



Supporting all NHS Trusts to achieve NHS Foundation Trust status by April 2014

Tripartite Formal Agreement between:

- Weston Area Health NHS Trust
- NHS South West
- Department of Health

Introduction

This Tripartite Formal Agreement confirms the commitments being made by the NHS Trust, their Strategic Health Authority and the Department of Health that will enable achievement of NHS Foundation Trust status before 1 April 2014.

Tripartite Formal Agreements are made up of nine parts, each of which is introduced below.

Part 1

Part 1 confirms the date when the NHS Trust will submit its 'NHS Foundation Trust ready' application to the Department of Health to begin their formal assessment towards achievement of NHS Foundation Trust status.

Part 2

The organisations signing up to this agreement are confirming their commitment to the actions required by signing in Part 2a. The signatories for each organisation are as follows:

- NHS Trust – Chief Executive;

- Strategic Health Authority – Chief Executive;
- Department of Health – Ian Dalton, Managing Director of Provider Development.

Prior to signing, NHS Trust Chief Executives should have discussed the proposed application date with their Board to confirm support. In addition the lead commissioner for the NHS Trust will sign in Part 2b to agree support of the process and timescales set out in the agreement.

The information provided in this agreement does not replace the SHA assurance processes that underpin the development of FT applicants. The agreed actions of all SHAs will be taken over by the National Health Service Trust Development Authority (NTDA) NTDA previously known as the Provider Development Authority – the name change is proposed to better reflect their role with NHS Trusts only when they take over the SHA provider development functions.

Part 3

Part 3 sets out the services provided by the NHS Trust, its commissioners, the financial context and key quality and performance issues.

Part 4

Part 4 sets out the key strategic and operational issues facing each NHS Trust.

Part 5

Part 5 sets out the key actions to be taken by the NHS Trust to address the key strategic and operational issues facing the NHS Trust.

Part 6

Part 6 sets out the key actions to be taken by the Strategic Health Authority to address the key strategic and operational issues facing the NHS Trust.

Part 7

Part 7 sets out the key actions to be taken by the Department of Health to address the key strategic and operational issues facing the NHS Trust.

Part 8

Part 8 of the agreement sets out the key milestones that will need to be achieved to enable the NHS Foundation Trust application to be submitted to the date in Part 1 of the agreement.

Part 9

Part 9 sets out the key risks to delivery of the NHS Foundation Trust application to the date set out in Part 1 of the agreement.

The guidance provided by the Department of Health for the preparation of Tripartite Formal Agreements is set out in Appendix 1.

Standards required to achieve NHS Foundation Trust status

The establishment of a Tripartite Formal Agreement for each NHS Trust does not change, or reduce in any way, the requirements needed to achieve NHS Foundation Trust status.

That is, the same exacting standards around quality of services, governance and finance will continue to need to be met, at all stages of the process, to achieve NHS Foundation Trust status. The purpose of the Tripartite Formal Agreement for each NHS Trust is to provide clarity and focus on the issues to be addressed to meet the standards required to achieve NHS Foundation Trust status. The Tripartite Formal Agreement should align with the local quality and productivity agenda.

Alongside development activities being undertaken to take forward each NHS Trust to NHS Foundation Trust status by 1 April 2014, the quality of services will be further strengthened. Achieving NHS Foundation Trust status and delivering quality services are mutually supportive. The Department of Health is improving its assessment of quality. Monitor has also been reviewing its measurement of quality in their assessment and governance risk ratings. To remove any focus from quality healthcare provision in this interim period would completely undermine the wider objectives of all NHS Trusts achieving NHS Foundation Trust status, to establish autonomous and sustainable providers best equipped and enabled to provide the best quality services for patients.

Part 1 - Date when NHS foundation trust application will be submitted to Department of Health


1 April 2013
(long term future of organisation and
decision regarding route to Foundation Trust
status
31 December 2011)


Part 2a -Signatories to agreements


By signing this agreement the following signatories are formally confirming:

- their agreement with the issues identified;
- their agreement with the actions and milestones detailed to support achievement of the date identified in part 1;
- their agreement with the obligations they, and the other signatories, are committing to;

as covered in this agreement.


Peter Colclough, Interim Chief Executive of Weston Area Health NHS Trust)	Signature  Date: 28 September 2011
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Sir Ian Carruthers OBE, Chief Executive, South West Strategic Health Authority	Signature  Date: 30 September 2011
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Name, Job Title (Ian Dalton)	Signature  Date: 30 September 2011
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Part 2b – Commissioner agreement

In signing, the lead commissioner for the Trust is agreeing to support the process and timescales set out in the agreement.

Deborah Evans, Chief Executive, NHS Bristol, NHS North Somerset and South Gloucestershire	Signature  Date: 29 September 2011
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Part 3 – NHS Trust summary

Short summary of services provided, geographical/demographical information, main commissioners and organisation history.

Weston Area Health NHS Trust is a small district general hospital located in Weston Super Mare. Weston General Hospital, the main District General Hospital provides a wide range of acute hospital services for emergency and elective patients. A new £8.5m Urgent Care Centre development for emergency and trauma patients opened in April 2011.

The Trust also provides Children's and Young Peoples Community Services, including Child and Adolescent Mental Health Services from premises in Weston super Mare and Clevedon. The Trust is the main provider of acute health services to the majority of the population of North Somerset, Mendip, Sedgemoor and some districts of Somerset. The Trust serves a resident population of around 140,000* people in North Somerset with over 70% of people living in the four main towns of Weston, Clevedon, Portishead and Nailsea.

A further 3.3 million day visitors and 375,000 staying visitors increase this base population each year. The population of the area is expected to increase by at least 32% by 2026.

The total annual income for the NHS Trust during 2010/11 was £93.199 million and a technical deficit of £2,607,000 was delivered before impairments (£2.110 surplus after impairments).

The NHS Trust's main commissioner is NHS North Somerset.

Required information

Current CQC registration (and any conditions): Registered with no conditions

Financial data

	2009/10	2010/11
Total income	90,403	93,199
EBITDA	7,611	8,798
Operating surplus\deficit	2,448	2,607
CIP target	3,500	6,000
CIP achieved recurrent	579	1,200
CIP achieved non-recurrent	2,175	3,000

The NHS Trust's main commissioners

NHS North Somerset (lead commissioner)

NHS Somerset

Summary of PFI schemes (if material)

N/A

Part 4 – Key issues to be addressed by NHS trust

Key issues affecting NHS Trust achieving FT	
Strategic and local health economy issues Service reconfigurations Site reconfigurations and closures Integration of community services Not clinically or financially viable in current form Local health economy sustainability issues Contracting arrangements	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
Financial Current financial Position Level of efficiencies PFI plans and affordability Other Capital Plans and Estate issues Loan Debt Working Capital and Liquidity	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
Quality and Performance QIPP Quality and clinical governance issues Service performance issues	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Governance and Leadership Board capacity and capability, and non-executive support	<input type="checkbox"/>
<p>Please provide any further relevant local information in relation to the key issues to be addressed by the NHS Trust:</p> <p>Weston Area Health NHS Trust is a formerly financially challenged trust and received a working capital loan from the Department of Health for £14.3 million in 2007/08. The loan is not due to be fully repaid until 2012/13 in accordance with the recovery plan agreed with the Department of Health.</p> <p>The Trust delivered in line with its financial recovery plan during 2007/08, 2008/09, 2009/10 and 2010/11, delivering required surpluses and all key financial targets. The Trust is forecast to deliver a surplus of £3.610 million for 2011/12 (including the loan payment for 11/12).</p> <p>The Trust faces significant challenges over the next two years to deliver financial balance and to ensure ongoing focus on delivery of sustainable best in class clinical and service performance.</p> <p>The South West Strategic Health Authority is working with NHS North Somerset and Weston Area Health NHS Trust to agree a longer term plan for the hospital. Lead SHA. Deadline: 31 December 2011</p>	

Part 5 – NHS Trust actions required

Key actions to be taken by NHS Trust to support delivery of date in part 1 of agreement	
Strategic and local health economy issues Integration of community services	<input type="checkbox"/>
Financial Current financial position	<input checked="" type="checkbox"/>
CIPs	<input type="checkbox"/>
Other capital and estate Plans	<input type="checkbox"/>
Quality and Performance Local / regional QIPP	<input checked="" type="checkbox"/>
Service Performance	<input type="checkbox"/>
Quality and clinical governance	<input type="checkbox"/>
Governance and Leadership Board Development	<input type="checkbox"/>
Other key actions to be taken (please provide detail below)	<input type="checkbox"/>

Describe what actions the Board is taking to assure themselves that they are maintaining and improving quality of care for patients.

The Trust Board places patient safety and the quality of care provided to patients at the heart of its considerations.

The Board receives and discusses, on a monthly basis, at public Trust Board meetings reports relating to clinical quality and patient safety. A performance dashboard also provides assurance in terms of trended performance. In the closed sessions, members receive monthly reports on serious untoward incidents and discuss directly with investigators findings from investigations, key trends, lessons learned and actions taken to prevent recurrence.

All Trust Board members regularly undertake patient safety walkabouts which enable members to talk directly to staff and to patients and to observe practice to assure themselves about the quality of care and services being delivered.

The Board has a Care Quality Governance Committee, chaired by a non executive director, which considers all strategic issues relating to the care and quality of services provided, and which seeks continual evidence and assurance that systems and processes are in place and working effectively.

The Trust has a 3 year turnaround plan in place to ensure delivery of the required savings programme. **Lead: Dir of Finance Delivery Date: March 30 2011 -Complete**

This plan, together with programme management arrangements, is intended to ensure that the Trust has the capacity to achieve required productivity, efficiency and cost control/reductions required to deliver required financial targets as well as delivering consistent and best in class performance in all services. **Lead: Hospital Services Director Delivery Date: March 31 2012**

Part 6 – SHA actions required

Key actions to be taken by SHA to support delivery of date in part 1 of agreement	
Strategic and local health economy issues	
Local health economy sustainability issues (including reconfigurations)	<input checked="" type="checkbox"/>
Contracting arrangements	<input type="checkbox"/>
Transforming Community Services	<input type="checkbox"/>
Financial	
CIPs\efficiency	<input type="checkbox"/>
Quality and Performance	
Regional and local QIPP	<input type="checkbox"/>
Quality and clinical governance	<input type="checkbox"/>
Service Performance	<input type="checkbox"/>
Governance and Leadership	
Board development activities	<input type="checkbox"/>
Other key actions to be taken (please provide detail below)	<input type="checkbox"/>
<p>Please provide any further relevant local information in relation to the key actions to be taken by the SHA with an identified lead and delivery dates.</p> <p>In the short term Weston Area Health NHS Trust will continue to work with NHS North Somerset and general practitioner commissioners on its service improvement plans and savings plans for 2011/12.</p> <p>A solution will need to be sought in conjunction with the Department of Health and Treasury regarding the refinancing of the loan, over a longer period, to improve the liquidity position of the NHS Trust and facilitate a future configuration.</p> <p>The South West Strategic Health Authority is working with NHS North Somerset and Weston Area Health NHS Trust to agree a longer term plan for the hospital. Lead SHA. Deadline: 31 December 2011</p>	

Part 7 – Supporting activities led by DH

Actions led by DH to support delivery of date in part 1 of agreement	
Strategic and local health economy issues Alternative organisational form options	<input type="checkbox"/>
Financial NHS Trusts with debt	<input type="checkbox"/>
Short/medium term liquidity issues	<input type="checkbox"/>
Current/future PFI schemes	<input type="checkbox"/>
National QIPP workstreams	<input type="checkbox"/>
Governance and Leadership Board development activities	<input type="checkbox"/>
Other key actions to be taken (please provide detail below)	<input type="checkbox"/>
Please provide any further relevant local information in relation to the key actions to be taken by DH with an identified lead and delivery dates:	

Part 8 – Key milestones to achieve actions identified in parts 5 and 6 to achieve date agreed in part 1

Date	Milestone
30 March 2011	Trust to continue to work with NHS North Somerset and general practitioner commissioners on its service improvement plans and savings plans for 2011/12. Lead : Trust + SHA
31 December 2011	Agree a longer term plan for the hospital and solution for future liquidity. Lead: SHA
1 January 2012	Project plan to be agreed to deliver longer term plan for the hospital and solution for future liquidity.
31 March 2012	Solution for future liquidity implemented.
31 March 2013	Delivery of longer term plan.
<p>Provide detail of what the milestones will achieve/solve where this is not immediately obvious.</p> <p>The programme will be managed by way of a programme steering group comprising executive and non-executive directors who will ensure that deadlines are adhered to. This group will meet monthly. The Trust will utilise internal line management processes to hold individuals and teams to account for on-time delivery</p> <p>Describe what actions/sanctions the SHA will take where a milestone is likely to be, or has been missed.</p>	

Key milestones will be reviewed every quarter, so ideally milestones may be timed to quarter ends. The milestones agreed in the above table will be monitored by senior Department of Health and Strategic Health Authority leaders until the NHS Trust Development Authority takes over formal responsibility for this delivery. Progress against the milestones agreed will be monitored and managed at least quarterly, and more frequent where necessary as determined by the Strategic Health Authority (or NHS Trust Development Authority subsequently). Where milestones are not achieved, the existing Strategic Health Authority escalation processes will be used to performance manage the agreement. (This responsibility will transfer to the NHS Trust Development Authority once it formally has the authority).

Part 9 – Key risks to delivery

Risk	Mitigation including named lead
<p>Ability to deliver financial savings programme and new partnership process at the same time.</p> <p>Operational priorities change and capacity to complete project is compromised</p>	<p>Processes will be put in place to ensure the Partnership and financial savings programme progresses to plan. These are:</p> <ul style="list-style-type: none"> Steering committees oversee all activities and can reassign work as needed. Programme documentation centrally stored for easy access and version control for each programme Programme infrastructure and project leads/teams identified for financial savings programme Clear allocation of director responsibility for completion of work in relation to FT <p>Lead: Dir Strategic Development + Dir of Finance</p>
<p>Financial constraints reduce the amount of available budget to the project</p>	<p>A budget proposal will require to be submitted for board approval</p> <p>Lead: Dir of Finance</p>
<p>Gaps in Board capacity and capability</p>	<p>The ongoing involvement of board members in the programme steering board will assist in raising awareness and knowledge levels</p> <p>A board development plan will be delivered, together with a review of skills requirements</p> <p>Lead: Chief Executive + Chairman</p>
<p>Trust ability to sustain good performance against targets and standards and/or failure to meet all targets and standards required for authorisation – including information Governance</p>	<p>Trust has robust performance management systems in place. Recently further strengthen committee governance arrangements to assist in early identification of possible deviation from plan enabling timely action.</p> <p>Clear differential focus within the Trust between day to day operational performance and service development/turnaround arrangements</p> <p>Lead: Directors of Emergency and Elective Care</p>