# Trust Board Meeting: Wednesday 13 May 2015

TB2015.57

<table>
<thead>
<tr>
<th>Title</th>
<th>Update on Foundation Trust Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>For information.</td>
</tr>
<tr>
<td>History</td>
<td>Regular updates to the Board.</td>
</tr>
<tr>
<td>Board Lead(s)</td>
<td>Andrew Stevens, Director of Planning and Information</td>
</tr>
<tr>
<td>Key purpose</td>
<td>Strategy</td>
</tr>
</tbody>
</table>
Executive Summary

1. This paper provides an update on the Trust’s application for authorisation as an NHS Foundation Trust (FT).

2. An update to the Trust’s Integrated Business Plan (IBP) and Long Term Financial Model (LTFM) were sent to Monitor in April as agreed with the regulator in January, following consideration by the Finance & Performance Committee.

3. Monitor have re-started assessment of the Trust’s application in accordance with a timetable discussed in January. Assessment of finance and strategy is anticipated in May, followed by assessment into June of quality governance and of access and outcomes.

4. Anticipated elements of the final stage of FT assessment are described, referring to papers being considered by the Board at its May meeting and to the need to agree a Board statement on working capital as soon as a report is received from independent accountants commissioned by Monitor.

5. The nomination of Dr Catherine Paxton as the University of Oxford’s governor is reported and progress in preparing the Council of Governors to function from the point of authorisation is described.

Recommendations

6. The Board is asked to note progress.
Foundation Trust update

1. Purpose

1.1. This paper provides an update on progress in the Trust’s application for authorisation as a NHS Foundation Trust (FT).

2. Updated Integrated Business Plan

2.1. Following consideration by Finance & Performance Committee in April, an updated Long Term Financial Model and Integrated Business Plan were submitted to Monitor on 23 April.

2.2. The LTFM updated the previous financial model, submitted in October 2014, to take account of trading in January 2015, activity and income plans for 2015/16 as at February 2015, and to include updated downside and mitigation measures.

2.3. The IBP update included an updated strategic overview and described progress made on integrated care, workforce, financial plans (including updates to cost improvement plans and the capital programme), risks and sensitivity analysis, and a revised mitigated downside case. The document is attached as an appendix to this paper.

2.4. It is anticipated that these items will inform the final stage of Monitor’s assessment, which will also be informed by reports to the Board’s May meeting on progress on quality governance and plans to meet national access standards.

3. Assessment by Monitor

3.1. Monitor’s assessment of the Trust’s application had been ‘paused’ until evidence was provided that performance against access standards in Quarter 4 of 2014/15 met the level required by the regulator for authorisation.

3.2. Confirmation was given to Monitor during April that, subject to verification of cancer wait figures for March through the national Open Exeter system (which will produce verified figures in the second week of May), OUH met ten of thirteen national access and outcomes standards in Monitor’s Risk Assessment Framework for January-March 2015. As predicted, the three standards not met were:

3.2.1. Maximum time of 18 weeks from point of referral to treatment in aggregate – admitted pathways

3.2.2. A&E: maximum waiting time of four hours from arrival to admission/ transfer/ discharge

3.2.3. All cancers: 62-day wait for first treatment from urgent GP referral for suspected cancer

3.3. Under Monitor’s Risk Assessment Framework, this generates a score of 3.0 for Quarter 4 of 2014/15.
3.4. Monitor’s Executive Director of Provider Appraisal, Miranda Carter, advised the Trust in February that Monitor:

“expect to start our next phase of work with you towards the end of April 2015, assuming that a score of 3.0 in Q4 2014/15 is evidenced and progress has been made on [action plans]. We will first undertake work on the Trust’s finances and strategy, then update our work on quality governance and access and outcomes in May and June 2015. This would allow for a Board to Board meeting late in June 2015, two months from the commencement of our work and a potential authorisation date of 1 August 2015.”

**Finance and strategy**

3.5. The finance and strategy assessment is expected to take place during May.

3.6. This will include providing an update for Monitor of contractual agreements reached with the Trust’s two major commissioners since the LTFM was produced, and how resulting activity and income plans have been incorporated into reporting to the Board and its committees.

**Quality governance**

3.7. This will be followed by assessment of progress on quality governance, taking account of work done since January and reported to the Board at its May meeting.

**Access and outcomes**

3.8. Monitor are expected to assess in early June the progress made on access and outcomes and that action plans to return to compliance with national standards are robust and based on realistic assumptions and that, for the Accident and Emergency standard, clear milestones are in place, broken down into actions that are in the Trust’s control and those that require action within the local health economy.

3.9. For all three standards which are due to return to compliance after Quarter 4 of 2014/15, the regulator will need to understand how the Board has assured itself that the Trust’s plans to return to compliance will be achieved.

**Working capital**

3.10. Monitor’s Board will require a review of the Trust’s arrangements for having sufficient working capital, including a report by independent accountants and a Board statement that the Trust has “sufficient working capital to meet its obligations for the first 12 months of operation” [and] “projections for the second 12-month period (months 13-24) together with the risks associated with their achievability.”¹

3.11. Discussions are under way with Monitor’s assessment team to clarify how this is best achieved within the timetable set out by Monitor in paragraph 3.4 above. If the timetable requires it, the Board may need to hold an extraordinary meeting during June to receive and consider the working capital report and agree the associated statement.

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Organisational capacity

3.12. The Board’s self-certification (as required in Monitor’s Guide for Applicants\(^2\)) of the Trust’s organisational capacity to deliver its business plan forms another paper to the Board’s May meeting.

3.13. Subject to agreement, this will form part of the Trust’s FT application.

Concluding the assessment

3.14. Following assessment during May and June, Monitor’s Board will meet with the Trust’s Board at the regulator’s offices.

3.15. After this ‘Board to Board’ meeting, the regulator will make a decision on the Trust’s FT application based on its readiness to operate as a foundation trust and informed by:

3.15.1. A report from the assessment team on results of the assessment process, including assessment of quality governance arrangements, plans to meet access and outcomes standards and financial sustainability;

3.15.2. Confirmation that the Trust is ready to operate its Council of Governors;

3.15.3. An assessment by independent accountants of working capital and the Board’s statement on this; and

3.15.4. The Board’s self-certification on organisational capacity.

4. Council of Governors

4.1. Since the Board met in March, the University of Oxford has nominated Dr Catherine Paxton as its OUH governor. Catherine is the University’s Director of Student Welfare and Support Services.

4.2. All but one of the 29 governors are in place, with the Young People’s Executive yet to nominate. Discussions are under way with staff supporting the Young People’s Executive to encourage nomination and identify how support might best be provided for YiPpEe’s nominated governor.

4.3. Following elections completed in February, elected and nominated governors met for two days of induction in March and April. 25 of 28 governors participated in Day 1 and 23 of 28 in Day 2. 26 governors (including all elected governors) have participated in at least one day and all materials have been provided to all governors.

4.4. Induction days were conducted by NHS Providers using the GovernWell programme commissioned by the Department of Health for foundation trust governors.

4.5. While operating in ‘shadow’ form prior to authorisation, the Council of Governors has started to identify topics to look at during its first year. It has also looked at the immediate business it will need to do at the point of authorisation. Forward meeting dates are to be arranged.

5. Recommendations

5.1. The Board is asked to note progress.

\(^2\) Ibid, p13 and Appendix B16