

**Trust Board Meeting in Public: Wednesday 9 September 2015**  
**TB2015.116**

<b>Title</b>	<b>Update on Foundation Trust Application</b>
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<b>Status</b>	For information.
<b>History</b>	Regular updates to the Board, most recently TB2015.88.

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

**Executive Summary**

1. This paper provides an update on the Trust's application for authorisation as an NHS Foundation Trust (FT).
2. It summarises progress with Monitor's assessment of the Trust's readiness to operate as a FT. It also provides an update on the work of the shadow Council of Governors.
3. Confirmation is given that the Trust is ready to proceed to authorisation, subject to the agreement of documents which form separate papers to its 9 September meeting.

**Recommendation**

4. 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. Monitor assessment

- 2.1. Members of the Board met with members of Monitor's Board on 15 July 2105. This Board-to-Board meeting enabled Monitor to explore in some depth areas where the regulator had remaining questions. Since the Board-to-Board, some further information has been requested and provided to enable the Trust's application to be considered by Monitor's Board.
- 2.2. Monitor's Provider Appraisal Executive has since considered the Trust's application and agreed that it should go for decision to Monitor's Board on 30 September 2105.
- 2.3. The focus of follow-up questions has been largely financial, with Month 3 and then Month 4 trading information provided and questions asked about activity, income, staffing and agency expenditure, progress with the Cost Improvement Programme and contingencies for CIP schemes that are behind plan.
- 2.4. At the time of writing, responses had been made to 263 formal information requests in the phase of assessment conducted since May.

### 3. Council of Governors

- 3.1. At its meeting in July, the shadow Council of Governors considered the business it would need to conduct at its first meeting after authorisation, including formal agreement to the reappointment of Non-Executive Directors and the Chairman.
- 3.2. With the resignation of Steve Candler as one of two elected public governors for Northamptonshire and Warwickshire, having moved out of the constituency, the candidate in February's elections with the next highest number of votes has been approached, in accordance with the draft constitution, and has agreed to take up this governor position. Blake Stimpson is expected to join the Council of Governors from September. The Chairman has written to Steve Candler to thank him for his involvement.
- 3.3. Dates have been set for formal meetings of the Council of Governors in October 2015 and in January and April 2016. Following authorisation, these will be publicised as meetings to be held in public.
- 3.4. As part of a series of seminars to assist governors in preparing for the work they will be carrying out with the Trust after authorisation, a first seminar in July looked at the Trust's current strategy and how governors could best be involved in its development in the coming year, at the NHS Five Year Forward View and its implications, and at the Trust's corporate objectives. A seminar for governors in September will look at the Trust's approach to staffing and quality.

#### **4. Access and Outcomes**

- 4.1. A new version of Monitor's Risk Assessment Framework was published in August. Among other changes, this removed Admitted and Non-Admitted Referral to Treatment Time (RTT) standards from the rating of FTs' performance.
- 4.2. Since the Board-to-Board meeting, the Trust has been able to confirm that it met all but three access and outcomes standards in April-June 2015, generated a score of 3.0 for the quarter, as planned. The standards not met for the quarter were for Accident & Emergency four hour waits, Admitted RTT and 62-day waits for patients following GP referral with suspected cancer.
- 4.3. The Trust has planned to meet all standards in the Risk Assessment Framework in Quarter 2. Subject to cancer wait figures being confirmed after the external validation process that takes place each month, all access and outcomes standards in the revised Risk Assessment Framework were met by OUH in July.

#### **5. Long Term Financial Model**

- 5.1. Since July, discussions with independent accountants Deloitte LLP and with Monitor have led to a changed position on how the necessary level of liquidity support should be achieved.
- 5.2. With Deloitte recommending access to working capital to enable Monitor's liquidity rating to be achieved over the two years after authorisation in the event of a 'downside' scenario taking place, the Trust has agreed a working capital facility with the Department of Health's Independent Trust Financing Facility. Monitor has indicated that a loan is not required, with access to a working capital facility regarded as acceptable.
- 5.3. Quotations for such a facility have also been sought from retail banks and the Board is asked to consider these alternatives and agree a Board memorandum and statement on working capital in a paper to the confidential part of its meeting.

#### **6. Completing the Trust's FT application**

- 6.1. Two further documents are required by Monitor prior to authorisation, both of which will be considered by the Board in confidential session:
  - 6.1.1. Board memorandum and statement on working capital, informed by a report from independent accountants on Working Capital and Financial Reporting Procedures.
  - 6.1.2. A letter of representation, signed by the Trust Board, certifying that the Trust has provided all relevant information to Monitor in its submissions, and a minute to demonstrate that the Board has agreed this.
- 6.2. The Trust's FT application is then complete and in anticipation of Monitor's decision on 30 September 2015, OUH stands ready to function as a foundation trust.

**Recommendation**

7. The Board is asked to **note** progress.

**Andrew Stevens**  
**Director of Planning and Information**

**August 2015**

Report prepared by:

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