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| Meeting | Trust Board |
| Date of meeting | 8 June 2023 |
| Paper number | Enc E |

Moving 4ward on Foundation Group Membership

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|---------------|---|-----------------|---|----------------|--|----------|--|
| For approval: | X | For discussion: | X | For assurance: | | To note: | |
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| Accountable Director | Matthew Hopkins, Chief Executive | | |
| Presented by | Jo Newton, Director Strategy & Planning | Author(s) | Jo Newton, Director Strategy & Planning Sarah Speck, Head of Strategy & Partnerships Rebecca O'Connor, Director Corporate Governance |

| Alignment to the Trust's strategic objectives (x) | | | | | | | |
|---|---|---|---|-----------------------|---|-------------|---|
| Best services for local people | x | Best experience of care and outcomes for our patients | x | Best use of resources | x | Best people | x |

| Report previously reviewed by | | |
|-------------------------------|---------------------------|---|
| Committee/Group | Date | Outcome |
| CETM | April / May | Discussed |
| Board development | Sessions April / May | Discussed |
| Audit & Assurance | May 9 th 2023 | Noted for information |
| TME | May 24 th 2023 | Supported to go forward to Public Board |

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| Recommendation | Trust Board are asked to: <ul style="list-style-type: none"> • Approve the recommendation to make a formal application for full membership of the Foundation Group provider collaborative • Invite the Chair and Chief Executive (CEO) of the Foundation Group, subject to the relevant appointment processes and also the success of the formal application process, to take up the roles of Chair and Chief Executive of Worcestershire Acute Hospitals Trust from 1st August 2023 |
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| Executive summary | <p>This paper sets out the proposal to establish new management and leadership arrangements following the current Chief Executive's exit on 31st July 2023. The Trust Chair's appointment is interim until the end of August.</p> <p>Patient safety is our first duty as a Board. The Board recognises that stability and leadership are fundamental to delivering the best care for our patients, and support for our staff, as well as our core statutory duties to</p> |
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comply with our Care Quality Commission (CQC) standards, provider licence conditions and to deliver value for money.

The Trust has experienced relative stability over the last 5 years allowing us to put in place the building blocks of a clear vision *Putting Patients First* and strategy, supported by a robust governance framework to improve service delivery. Since the launch of our 4ward programme in 2017 we have made significant progress in improving our organisational culture. The forthcoming refresh of our 4ward culture change programme and the accelerated roll out of our 4ward Improvement System will further embed a positive, inclusive, compassionate and improvement focused culture.

Despite this good progress, operational pressures persist in an ever-challenging environment where mutual aid and provider collaboration have become increasingly important. At national and regional levels there is an acceleration in development of collaborative models at scale with the launch of the nine Innovator Pilots in May 2023. Recent shared leadership examples include North- West London, the Black Country, Leicester / Northamptonshire and the Isle of Wight/ Portsmouth.

The Foundation Group (South Warwickshire University NHS Foundation Trust (SWFT), George Eliot Hospital NHS Trust (GE) and Wye Valley NHS Trust (WVT)), operates under a shared leadership model. It has been in place in its current form for over four years and is one of the nine Innovator pilots announced earlier this year. Our Trust has been an Associate member of the Foundation Group since October 2021.

Our approach

The Trust Board reviewed its current provider collaborative arrangements in April 2023. In this context, the Board has considered a strategic assessment reviewing the opportunities to enable the Trust to progress at pace to stabilise its leadership, deliver its vision and strategic objectives.

Our principles

1. Core to our approach is *Putting Patients First* for the residents of Worcestershire and surrounding counties
2. We are a clinically led, managerially supported organisation
3. As a sovereign extra-large acute Trust we are committed to our vision set out in our strategic pyramid and delivered through our three-year plan, clinical services strategy and enabling strategies
4. Our 4ward behaviours determine our approach and shape our culture journey
5. Our 4ward Improvement System underpins delivery of our strategic vision
6. Best People: we value our workforce and recognise the importance of leadership stability to set our direction

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7. Clinical and staff engagement is fundamental to delivery of our vision and strategy
8. We are transparent and open with all our staff and stakeholders and abide by the Nolan Principles of Standards in Public Life
9. Any change in Board leadership should not undermine existing clinical collaborations or aspirations
10. We retain existing clinical pathways where they are working well

In making our recommendation, we recognise the following conditions for success, to:

- Celebrate the story of our improvement journey
- Be recognised for our achievements
- Remain a sovereign organisation with our own Board
- Agree a roadmap as part of our Three-Year Plan to achieve University Hospital Trust status
- Assume our role as Lead Provider at Place by:
 - Continuing our 4ward culture change journey and through the 4ward Improvement System to improve quality by reducing waste
 - Managing flow across the whole bed state (community and acute)
 - Achieve a stable transition of Board leadership (Chair & CEO)
 - Appoint our own Managing Director who is credible and experienced
 - Retain confidence of our clinical staff and support to deliver our Clinical Service Strategy

Our proposition

In line with the approach outlined above, the Board has considered the Trust’s position and concluded following a strategic assessment to recommend a proposal to formalise membership of the Foundation Group. Under this shared leadership model, the Trust would appoint the Foundation Group Chief Executive as the Trust Chief Executive and likewise invite the Chair to be appointed. The Integrated Care Board (ICB) and Regional NHS England (NHSE) Team have both indicated strong support of the proposal, with Herefordshire & Worcestershire ICB offering written support for achieving our conditions for success (Appendix 1).

The remaining paper explores how the proposal best supports our strategic vision of Putting Patients First, accelerating both our service development and performance delivery as an extra-large acute Trust.

It is important to note that WAHT will remain a separate autonomous organisation, with its own Board, accountable for its performance and to its local stakeholders.

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| Risks, Implications and Funding | | | |
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| Which key red risks does this report address? | | Which BAF risk does this report address? | 11, 15, 18, 19, 21 |

| Assurance | | | | | | | | | | | |
|--|---|---|---|---|---|-----|---|---|---|-----|--|
| CURRENT assurance level (x) | 0 | 1 | 2 | 3 | 4 | 5 | x | 6 | 7 | N/A | |
| Financial risk | | | | | | | | | | | |
| Action | | | | | | | | | | | |
| Is there an action plan in place to deliver the desired improvement outcomes? | Y | | N | | | N/A | X | | | | |
| Where is the plan monitored? | | | | | | | | | | | |
| Are the actions identified starting to or are delivering the desired outcomes? | Y | | N | | | | | | | | |
| If no has the action plan been revised/ enhanced | Y | | N | | | | | | | | |

| Introduction/Background |
|---|
| This paper explores how the proposal best supports our strategic vision of <i>Putting Patients First</i> , accelerating both our service development and performance delivery as an extra-large acute Trust. |
| Issues and options |
| <p>1. Situation</p> <p>1.1 Following the resignation of the Chief Executive, recruitment would require oversight from NHSE and ideally would follow the appointment of a substantive Chair.</p> <p>1.2 The Trust has experienced relative stability of leadership over the last five years allowing the building blocks to be in place for our clear vision <i>Putting Patients First</i> built around our strategic pyramid and Clinical Services Strategy. This follows a period of uncertainty due to Special measures coupled with a high turnover of senior executive roles.</p> <p>1.3 Since the launch of our 4ward programme in 2017, we have made significant progress in improving our organisational culture. The forthcoming refresh of our 4ward culture change programme and the accelerated roll out of our 4ward Improvement System will further embed a positive, inclusive, compassionate and improvement focused culture.</p> <p>1.4 The Trust has made significant positive progress in many areas over recent years including:</p> |
| <p>Recent progress and improvements:</p> <ul style="list-style-type: none"> • Launch of Three-year plan to deliver our strategic vision as an anchor institution. |

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- Roll out of our 4ward Improvement System partnered with the Virginia Mason Institute.
- GIRFT (Get It Right First Time) improvement in theatre utilisation to 84%; best in class fractured neck of femur length of stay (LOS) at 9.6 days; for vaginal hysterectomy 81% of patients stay less than 2 days (top quartile nationally); we have eliminated 104 week waiters; and we have achieved the 2 week wait standard for symptomatic breast patients 99% of the time which is the best performance in the Midlands and top decile nationally.
- Significant capital investment in a new Urgent and Emergency Care, Targeted Investment Fund+, Community Diagnostic Centre, Paediatric Assessment Unit and Robotic Assisted Surgery technology to improve service quality and patient experience.
- Roll out of Electronic Patient Record to move a step closer to digitising our care.
- Strong advances in staff engagement, moving from the bottom to top quartile; with staff morale moving from the bottom 20% to the top third of performing Trusts in national rankings.
- Recent local Special Recognition Award for our wellbeing offer to staff.

1.5 Despite this good progress, the operational pressures persist in an ever-challenging environment where in the post pandemic era, mutual aid and provider collaboration become increasingly important.

1.6 Patient safety is our first duty as a Board. The Board recognises that stability and leadership are fundamental to delivering the best care for our patients, and support for our staff, as well as our core statutory duties to comply with our CQC standards, provider licence conditions and to deliver value for money.

1.7 The Board also recognises the importance of retaining Trust sovereign status as fundamental to achieving our strategic objectives.

1.8 The Good Governance Institute (GGI) has recently reported on our progress as part of preparation for a CQC Well Led review and have identified the opportunities that provider collaboratives could bring in terms of sustainability, efficiency, and transformation at scale and at pace. This would result in even better outcomes and even better value for citizens.

1.9 The ICB and Regional NHSE Team have both indicated strong support of the proposal that achieves a stable transition of leadership given current operational challenges and is in the best interest of our patients. Herefordshire & Worcestershire ICB have offered support for achieving our conditions for success (Appendix 1)

2. Policy context

2.1 Trust Board reviewed the status of our provider collaboratives in light of developing national policy at our public Board meeting in April 2023.

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2.2 At national and regional level there is an acceleration in development of collaborative models at scale with the launch of the nine Innovator Pilots anticipated in May 2023. Recent shared leadership examples include Northwest London, the Black Country, Leicester / Northamptonshire and the Isle of Wight/ Portsmouth.

2.3 Our Trust is currently involved in several collaborations both formal and informal. At Trust level we have a Place collaboration with Herefordshire and Worcestershire Health & Care NHS Trust, and we are an Associate member of the Foundation Group of acute trusts which operates under the shared leadership model.

2.4 The Foundation Group (South Warwickshire University NHS Foundation Trust (SWFT), George Eliot Hospital NHS Trust (GE) and Wye Valley NHS Trust (WVT)) has been in place in its full form for over four years and is one of the nine Innovator pilots announced earlier this year.

2.5 Midlands Region and Herefordshire and Worcestershire Integrated Care Board (HWICB) have expressed support for exploring the Group collaboration model with our Trust. This is consistent with feedback from GGI who observe an acceleration of plans to develop provider collaboratives with a number of shared leadership arrangements.

Further details can be found in the Appendix 2

3. Strategic assessment

3.1 In response to our position, the Board conducted a strategic assessment further informed by briefings with NHSE, the ICB and feedback from the GGI as part of the Trust Well Led Review.

3.2 The strategic assessment undertaken as part of board development, concluded that the Trust seeks formal membership of the Foundation Group. This was supported by Trust Management Executive (TME) to be recommended to Trust Board

3.3 The strategic assessment identified benefits and risks which are themed in the next two sections.

Details of the full strategic assessment can be found in Appendix 3

4. Benefits

4.1 Putting Patients First is our priority and by ensuring a smooth transition of leadership we can maintain our focus on achieving our key priorities of improving flow, elective recovery and financial sustainability thereby improving patient quality and maintaining safe services.

4.2 Our Clinical Services Strategy (2019) and Leadership Summit (2022) identified that frailty is a cause for concern for our residents and a strategic driver for all partners. SWFT has been nationally recognised as an exemplar for its frailty flow project.

4.3 The experience of the Foundation Group of developing integrated care models at place will help leverage our lead provider role to manage frailty pathways and improve flow especially across acute and community pathways

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- 4.4** The Foundation Group has demonstrated how a system collaboration can promote improvement and shared learning (see Appendix 2) fostered between clinicians, managers and services across the Group to deliver quality and value.
- 4.5** Formal membership will encourage acceleration of sharing and embedding of learning through breaking down those barriers that can inhibit partnership working
- 4.6** Performance at all Trusts in the Foundation Group has improved since being part of the Group with SWFT moving to ‘outstanding’ as rated by CQC, and WVT and GE moving from special measures to having no formal undertakings.
- 4.7** The Innovator pilot offers opportunity to explore the benefits of a model where Trusts which operate in a Group hosted by a high performing Trust and hence the entire Group could benefit from the greater freedoms under the National Oversight Framework (NOF).
- 4.8** The shared leadership model facilitates a smooth transition of leadership with a nationally recognised and experienced CEO supported by a Managing Director (appointed by our Board) to lead our executive team.
- 4.9** The sovereign status of Worcestershire Acute Hospitals Trust would remain with the Foundation Group comprising four locally focused, sovereign and accountable Trusts with their own Boards and Non-Executives.
- 4.10** The arrangements proposed minimise distraction for staff to be able to focus on operational delivery. The improvement philosophy of the Foundation Group is consistent with our 4ward Improvement Programme and will allow sharing of best practice and greater efficiency across corporate, operational and clinical domains.
- 4.11** South Warwickshire Foundation Trust (SWFT) has recently acquired University Hospital status and we can learn and have support for our application to do the same.
- 4.12** Whilst we have benefited as an Associate Member of the Foundation Group in areas such as integrated procurement, increased scale across the geographic footprint should benefit sustainability and development of both our clinical services and improve efficiency and outcomes through productivity.
- 4.13** As an Associate member we have been able to share our best practice around #CallMe; our 4ward Improvement System, Robotic assisted surgery, and EPR as examples.

5. Conditions for success

To continue our strong progress as an extra-large acute Trust we recognise there are critical success factors that will determine our success as part of the Provider Collaborative. Specifically, to:

- Celebrate the story of our improvement journey
- Be recognised for our achievements
- Remain a sovereign organisation with our own Board
- Agree a roadmap as part of our Three-Year Plan to achieve University Hospital Trust status
- Assume our role as Lead Provider at Place by:

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- Continuing our 4ward culture change journey and through the 4ward Improvement System to improve quality by reducing waste
- Managing flow across the whole bed state (community and acute)
- Achieve a stable transition of Board leadership (Chair & CEO)
- Appoint our own Managing Director who is credible and experienced
- Retain confidence of our clinical staff and support to deliver our Clinical Service Strategy

6. Risks & Mitigations

Key risks and mitigations are summarised below:

| Risk | Mitigation |
|--|---|
| We are not able to achieve our strategic objectives | Having reviewed the Foundation Group's '5 Big Moves' against our strategic priorities, we are confident of alignment and potential to leverage our Clinical Services Strategy pillars and both sustain and develop our tertiary pathways, as well as our 4ward Improvement System approach. |
| We are not able to deliver our operational plans for 2023/24 | Notwithstanding the delivery challenges of the 2023/24 plan, this proposal provides the smoothest transfer to allow stability of leadership at Board and operational levels |
| Lack of visibility of the Chair / CEO | Both the ICB and the Foundation Group CEO have assured Trust Board members of onsite presence during the early phase of membership and whilst the Managing Director is recruited. Our Trust is significantly larger and more complex than the other member Trusts and the Board recognises that further assurance may be needed Retain full complement of Non Executive Directors (NEDs) and continue visibility of executive and non-executive directors on the Genba (where the work takes place as part of 4ward Improvement System). |
| Loss of sovereign status and independent decision making | Under the shared leadership model, the autonomy of local Trusts remains. The only committee in common is the Foundation Strategy Group. Once a quarter the Foundation Group Member Trust Boards meet collectively. |

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| Our clinical staff are not supportive & lose confidence in the Board | TME have supported the recommendation to Board. Discussions with senior clinical staff indicate support for the benefits outlined above. The Board is keen to continue staff engagement now and during transition |
| Our stakeholders are not supportive | Initial discussions suggest that stakeholders are supportive. Given there is no change to the Trust as a statutory organisation no consultation or formal engagement is required |
| Further instability is precipitated amongst Executive Directors/ NEDs | The Board is aware that changes in leadership and governance can create uncertainty and have processes in place to ensure open dialogue and transition is consistent with our 4ward behaviours |
| NHSE and the ICB are not supportive of the proposal and/or our conditions for success | Dialogue with NHSE and the ICB affirms support for the proposal. We are confident of NHSE and ICB support for University Hospital status and our role as Lead Provider at Place to accelerate changes needed |
| The other Group members are not supportive of our application for formal membership | Dialogue with the Foundation Group Chair and CEO indicates support and relevant preparatory conversations have been undertaken to ensure timelines can be achieved |

7. Stakeholder support

NHSE and the Herefordshire and Worcestershire ICB have indicated strong support for the recommendation and the ICB also recognises and supports the 'conditions for success' as described on page 7 of this paper (please see Appendix 1). Dialogue with senior leaders recognises that our conditions for success are consistent with the aspirations of the Integrated Care strategy and 5 Year Forward Plan. There are no indications from conversations at ICB level with wider stakeholders and partners, including Healthwatch, MPs and local government of any concerns raised.

8. Governance & legal

Relevant preparatory steps have been taken to ensure that if TME recommends the proposal, decision-making and governance are consistent with our statutory duties. The paper to the Trust Board is subject to legal review.

9. Communication & Engagement

Following the discussions at TME, our agreed communications plan included a message to all staff and stakeholder briefings, which were co-ordinated with Foundation Group Member Trusts, as well as a discussion at our monthly senior leaders brief. At the time of

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writing this report, a further series of staff engagement sessions were being planned to take place before the Board meeting. The shared leadership model being proposed is not one which would require any formal engagement or consultation but we will continue to actively engage our staff and stakeholders in keeping with our 4ward behaviour of we listen, we learn, we lead.

10. Next steps

Following approval of the recommendations, the application for formal membership will be taken to the Foundation Group Member Trust Boards week ending 7th July 2023, with the Trust's first formal Foundation Group meeting on 2nd August.

Subject to the above and successful completion of the requisite appointment processes, it is proposed that the new Chair and Chief Executive take up their new appointments on 1st August 2023.

Conclusion

Having undertaken a strategic assessment, and in line with our principles and approach, the Board is asked to approve the proposal that Worcestershire Acute Hospitals Trust applies for full membership of the Foundation Group. Under this shared leadership model, the Trust will commence a process to appoint the Foundation Group Chief Executive as the Chief Executive, and NHSE would appoint the Chair as Chair, of Worcestershire Acute Hospitals Trust.

Recommendations

Trust Board are asked to:

- Approve the recommendation to make a formal application for full membership of the Foundation Group provider collaborative
- Invite the Chair and Chief Executive (CEO) of the Foundation Group, subject to the relevant appointment processes and also the success of the formal application process, to take up the roles of Chair and Chief Executive of Worcestershire Acute Hospitals Trust from 1st August 2023

Appendices

- Appendix 1: Herefordshire and Worcestershire ICB Leadership Arrangements letter
- Appendix 2: Provider Collaboratives: Shared Leadership models
- Appendix 3: Strategic Assessment