

CABINET - 16 OCTOBER 2012

Application to become a Foundation Trust by Oxford University Hospitals Trust

Report of the Director for Social and Community Services and Director of Public Health

Introduction

1. Oxford University Hospitals NHS Trust (OUHT) was formed in November 2011 from the Nuffield Orthopaedic Centre and the Oxford Radcliffe Hospitals NHS Trust.
2. OUHT is currently applying to become a Foundation Trust. Foundation Trusts differ from other NHS Trusts in that they have a membership drawn from communities served by the Trust and the staff that work for it. The membership elects a Council of Governors which is involved by the Trust's Board of Directors in setting the future direction for the Trust. Foundation Trusts have the freedom to respond to local needs, and through their public and staff membership they are able to reflect the concerns and wishes of their local population. The government has said that all NHS Trusts must become Foundation Trusts by 2014.
3. The purpose of this report is to set out the possible issues relevant to the application so that the Cabinet can express a view to both the Board of OUHT and also the Strategic Health Authority. This paper reflects discussions with both the Oxfordshire Clinical Commissioning Group and the OUHT.

Potential benefits for OUHT

4. The benefits OUHT would have from being a Foundation Trust are:
 - Greater financial freedom to enable the Trust to build up capacity for future investment and operate in a more business like way
 - A stronger organisation. The process provides an organisation with a yard stick against which to judge the effectiveness of strategy, processes, systems and investment of resources
 - Greater independence, looking outwards, not upwards
5. It has also been argued that local ownership and a new governance model (with membership and a Members Council) will more effectively involve local people and provide a vehicle for them to have greater influence over the Trust's strategy and how we develop services and that there will improved staff engagement with staff having enhanced opportunities to contribute to the development of strategy.

6. From the County Council's perspective, it is important to remember that OUHT is one of the most important employers in Oxfordshire. It employs more than 10,000 people; has a turnover of over £500m and through its links with Oxford University is a vital part of the bio-medicines sector of the County's economy.

Issues that need to be addressed if the OUHT are to become a successful Foundation Trust

7. Given that the Government expects all NHS trusts to become Foundation Trusts it is essential that the largest Trust in the County is successful in becoming a Foundation Trust. The County Council should therefore support the principle of OUHT being successful. However, there are a number of factors that need to be taken into account if OUHT are to become a successful Foundation Trust in the eyes of the people of Oxfordshire. These are set out below. It is essential that OUHT commit publicly to the successful delivery of each of these principles.
8. Approximately 60% of the income of OUHT comes from traditional District General Hospital work (known as secondary care) carried out mostly for the people of Oxfordshire. This is the type of work that all General Hospitals do up and down the Country. This includes emergency care and planned operations. However, the rest of OUHT's income comes from more specialist health care in its role as a regional and national centre of excellent and through the medical research work it does with Oxford University.
9. There is widespread concern in Oxfordshire that the more specialist work receives greater attention than the more routine District General Hospital work. This was reinforced by the criticisms of the Care Quality Commission in early 2011 of the failure to meet all the essential standards of quality and safety at the Churchill, Horton and John Radcliffe. The people of Oxfordshire are much more likely to be affected by the more routine work either as patients themselves or as the family and friends of patients who need that care. It is essential that standards of care are the highest possible and that dignity and respect is shown to all patients including frail older people. Of particular importance is that nursing standards for these services are of the highest possible standard.
10. Under Sir Jonathan Michael's leadership (the current Chief Executive of OUHT), there has been a strong commitment to working in partnership with the rest of the NHS and also with local government and other partners. It is essential that this partnership work is maintained and strengthened. This is particularly important given the financial pressures on both health and social care. Organisations need to work together to find the most efficient and effective ways of meeting the care needs of the population and also to intervene early to reduce the need for care.
11. Critical to this will be a move away from focusing most resources on hospital care to supporting people in the community. OUHT managers and senior clinicians support this in principle. It is important also that clinicians at OUHT

help support the effective delivery of prevention and early intervention. This needs to be reflected in partnership working.

12. This should not be interpreted as a lack of support for the Horton hospital in Banbury. Services at the Horton need to reflect this principle with as many services as possible being provided there rather than at the hospitals in Oxford as part of the commitment to make services as local as possible.
13. OUHT were sent a draft copy of this report. Sir Jonathan Michael has stated his support for these principles. His response is set out in the attached letter.

Recommendation

14. The Cabinet are recommended to support the application of Oxford University Hospitals Trust to become a Foundation Trust on the basis that it is committed to the following principles:
 - a. Commitment to the highest standards of medical and nursing services for both secondary and tertiary care. This includes ensuring that frail older people are treated with dignity and respect in accordance with the standards set by the Commission on Dignity in Care for Older People.
 - b. Continued and strengthened commitment to working in partnership with the rest of the NHS, local government and other partners to deliver the most effective and efficient ways of meeting the care needs of the people of Oxfordshire.
 - c. Actively supporting the move to providing more care within the community rather than in a hospital setting as part of a broader commitment to the local delivery of services.
 - d. Actively supporting developments which prevent people from needing care or limiting the extent to which they might need care.
 - e. Commitment to the continued existence of the Horton hospital providing district general hospital services to the people of north Oxfordshire.

JOHN JACKSON
Director for Social
& Community Services

JONATHAN MCWILLIAM
Director of Public Health

Contact Officer: John Jackson Tel: 01865 323574