

PUBLIC

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**Report to the Meeting of the Oxford Health NHS Foundation
Trust
Board of Directors**

23 February 2011

Trust Operating Framework

For: Comment

Report

As we move to a larger organisation with four divisions which we want, over time, to work semi-autonomously, we have been developing a new approach to ensuring compliance, assurance and good performance across the trust. This is happening at a time of major change in Government policy on the functioning of the NHS and services. It is clear that there needs to be a different way of working in both corporate directorates and the new divisions to withstand these significant moves.

The Executive team has been considering how the rules of engagement can be best described and presented so that those managers and leaders on whom we rely to achieve our aims are clear about their roles, responsibilities and limitations. An Operating Framework, mirroring the national one, is being constructed and the attached paper gives a flavour of the shape and content.

Recommendation

The Board is asked to comment on this before the final version is brought to the Board in March.

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Lead Director: Julie Waldron, Chief Executive

- 1. A risk assessment has been undertaken around the legal issues that this paper presents and there are no issues that need to be referred to the Trust Solicitors.*

Oxford Health NHS Foundation Trust

Operating Framework 2011/12

Background

On the 15th December 2010 the Department of Health (DH) published the Operating Framework for the NHS for 2011/12, the first full year of the transition to the proposed new structure for the NHS. It states the overarching goal is to build strong foundations for the new system by:

- Maintaining and improving quality
- Keeping tight financial control
- Delivering on the quality and productivity challenge and
- Creating energy and momentum for transition and reform.

The National NHS Operating framework sets out at a high level the expectations of service quality, the finance and business rules and the accountability arrangements for the NHS.

Introduction

2011/12 is a time of unprecedented change both for the NHS and also for Oxford Health NHS Foundation Trust (Oxford Health). Our core purpose remains the delivery of improved quality for our patients, by improving safety, effectiveness and patient experience. However it has been recognised by the Board that we need to work in a very different way from April onwards to meet the challenges of the new NHS infrastructure and to enable the newly merged organisation to continue to deliver high quality services, deliver the cost efficiencies and to realise fully the benefits of the integration between Oxford Health and Community Health Oxfordshire (CHO).

In order to enable Oxford Health to meet these demands it is proposed that Oxford Health will issue its own Operating Framework for 2011/12.

This framework will set out the expectations of the Board as to how the organisation will operate, provide clarity to divisions and directorates regarding the rules and expectations whilst enabling the Executive Team to maintain a strong grip on performance during 2011/12.

Proposed Content of the Oxford Health Operating Framework

1. Context

Why the organisation needs to change, the national and local drivers.

2. Intent

The intent of the organisation and how 2011/12 is year one of a larger organisational development programme for Oxford Health.

3. Structure

The organisation needs to operate in a different way. Clarity of the new structure and reporting arrangements.

4. Operating Principles

Principles that are important to the organisation, such as removing duplication, flat structures, providing care with clinical and operational creativity, clear assignment of accountability and role responsibility etc.

5. Roles, Responsibilities and Rules

Portfolios of the executive directors, divisional requirements, expected results, guidelines and accountability.

The expectation that increasingly the Board will operate as the 'internal' monitor/CQC.

Delivery Agreements: we will introduce delivery agreements between corporate directorates and clinical divisions setting clear arrangements and performance measures for directorates to support services.

6. Accountability and Performance

The Operating Framework will clearly set out accountability and performance arrangements for the organisation.

Earned Autonomy. During 2011/12 we will develop a comprehensive framework for earned autonomy. This will include utilisation of service line management and it is anticipated that a 'rating system' for divisions will be developed by Quarter 4. We will also commit to progress significantly towards a system of positive assurance during this year.

7. Service Quality

Specific quality expectations and priorities will be identified at a divisional level.

8. Finance and Business Rules

Expectations for compliance with Standing Financial Instructions and processes, clarifying the extent of delegated authority to divisions.

9. Appendices

To include proposed balanced scorecard and the service line management framework.

Next Steps

The Operating Framework is currently being developed by the executive team and there will be wider consultation and discussion with service directors and clinical directors during February.

It is proposed that the completed framework is taken to the March Board for sign off.

The Operating Framework will then be issued to all directorates and clinical divisions.

During April all divisions and corporate directorates will embark on a process of iterative interpretation of the operating framework and will be expected to develop their own divisional/directorate plans.

These plans will then be taken to the executive team for sign off.

Once agreed these plans will set the scope for monitoring of directorates and divisions. Where there is any significant proposed change that is outside of the remit of the agreed plans divisions/directorates will have to resubmit updated plans to the executive team in order to gain authority to proceed.

It is the expectation that these plans are then cascaded throughout divisions to a team and individual level in order that objectives throughout the organisation can clearly be linked to organisational objectives.

The Board is asked to comment on this approach so comments can be used to inform the further development of the Framework.

Author: James Venables, Interim Head of Strategy