

TFA document



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

Tripartite Formal Agreement between:

- East Sussex Healthcare NHS Trust
- NHS South East Coast
- Department of Health

Introduction

This tripartite formal agreement (TFA) confirms the commitments being made by the NHS Trust, their Strategic Health Authority (SHA) and the Department of Health (DH) that will enable achievement of NHS Foundation Trust (FT) status before April 2014.

Specifically the TFA confirms the date (Part 1 of the agreement) when the NHS Trust will submit their “FT ready” application to DH to begin their formal assessment towards achievement of FT status.

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 – Darren Grayson, Chief Executive Officer
SHA – Candy Morris, Chief Executive Officer
DH – Ian Dalton, Managing Director of Provider Development, DH

Prior to signing, NHS Trust CEOs should have discussed the proposed application date with their Board to confirm support.

In addition the lead commissioner for the Trust will sign 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. In the future, the agreed actions assigned to SHAs will be taken over by the National Health Service Trust Development Authority (NTDA).

The objective of the TFA is to identify the key strategic and operational issues facing each NHS Trust (Part 4) and the actions required at local, regional and national level to address these (Parts 5, 6 and 7).

Part 8 of the agreement covers the key milestones that will need to be achieved to enable the FT application to be submitted to the date set out in part 1 of the agreement.

Standards required to achieve FT status

The establishment of a TFA for each NHS Trust does not change, or reduce in any way, the requirements needed to achieve FT 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 FT status. The purpose of the TFA for each NHS Trust is to provide clarity and focus on the issues to be addressed to meet the standards required to achieve FT status. The TFA should align with the local QIPP agenda.

Alongside development activities being undertaken to take forward each NHS Trust to FT status by April 2014, the quality of services will be further strengthened. Achieving FT 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 FT 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 October 2013

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.

Darren Grayson, CEO of East Sussex Healthcare NHS Trust	Signature  Date: 29.09.11
Candy Morris, CEO of NHS South East Coast	Signature  Date: 29.09.11
Ian Dalton, Managing Director of Provider Development, DH	 Signature Date: 30.09.11

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.

Amanda Fadero, CEO of NHS Sussex Cluster	<p>Signature</p>  <p>Date: 29.09.11</p>
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Part 3 – NHS Trust summary

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

The Trust is registered with the CQC without conditions

Financial data (figures for 2010/11 should to be based on latest forecast)

	2009/10 £000's	2010/11 £000's
Total income	282,787	299,623
EBITDA	15,286	10,192
Operating surplus\deficit	350	(4,704)
CIP target	13,907	17,700
CIP achieved recurrent	11,113	13,200
CIP achieved non-recurrent	2,794	3,400

The Trust's main commissioners are NHS East Sussex Downs and Weald and NHS Hastings and Rother.

Further information

Serving a population of 500,000 the Trust provides acute medical, surgical, paediatric and maternity care, plus a comprehensive range of community services, along with diagnostic and therapy provision. It operates from two district general hospitals - Conquest Hospital in St Leonards-on-Sea and Eastbourne District General Hospital and a further 18 registered sites. The Trust also provides a range of outpatient and day surgery along with Intermediate Care beds at Bexhill Hospital, Uckfield Community Hospital, Lewes Victoria Hospital Crowborough Hospital and Rye, Winchelsea and District Memorial Hospital along with midwifery-led services at Crowborough Birthing Centre

The Trust was formed following the merger of East Sussex Hospitals Trust with the East Sussex Community Health Services (the provider arm of NHS Hastings and Rother and NHS East Sussex Downs and Weald) on the 1st April 2011.

Total income for the new Trust is £361m (2011/12) which includes £69m for the integrated community services.

The Trust will require significant capital expenditure over the next five years to deliver the agreed clinical strategy although the exact amount will be clarified over the next 12 months once the detailed implementation plans are agreed.

Part 4 – Key issues to be addressed by NHS trust

Key issues affecting NHS Trust achieving FT	
<p>Strategic and local health economy issues</p> <p>Service reconfigurations <input checked="" type="checkbox"/></p> <p>Site reconfigurations and closures <input type="checkbox"/></p> <p>Integration of community services <input checked="" type="checkbox"/></p> <p>Not clinically or financially viable in current form <input type="checkbox"/></p> <p>Local health economy sustainability issues <input type="checkbox"/></p> <p>Contracting arrangements <input type="checkbox"/></p> <p>Financial</p> <p>Current financial Position <input checked="" type="checkbox"/></p> <p>Level of efficiencies <input checked="" type="checkbox"/></p> <p>PFI plans and affordability <input type="checkbox"/></p> <p>Other Capital Plans and Estate issues <input checked="" type="checkbox"/></p> <p>Loan Debt <input type="checkbox"/></p> <p>Working Capital and Liquidity <input checked="" type="checkbox"/></p> <p>Quality and Performance</p> <p>QIPP <input type="checkbox"/></p> <p>Quality and clinical governance issues <input checked="" type="checkbox"/></p> <p>Service performance issues <input checked="" type="checkbox"/></p> <p>Governance and Leadership</p> <p>Board capacity and capability, and non-executive support <input checked="" type="checkbox"/></p>	
<p>The Trust is in the process of developing its Clinical Strategy. The Strategic Framework has been developed and approved by the Board and the development of implementation and delivery plans is underway. The Strategy has been developed on the basis that the Trust would integrate with community services from April 2011. The strategy will identify those areas where service reconfiguration, service redesign or further operational efficiency are required to ensure a sustainable service model and deliver quality and outcome improvements. Models of care for eight strategic service areas have been developed with the model of care for maternity services being developed through an independent maternity review board. Stakeholder engagement arrangements and liaison with the HOSC are well advanced. The Trust will commence a process for pre-consultation engagement from October 2011 to develop options for delivery of the agreed models of care and the criteria through which these will be appraised. Initial options appraisal will be undertaken during this period and this will ensure that by December 2011 it is clear which options will require formal consultation and which can proceed to implementation without this. If consultation is required this will commence in January 2012. This will enable the Trust to finalise all aspects of its clinical strategy by April 2012.</p> <p>The Trust is in negotiation over the support required to mitigate the impact of its 2010/11 financial deficit on subsequent years. Despite delivering substantial cost improvement programmes in the course of the year, and achieving breakeven over the final few months, the deficit accumulated in the early part of the year precluded the achievement of the planned surplus. Additional one-off support will also be required to fund the cost of transformation. Efficiency savings for 2011/12 in the region of 7.5% (£30m) CIP are developed but contain a number of high risks to delivery</p> <p>Following a planned unannounced visit by the CQC in February 2011 the Trust was issued with three warning notices in respect of its compliance with the regulations of the Health and Social Care Act along with a requirement to take action in a number of areas to achieve full compliance with the regulations. The Trust has developed and implemented detailed action</p>	

plans in all these areas. Following a reactive inspection in April 2011 and inspections as part of a national review of Dignity and Nutrition in May two of the warning notices were lifted and a further warning notice in respect of Regulation 9 was issued. The CQC noted that the Trust had made progress in a short period of time but that further action was required. The Trust reviewed and revised its action plans to ensure that the short and long term actions required to achieve compliance are being implemented and the Board has scrutinised the organisations compliance in detail. The Board has indicated to the CQC that considerable progress is being made and that embedding and sustaining compliance is part of an overall programme of transformation and organisational redesign currently being implemented. The Trust is currently awaiting the CQC's view on its current level of compliance.

The Trust merged with East Sussex Community Health Services on April 1st 2011 which will have a positive impact on the Trust's ability to deliver its clinical strategy and improve quality and outcomes for patients particularly in the provision of services that support prevention of exacerbation of illness and intermediate and other community based care. The preparation for the merger was undertaken in a very short time frame and was intensively managed. Plans are in place to manage the integration; these will see the organisational structure and governance revised to reflect the changed nature of the new organisation. The transformation enabled by the integration process will be delivered through the implementation of the Clinical Strategy and the Organisation Development Plan both of which were developed on the assumption of integration.

Board development is a central plank of the OD plan. Following the resignation of the Chair with effect from April 1st 2011 a new Chair has been appointed and commenced his role in mid-July 2011. A governance review to ensure the organisation is prepared for FT has concluded and its recommendations will be implemented from October.

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 checked="" 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 type="checkbox"/>
Service Performance	<input checked="" type="checkbox"/>
Quality and clinical governance	<input checked="" type="checkbox"/>
Governance and Leadership	
Board Development	<input checked="" type="checkbox"/>
Other key actions to be taken (please provide detail below)	<input type="checkbox"/>
<p>The Board receives regular reports on quality and patient experience with detailed reporting on areas of concern or where the Trust is an outlier for example HSMR. The Board has approved a detailed action put in place to address the concerns raised by the CQC in the recently published review of compliance reports following their planned compliance visit in February 2011. The action plan will be updated on receipt of further reports including those from the follow up visit conducted in April 2011. The Board will receive regular reports on progress made against the plan and their impact on achievement of compliance in all areas. The Board will be taking steps to strengthen opportunities for regular Board level review of frontline clinical services to include areas where concerns or risks to compliance have been identified. This review will cover all 20 registered sites following the merger with community services.</p> <p>Clinical Strategy:</p> <ul style="list-style-type: none"> Development of implementation plans – high level strategic change identified by June 2011 Modelling of proposed change to ensure its ability to deliver financial, performance and quality improvements <p>Finance:</p> <ul style="list-style-type: none"> Negotiation of support to mitigate the impact of 2010/11 financial deficit on subsequent years. Agree transitional support (with associated cash injection) to fund the cost of transformation. <p>Performance</p> <ul style="list-style-type: none"> Implementation of plans to redress current performance shortfalls (particularly on 18 weeks RTT, which will be challenging in an environment of financial constraint) <p>Quality and Clinical Governance:</p> <ul style="list-style-type: none"> Respond to concerns raised by CQC to demonstrate compliance Review of Clinical Governance arrangements – to follow on from organisational governance review 	

Governance and Leadership

- New Chair takes up appointment July 2011
- Organisational Governance review May 2011 and implementation by October 2011 onwards
- Implementation of OD plan including Board development and complete organisational structure underway – full implementation of organisational structure by October 2011

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 type="checkbox"/>
Contracting arrangements	<input type="checkbox"/>
Transforming Community Services	<input checked="" type="checkbox"/>
Financial	
CIPs\efficiency	<input checked="" type="checkbox"/>
Quality and Performance	
Regional and local QIPP	<input type="checkbox"/>
Quality and clinical governance	<input checked="" type="checkbox"/>
Service Performance	<input checked="" 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>NHS SEC FT assurance process plus monitoring of the vertical integration of the community and acute services from the two predecessor organisations (from an operational, systems and governance point of view) as well as on-going management of finance, quality and operational performance. Lead: Regional director of provider development Milestones: as below.</p> <p>Agree an appropriate financial support package with the Trust and its lead commissioner to mitigate the impact of the 2010/11 financial deficit on subsequent years and fund the one-off costs of transformation. Lead: Director of finance and performance</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"/>
No key actions to be taken by DH identified at this stage.	

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

Date	Milestone
January 2012	Commence public consultation on service changes
April 2012	Clinical strategy finalised
June 2012	Draft IBP & LTFM submission to SHA
November 2012	Draft IBP & LTFM submission to SHA
December 2012	Board to Board with SHA
December 2012	Commence FT public consultation
February 2013	HDD Phase 1
April 2013	Draft IBP & LTFM submission to NTDA
July 2013	HDD Phase 2
August 2013	Final submission to NTDA
September 2013	Board to Board with NTDA
October 2013	Submission to DH
<p>Project oversight elements of assurance process augmented by sanctions set out in NHS South East Coast Performance and Intervention policy.</p> <p>Each of the milestones are points where the Trust is assessed against the eight domains by the SHA to ensure that appropriate progress has been made versus the assurance timeline. Feedback is provided to the Trust and when appropriate remedial action taken to ensure the process is kept on schedule.</p>	

Key Milestones will be reviewed every quarter, so ideally milestones may be timed to quarter ends, but not if that is going to cause new problems. The milestones agreed in the above table will be monitored by senior DH and SHA leaders until the NTDA 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 SHA. Where milestones are not achieved, the existing SHA escalation processes will be used to performance manage the agreement. In the future, the agreed actions assigned to SHAs, will be taken over by the National Health Service Trust Development Authority (NTDA).

Part 9 – Key risks to delivery

Risk	Mitigation including named lead
The challenging requirements and timescales for savings and improved financial performance cannot be met	Lead David Meikle/Andy Horne CIP delivery supported by programme office Clinical Strategy tested for ability to deliver/support financial efficiency and savings Robust monitoring of delivery at SBU and Divisional Level as well as cross Trust
Aspects of the implementation of the Clinical Strategy may require formal consultation and be subject to high levels of political and public concern	Leads: Amanda Harrison/Andy Horne/David Hughes Maternity review underway with stakeholder engagement Close working relationship with HOSC Secure robust level of clinical leadership and involvement in planning Ensure patient and public engagement Continue to inform and build relationships with local politicians
Integration with community services does not deliver proposed service or efficiency benefits	Leads: Andy Horne/Amanda Harrison Clinical Strategy deliver plans fully reflect potential of integrated organisation to reconfigure and improve patient pathways, deliver efficiencies and quality improvements OD plan focused on ensuring effective integration and transformation
There is a period of instability whilst the organisation is restructured to reflect merger with community services and a new Chair is inducted	Lead: Darren Grayson/Amanda Harrison Delivery of OD plan includes communications strategy and board development plan. Governance review will ensure organisation is positioned to deliver governance required as FT Strengthen clinical leadership through Clinical Units and divisions
The organisation is unable to deliver quality improvements and achieve/maintain compliance with CQC standards	Lead Jane Hentley/ David Hughes Delivery of actions required to address concerns raised by CQC Increased Board focus on monitoring implementation of action plans