes, omissions or processing errors by you.
5. There is an insufficient or inadequate internal control environment or systems documentation, or weaknesses in the internal control structure which leads to the need for additional audit procedures to be performed.
6. Significant new issues or changes arise during the course of the audit as follows:
  - a. Significant new accounting issues that require an unusual amount of time to resolve.
  - b. Significant changes in accounting policies or practices from those used in prior years.
  - c. Significant changes or transactions that occur prior to the issuance of our reports.
  - d. Significant changes in your accounting personnel, their responsibilities, or their availability.
  - e. Significant changes in auditing requirements set by professional and regulatory bodies.
7. Deterioration in the quality of the accounting records during the current-year engagement in comparison with the prior-year engagement.
8. Failure to provide a trial balance in financial-statement format, which references to supporting detailed working papers (by general ledger account number). Failure by you to post all entries to the trial balance prior to our receiving it. Failure by you to prepare draft financial statements that agree with the trial balance and are internally referenced to supporting documentation (for notes and cash flow statements).
9. A significant level of proposed audit adjustments are identified during our audit.
10. Changes in audit scope caused by events that are beyond our control.

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**Private and Confidential**

Council of Governors  
Northumberland, Tyne & Wear NHS Foundation Trust  
St Nicholas Hospital  
Jubilee Road  
Gosforth  
Newcastle upon Tyne  
NE3 3XT

13 September 2019

Dear Governors

**Engagement Letter – Quality Report 2019-20**

Thank you for engaging Mazars LLP to provide the Services set out in this letter to Northumberland, Tyne & Wear NHS Foundation Trust (the Trust).

In order to set out the scope of our work and to enable us to provide you with the level of service you require it is important that we set out in this Engagement Letter the work we are to perform, our respective rights, obligations and responsibilities, the limitations and exclusions from liability, as well as the information and support we need from you in order to deliver the Services.

The attached General Terms and Conditions of Business (the latest version of which will always be available on our website) are incorporated into and form part of and should be read in conjunction with this Engagement Letter, unless otherwise amended in this letter. All appendices, schedules or annexes referred to and attached to this Engagement Letter shall also form part of this Engagement Letter.

**1. Services**

- 1.1 It is agreed with you that we perform the external assurance review of Northumberland, Tyne and Wear NHS Foundation Trust's (the Trust) Quality Report for the year ending 31 March 2020.
- 1.2 We will complete the limited assurance procedures specifically required in the relevant guidance issued by NHS Improvement. This includes:
  - reviewing the content of the quality report against the requirements set out in the NHS foundation trust *'Annual Reporting Manual'* 2019/20, supported by the quality accounts requirements in NHS Improvement's *'Detailed Requirements for Quality Reports'*;
  - reviewing the content of the quality report for consistency against the other information sources detailed in the guidance issued by NHS Improvement;
  - providing a signed limited assurance report in the quality report on whether anything has come to our attention that leads us to believe that the quality report has not been prepared in line with the requirements set out in the NHS foundation trust *'Annual Reporting Manual'* 2019/20 and accompanying guidance and/or is not consistent with the other information sources detailed in the guidance issued by NHS Improvement;
  - undertake substantive sample testing on two mandated performance indicators and one locally selected indicator (to include, but not necessarily be limited to, an

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evaluation of the key processes and controls for managing and reporting the indicators and sample testing of the data used to calculate the indicator back to supporting documentation);

- providing a signed limited assurance report in the quality report on whether there is evidence to suggest that the two mandated indicators have not been reasonably stated in all material respects in accordance with the NHS foundation trust 'Annual Reporting Manual' 2019/20 and supporting guidance; and
- providing a report to the Trust's Council of Governors and board of directors (the Governors' Report) of our findings and recommendations for improvements on the content of the quality report, the mandated indicators and the locally selected indicator.

- 2.1 Our work will be based primarily on internal management information and will be carried out on the assumption that information provided to us by the management of the Trust is reliable and, in all material respects, accurate and complete. We will not subject the information contained in our reports and letters to checking or verification procedures except to the extent expressly stated. This is normal practice when carrying out such limited scope procedures, but contrasts significantly with, for example, an audit. Even audit work provides no guarantee that fraud will be detected. You will therefore understand that the procedures performed are not designed to, and are not likely to reveal fraud or misrepresentation by the management of the Trust. Accordingly we cannot accept responsibility for detecting fraud (whether by management or by external parties) or misrepresentation by the management of the Trust.
- 2.2 If we were to perform additional procedures or if we were to perform an audit or additional limited review, other matters might come to our attention that would be reported to you.
- 2.3 Should we agree to vary the scope of our work once this letter has been signed by you, we will issue a supplemental Specific Service Agreement clarifying the nature and extent of any agreed variations. In the absence of such a supplemental Specific Service Agreement, the terms set out herein shall apply.
- 2.4 We reserve the right to discuss and agree with you changes to the scope of our work should they become necessary following a change in legislation.

## 2. Use of our Report

- 2.5 Our Governors' Report and our Limited Assurance report is made solely to the Council of Governors of the Trust, as a body. Our work will be undertaken so that we might state to the Council of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors, for our work, the report, or for the opinions we will form.
- 2.6 Save as otherwise expressly permitted in this Engagement Letter, the Deliverables may not be reproduced in whole or in part or distributed to any third party without our prior written consent. You are entitled to distribute the full quality report, including our Limited assurance report, to such extent necessary to fulfil your statutory obligation, without obtaining our prior permission. No additional information should be included in the quality report that we have not seen.
- 2.7 Advice and reports in draft form should not be relied upon nor distributed to any other party under any circumstances.
- 2.8 We will have no responsibility to update any advice, report or other product of the Services for events which take place after it is issued to you in final form, nor to review on an ongoing

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basis any such advice, reports or products to ensure that it remains relevant for your purposes unless we have specifically agreed this in writing with you.

### 3. Your Service Team

The following people are responsible for providing you with the Services and can be contacted to deal with any questions or queries that you may have:

Name	Title	Contact details (direct line & email)
Mark Kirkham	Partner	<a href="mailto:mark.kirkham@mazars.co.uk">mark.kirkham@mazars.co.uk</a> 0113 394 5315
Campbell Dearden	Manager	<a href="mailto:campbell.dearden@mazars.co.uk">campbell.dearden@mazars.co.uk</a> 0191 383 6304

### 4. Fees

- 4.1. £6,000 for the services outlined in Clause 1 of this Engagement Letter (plus VAT).
- 4.2. Our fees are mainly calculated on the basis of the time spent on your affairs by our partners and staff, and on the levels of skill and responsibility involved.
- 4.3. Should factors beyond our control lead to significant increases in our costs and the time needed to complete the Engagement our fees will increase accordingly.
- 4.4. Our fees are due on the presentation of a fee note and any late settlement of bills may result in interest charges. We will present our fee notes as follows:

	Date	Amount
Monthly - Professional service fee in respect of the external assurance review for the year ending 31 March 2020.	October 2019 to May 2020	£750 plus VAT

### 5. Responsibilities

- 5.1. The limited assurance procedures will be performed solely for the Trust's purposes. If the scope and procedures do not meet your requirements, please tell us so that we can discuss a different scope or additional or alternative procedures. You should understand that there is no guarantee that these procedures will result in the identification of all matters which may be of interest to you.
- 5.2. Upon completion of the procedures we will provide you with a report of our findings (the governors' report), solely for your information. We will also issue a Limited Assurance Report in the form set out in guidance issued by NHS Improvement.
- 5.3. Our report is not to be used for any other purpose or disclosed to any other person without our consent. We consent to the report being released to provided that acknowledges in

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writing that we owe no duty of care to and we will not be liable to for any reliance it chooses to place on the report.

- 5.4. If you are uncertain about the significance of any matters which may affect this engagement it is important you bring them to our attention.
- 5.5. You agree that we can approach third parties as may be appropriate for information that we consider necessary to deal with the engagement.

## 6. Data Protection

- 6.1. In the provision of the Services to you, we may have to process Personal Data, such as (but not limited to) names, addresses, dates of birth, contact details, information relating to gender and/or ethnicity, and financial information, for the purposes and duration of the Engagement.
- 6.2. We both agree to manage Personal Data in accordance with Data Protection Legislation, and for which both you and Mazars LLP are responsible as separate controllers (as defined in Data Protection Legislation).
- 6.3. We both agree to provide each other such support and assistance as may be necessary in order to assist with compliance with Data Protection Legislation, in such terms as we may agree.

## 7. Limitations of Liability and Exclusions

- 7.1. Mazars LLP will perform the Services with reasonable skill and care and we bring your attention to Clause 13 of our General Terms and Conditions of Business which sets the limitations and exclusions of our liability to you.
- 7.2. Subject to Clauses 13.1 of the General Terms and Conditions of Business the aggregate limit of liability of Mazars LLP whether in contract, tort (including negligence) or otherwise, or any party to which Mazars LLP sub-contracts work in relation to the Engagement, for any Losses whatsoever and howsoever caused arising from or in any way connected with this Engagement shall not exceed £500,000 (including interest). You and Mazars LLP agree that this represents our joint judgement of the extent to which it is reasonable for us to bear liability in connection with this Engagement. You and Mazars LLP agree that this maximum amount is reasonable in view of, amongst other things, the scope of our work and the Services and the risks we assume in carrying out the Services compared to the fees we receive.

## 8. Complaints

- 8.1. If you are dissatisfied about any aspect of our service that cannot be resolved to your satisfaction by your service team, then you should bring the matter to the attention of the person named below:

Name	Department/Title	Contact details (email & direct line)
Jac Berry	Head of Quality, Partner	<a href="mailto:jac.berry@mazars.co.uk">jac.berry@mazars.co.uk</a> 020 7063 4177

## 9. Acceptance

- 9.1. If there is anything with which you do not agree or wish to discuss, please do not hesitate to contact us. Otherwise, please could you sign and return to us one copy of the Engagement Letter indicating your acceptance of its terms and the enclosed General Terms and Conditions of Business.

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9.2. This Engagement Letter will continue until the completion of the Services, or unless it is terminated in accordance with Clause 12 of our General Terms and Conditions of Business, or it is replaced.

We look forward to working with you.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mark Kirkham'.

Mark Kirkham (Sep 13, 2019)

**Mazars LLP**

Enclosure: General Terms and Conditions of Business

I confirm my agreement, on behalf of Northumberland, Tyne and Wear NHS Foundation Trust, to this Engagement Letter and the enclosed General Terms and Conditions of Business, which together comprise the Engagement.

Signed:

A handwritten signature in black ink, appearing to read 'James Duncan'.

Name: JAMES DUNCAN

Authorised for and on behalf of Northumberland, Tyne and Wear NHS Foundation Trust.

Date: 8.10.19

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## Minutes of the meeting of the Board of Directors held in public

Held on 4th September 2019, 1.30pm – 3.30pm

In Conference Room, Northgate Hospital, Morpeth, Northumberland, NE61 3BP

### Present:

Ken Jarrold, Chairman  
Michael Robinson, Non-Executive Director  
Dr Leslie Boobis, Non-Executive Director  
Alexis Cleveland, Non-Executive Director  
John Lawlor, Chief Executive  
James Duncan, Deputy Chief Executive/Executive Finance Director (*part attendance*)  
Rajesh Nadkarni, Executive Medical Director  
Gary O'Hare, Executive Director of Nursing and Chief Operating Officer  
Lisa Quinn, Executive Director of Commissioning and Quality Assurance  
Lynne Shaw, Acting Executive Director of Human Resources and Organisational Development

### In attendance:

Debbie Henderson, Deputy Director of Communications and Corporate Affairs  
Simon Douglas, Director of Research Innovation/Clinical Effectiveness (*item 10 only*)  
Bruce Owen, Consultant Psychiatrist/Medical Education (*item 9 only*)  
Craig Newby, Deputy Director of Safety, Security and Resilience (*item 16 only*)  
Fiona Regan, Carer Governor for Learning Disabilities (*observer*)  
Margaret Adams, Public Governor for South Tyneside (*observer*)  
Three other members of staff and the public were in attendance (*observers*)

## 1. Service User and Carer Experience Story

A special welcome was extended to Mary Lavender, Advanced Speech and Language Therapist, Community Team Learning Disability who was in attendance to share her experience regarding the challenges for those members of staff who have a disability while working in the Trust. Ken Jarrold thanked Mary for sharing her personal story.

Mary shared some ideas which could be implemented by the Trust to alleviate some of the challenges staff with a disability face in their day to day work. Lynne Shaw agreed to work with Mary to take the ideas forward through the Equality and Diversity work.

## 2. Apologies

Ken Jarrold introduced the meeting and welcomed those in attendance. Apologies had been received from David Arthur, Non-Executive Director and Peter Studd, Non-Executive Director.

### **3. Declarations of Interest**

There were no conflicts of interest declared for the meeting.

### **4. Minutes of previous meeting**

The minutes of the meeting held on 7<sup>th</sup> August 2019 were considered.

#### **Approved:**

- **The minutes of the meeting held 7<sup>th</sup> August 2019 were approved as an accurate record**

### **5. Action log and matters arising not included on the agenda**

Gary O'Hare requested that the update on action item 07.08.19 (15) regarding clarification of IPC training compliance with medical staff be moved to October.

There were no other matters arising from the minutes.

### **6. Chairs remarks**

Ken Jarrold had no specific updates for the Board.

### **7. Chief Executive report**

John Lawlor referred to the report and made specific reference to the decision to change the name of the Trust following the forthcoming transfer of mental health and learning disability services from Cumbria Partnership NHS Foundation Trust (CPFT).

The change of name represents parity and equity to all areas served by the Trust, and in line with NHS identity guidelines, the name will be alphabetical. On 1<sup>st</sup> October, the Trust name will become Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust (CNTW). A process of engagement with staff, stakeholders and the public in North Cumbria is ongoing and plans are in place to prepare for the name change including signage, stationary, websites and email addresses.

September will see the launch of the annual staff survey and all staff will be encouraged to take part and to give as much feedback as possible. In response to last year's staff survey results, an action plan has been developed to focus on areas of improvement including ethnicity and disability issues. In addition, each locality and department have developed local action plans.

John briefed the Board on the development of a new Corporate Decisions Team sub group to consider the important issue of climate change and associated health impacts. The group will develop an involvement and engagement strategy to reflect the ideas and work of staff, service users and carers about sustainable practices. Two additional questions around climate change have also been included in this year's annual staff survey.

John referred to a document *“Building Healthier Communities: the role of the NHS as an anchor institution”*. The report outlines the opportunities for the NHS to maximise its contribution to the health and wellbeing of local populations. This includes widening access to quality work, purchasing and partnering locally for social benefit, and reducing its environmental impact. Discussions are taking place at regional, ICP and ICS level.

Ken Jarrold suggested reading the document in conjunction with the document *“Canaries in the Coal Mine”* published by Newcastle Council for Voluntary Services.

Les Boobis asked if the Trust had an action plan to feed into the concepts outlined in the document. John advised that there is no trust wide action plan in place, but Trust Directors, clinical and managerial senior leaders are all involved through their local networks.

John referred to the NHS Confederation briefing for the new Prime Minister. The briefing outlines seven key challenges for the NHS in 2019 and beyond including, funding, social care and the NHS in a post-Brexit world.

**Resolved:**

- **The Board received the Chief Executive’s Report**

## **Quality, Clinical and Patient Issues**

### **8. Commissioning and Quality Assurance Report (month 4)**

Lisa Quinn presented the report for month 4 outlining progress against quality standards. Lisa referred to access and waiting times and noted that the number of people waiting over 18 weeks to access services had decreased in non-specialised adult services. There had also been a significant decrease in Children and Young People waiting over 18 weeks in the Newcastle / Gateshead team, and an increase in Sunderland and South Tyneside. Meetings have taken place with other providers of children’s services and plans are being developed to improve the position.

Trust wide appraisal compliance had decreased to 83%, below the 85% standard with corporate services requiring improvement.

Out of area treatment bed days continued to increase with 230 reported in July 2019 however, the figure had decreased during August.

The number of follow up contacts conducted within 7 days of discharge had decreased to below standard of 95% in July, reported as 92.7%. Nine patients were not seen in the required timescale trust wide. This has been raised as a concern by the Executive Team and discussions were taking place within the groups to explore this further.

In terms of financial performance, the Trust reported a surplus of £0.1m, £1.5m ahead of plan. The forecast surplus was reported as £2.6m in line with the control total. Agency spend was reported as £2.7m which is £0.6m above planned spend but in line



with the trajectory of our NHSI allocated agency ceiling of £7.9m. The Trust's finance and use of resources score is currently 2 and the forecast year-end risk rating is 2.

**Resolved:**

- **The Board received the Commissioning and Quality Assurance Report update for month 4**

## **9. Annual Dean's Quality Meeting Medical Report**

Bruce Owen presented the Health Education England North East and North Cumbria (HEE NENC) Annual Deanery Quality Report 2019 and noted the positive comments received from HEE NENC regarding the excellent feedback from both the medical trainees and from trainers, and which has been reflected in the overall assessment. The Trust was rated 17<sup>th</sup> of 220 in the Trainees survey and 9<sup>th</sup> of 220 in the Trainers survey.

In terms of areas for improvement, HEE NENC raised concern regarding the lack of formal communication to HEE regarding the transfer of mental health services from CPFT to NTW. This has since been rectified and clear plans around governance and plans in preparation for the transfer have been developed. HEE NENC also noted that training experience in inpatient services at St. George's Park remained a concern and was being monitored with issues relating to pressures within the service. Further feedback from the GMC surveys have shown improvement in this area.

**Resolved:**

- **The Board received the Health Education England North East and North Cumbria Annual Deanery Quality Report 2019**

## **10. Research and Development Annual Report 2018/19**

Simon Douglas presented the Research and Development Annual Report 2018/19. It was noted that since the implementation of the research strategy in 2012, the Trust has seen significant progress in areas including: the number of research projects; service user participants and staff involvement; increase in grant income; NTW being ranked in the top 5 most research active mental health and learning disability Trusts in England; national and international publications; strengthened research collaborations across the region; and successful funding applications.

John Lawlor referred to the Clinical Record Interactive Search programme (CRIS) to be implemented with a view to increasing capacity not only for research but also patient safety, service development, evaluation and audit. John suggested that the programme would enable many improvements in terms of connecting clinical delivery with research.

John also commended the proposals to implement Open Dialogue which had been in place in other countries for many years but had never reached the NHS. The Trust were working with a small number of other Trusts to test the approach to patient care

whereby treatment is carried out involving a multi-disciplinary network wrapped around service users and carers.

Alexis Cleveland congratulated the team on the progress made to achieve the strategy and made particular reference to the potential for growth and scope of research and engaging service users and Recovery Colleges in research work. Alexis also suggested looking at opportunities and learning which could be gained from the transferring services from CPFT.

Ken Jarrold stated that Research and Development was a key contributor to the foundations of the Trust and its continuing success and encouraged the Board to continue this focus in the future.

**Resolved:**

- **The Board received the Research and Development Annual Report 2018/19**

### **11. Independent Evaluation of the GDE Programme**

Lisa Quinn provided a verbal update to the Board and referred to meetings of the Cumbria Mental Health Programme Board and discussion regarding the resources which will be available for the North Cumbria footprint as a result of Cumbria being identified as a Global Digital Exemplar Fast Follower. Lisa suggested that an update on some of the initiatives as a result of the NTW GDE Programme be provided to a future Board Development session.

**Action:**

- **An update on the NTW GDE Programme to be provided to a future Board Development Session**

## **Workforce**

### **12. Workforce Quarterly Report**

Lynne Shaw presented the report and referred to Project Choice, a supported internship programme for people aged 16-25 with learning disabilities and/or autism. Students celebrated their graduation in July with some students moving into apprenticeships, some into work and some into further education.

John Lawlor commended the team and the students involved in Project Choice but noted that more work could be done to appoint more people into the Trust following completion of the programme.

Lynne referred to the development of the Cultural Ambassador Programme as one of the key Workforce Race Equality Standards actions for the Trust. Three members of the Trust's BAME workforce were trained as Cultural Ambassadors with the aim of helping ensure fairness in how BAME staff and students are treated when going through a disciplinary process. Plans are in place to launch the programme and

includes a review of Trust policies and procedures to reflect any changes required as a result of the introduction of the ambassadors.

The Trust achieved the Investors in People (IIP) and Health and Wellbeing Best Practice Awards in 2010, 2013 and 2016. A process for reaccreditation is underway to maintain the standard which is based on a framework benchmarking the effectiveness of leadership and management practices in the Trust. Members of staff have been invited to attend one to one or group sessions with an IIP assessor.

Following awareness of the impact financial concerns can have on staff wellbeing, the Trust has partnered with Neyber, the first private company in the UK to offer financial education and salary deducted lending through UK employers. They have a history of successful partnerships with other NHS Trusts and public sector organisations and their ethical approach has made them the first UK alternative lender to be accredited by the UK Lending Standards Board.

Lynne provided the Board with an update on the process for re-tendering for a new Occupation Health contract. Additional questions were identified for all tendering organisations with specific regard to the transferring Cumbria services. The preferred candidate would be confirmed in the next report.

**Resolved:**

- **The Board received the Quarterly Workforce Report**

## **Strategy and Partnerships**

### **13. Integrated Care System Memorandum of Understanding (MoU)**

John Lawlor referred to the final MoU for the ICS which had been developed in discussion with partners across the system. Ken Jarrold reminded Board members of the draft version submitted in August and confirmed that amendments on issues he had raised regarding concerns around the lack of reference to Non-Executive Director involvement and the role of the Partnership Assembly had now been addressed and he was now in a position to recommend the final version to the Board for approval

John Lawlor referred to the Board Development session earlier in the day and the update on drug related deaths, at which it was noted that there had been a significant rise in deaths, particularly in the North East in comparison to other regions. Due to the impact on wider population health and wellbeing, John agreed that he would take forward discussions to include a specific focus on the issue within the Integrated Care System level work.

**Approved:**

- **The Board approved the Memorandum of Understanding for the Integrated Care System**

**Action:**

- **John Lawlor to discuss at system-level the issues relating to drug related deaths in the region and the impact on population health**

#### **14. Cumbria**

John Lawlor provided an update on progress of the transfer of mental health and learning disability services from CPFT and advised that the conditions for transfer and all outstanding issues discussed at previous Board meetings had been resolved.

In terms of recruitment, Lynne Shaw stated that initially there had been concerns regarding the ability to fill vacancies in Cumbria, particularly in corporate services. Although a small number of gaps remained, the majority of posts had now been filled.

John briefed the Board on engagement activity particularly engagement with those members of staff transferring to CNTW. Feedback from staff in Cumbria had been positive and there was a clear appetite to complete the transfer and continue to work together to improve services across the whole footprint.

John referred to the System Executive meeting which is attended by Gary O'Hare and John and the System Leadership Board attended by John. These meetings are well-attended and provides additional assurance that mental health and disability services have a voice in wider system-level discussions and planning.

A positive meeting had taken place with GPs in Cumbria via the Local Medical Committee and John noted the value of discussing the service transfer from their perspective.

The Trust will be holding a number of CNTW awareness sessions during September in advance of the transfer where staff can attend to receive demonstrations of IT systems, meet members of the Executive Team and senior managers to discuss any issues or concerns in advance of 1<sup>st</sup> October.

**Resolved:**

- **The Board of Directors noted the progress update with regard to the transfer of services from Cumbria Partnership NHS FT**

#### **15. Draft Long Term Implementation Plan Submission**

John Lawlor noted that the Trust's Long Term Implementation Plan would be submitted to the October meeting of the Board. Work is ongoing to ensure that mental health and disability services are reflected in all Integrated Care Partnership submissions to support the plan for the wider ICS.

**Action:**

- **The draft Long Term Plan submission to be presented to the October meeting of the Board**

## 16. Emergency Preparedness, Resilience and Response Annual Report 2018/19

Craig Newby presented the report in relation to work on Emergency Preparedness, Resilience and Response (EPRR). The report also included detail of compliance against the core standards for EPRR. Of the 54 standards for mental health services, the Trust remains substantially compliant with one minor action regarding attendance at Local Health Resilience Partnership meetings, a strategic forum to facilitate health sector preparedness and planning for emergencies.

Craig briefed the Board on the Trust's involvement in a number of live incident scenarios and its support of the Pelican 3 exercise, a system-wide test scenario of a mass casualty event. The EPRR Team has also been heavily focused on local and national plans in preparation for EU-Exit, with a current assessment of risk for the Trust as being low level impact.

Les Boobis referred to media coverage suggesting that some medication used in psychiatry could not be stockpiled. Rajesh advised that the general issue relating to stockpiling of some drugs did not pose a risk to any of the medication used at the Trust. Nevertheless, the Trust has continued to link into plans at both regional and national level. Alexis Cleveland did refer to contingency plans in place for some medications used by the Trust, which were not linked to EU-Exit plans, but were still in short supply.

Chris informed the Board that a deep dive has been planned in relation to severe weather planning and assessment to develop plans working collaboratively with Local Authorities, Local Environment Agency and other partner organisations.

The Board noted a key development for the year ahead would be the establishment of a psycho-social recovery plan, primarily for mental health providers, covering three months post-incident to support staff, patients and the public during and after an event.

John Lawlor asked that the Board's recognition of the excellent work of the Safety, Security and Resilience Team be noted. Gary O'Hare also took an opportunity to wish Craig well for the future after securing a post in another Trust.

### Action:

- **The Board of Directors received the Emergency Preparedness, Resilience and Response Annual Report 2018/19**

## Regulatory

### 17. Trust Constitution

Debbie Henderson presented the Trust Constitution which had been revised as a result of the transfer of services from CPFT. The Constitution was revised to reflect the larger footprint covered by the Trust, however, it was acknowledged that the last

review of the Constitution took place in 2015 and an opportunity to review the document in its entirety was undertaken. A Governors' Sub-Group, led by Debbie and Fiona Grant, Lead Governor was established to assist in the review.

The key change to the document related to the composition of the Governors and membership constituencies and included additional vacancies for Governors to represent Cumbria in: the public constituency; the appointed Governor constituency via Cumbria County Council; and the staff constituency via two additional posts, one for clinical staff and one for non-clinical staff. To ensure appropriate representation from North Cumbria colleagues, the additional clinical staff governor vacancy will be held open for a Cumbria member of staff only for the 2019 round of elections.

Debbie referred to her attendance with the Chairman, Lead Governor and Deputy Lead Governor at a recent meeting of the CPFT Governors to present the proposed changes with no issues of concern being raised.

Les Boobis noted that reference to the change of Trust name had not been included in the summary paper outlining the changes to the document. Debbie agreed to highlight this when presenting the paper to the Council of Governors for approval on 10<sup>th</sup> September 2019.

Ken Jarrold took an opportunity to thank Debbie and Fiona Grant for their work on the revision of the Constitution.

**Approval:**

- **The Board of Directors approved the revised Trust Constitution for onward submission to the Council of Governors for approval at the meeting to be held on 10<sup>th</sup> September 2019**

**Minutes/papers for information:**

**Committee Updates**

There were no issue of note from the Board sub-committee meetings.

**Council of Governor Issues**

Ken Jarrold briefed the Board on an interesting meeting of the Governors' Steering Group which discussed the forward business and agenda planning for the Council of Governors. The Group also received an excellent presentation from Debbie Henderson on the development of a Membership Engagement and Governors Development Strategy which would be presented to the full Council of Governors in due course.

Discussions are also taking place between the Corporate Affairs Team and Service User and Carer Involvement Team to align working and ensure a joined up approach across the Trust in terms of engagement.

**Any Other Business**

Nothing to report.

**Date and time of next meeting:**

**Wednesday, 2 October 2019, 11:30am to 12:30pm, Training Room 4, Hopewood Park, Sunderland, SR2 0NB**

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