

**MINUTES OF THE SPECIAL MEETING OF THE COUNCIL OF GOVERNORS HELD ON
TUESDAY 8 MAY 2018 IN THE BOARDROOM, SUB-BASEMENT, HUDDERSFIELD ROYAL
INFIRMARY**

PRESENT:

Philip Lewer	Chair
Rosemary Hedges	Public elected – Constituency 1
Dianne Hughes	Public elected – Constituency 3
Veronica Maher	Public elected – Constituency 4
Nasim Banu Esmail	Public elected – Constituency 4
Stephen Baines	Public elected – Constituency 5
Annette Bell	Public elected – Constituency 6
Paul Butterworth	Public elected – Constituency 6
Lynn Moore	Public elected – Constituency 7
Brian Moore	Public elected – Constituency 8 /Lead Governor
Dr Peter Bamber	Staff Elected – Constituency 9
Linzi Smith	Staff Elected – Constituency 11
Sian Grbin	Staff-elected – Constituency 13
Chris Reeve	Nominated Stakeholder – Locala Community Interest Partnership
Megan Swift	Nominated Stakeholder – Calderdale Metropolitan Council
Felicity Astin	Nominated Stakeholder - University of Huddersfield
Rory Deighton	Nominated Stakeholder - HealthWatch Kirklees

IN ATTENDANCE:

Jenny Allen	Human Resources Business Partner
Stuart Baron	Assistant Director of Finance
Sue Burton	Project Manager
Lesley Hill	Executive Director of Planning, Estates & Facilities
Alistair Graham	Non-Executive Director
Andy Nelson	Non-Executive Director
Victoria Pickles	Company Secretary
Owen Williams	Chief Executive

APOLOGIES FOR ABSENCE WERE RECEIVED FROM:

Di Wharmby	Public elected – Constituency 1
Alison Schofield	Public elected – Constituency 7
Kate Wileman	Public elected – Constituency 2
Katy Reiter	Public elected – Constituency 2
John Richardson	Public elected – Constituency 3
Brian Richardson	Public elected – Constituency 4
Michelle Rich	Public elected – Constituency 8
Theodora Nwaeze	Staff-elected – Constituency 12
Salma Yasmeen	Nominated Stakeholder – South West Yorkshire Partnership FT

SM1/18 Introduction to the meeting and clarification of the role and responsibilities of the Council of Governors

The Chair opened the meeting by thanking everyone for attending. He clarified that the meeting had been set up at the request of the Governors to focus on the Board of Director's decision to set up a wholly owned subsidiary company for the delivery of estates, facilities and procurement. The meeting was intended to provide Governors

with an opportunity to ask questions. The Company Secretary added that the answers would also form part of the response to the letter from 999 Call for the NHS which had been sent to both the Board of the Directors and the Council of Governors.

SM2/18 Presentation on the Wholly Owned Subsidiary

The Executive Director of Planning, Estates and Facilities (PEF) gave a presentation setting out:

- Case for change and Board approval
- Outline of the wholly owned subsidiary and how it will work
- Key principles
- Consultation and staffing implications
- Financial implications
- Answers to questions already received from governors
- Overall benefits

In response to a question from the governors the Executive Director of PEF clarified that the decision to set up the wholly owned subsidiary (WOS) had been made by the Board at its public meeting in March with both staff and union representatives in attendance. The start date for the new company was delayed to 1 September 2018 in response to the Unions' request for a longer period of engagement and consultation with staff. The Executive Director of PEF confirmed that the trade unions are opposed to the concept of wholly owned subsidiaries and that this was a difficult issue, but that a lot of work had been done to maintain a positive and constructive working relationship with local union colleagues.

Discussion took place about the engagement with the Council of Governors. The Chief Executive agreed to clarify the discussions that had been held previously with governors.

[Note following the meeting]

Subsequent to the meeting, the Company Secretary shared the timeline of discussion below with the governors.]

Date	Meeting	Activity
21.03.17	Chairs Information Exchange	AH informed those present that the Board had received a presentation on the WOS business case and he had asked for it to go to a CoG development session
03.04.17	CoG Development Session	LH gave same WOS presentation she had given to Board
05.04.17	CoG Full Meeting	Feedback from AH on both Board and CoG sessions
18.07.17	CoG Board Workshop	WOS discussed as part of the plan on a page
15.11.17	CoG Board Workshop	WOS discussed as part of the plan on a page
13.12.17	CoG Development Session	LH gave detailed WOS presentation

A question was asked about the Huddersfield Royal Infirmary Building and the relationship to the WOS. The Executive Director of PEF confirmed that the building would be leased to the WOS for 15 years with a peppercorn rent and that the Trust would retain legal ownership of the building. The value of the building would be subject to an assessment by the district valuer

The governors raised a question on how efficiency savings would be made and why

benefits were not already being delivered. The Executive Director of PEF explained that the estates and facilities division is required to make cost improvement savings now and that this would continue. These savings would go straight into the Trust. She explained that the services already benchmark well when compared to other trusts on the model hospital dashboard. She added that being a WOS presented new opportunities such as the ability to bid for new contracts which the Trust is not able to do. Examples of the Acre Mills facilities contract and the PFI facilities contracts were given.

In response to a question about whether the company would be limited to providing services to NHS organisations, the Executive Director of PEF responded that the company could bid for other work but that 80% of its activity has to be with the Trust.

The Executive Director of PEF explained that the company would be held to high standards of quality and safety. She highlighted that governors are currently involved in PLACE (patient led assessment of the care environment) inspections which show good results and that these would continue.

The governors asked about the risks associated with the creation of the new company. The Executive Director of PEF explained that there is a detailed risk register which is monitored closely and presented to the Board of Directors. This risk register includes risks such as:

- Ensuring there is good engagement with staff and trade unions so that staff don't become disengaged and disillusioned. She added that at Airedale, there has been an improvement in the staff survey scores across estates and facilities teams since they moved to a wholly owned subsidiary due to the increased levels of engagement with staff.
- Financial risks which are mitigated through legal and financial advice.
- Lifetime of contract HR issues and responses
- VAT legislation changes as this would align the company to a commercial entity. VAT advice has been sought to mitigate this risk as well as looking at learning on a national level from other areas where similar companies have been set up.

A governor asked if written approval had been received from HMRC. The Executive Director of PEF responded that this was not required.

A question was also asked about the costs associated with setting up the WOS. The Executive Director of PEF said that she believed this was in the region of £300,000.

[Note following the meeting: this figure was clarified and it was confirmed that this was the estimated figure for all of the West Yorkshire trusts. At the time of the meeting the cost to the Trust was around £50,000]

A detailed discussion took place on staffing. The Executive Director of PEF set out the terms and conditions being offered to existing staff who transfer into the company. The HR Business Partner added that being able to be more flexible on terms and conditions for new starters would help the trusts to recruit to posts that have been historically difficult to fill and help to ensure that the right workforce is in place.

Clarity was sought on the proposal in relation to the recruitment of apprentices. The Executive Director of PEF explained that the plan would be to recruit apprentices into trades that develop skills for the future. This would be supported by the current apprenticeship team and local educational establishments. Chris Reeve described the similarities with the Locala model and the need to try to attract staff from commercial

markets who may be interested in a different terms and benefits model.

A question was asked as to why outsourcing had to be considered. The Executive Director of PEF explained that the proposed reconfiguration may mean that there is a PFI2 building on the HRI site and if this was the case, the staff employed by the Trust would be at risk of outsourcing as part of this arrangement. The WOS would provide an alternative that staff would prefer as a wholly owned company within the NHS. There would be an argument that the Trust has a WOS that does all of the things that a PFI can do and therefore resist outsourcing to a third party company.

The Chief Executive added that there had been some analysis done of what happened when the staff at Calderdale TUPE transferred into the PFI and their T&Cs had not been eroded.

A governor asked which staff were being paid by the WOS now and whether the salaries of board members would be reviewed given the move of a significant number of staff into the WOS. The Executive Director of PEF confirmed that there were currently no staff employed by the WOS. The Company Secretary added that the accountability for the WOS would remain with the Board.

There was a question in relation to the ownership of other buildings. The Executive Director of PEF explained that NHS Property services own all the buildings out in the community and that work would need to be done to consider the impact of the WOS on any of these.

SM3/18 Questions arising from '999 Call the NHS' letter

The Company Secretary explained that the answers to the questions raised during the meeting would be incorporated into the response letter to 999 Call for the NHS. She confirmed that the letter from 999 Call for the NHS does not ask for the views of the Council of Governors on the creation of a WOS. It asks specific questions in relation to the creation of a WOS which are very much management responsibility to respond to. An updated version would be circulated to all members of the Board of Directors and the Council of Governors who would be asked to confirm that the responses were a true and fair reflection.

Discussion took place as to whether a positive or nil response should be given however it was agreed that the Company Secretary would take the response given.

SM4/18 Closing comments

The Chair thanked everyone for their contribution during the meeting and closed the meeting at 6.20pm

DATE AND TIME OF NEXT MEETING

Wednesday 4 July 2018 commencing at 4.00 pm in the Boardroom, Sub-Basement, Huddersfield Royal Infirmary