

Trust Board Meeting: Wednesday 14 May 2014
TB2014.59

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| Title | Foundation Trust Update |
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| Status | For information and decision |
| History | Regular updates to the Trust Board. Previous Foundation Trust application made in July 2013. |

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| Board Lead(s) | Andrew Stevens, Director of Planning and Information | | | |
| Key purpose | Strategy | Assurance | Policy | Performance |

Executive Summary

1. The Trust's application to operate as an NHS Foundation Trust was submitted in April to the NHS Trust Development Authority (TDA) under delegated authority as agreed by the Board in March.
2. This paper explains the content of the Trust's FT application and plans to update the associated Long Term Financial Model. Letters of support from the Trust's two major commissioners are included.
3. The anticipated timetable for assessment is described, as is continuing work with the TDA on the Trust's plans to meet national access standards.

Recommendations

4. The Board is asked to:
 - a. **Ratify** the submission of the Trust's FT application.
 - b. **Note** progress to produce an updated Long Term Financial Model based on contractual agreement, and to expect to be briefed on this during May.

NHS Foundation Trust update

1. Purpose

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

2. Foundation Trust application

- 2.1. As agreed by the Board at its March meeting, the Chairman and Chief Executive exercised authority delegated by the Board to submit the Trust's FT application. This followed a meeting of the FT Programme Board on 26 March to which all Board members were invited.
- 2.2. The Trust's application for authorisation as an NHS Foundation Trust was sent to the NHS Trust Development Authority (TDA) on 11 April with a covering letter which is reproduced as Appendix 1.
- 2.3. The application included an updated Integrated Business Plan (described below), strategies previously agreed by the Board and other documents required by the TDA. These are listed at Appendix 2. The required Long Term Financial Model was also submitted.
- 2.4. A required part of the FT application process is also the updating of the Trust's self-assessment against standards of quality governance (against Monitor's Quality Governance Assurance Framework or QGAF) and Board governance (against the Board Governance Assurance Framework or BGAF). Papers on QGAF and BGAF are provided for consideration by the Board at this meeting to enable the completion of self-assessment against each before the TDA's assessment of the Trust's application is concluded.
- 2.5. The Board is asked to **ratify** the submission of the Trust's FT application.

3. Integrated Business Plan

- 3.1. The revised IBP reflects changes in services and performance since July 2013 and incorporates feedback from the TDA.
- 3.2. As noted in March's FT Update, other main changes are to:
 - Update the Trust's strategy to reflect work on service integration with Oxford Health NHS Foundation Trust.
 - Include in the Trust's strategy a description of a service transformation programme and of continuing major investment to improve the availability and use of care information.
 - Update the description of service developments to reflect the agreement of an Outline Business Case for a radiotherapy satellite unit at Great Western Hospital, Swindon and to describe progress towards re-procurement of the Trust's Electronic Patient Record system, the development of radiotherapy services in Milton Keynes and the

redevelopment of operating theatres, critical care and high dependency facilities at the John Radcliffe Hospital.

- Reflect an updated capital programme, including response to known backlog maintenance requirements and financing requirements.

3.3. The IBP's summary explains that:

"This Integrated Business Plan describes how OUH is working to achieve its vision and the steps it is taking to deliver the best care for local people, for its wider network and to offer the services its commissioners require.

The Trust has set itself a clear ambition to deliver compassionate excellence. It is supporting its staff and services to enact its values through the use of visible quality priorities, training and development of managers, actions to support staff engagement and wellbeing, and values-based recruitment. Internal peer review and recent inspection by the Chief Inspector of Hospitals inform its work.

OUH's staff have worked hard to provide compassionate care during a period of major pressure on emergency care locally and nationwide and the Trust remains committed to making sustainable improvements to the flow of patients through and from its non-elective services.

It has strengthened its finances and external relationships, not least through its clinical leadership. These factors provide it with a strong base to redesign and develop its services.

OUH intends to respond creatively to the challenges facing the NHS in the area it serves and, through effective partnerships and harnessing capacity for innovation, to be an organisation that staff are proud to work for, patients choose to be treated by and GPs and other care providers seek to be associated with.

*Operating as an NHS Foundation Trust is an important next step in the Trust's development."*¹

3.4. The IBP is available for download from the Trust's website at <http://www.ouh.nhs.uk/about/publications/>

4. Long Term Financial Model

4.1. The Long Term Financial Model (LTFM) forms the organisation's forward financial plan. The 'base case' (the plan which the Trust expects to follow) and 'downside cases' (which set out how the organisation would expect to respond to identified risks should they materialise) are described in Chapters 6 and 7 of the Integrated Business Plan.

4.2. Of necessity given the timing of the application, the LTFM used in the April application was based on activity and income offers made to commissioners in February 2014.

¹ Oxford University Hospitals, *Integrated Business Plan 2014/15-2018/19*, para. 1.102 et seq, page 14

- 4.3. Contracts were agreed with the Trust's key commissioners before the FT application was submitted, enabling letters of support from Oxfordshire CCG and from NHS England (Wessex). These are attached as Appendices 3 and 4.
- 4.4. Agreement has been reached with the TDA that an updated LTFM will be developed during May based on activity and income levels agreed with commissioners. Board members will be briefed on this during May.
- 4.5. The Board is asked to **note** the development of an updated LTFM.

5. Application timetable

- 5.1. TDA assessment and liaison with the Trust will continue, including a quarterly meeting on 21 May which is expected to focus on progress made by the Trust on performance against national access standards.
- 5.2. Progress with the FT application depends upon the outcome of the Chief Inspector of Hospitals' inspection and associated rating, with a Quality Summit meeting to be held on 12 May, chaired by the TDA.
- 5.3. The Board will meet in seminar session on 28 May to receive an update and will have an opportunity to prepare for its meeting with the TDA's Board.
- 5.4. Subject to the outcome of the Quality Summit, voting Board members will meet the TDA's Board in London on a date in early June.
- 5.5. The TDA's Board will then receive a recommendation for consideration at its meeting in July. Should the Board of the TDA support the Trust's FT application; the application will be passed to Monitor for assessment.
- 5.6. The Monitor phase of assessment will include scrutiny of the Trust's quality governance arrangements as well as testing the Trust's plans and functioning against the three standards framed in legislation – that the Trust is well-governed, legally constituted and financially viable. The Monitor phase is described by the FT regulator as taking 4-6 months.

6. Scrutiny and oversight

- 6.1. Until FT authorisation, regular meetings continue with the Trust Development Authority.
- 6.2. March's FT Update to the Board explained that OUH had confirmed to the TDA that it planned to deliver all Referral to Treatment Time (RTT) standards at Trust level and to meet the national standard for diagnostic waits from April 2014.
- 6.3. The Trust's IBP reflects agreement with the TDA and local commissioners and providers that sustainable achievement of the national standard for A&E waits depends upon a sustained reduction in delayed transfers to allow the necessary flow of patients through non-elective services at the John Radcliffe and Horton General Hospitals, and that this in turn depends on service integration work which is under way with Oxford Health NHS FT.
- 6.4. The Trust can expect continuing, detailed review of its plans to recover performance and of progress against them.

7. **Recommendations**

The Board is asked to:

- 7.1. **Ratify** the submission of the Trust's FT application.
- 7.2. **Note** progress to produce an updated Long Term Financial Model based on contractual agreement, and to expect to be briefed on this during May.

Andrew Stevens
Director of Planning and Information

Report prepared by:
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May 2014