

**Trust Board Meeting: Tuesday, 12 February 2013**  
**TB2013.26**

<b>Title</b>	<b>Foundation Trust update</b>
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<b>Status</b>	<b>Paper for information and decision.</b>
<b>History</b>	This is a regular report to the Board.

<b>Board Lead</b>	Andrew Stevens, Director of Planning and Information			
<b>Key purpose</b>	<b>Strategy</b>	<b>Assurance</b>	Policy	<b>Performance</b>

**Summary**

1	Action resulting from the Board to Board meeting held in December with NHS South of England and Directors of the NHS Trust Development Authority (TDA) is summarised.
2	The anticipated assessment process by the TDA is described.
3	Notes of Foundation Trust Programme Board meetings in November and January are provided and the work of the Programme Board at its most recent meeting is summarised.
4	The Board is asked to <ul style="list-style-type: none"><li>• <b>Note</b> progress.</li><li>• <b>Receive and note</b> the minutes of FT Programme Board meetings in November 2012 and January 2013.</li><li>• <b>Agree</b> to specify First Past the Post as the electoral method for initial elections to the Council of Governors.</li><li>• <b>Agree</b> to ask the Council of Governors at authorisation to adopt the arrangement specified in the paper for managing the impact of elected Governor vacancies.</li></ul>

## Foundation Trust update

### Assessment process

1. Directors from the NHS Trust Development Authority (TDA) participated in a meeting held between Board members of OUH and the SHA in December.
2. The Board of NHS South of England confirmed in January that the Trust had made “good progress ... and that OUH is an organisation aware of its place in the local health economy with strong ambitions for the future.”
3. The SHA asked for further information to be provided by 1 March, including:
  - 3.1. Plans to reduce costs to operate within expected income levels for two years (initially 2013/14 and 2014/15), with these plans assessed for their potential impact on quality by the Medical Director and Chief Nurse.
  - 3.2. Revised letters of detailed support from Clinical Commissioning Groups.
  - 3.3. Confirmation that the Trust is meeting required operational performance standards.
  - 3.4. A Quality Governance Assessment Framework rating at the level required by the time of authorisation.
4. Subject to the successful completion of these actions, the TDA assumes responsibility for the next stage of assessment.
5. TDA assessment will involve a detailed review of the Trust’s application against the standards set for authorisation by Monitor: that the Trust is well-governed and delivering quality health care, that it is financially viable and that it is legally constituted.
6. This TDA phase of assessment is anticipated to begin formally on 1 April. Its duration depends upon an early judgement by TDA Executives of the readiness of the Trust to proceed to assessment by Monitor, with applications judged as ready to proceed being sent for a decision by the TDA Board in a period of between one and four months.
7. OUH continues to ready itself for further assessment to this timetable.

### Foundation Trust Programme Board

8. Since the last FT update report to the Board in November, the Foundation Trust Programme Board has met three times. Approved minutes of the meetings on 14 and 28 November and 23 January are attached.
9. At its January meeting, the FT Programme Board considered:
  - 9.1. Actions resulting from the meeting held on December with NHS South of England and the TDA (as in paragraph 3 above).
  - 9.2. Public membership of the Trust, noting that the number of public members was on target and that progress would need to be made to grow the public membership in the two years following authorisation. Information was requested on actions being taken to recruit members from ‘hard to reach’ groups of the population served.
  - 9.3. Monitor’s updated *Guide for Applicants* (published in January 2013).

- 9.4. A draft plan to communicate the Trust's vision and priorities, which it was agreed would be developed for consideration by the Trust Management Executive.
- 9.5. Progress on the Trust's combined action plan in response to external assessments (Historical Due Diligence 1 and 2, Board Governance Assurance Framework and Quality Governance Framework).
- 9.6. The Programme Board also reviewed plans to provide information for potential Governors of the Trust and to prepare for elections to the Council of Governors (which would follow TDA approval). With over 600 people having expressed interest in finding out more about becoming a Governor, information sessions are being organised to begin in April to allow adequate notice to the Trust's members and those who have already expressed an interest. This timescale will also allow input from an electoral services provider to be appointed through a procurement exercise to be concluded in early March.
- 9.7. The Programme Board also considered two issues on which it makes recommendations to the Board for agreement so that the necessary arrangements can be made with an electoral services provider during 2013 and that accurate information can be given to potential Governors:
- 9.7.1. Having considered the pros and cons of different electoral systems, that elections to the Council of Governors should take place using the First Past the Post method.
- 9.7.2. That the Council of Governors be asked at authorisation to adopt the following arrangement to minimise the risk posed to quoracy by the loss of public Governors during their term of office:
- “should a vacancy occur within 18 months of election within a constituency then the position should be offered to the candidate with the next highest number of votes in that constituency. Beyond that point or should that individual decline the position, the Council of Governors should agree whether to hold the vacancy until the next scheduled elections or to hold a by-election. In taking that decision, Governors would wish to consider the impact on quoracy and representativeness of a vacancy as well as the cost of a by-election.”
- 9.7.3. Review of the draft Constitution agreed by the Board in November and amended in January 2013 indicates that no change is needed to it or to Paragraph 4 of Annex 5 to it (as below) to accommodate this arrangement:
- “4. Council of Governors: Vacancies
- Where a vacancy arises on the Council of Governors for any reason other than expiry of term of office, the following provisions will apply. Where the vacancy arises amongst the elected Council Members, the Council of Governors shall decide either to:
- a) call an election within three months to fill the seat for the remainder of that term of office;
- b) invite the next highest polling (runner-up) candidate for that seat at the most recent election, who is willing to take office, to fill the seat until the next election, for the unexpired period of the term of office; or

- c) leave the seat vacant until the next scheduled elections are held if the un-expired period of office is less than twelve months.”

### Recommendations

10. The Board is asked to:

- 10.1. **Note** progress.
- 10.2. **Receive and note** the minutes of FT Programme Board meetings in November 2012 and January 2013.
- 10.3. **Agree** to specify First Past the Post as the electoral method for initial elections to the Council of Governors.
- 10.4. **Agree** to ask the Council of Governors at authorisation to adopt the arrangement for managing the impact of elected Governor vacancies specified in paragraph 9.7.2 above.

**Andrew Stevens, Director of Planning and Information**  
**Jonathan Horbury, Foundation Trust Programme Director**  
**February, 2012**

Oxford University Hospitals NHS Trust  
**Foundation Trust Programme Board**  
**Meeting held on Monday 14 November 2012**

**Present** – Sir Jonathan Michael (JM), Ted Baker (EB), Tony Berendt (TB), Carl Jenkinson (CJ) on behalf of Sue Donaldson (SD), Andrew Stevens (AS), Mark Mansfield (MM), Jonathan Horbury (JH), Sara Randall (SR) on behalf of Paul Brennan (PB), Elaine Strachan-Hall (ESH), Melanie Proudfoot (MP), Mark Trumper (MT) and Clare Winch (CW) on behalf of Eileen Walsh (EW), Geoff Salt (GS).

1. **Apologies for absence** were received from Paul Brennan (PB), Eileen Walsh (EW) and Sue Donaldson (SD).
2. **Notes of the meeting held on 15 October 2012** were **agreed** as a correct record.
3. **Matters arising**
  - 3.2 *Strategic case for change at the Churchill Hospital* – a paper had been received by the Strategic Planning Committee outlining options and associated costs.
4. **Historical Due Diligence 2**
  - 4.1 MM reported that the latest version received had been circulated. The remaining highlighted issue on cash flow had been resolved. This related to cash flow in 2010 at the Nuffield Orthopaedic Centre.
  - 4.2 JH reported that a remaining issue with Deloitte on the summary of financial reporting procedures had been addressed, with Deloitte agreeing to a form of words which explained the approach taken by the Trust to demonstrating embeddedness by the point of authorisation, i.e. by conducting a review after three committee cycles and reporting to the Trust Board in May 2013. This had been discussed with the Deloitte assessors who had agreed that it was a reasonable approach. The revised wording was intended to indicate to assessors that a reasonable approach had been taken by the Trust and that progress was being made against this timescale.
  - 4.2 The final version of the report would be passed to the Strategic Health Authority.
5. **Foundation Trust Application**
  - 5.1 JH reported that the Integrated Business Plan was complete. Since the Board had met it had been updated to include workforce figures for 31 October 2012 and, as agreed by the Board, the workforce and estates strategies had been tested for consistency with the IBP. A final paragraph to be agreed by SJM would explain that the listing of Board membership in the constitution was different from that explained in the IBP. SJM was to meet with David Bennett of Monitor to seek advice on how the Trust's proposed approach was likely to be assessed by Monitor, with this advice to be sought during November. **[SJM]**
  - 5.2 The completed FT application pack would be sent to the Strategic Health Authority on or before 15 November, meeting the SHA's deadline and the TFA requirement that it be submitted during November. **[JH]**

## 6. Board to Board meeting and preparation

- 6.2 SJM reported that final arrangements had not yet been agreed with the Strategic Health Authority although it was clear that the Board to Board meeting would happen on 20 December in Newbury. The mock board to board meeting, with input from KPMG, would take place on 6 December, with the KPMG team confirmed to be available in the afternoon. It was agreed that a revised programme would be sent to the Board confirming arrangements for 6 December, 20 December (if confirmed by the SHA) and details of dates when KPMG would be available for follow up discussions with individual Board members between 6 and 20 December. [AS]
- 6.3 JH sought advice on the briefing material to be provided for Board members prior to the Board to Board rehearsal. It was agreed that:
- a) The one page summaries of aspects of the IBP and application would be updated.
  - b) A list of key questions would be provided highlighting examples of the approach taken by the Board to the area of concern.
  - c) A two page fact sheet highlighting key figures.
- 6.4 It was noted that the SHA would be using the latest data available to it for the Board to Board and briefing material during December needed to reflect that.
- 6.5 EB noted that following the readiness review questions asked about historical performance needed to be acknowledged but the focus of the Board responses needed to be on the future and how the issue was being addressed.
- 6.6 JH agreed to ascertain from the SHA whether deputies would be expected to be present should an executive be unavoidably unavailable. JH also had calls booked with the SHAs team lead, Jayne Turnbull, before the SHA finalised its briefing pack for the Board to Board on 13 December.
- 6.7 JH and AS to develop the briefing pack with input from members of the programme board. [JH/AS/all]

## 7. Combined action plan

- 7.1 The programme board received the combined action plan which included actions from the Board Governance Assurance Framework, Quality Governance Assurance Framework (as agreed by the Trust Board), Historical Due Diligence 1 and remaining recommendations from the previous 'mock HDD' conducted by KPMG.
- 7.2 JH asked whether programme board members were content that actions reported were complete and accurate. It was **agreed** that no amendments needed to be made to the combined action plan and reported progress. GS asked what the three issues of primary concern were at this point. JH highlighted:
- 1) Progress on delivering an integrated performance report and associated data quality.
  - 2) That outstanding governance issues had been resolved, including terms of office for non-executive directors and Board membership arrangements.
  - 3) Demonstrating progress on quality metrics and clarity on how these were being reported.
- 7.3 Discussions were in place on how the Trust would now establish and report the necessary level of embeddedness of the changes that were taking place.
- 7.4 Advice having been sought from the SHA, it was agreed that no formal external assurance needed to be acquired of progress made against the combined action

plan during the next phase of the application, however an internal re-assessment of progress against the quality governance framework, including a re-scoring against the QGF, would need to come to the 9 January Board meeting [EB]. The QGF action plan in place had already been agreed with the external assessor and KPMG as internal auditors were due to conduct an internal audit study into progress made following the application to the Department of Health. This level of assurance was believed to be sufficient, recognising that Monitor itself would re-score the Trust against the quality governance framework when its assessment took place.

7.5 MP asked whether there needed to be a briefing for the Board on the Dr Foster Hospital Guide and it was agreed that this would need to take place.

8. **Next meeting:** 28 November 2012, 09.30 am – 11.00 am, Board Room, John Radcliffe Hospital.



Oxford University Hospitals NHS Trust

**Foundation Trust Programme Board**

**Meeting held on Wednesday 28 November 2012**

**Present** – Ted Baker (EB), Tony Berendt (TB), Carl Jenkinson (CJ) on behalf of Sue Donaldson (SD), Geoff Salt (GS), Andrew Stevens (AS), Mark Mansfield (MM), Sara Randall (SR) on behalf of Paul Brennan (PB), Liz Wright (LW) on behalf of Elaine Strachan-Hall (ESH), Melanie Proudfoot (MP), Mark Trumper (MT), Eileen Walsh (EW) and Jonathan Horbury (JH).

1. **Apologies for absence** were received from Sir Jonathan Michael (JM), Paul Brennan (PB), Sue Donaldson (SD) and Elaine Strachan-Hall (ESH)
2. **Notes of the meeting held on 14 November 2012** were **agreed** as a correct record.

3. **Matters arising**

3.1. *Board composition*

3.1.1. JH reported that he and JM had spoken with Miranda Carter, Assessment Director of Monitor. She had confirmed that OUH's proposal to have non-voting executive directors had been agreed for other FTs. OUH would need to clarify why this was believed to be necessary and Monitor would need to be convinced that this was the best approach. Nevertheless, this was regarded as helpful clarification that Monitor had no inbuilt objection and that the regulator would expect all Board members (voting or not) to participate in the Board-to-Board meeting.

3.1.2. OUH would also need to explain to and convince Monitor that a Board of the size it was proposing was necessary. Miranda Carter had proposed that a constitution as agreed for Central Manchester Foundation Trust with flexibility on the number of members of executives and non-executives could be helpful in OUH's situation. She had sent an analysis of other FTs' arrangements and **JH** would circulate this to programme board members.

3.2. *FT application* – JH confirmed that the FT application had been submitted on time with the only element sent to the SHA after the deadline being a letter of support from specialised commissioners, which had nonetheless been helpful.

3.3. *Board to Board preparations* – JH confirmed that some content was still awaited, but briefing materials would be circulated to Board members on 29 November 2012. He would clarify the SHA's approach to allowing deputies to attend the Board to Board meeting [confirmed on 28 November]

**Action JH**

4. **Combined assessment actions**

Progress was reviewed and the combined assessment action tracker updated. A revised version would be circulated.

**JH**

**Action**

## 5. Programme timeline

- 5.1. JH explained that the Secretary of State for Health would no longer sign off foundation trust applications that did not include a transaction. The Trust Development Authority would therefore lead on the assessment of OUH's application.
- 5.2. The process was expected to include a TDA Board meeting in February which would grade the Trust's application into one of four categories determining the timescale of application and whether it progressed further.
- 5.3. It was anticipated that the TDA would continue to develop its assessment process, notably on quality factors and that some form of quality assessment would take place during its period of assessment. EB was to attend a workshop with its medical and nursing director to ascertain how this process was developing.
- 5.4. The timescale was **noted** and JH observed that having the application pass to Monitor during late May or June remained possible and that the Trust needed to be prepared for this to happen earlier whilst recognising that the TDA process may cause some delay.

## 6. Governors – planning for recruitment, election and induction

- 6.1. Paper D was considered and **noted**.
- 6.2. Action was taking place to begin the procurement of an electoral services provider. Elections would need to take place after the TDA had approved OUH's application, so the Trust needed to be ready to conduct elections by late spring.
- 6.3. The role of governors would have changed to reflect the 2012 Health and Social Care Act by the time OUH formed its Council of Governors.
- 6.4. Contact had been made with the Foundation Trust Network about providing support for the process and contact was also being made with Buckinghamshire Healthcare Trust who anticipate running information sessions for potential governors at the same time.
- 6.5. JH anticipated dates being organised by Christmas for governor information sessions with the sessions taking place from February onwards.
- 6.6. GS asked whether members who had expressed interest in becoming governors could be encouraged to attend board meetings during the first half of 2013 and JH would investigate how this could best be done.
- 6.7. It was **agreed** that any remaining issues from the paper which required a decision would be brought back to the Programme Board during January. **Action**  
**JH**

7. **Next meeting:** 11 December 2012, 0930 – 1100, Board Room, John Radcliffe Hospital.

*[meeting subsequently cancelled]*

Oxford University Hospitals NHS Trust  
**Foundation Trust Programme Board**  
**Meeting held on Wednesday 23 January, 2013**

**Present** – Sir Jonathan Michael (JM), Sue Donaldson (SD), Andrew Stevens (AS), Mark Mansfield (MM), Sara Randall (SR) on behalf of Paul Brennan (PB), Melanie Proudfoot (MP), Mark Trumper (MT), Eileen Walsh (EW) and Jonathan Horbury (JH).

1. **Apologies for absence** were received from Ted Baker (EB), Tony Berendt (TB), Geoff Salt (GS), Elaine Strachan-Hall (ESH) and Liz Wright (LW).
2. **Notes of the meeting held on 28 November 2012** were **agreed** as a correct record.
3. **Matters arising**
  - 3.1. It was noted that the timescale recorded at item 5.4 now appeared optimistic as a result of feedback from the Board to Board meeting.
4. **Actions from Board-to-Board meeting held on 20 December**
  - 4.1. AS explained that a response to NHS South of England was being finalised which would clarify actions on several topics to meet the 1 March deadline set by the SHA.

*Performance*

- 4.2. A meeting was scheduled for 30 January with Oxfordshire CCG to seek more granular support.

*Finance*

- 4.3. MM had a process in place to progress CIPs. KPMG were to provide input in Divisions to finalise 2013/14 schemes for detailed Quality Impact Assessment to be completed in early February.
- 4.4. In the week commencing 11 February, two half-days would be spent developing plans for 2014/15 at POD level which would themselves be Quality Impact Assessed to allow submission of both years' plans by 1 March. [Action: **PB/MM** to put meetings for week of 11 February in diaries.]
- 4.5. MM confirmed that updating mitigations did form part of the work on CIPs, though this element was not being outsourced.

*Governance*

- 4.6. SD noted that in considering the workforce example raised at the Board to Board meeting, clarity needed to be provided on how information flowed to the Board to support decision-making. Following the workforce example, a small number of workforce metrics were considered by the Finance and Performance Committee as part of the Integrated Performance Report before the IPR went to the Board. More

detailed consideration of workforce metrics was carried out by the Workforce Committee, accountable to TME.

- 4.7. JH was having a paper drafted to address the SHA request for further information. This would be discussed and reviewed with EW. [Action: **JH**]

#### *Board size*

- 4.8. JM explained that he and the Chairman had agreed to seek Board support for removing uncertainty about non-voting Board members by clarifying that those previously described as non-voting members of the Board be treated as in attendance at meetings.
- 4.9. EW explained that the issues to address were both the size of the Board and anticipated concern from Monitor that Non-Executive Directors be demonstrated to be in a clear majority on the Board.
- 4.10. The constitution would be reviewed and if necessary proposals made to the Board in February to reflect the position as agreed. [Action: **JH**]
- 4.11. An updated draft letter to the SHA would be provided to explain this approach. [Action: **JH**]

## 5. **Membership report**

- 5.1. Overall public membership numbers were on target, although progress would need to be made to meet the targets agreed for the two years after authorisation.
- 5.2. Information would be provided in a future report on actions being taken to recruit members from 'hard-to-reach' groups, particularly from ethnic minority communities. Experience gained elsewhere would be considered. [Action: **MP**]
- 5.3. The report was **noted** and congratulations were given to the team carrying out membership recruitment.

## 6. **Governor election arrangements**

- 6.1. Paper C made recommendations following discussion at the previous meeting.
- 6.2. The Programme Board considered the paper and **agreed** that recommendations would be made to the Board that:
- 6.2.1. the First Past the Post electoral system be used for all elections to the Council of Governors; and that
- 6.2.2. should a vacancy occur within 18 months of election within a constituency then the position should be offered to the candidate with the next highest number of votes in that constituency. Beyond that point or should that individual decline the position then the Council of Governors should agree whether to hold the vacancy until the next scheduled elections or to hold a by-election. In taking that decision, Governors would wish to consider the impact on quoracy and representativeness of a vacancy as well as the cost of a by-election.
- 6.3. It was **noted** that the quoracy factor above applied to vacancies in public constituencies.

6.4. It was **noted** that planning for information sessions for potential Governors was proceeding on the basis that the Trust may need to be able to conduct elections as early as July, but that autumn 2013 appeared more likely.

## 7. Briefing on Monitor's revised *Guide for Applicants*

7.1. Paper D was **noted**, with a recognition that external assessment documents (including BGM and some evidence supporting it) and evidence of progress in response would form part of Monitor's assessment process.

## 8. Vision Communications Plan

8.1. Proposed activities had been informed by a *Listening Into Action* conversation with staff. Involvement of staff and senior managers had emphasised the importance of basing communications about the Trust's forward vision on the values-driven *Delivering Compassionate Excellence* programme and linking this with the Trust's strategic objectives and the divisional quality and business plans.

8.2. The communications plan would aim to raise awareness of the Trust's future direction and its challenges and opportunities, while helping staff understand how their role contributes to the success of the organisation going forward as an FT with '*Delivering Compassionate Excellence*' at its heart.

8.3. It was noted that the business planning cycle within Divisions would be a starting point for staff engagement on the Trust's IBP and future strategy.

8.4. A summary action plan listed a number of activities for staff communication and engagement.

8.5. Discussions had also taken place to link work within the nursing community on the so-called 'six Cs' in nursing to OUH's '*Delivering Compassionate Excellence*.'

8.6. Links would need to be made with the Trust leadership event due to take place in April, not least to use this as a springboard to wider communication across all staff groups.

8.7. The single sheet summarising strategic objectives was welcomed and it was observed that the communications plan was not about FT authorisation, but one to underpin the Trust's desire to engage staff in the Trust's future plans, of which achieving FT status is one part.

8.8. AS explained that a proposed action was to create a programme over 3-4 months where every member of staff met as part of a group of no more than 20 with a Board Director.

8.9. MT asked how the ROE workforce could be involved without significant extra cost being incurred. It was agreed that communication channels needed to be identified for ROE staff and PFI partner staff more generally that can be used most effectively. [Action: **AS/SD/MT** to develop an agreed action plan.]

8.10. It was **agreed** that:

8.10.1. An action plan would go via Executive Directors to February's TME  
[**AS/SD/MT**]

8.10.2. As part of this, the various contributory workstreams would be brought together and a link would be established to staff not employed by the Trust.

## 9. Combined Assessment Actions

- 9.1. The updated action plan was reviewed.
- 9.2. On BGM action B2.4.2. (appraisal process for the Chairman) it was noted that the existing appraisal process by the SHA Chair would be completed for 2012/13, that the job description of the Senior Independent Director included this responsibility once OUH was authorised as an FT, but that an interim arrangement needed consideration. [Action: **SD**]
- 9.3. On BGM action B3.3.2 (reporting of a strategic objective scorecard to the Board) AS explained that an update on progress against strategic objectives had been made to the Board on 9 January and that a forward plan for regular reporting of progress during 2013/14 and beyond was under development.
- 9.4. Progress was **noted**.

## 10. Next meeting

Tuesday 5 February 2013, 0900 - 1030, Board Room, John Radcliffe Hospital.

*[n.b. non-standard day and time]*