<table>
<thead>
<tr>
<th>Title</th>
<th>Trust Management Executive Report including Annual Report 2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>For review and approval</td>
</tr>
<tr>
<td>History</td>
<td>The Annual Report summarises the activities of the Trust Management Executive Committee for the financial year 2016/17, setting out how it has met its Terms of Reference and key priorities. A draft Annual Report was reviewed by the Trust Management Executive at its meeting on 29 June 2017.</td>
</tr>
<tr>
<td>Board Lead</td>
<td>Dr Bruno Holthof, Chief Executive Chairman of the Trust Management Executive</td>
</tr>
<tr>
<td>Key purpose</td>
<td>Strategy</td>
</tr>
</tbody>
</table>
Executive Summary

1. The Trust Management Executive is a sub-committee of the Trust Board, and as such provides a regular report to the Board on the main issues raised and discussed at its meetings. This regular report is provided at Section 1.

2. Good practice states that the Trust Board should review the performance of its Committees annually to determine if they have been effective, and whether further development work is required and this is provided at Section 2. The Annual Report summarises the activities of the Trust Management Executive (the Committee) for the financial year 2016/17 setting out how it has met its Terms of Reference and key priorities.

Recommendations

3. The Board is asked to:
   - Note the regular report to the Board from meetings held in May and June 2017 (Section 1); and
   - Review and approve the Trust Management Executive Annual Report 2016/17 (Section 2), and formally approve the draft Terms of Reference.
Section 1: Introduction

At the time of writing, and since the preparation of its last report to the Trust Board, the Trust Management Executive [TME] has met on the following dates:

- 16 May 2017
- 25 May 2017
- 30 May 2017
- 8 June 2017
- 13 June 2017
- 22 June 2017
- 29 June 2017

and is next due to meet on:

- 6 July 2017.

These meeting dates reflect a revised schedule, under which TME will meet at least once a week up to the end of July 2017.

Provision has been made for this increased frequency of meetings to address the challenges facing the Trust in relation to quality, operational and financial performance.

The main issues raised and discussed at the meetings are set out below, and the Chief Executive will provide a verbal update on anything further arising out of the meeting held on 6 July 2017.

2. Significant issues of interest to the Board

Issues of interest highlighted for the Trust Board include the following:

i. TME has kept under review performance against quality standards, informed by consideration of the Quality Report, and by reports received from the Clinical Governance Committee [CGC]. Further details of some of the issues highlighted by CGC are provided under paragraphs viii and ix below.

ii. Amongst the issues related to quality performance that have been considered by TME has been an analysis of safe staffing in maternity services. This showed current vacancy rates to be low, and did not give grounds for concern about the safety of staffing in maternity services. Whilst red flags were reported through iPAMs, it was noted that the application of iPAMs to maternity services was flawed, insofar as it did not recognise the fluidity of staff across maternity services, and did not allow for recording staff redeployed to a clinical area for a short period of time to cover ‘bursts’ of high activity. It was confirmed that women received 1:1 care in labour, and this was ensured through the movement of staff from other clinical areas in the maternity hospital and community, and from non-clinical areas.

iii. TME has kept financial performance under review over Months 1 and 2, in advance of report to the Board on financial performance up to 31 May 2017 at the meeting of the Board on 12 July.
iv. The underlying EBITDA\(^1\) was reported at +£1.6m in May, representing a £4.3m improvement compared to April. This was reported to be largely due to an increase in income and working days in May, rather than any significant reduction yet seen in the cost base.

As reported to the Board in the Report on Financial Performance up to 31 May 2017 [Paper TB2017.57], it is recognised that this is an unsustainable financial performance.

Consequently, a framework is being developed and a re-forecast exercise is being undertaken for financial performance in 2017/18.

v. TME has received weekly reports from the Control Panels established to execute additional controls on expenditure, and has monitored the impact of these controls, including through weekly review of key leading indicators for financial performance.

vi. TME had also kept operational performance under review, informed by consideration of the Integrated Performance Report for Month 1, and has scrutinised the detailed performance improvement plans that have been developed for:

- Urgent care (including performance against the 4 hour ED standard);
- Cancer (including performance against the eight cancer standards); and
- Referral to Treatment (including performance against the 18 week RTT Incomplete Standard).

vii. Recent data on RTT Activity in Q2 showed that RTT activity across the Trust is being delivered above plan, although activity reported at a specialty-specific level shows that some specialties are delivering activity below plan, and this will be kept under close review. TME noted that the target figure builds in activity £7m – 8m above the £331m base, well above the Oxfordshire Clinical Commissioning Group [OCCG] baseline.

viii. Regular report from the Clinical Governance Committee [CGC] highlighted issues for TME’s attention, including changes made in the licence of Chlorhexidine, which is classified differently for different preparations; Chlorhexidine 2% in 70% alcohol liquid in 500ml pour bottles not being licensed for pre-operative skin preparation.

Following report of mixed practices across the Trust (theatres), and noting that the costs of using only the licensed product would be in the region of £250k, TME has advised that a business case would need to be developed, based on a risk assessment.

ix. CGC further highlighted that the Human Tissue Authority [HTA] would be undertaking an inspection in July 2017, in association with the Trust’s HTA licence for post mortem.

x. Other activity undertaken by TME has included:

a. A review of medical consultants’ posts;

b. Consideration of the case for increasing the Home Assessment Reablement Team [HART] service;

c. Consideration of the plan for a Values into Action conference themed “Dignity and Respect at Work” (Bullying and Harassment), taking place on 19 July 2017;

---

\(^1\) Earnings before tax, interest, depreciation and amortization
d. Review of a presentation on “Going Paperless”

e. Monitoring of the implementation of internal audit recommendations;

f. Noting of the NIHR LCRN Annual Report 2016/17 and Annual Plan 2017/18; and


3. Key Risks Discussed

i. TME has discussed the risks associated with achieving operational performance standards, in particular the constitutional standards relating to A&E performance, cancer care, and the 18 week Referral to Treatment standard;

ii. TME has considered the risks associated with financial performance, and has instigated a number of additional controls on pay and non-pay expenditure, in parallel with commissioning external support to implement a programme aimed at improving productivity over the short, medium and long term;

iii. TME has considered the risks associated with meeting the challenges to delivery of operational and financial performance standards, whilst ensuring the delivery of quality performance standards.

iv. TME has considered risks associated with fire safety, and has received a report on fire civil contingencies, in the wake of the Grenfell Tower fire.

4. Key decisions taken

TME has taken key decisions to put into place immediate actions to control both pay and non-pay costs of the Trust, focusing on reducing costs in non-clinical areas, without causing any adverse effect on patient safety or the quality of patient care.

These key decisions include the following:

**in relation to controls on non-clinical pay expenditure**

- A process is now in place to consider requests for exceptions to be made to defer all Administrative & Clerical [A&C] posts, the criteria for which includes consideration of the impact on delivery of clinical care, and/or upon legal or regulatory compliance;

- Apprenticeships should fall out-with the scope of control measures (given the risk that the Trust would otherwise lose the opportunity to derive benefit from the apprentice levy paid of approximately £2m);

- Posts submitted to the Non-Clinical Pay Control Panel which are directly patient-facing will be referred to the Clinical Pay Control Panel;
in relation to controls on non-clinical, non-pay expenditure

- Requisitions have been approved for care home beds up until the end of June 2017. The Medicine, Rehabilitation and Cardiac [MRC] Division is working with the procurement department to review contracts for the remainder of the year, to secure best value for money;

- A requisition for the overseas nurse recruitment campaign is to be expedited to assist in the required increase in nursing workforce;

- 10 requisitions relating to annual contracts have been deferred including the Payroll Contract extension of £1.1m – an appraisal has been requested to demonstrate that the contract extension would provide best value for money.

Other key decisions made by TME have included:

a. Approval to submit a draft Action Plan to the CQC;
b. Support of the revised Emergency Preparedness, Resilience and Response [EPRR] policies, subject to Board approval;
c. Approval of a Business Case for ENT Consultant job share;
d. Support of the Trust Business Plan 2017/18, subject to updating of the finance sections to reflect the most recent financial planning before submission to the Board for approval;
e. Approval of the recommended approach for budget allocations 2017/18;
f. Support of the recommendations set out within the review of nursing and midwifery posts proposing that the e-roster team should be moved to be aligned with that of safe staffing to enable accurate reporting and a full review of the workforce within the team be undertaken.

5. Future Business

Areas on which TME plans to focus over the next three months include the following:

- Monitoring operational, financial and quality performance delivery at divisional level and, by exception, at clinical directorate level;
- Specifically to keep under review measures to control pay and non-pay expenditure, and to monitor their effectiveness;
- Monitoring execution of the performance improvement plans relating to urgent care, cancer, and RTT; scrutinising whether the actions taken are effectively addressing the causal factors identified;

6. Recommendation

The Trust Board is asked to note the contents of this paper.

Dr Bruno Holthof
Chief Executive
July 2017
Section 2: Committee Draft Annual Report

1. Background

1.1. Good practice states that the Trust Board should review the performance of its Committees annually to determine if they have been effective, and whether further development work is required.

1.2. This draft Annual Report summarises the activities of the Trust Management Committee (the Committee) for the financial year 2016/17 setting out how it has met its Terms of Reference and key priorities.

1.3. The purpose of the Committee is laid down in its Terms of Reference, provided as Appendix 1.

2. Scope of Review of Effectiveness

2.1. This review covers the financial year to 31 March 2017, as a result it will not take into account the changes made to the operation of the meeting from April 2017 onwards.

2.2. The review undertaken by the Deputy Director of Assurance focused on a review of the papers presented to the Committee in comparison to the agreed Terms of Reference (ToR) and the Cycle of Business. The review has been broken down into the following subsections:

- Responsibilities;
- Membership and Attendance Record;
- Reporting Arrangements;

Responsibilities

2.3. During 2016/17, the Committee has delivered the key responsibilities as set out in the Terms of Reference. Compliance with a number of the key responsibilities is evidenced by the following actions:

- The routine presentation and consideration of the following:
  - Quality Reports,
  - Finance Reports,
  - Performance Reports;
- The consideration of business cases, as required;
- Regular reports from Clinical Governance Committee;
- CQC-related updates including the action plan following the recent inspection and updates on peer review and CQC changes in regulatory requirements;
- Annual reports in relation to Equality and Diversity, Claims, Emergency Preparedness, Research & Development, Information Governance;
- Continuous discussion and monitoring in relation to the trust’s strategic themes, including updates on Focus on Excellence and Change Champion initiatives;
- Updates on the development of the Board Assurance Framework;
- The Corporate Risk Register was regularly reviewed and discussed, to ensure that identified controls were appropriate to mitigate the risks to a level within the Trust’s risk appetite.
2.4. As part of this review it was noted that:

- The Committee has not been asked to approve major charitable funding bids prior to submission to the trustees; and
- The Committee has received reports from each of the monthly meetings held by the Clinical Governance Committee. Of the other sub-committees that were listed in the ToR, the Energy Centre Project Board and the Capital Programme Board report on an exception basis and the Health and Safety Committee report annually as part of the Annual Health and Safety Report.

2.5. The Committee reviewed and discussed the terms of reference and asked for a further review of the sub-committees. This review has been completed and the terms of reference have been amended to reflect the sub-committees in operation for 2017/18.

2.6. The reporting of TME sub-committees will be addressed as part of agenda planning for 2017/18.

**Membership and Attendance Record**

2.7. During 2016/17, the Committee met twenty two times with attendance recorded in Appendix 2. This demonstrates that every meeting of the Committee during the year was quorate and the majority of members met the 75% attendance requirements (or nominated deputy).

**Reporting Requirements**

2.8. The Committee reported to the Trust Board, providing a summary of each meeting during the year. Reports included a description of the business conducted, highlighted significant issues of interest to the board, risks identified, key actions agreed and decisions taken.

2.9. Key risks discussed by the Committee and reported to the Trust Board for information included:

- Risks arising from the implementation of the contingency plan for maternity and neonatal services at HGH;
- The risks associated with achieving operational performance standards in particular the constitutional standards relating to A&E performance, cancer care, and the 18 week Referral to Treatment standard;
- The risks associated with in-year delivery to financial plan and the risks associated with a failure to deliver improved productivity in 2017/18 and beyond;

2.10. The reports consistently identified areas to be raised to the Trust Board or referred to other sub-committees of the Trust Board, where appropriate.

**Terms of Reference**

2.11. The Terms of Reference were last reviewed and revised in July 2016, and the review of the effectiveness of the Committee for 2016/17 has confirmed, subject to the areas highlighted in paragraph 2.4 above, no further changes are required to the Terms of Reference, beyond amending job roles for attendees.
2.12. The updated Terms of Reference are presented in Appendix 1, with the changes highlighted.

3. Conclusion

3.1. The review has identified that the Committee has delivered the responsibilities as set out in the Terms of Reference, subject only to the noted exceptions, attendance at meetings has been good, and the Committee has been quorate throughout the year.

July 2017
1. **Authority**

1.1 The Trust Management Executive (TME) has been constituted by the Trust Board and is the executive decision making committee of the Trust, chaired by the Chief Executive.

1.2 The Committee is authorised by the Board to investigate any activities within its terms of reference. It is authorised to seek any information it requires from any member of staff and all members of staff are directed to co-operate with any request made by the Committee.

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

2. **Purpose**

2.1 The purpose of the Committee is to provide the Board with assurance concerning all aspects of setting and delivering the strategic direction for the Trust, and it’s associated clinical strategies;

2.2. To ensure that there is appropriate integration, connection and liaison between individual clinical services, between clinical and corporate functions and between strategic and operational matters: within the Trust and between the Trust’s academic partners;

2.3. To support individual directors to deliver their delegated responsibilities by providing a forum for briefing, exchange of information, mutual support, resolution of issues and achievement of agreement;

2.4. To make management decisions on issues within the remit of the Trust Management Executive.

2.2 To assure the Board through consultation with appropriate other subcommittees as necessary that the structures, systems and processes are in place and functioning to support the Committee’s work as set out above.

2.3 To assure the Board that, where there are risks and issues related to the role of the Committee that may jeopardise the Trust’s ability to deliver its objectives, these are being managed in a controlled way through the Trust Management Executive Committee.

3. **Membership**

3.1 The Committee will be appointed by the Board and its membership shall consist the following.

- Chief Executive (Chair)
- Medical Director
- Chief Finance Officer
- Director of Clinical Services
- Director of Workforce and OD
- Director of Assurance
- Chief Nurse
- Chief Information and Digital Officer
• Divisional Directors (x5)
• The Head of the Division of Medical Sciences of the University of Oxford
• Head of Corporate Governance
• Deputy Medical Director

3.3 The Chairman of the Committee has the overall responsibility for the performance of the Committee and also has the final decision on actions required in order to comply with the Terms of Reference.

4. **Attendance and Quorum**

4.1. The quorum for any meeting of the Committee shall be attendance by the Chairman (or nominated deputy) and

• Three Executive Directors
• Two Divisional Directors

4.2 Members are expected to attend at least three quarters of all meetings each financial year. An annual register of attendance of members will be published by the committee.

4.3 If members are unable to attend, a deputy may attend with the agreement of the Chairman. The nominated deputies should be specifically identified and should not be different for each meeting of the Committee that they attend. The named Executive shall not routinely allocate attendance at the Committee to their nominated deputy. This should only happen as a result of planned or unforeseen absence by the named Executive. Deputies will be counted for the purpose of the quorum.

4.4 The Chair may request attendance by relevant staff at any meeting.

5. **Frequency of meetings**

5.1. Meetings of the Trust Management Executive shall be held on the second and fourth Thursday of each month.

6. **Specific Duties**

6.1 Develop and agree objectives for submission to the Trust Board, in the form of the annual business plan, to deliver the agreed strategy and agree detailed capital and revenue business plans to deliver the objectives.

6.2. To ensure, where appropriate, the alignment of the Trust’s strategy with the strategy of the University of Oxford and other key partners.

6.3. To develop the Trust’s clinical service strategies, ensuring co-ordinating and alignment across the clinical divisions,

6.4. Closely monitor standards of care, quality and safety by ensuring appropriate actions are taken.

6.5. Identify and mitigate risk by monitoring the corporate risk register and board assurance framework, agreeing resourced action plans and ensuring their delivery and ensure compliance and appropriate escalation in accordance with the Trust’s risk management systems and processes.

6.6. Develop, agree and monitor implementation of plans to improve the efficiency, effectiveness and quality of the Trust’s services.
6.7. Monitor the delivery of the Trust’s service activity and financial objectives and agree actions, allocate responsibilities, and ensure delivery where necessary to deliver the Trust’s objectives or other obligations.

6.8. Monitor and ensure the delivery of all specific actions agreed by the Trust Board, by the Trust Management Executive and by committees of both.

6.9. Monitor the delivery of the Trust’s enabling strategies as advised by the Trust Management Executive’s sub-committees.

6.10. To devise the Trust’s annual and longer term capital programme and monitor its delivery.

6.11. Agree all relevant policies – other than those retained by the Trust Board - to ensure the delivery of external and internal governance and best practice requirements and compliance.

6.12. Approve major charitable funding bids prior to submission to the trustees.

6.13 Approve the Terms of Reference for all the sub-committees and groups of the Committee, delegate work as appropriate and hold the respective Chairs to account for compliance with their responsibilities.

7. Sub-committees

7.1 The Trust Management Executive is supported by a number of Sub-committees/Groups, including:

- Clinical Governance Committee
- Capital Programme Board
- Education and Training Committee
- Health and Wellbeing and Public Health Steering Committee
- Workforce Committee
- Health and Safety Committee
- Energy Centre Project Board

8. Administrative Support

8.1 The Committee will be supported administratively by the Head of Corporate Governance, whose duties in this respect will include:

- Agreement of the agenda with the Committee Chairman, collation and distribution of papers at least 2 working days before each meeting.
- Taking the minutes and keeping a record of matters arising and issues to be carried forward.
- Providing support to the Chairman and members as required.

9. Accountability and Reporting arrangements

9.1 The Committee shall be directly accountable to the Trust Board.

9.2 The Chairman of the Committee shall prepare a summary report to the Board detailing items discussed, actions agreed and issues to be referred to the Board.

9.3 The minutes of the Committee meetings shall be formally recorded and will be available to the Board on request.
9.4 The Committee shall refer to the Board any issues of concern it has with regard to any lack of assurance in respect of any aspect of the running of the Committee.

9.2 Where the Chairman of the Committee considers appropriate, he will escalate immediately any significant issue to the Board.

10. **Monitoring Effectiveness and Compliance with Terms of Reference**

10.1 The Committee will carry out an annual review of its effectiveness and provide an annual report to the Board on its work in discharging its responsibilities, delivering its objectives and complying with its terms of reference, specifically commenting on relevant aspects of the Board Assurance Framework and relevant regulatory frameworks.

11. **Review**

11.1 The Terms of Reference of the committee shall be reviewed at least annually by the Committee and approved by the Board.

Date approved: 

Approved by: Trust Board

Next review date:
# Trust Management Executive Membership 2017/18

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive (Chair)</td>
<td>Dr Bruno Holthof</td>
</tr>
<tr>
<td>Medical Director</td>
<td>Dr Tony Berendt</td>
</tr>
<tr>
<td>Chief Finance Officer</td>
<td>Jason Dorsett</td>
</tr>
<tr>
<td>Director of Clinical Services</td>
<td>Mr Paul Brennan</td>
</tr>
<tr>
<td>Chief Information and Digital Officer</td>
<td>Mr Peter Knight</td>
</tr>
<tr>
<td>Interim Director of Workforce</td>
<td>Ms Susan Young</td>
</tr>
<tr>
<td>Director of Assurance</td>
<td>Ms Eileen Walsh</td>
</tr>
<tr>
<td>Interim Chief Nurse</td>
<td>Mr Andrew MacCullum</td>
</tr>
<tr>
<td>Divisional Director (C&amp;W)</td>
<td>Professor Stephen Kennedy</td>
</tr>
<tr>
<td>Divisional Director (CSS)</td>
<td>Professor Fergus Gleeson</td>
</tr>
<tr>
<td>Divisional Director (NOTSS)</td>
<td>Dr Jon Westbrook</td>
</tr>
<tr>
<td>Divisional Director (MRC)</td>
<td>Dr James Price</td>
</tr>
<tr>
<td>Divisional Director (S&amp;O)</td>
<td>Professor Freddie Hamdy</td>
</tr>
<tr>
<td>Deputy Medical Director</td>
<td>Dr Clare Dollery</td>
</tr>
<tr>
<td>Head of Corporate Governance</td>
<td>Ms Susan Polywka</td>
</tr>
<tr>
<td>The Head of the Division of Medical Sciences</td>
<td>Professor Chris Kennard</td>
</tr>
<tr>
<td>of the University of Oxford</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Chief Executive (Chair) BH</td>
<td>X</td>
</tr>
<tr>
<td>Director of Finance and Procurement / Chief Finance Officer</td>
<td>✓</td>
</tr>
<tr>
<td>Director of Clinical Services PB</td>
<td>✓</td>
</tr>
<tr>
<td>Director of Organisational Development and Workforce / Interim MP</td>
<td>X</td>
</tr>
<tr>
<td>Director of Planning and Information AS (to Dec 16)</td>
<td>✓</td>
</tr>
<tr>
<td>Chief Information &amp; Digital Officer PK (from Aug 16)</td>
<td>✓</td>
</tr>
<tr>
<td>Chief Nurse CS</td>
<td>✓</td>
</tr>
<tr>
<td>Medical Director TB</td>
<td>✓</td>
</tr>
<tr>
<td>Deputy Medical Director CD</td>
<td>✓</td>
</tr>
<tr>
<td>Head of Corporate Governance SP</td>
<td>✓</td>
</tr>
<tr>
<td>Director of Assurance EW</td>
<td>✓</td>
</tr>
<tr>
<td>Head of Medical Sciences Division University of Oxford AB / PS / CK</td>
<td>X</td>
</tr>
<tr>
<td>Divisional Director, NOTSS JW</td>
<td>✓</td>
</tr>
<tr>
<td>Divisional Director, Children’s and Women’s (C&amp;W) SK</td>
<td>X</td>
</tr>
<tr>
<td>Divisional Director, Surgery and Oncology (S&amp;O) FH</td>
<td>✓</td>
</tr>
<tr>
<td>Divisional Director, MRC JP</td>
<td>X</td>
</tr>
<tr>
<td>Divisional Director, Clinical Support Services (CSS) FG</td>
<td>✓</td>
</tr>
<tr>
<td>Associate Director of Communications and Marketing MPir</td>
<td>✓</td>
</tr>
</tbody>
</table>

Cover provided

X