

TFA document



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

Tripartite Formal Agreement between:

- The Whittington Hospital NHS Trust
- NHS London
- 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 – Chief Executive Officer
SHA – Chief Executive Officer
DH – Ian Dalton, Managing Director of Provider Development

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. The agreed actions of all SHAs will be taken over by the National Health Service Trust Development Authority (NTDA)¹ when that takes over the SHA provider development functions.

¹ NTDA previously known as the Provider Development Authority – the name change is proposed to better reflect their role with NHS Trusts only.

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 2012

Part 2a - Signatories to agreements

By signing this agreement the following signatories are formally confirming:

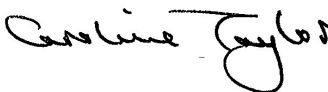
- their agreement with the issues identified;
- their agreement with the actions and milestones detailed to support achievement of the date identified in part 1;
- their agreement with the obligations they, and the other signatories, are committing to;

as covered in this agreement.

| | |
|--|--|
| Dr Yi Mien Koh, CEO Whittington Hospital NHS Trust | Signature  Date: 27 May 2011 |
| Ruth Carnall, Chief Executive NHS London | Signature  Date: 27 May 2011 |
| Ian Dalton, Managing Director of Provider Development Department of Health | Signature  Date: 7 July 2011 |

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.

| | |
|--|--|
| Caroline Taylor, Chief Executive NHS North Central London | Signature  Date: 27 May 2011 |
|--|--|

Part 3 – NHS Trust summary

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

CQC

The Trust is registered with the CQC with no conditions on registration.

The regulated activities we are currently registered to provide are: treatment of disease, disorder or injury, diagnostic and screening procedures, surgical procedures, maternity and midwifery services and termination of pregnancies. As part of the process to become an ICO, we applied to extend the regulated activities we are registered to provide to include: family planning services, nursing care and assessment or treatment of persons detained under the Mental Health Act 1983.

Financial data

The 2010/11 position reflects that reported within the annual accounts submission, which are subject to external audit and formal adoption by the Trust Board.

| | 2009/10 £000's | 2010/11* £000's |
|----------------------------|-------------------|--------------------|
| Total income | 176,853 | 186,300 |
| EBITDA | 12,825 | 13,344 |
| Operating surplus** | 139 | 508 |
| CIP target | 9,223 | 12,500 |
| CIP achieved recurrent | 5,874 | 8,400 |
| CIP achieved non recurrent | 569 | 1,100 |

Source: DH FIMS

*Unaudited figures

**Excludes impairments/IFRS adjustments:

- 2009/10 Surplus position excludes the effect of impairments / IFRS. Allowing for these adjustments (£4,618k impairment and £718k IFRS adjustment) there would be a deficit of £5,197k.
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- 2010/11 Surplus position excludes the effect of impairments / IFRS. Allowing for these adjustments (£2,199k impairment and £459k IFRS adjustment) there would be a deficit of £2,150k.

Trust Commissioners

The Whittington Hospital NHS Trust's main commissioners are Islington PCT and Haringey TPCT and the Trust's contract is negotiated through the NCL Cluster.

PFI scheme

The Whittington Hospital NHS Trust's PFI scheme has an asset value as of March 2011 of £54.8m with an outstanding lease liability of £35m. The annual unitary payment in 2010/11 is £4.7m with 24 years outstanding. In addition there is a managed equipment service with a unitary payment of £2.5 with 11 years outstanding.

The Whittington Hospital NHS Trust

The 1st April 2011 marked the creation of a new Whittington Health Integrated Care Organisation (ICO), bringing together the Whittington Hospital NHS Trust and Community services from NHS Islington and NHS Haringey. This provides substantial opportunities to work across historical organisational boundaries to deliver care that is centred on the needs of the local population. Integrating our clinical teams across acute and community services and changing both how we work presents a real opportunity to achieve the dual aim of improving quality of care and reducing cost. The approach is consistent with the future NHS policy context providing new incentives and opportunities to deliver step changes in population health. The ICO is therefore a mechanism to achieve clinical and financial sustainability.

The Whittington Hospital and the community services Alliance are award winning organisations delivering acute and community services to the residents of Islington, Haringey and other London boroughs, serving a catchment population of 443,000, with a workforce of over 3,600 staff. The ICO is based within a widely diverse community both in terms of ethnicity and socio-economic mix, and has a well regarded reputation for responding to the specific needs of its local patients as reflected in the range of services it provides. The main commissioners of its services are Islington Primary Care Trust (PCT), and Haringey Teaching PCT.

Whittington Health was approved as the preferred provider for Haringey children's services, and took over the delivery of the service during the first quarter of 2011/12. From then the ICO will provide a broad range of services to the local community, including both acute services and the full range of community services needed by a local population from conception to old age, with the exception of specialist adult community mental health services.

The total annual income for the Whittington NHS Trust during 2010/11 was £186m and a surplus of £0.5 million was delivered before impairments. The annual income for the Alliance is £92m for 2010/11. The budgeted income for the ICO for 2011/12 is c.£264m – this excludes any value (at this stage) for transfer of Haringey Children's services.

Individual components of the ICO have historically performed well in achieving performance targets. Of the targets in 2010/11, the ICO met the required performance level in all areas, with the exception of some waiting times for cancer referrals. Overall, waiting times have been considerably reduced, incidents of MRSA and C-diff minimised and the ICO has standard mortality rates significantly better than average.

The ICO has a highly respected educational role, teaching undergraduate medical students, and providing a range of educational packages for postgraduate doctors and other healthcare professionals. Its educational partners are the Royal Free & University College Medical School, and Middlesex University, who have a strong presence on the clinical campus.

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 Financial Current financial Position Level of efficiencies / QIPP PFI plans and affordability Other Capital Plans and Estate issues Loan Debt Working Capital and Liquidity Quality and Performance Quality and clinical governance issues Service performance issues Governance and Leadership Board capacity and capability, and non-executive support | <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> |
| Please provide any further relevant local information in relation to the key issues to be addressed by the NHS Trust: | |
| <p><u>Strategic and local health economy issues</u></p> <p>Integration of community services - Integration of community services is necessary to preserve continuity of services; in addition, management costs would be unsustainable for a standalone community provider within this Sector</p> <p>Local health economy sustainability issues - the local health economy has a significant financial challenge. The Whittington believes that through becoming an ICO it is better able to contribute to the Sector QIPP. The Trust's strategic service transformation will assist in reducing demand and reducing costs. The ICO will be in a position to assist commissioners managing referral flows that may achieve a better value for money.</p> <p><u>Financial</u></p> <p>QIPP – A process to identify savings and efficiencies has been undertaken, with the close engagement of clinicians. Following this process an amount remains outstanding for 2011/12. A process for identifying further savings has been initiated and it is anticipated that this will be completed by the end of May for approval by the Trust Board in June. Included in this process is the identification of savings that will result from the establishment of the Integrated Care Organisation including the service consolidations and care pathway efficiencies that will release savings in 2012/13 and future years. All savings plans are being reviewed to ensure there are no adverse affects to quality and safety of care. The organisation will work closely with the NCL cluster to ensure that the assumptions made in the sectors QIPP plan are considered and aligned as appropriate with the Trust's QIPP plan. Consideration is being given to any consultations that may arise should any significant changes to services arise from the savings plan. Lead: Director of Planning & Programmes, Liz Wise, QIPP Director, NCL</p> <p>Contracting arrangements - In order to realise the benefits from becoming an ICO the Trust recognises the need to change contracting arrangements and consider new payment mechanisms that incentivise transformation of services and delivery of QIPP for the sector.</p> | |

Governance and Leadership

Board capacity and capability, and non-executive support - The Whittington has recently appointed two new NEDs to vacancies and will be appointing a further two NEDs - one newly created NED post - in the coming months. Additionally a new CEO commenced employment on 28 March 2011.

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 type="checkbox"/> |
| CIPs | <input checked="" 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 checked="" type="checkbox"/> |
| Other key actions to be taken (please provide detail below) | <input type="checkbox"/> |
| <p>Describe what actions the Board is taking to assure themselves that they are maintaining and improving quality of care for patients.</p> <p>Quality and safety - The Trust Board monitors quality and safety of services on a monthly basis through an integrated performance dashboard that includes both external and internally determined KPIs (Never Events and incidence of grade 3-4 pressure ulcer development in hospital are examples – however there are many more KPIs), clinical performance (HSMR and VTE management – again a sample of examples) and the number and type of adverse incidents in the organisation on a monthly basis. Adverse performance and actions to address these are reviewed through exception reports. The Trust benchmarks its performance against national benchmarks where these exist. The Board receives information on patient feedback each month through an aggregated scoring of the feedback received through a digital questionnaire system available on wards and in departments and a report on the numbers of complaints from service users, including the rate of dissatisfied complainants. Executive Directors undertake “Patient Safety Walkabouts” each month to highlight with staff the importance of quality and safety reporting and to offer Board support to individuals raising concerns. This also provides an opportunity for Board members to meet with patients and members of the public to hear from them any issues or concerns. The Chairman is working with the shadow Council of Governors how they might meet with users of the Trust’s services to provide independent feedback through patient focus groups and “deep dive” reviews of clinical services. The Trust has a Quality Account which is reviewed by the Trust Board to ensure it is implemented and timescales are adhered to.</p> <p>Since the establishment of Whittington Health as an Integrated Care Organisation a quality and safety strategy committee has been established – this will be a sub committee of the Trust Board and will be chaired by a Non Executive Director. The committee is reviewing the quality governance framework for the ICO to ensure it is fit for purpose and to develop an integrated quality strategy that will inform all service transformation going forward. A quality and safety dashboard is under development that again will establish a “Ward to Board to Ward” performance management framework and this is due to be completed by August 2011. Lead: Medical Director</p> | |

Please provide any further relevant local information in relation to the key actions to be taken by the NHS Trust with an identified lead and delivery dates:

Strategic and local health economy issues and Financial

The Trust completed the transfer of community services from Islington PCT and Haringey PCT and to become Whittington Health Integrated Care Organisation on 31 March 2011. The Trust is undertaking a series of events to fully establish the strategic priorities for service developments and to determine a robust view of the endpoint of transformation post ICO. This work will build on that already completed over the past year that resulted in the development of the ICO business plan, the business transfer agreement and the service developments that are already underway. This is expected to conclude by 30 June 2011. **Lead Director of Planning and Performance**

Finance

In order to support Sector QIPP plans the Trust has set itself a higher CIP than previously expected. The Trust is working to realise the benefits of the ICO development at a more rapid pace to meet the CIP challenge. A process for identifying further savings has been initiated and it is anticipated that this will be completed by the end of May for approval by the Trust Board in June. Included in this process is the identification of savings that will result from the establishment of the Integrated Care Organisation including the service consolidations and care pathway efficiencies that will release savings in 2012/13 and future years. All savings plans are being reviewed to ensure there are no adverse affects to quality and safety of care. The organisation will work closely with the NCL cluster to ensure that the assumptions made in the sectors QIPP plan are considered and aligned as appropriate with the Trust's QIPP plan. Consideration is being given to any consultations that may arise should any significant changes to services arise from the savings plan. **Lead: Director of Planning & Programmes, Liz Wise, QIPP Director, NCL Governance and Leadership**

A Board development plan has been established to ensure the Board is fully ready to oversee the Trust's FT application together with two further NED appointments. Additionally the Trust will be establishing the revised long term governance structure of the new Integrated Care Organisation within the first quarter of 2011/12.

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 checked="" type="checkbox"/> |
| Financial | |
| CIPs\efficiency | <input type="checkbox"/> |
| Quality and Performance | |
| Regional and local QIPP | <input checked="" type="checkbox"/> |
| Quality and clinical governance | <input type="checkbox"/> |
| Service Performance | <input type="checkbox"/> |
| Governance and Leadership | |
| Board development activities | <input checked="" 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>Strategic and local health economy issues</p> <p>A key concern for the Trust is the impact of the NCL QIPP Plan on the Trust and the pace of delivery of the income reductions proposed by commissioners. As strategic planning of the transformation agenda for the ICO is in its early stages commissioners do not feel informed on the extent to which the Trust plans maximise the opportunity presented by becoming an ICO, the benefits this will deliver and in what timescale. The initial actions are therefore targeted at increasing knowledge and understanding areas of alignment and difference in respective plans in order to reach alignment of trust and commissioner's strategic plans - NCL Director of QIPP and Director of Planning and Performance, Whittington Hospital by 30 September 2011</p> <p>Governance and Leadership</p> <p>The Trust has an extensive task of board development in preparation for FT status - the trust is requesting SHA support funding for this- NHSL Director of People and Organisational Development</p> <p>An assessment of financial challenges and productivity opportunities by provider, incorporating the impact of commissioner QIPP plans as they are completed. This analysis, to be completed by July 2011, will determine any potential implications for the FT pipeline, including confirmation of any additional, possible requirements for service changes. Lead; SHA Directors of Finance & Investment and Strategy</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 |
|--|--|
| May 2010 | 2010 – 2013 Trust Board development plan approved by CEO and Chairman |
| 31 March 2011 | ICO Business Transfer Agreement signed by Trust and commissioners |
| 1 April 2011 | Community services transfer to Trust and ICO created |
| 11 April 2011 | Acute contract signed |
| 27 April 2011 | Newly appointed NEDs commence Trust Board duties |
| 24 May | Third NED appointed |
| April, May and June 2011 | All NEDs undergo induction and orientation to the ICO |
| 31 May 2011 | Haringey children's services contract signed by Trust and commissioners and services transferred to Trust |
| 22 June 2011 | 2011/12 QIPP plan approved by Trust Board |
| 30 June 2011 | ICO senior management structure revised and new structure in place |
| 30 June 2011 | ICO service development priorities agreed and transformation work underway |
| 21 September 2011 | Board to discuss recruitment plan for fourth new NED |
| September 2011 | FT public consultation begins |
| 5 August 2011 | Quality and safety dashboard developed |
| 3 October 2011 | 2012/13 QIPP plan finalised |
| 30 December 2011 | Agree new ICO payment mechanisms that might be reflected in 2012/13 contract |
| January 2012 | First draft Foundation Trust Integrated Business Plan (IBP) and Long Term Financial Model (LTFM) approved by ICO Trust Board & submitted to NHS London |
| March 2012 | ICO Historic Due Diligence part one undertaken |
| May 2012 | Commissioner convergence letter |
| June 2012 | ICO Historic Due Diligence part two undertaken |
| July 2012 | Final IBP and LTFM approved by ICO Trust Board |
| August 2012 | ICO Board to Board meeting |
| September 2011 | Board FT application approval |
| 1 October 2012 | ICO FT application submission to Secretary of State / Department of Health |
| All milestones will be risk assessed and delivery monitored through Trust Board. Where risk of slippage is identified plans to mitigate this will be drawn up by the Executive Committee, performance managed by the CEO and reported to Trust Board | |
| Describe what actions/sanctions the SHA will take where a milestone is likely to be, or has been missed. NHS London's monthly performance monitoring process will highlight challenges to FT pipeline milestones with regard to quality, service performance & finance and address these in monthly performance improvement meetings with the trust (and include the Cluster). In addition, NHSL's Provider Development Directorate will link this to a NHSL TFA tracker and where a milestone not related to in year performance is likely to be missed, the Regional Director of Provider Development will hold a review meeting with the Trust Chief Executive. Where required, these meetings will include relevant SHA Directors and be chaired by the SHA Chief Executive. These meetings may also involve the SHA Chair, the Trust Chair or a Board to Board meeting. The outcome of the milestone review meeting will be a recovery plan with escalation to DH where necessary. | |

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 (or NTDA subsequently). Where milestones are not achieved, the existing SHA escalation processes will be used to performance manage the agreement. (This responsibility will transfer to the NTDA once it is formally has the authority)

Part 9 – Key risks to delivery

| Risk | Mitigation | Named lead |
|---|--|--|
| Commissioner affordability and acute contract sign off | Ongoing local negotiation and mediation process agreed. If remains unresolved then arbitration by SHA. Contracting team leads from Whittington and NCL sector. | Fiona Smith, Director of Planning, Whittington Hospital and Brenda Pratt, Head Account Manager NCL Cluster. |
| Failure to agree terms for alliance transfer | BTA in final stages of negotiation at Executive level with CEO monitoring and discussion | Siobhan Harrington, Director of Primary Care, Whittington Hospital and Simon Weldon, Director of Commissioning NCL Cluster |
| Failure to agree price and terms for Haringey Children's services transfer | Ongoing due diligence and negotiation between GOSH, Haringey PCT and Whittington at CEO level | Siobhan Harrington, Director of Primary Care, Whittington Hospital and Brenda Pratt, Head Account Manager NCL Cluster. |
| Timescale for ICO transformation and implementation of new payment mechanisms | Agreement of this year's contract. Development of new payment mechanisms will form the basis of contract negotiations for future years Contracting team leads from Whittington and NCL sector. | Fiona Smith, Director of Planning, Whittington Hospital and Brenda Pratt, Head Account Manager NCL Cluster. |