



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

Tripartite Formal Agreement between:

- Southampton University Hospital NHS Trust
- NHS South Central Strategic Health Authority
- 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 they take 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

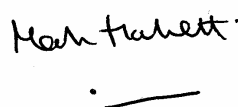
Application submitted

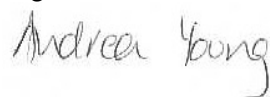
Part 2a - Signatories to agreements


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.


Name, Mark Hackett (CEO of Southampton University Hospitals NHS Trust)	Signature  Date: 27 May 2011
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Name, Andrea Young (CEO of NHS South Central SHA)	Signature:  Date: 27 May 2011
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Name, Ian Dalton, (Managing Director of Provider Development, Department of Health)	Signature  Date: 7 July 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.

Name, Bob Deans, Chief Executive NHS Southampton City (CEO of Lead commissioner)	Signature  Date: 27 May 2011
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Part 3 – NHS Trust summary

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

Required information

Current CQC registration (and any conditions):

Registration without any conditions

Financial data

£million	2009/10	2010/11
Total income	500.8	514.4
EBITDA	35.8	30.4
Operating surplus/deficit (pre-impairment)	6.8	2.9
CIP target	22.1	33.5
CIP achieved recurrent	18.3	28.2
CIP achieved non-recurrent *	3.4	4.9

Note: * The full year effects of recurrent schemes delivered in 2009/10 and 2010/11 were £2.8m and £3.1m respectively. These values substantially offset the in year non-recurrent savings of £3.4m and £4.9m in 2009/10 and 2010/11 respectively.

The NHS Trust's main commissioners

NHS Hampshire, NHS Southampton and specialist commissioning are the three main commissioners of the Trust.

Summary of PFI schemes (if material) Not applicable

Further information

Southampton University Hospitals NHS Trust (SUHT) provides services to some 650,000 people living in Southampton and South West Hampshire, plus specialist services such as neurosciences, cardiac services and children's intensive care to more than 4 million people in central southern England and the Channel Islands.

The Trust is also a major centre for teaching and research in association with the University of Southampton and partners including the Medical Research Council and Wellcome Trust.

The Trust:

- treats around 112,000 inpatients and day patients, including about 50,000 emergency admissions;
- see approximately 425,000 people at outpatient appointments; and
- deal with around 120,000 cases in the emergency department

The Trust employs 7,500 staff.

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 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 type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
Quality and Performance QIPP Quality and clinical governance issues Service performance issues	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" 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> <ul style="list-style-type: none"> QIPP/CIP challenge is significant. The outcome of the 2011/12 contracting round is reflected in the LTFM and suitable financial risk sharing between the Trust and HPCT and SCPCT with close monitoring of activity management plans with required actions to keep the schemes on target is in place. Liquidity issues remains a key challenge facing the Trust. A national solution is currently under review by the DOH. 	

Part 5 – NHS Trust actions required

Strategic and local health economy issues	
Integration of community services	<input 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 checked="" 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"/>

Key actions to be taken by NHS Trust to support delivery of date in part 1 of agreement

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

- Detailed Board Performance Monitoring Framework. All key Quality KPIs reviewed monthly
- Performance robustly reviewed by Trust Board
- Detailed action plans drawn up for any areas of below target performance
- Areas of concern reviewed and scrutinized in more detail at Audit & Assurance Committee, a sub-Committee of Board
- More detailed reports on safety, patient experience and patient outcomes go on a sequential quarterly basis to Trust Board, and these reports detail delivery of the Trust's annual Patient Improvement Framework alongside key national metrics
- Trust Board also undertakes clinical visits on a regular basis to triangulate Quality Board reports and to talk directly to Clinical staff

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:

- Reflect trajectory agreed with main Commissioners back to full PbR over 2011/12 and 2012/13.
- Trust needs to ensure that performance against key targets is maintained and will have addressed the key service performance issues by end of Quarter 1.

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 checked="" type="checkbox"/>
Quality and clinical governance	<input 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>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> <ul style="list-style-type: none"> • Performance management of delivery of key targets to be maintained • Continue to support Trust application for £20m loan to improve liquidity • Performance management of PCT activity management schemes linked to QIPP to ensure execution of agreed schemes remain on track across the South West Hampshire health system. • Delivery of all hyper-acute service reconfigurations recommended by StHA and ensuring Major Trauma Centre tariffs and plan in 2011/12 is executed. 	

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 checked="" 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"/>
<p>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:</p> <ul style="list-style-type: none"> • Solution to liquidity issues needs resolution as noted above 	

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

Date	Milestone
April 2011	Liquidity issue - solution needs to be agreed, which results in FRR of 3 projected from October 2011 onwards and Trust able to proceed with application with Monitor
End of June 2011	Achieve all key performance targets
<p>Provide detail of what the milestones will achieve\solve where this is not immediately obvious. For example, Resolves underlying financial problems – explain what the issue is, the proposed solution and persons\organisations responsible for delivery.</p> <p>Describe what actions\sanctions the SHA will take where a milestone is likely to be, or has been missed.</p> <p>Robust performance management and escalation arrangements will be put in place with :</p> <ul style="list-style-type: none"> • monthly reviews against project plan and milestones; • Executive to Executive Management meetings; • Regular Board to Board meetings • Quarterly stocktakes <p>Any slippage, or risk of slippage will be addressed immediately with action plans</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 (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 formally has the authority.)

Part 9 – Key risks delivering

Risk	Mitigation including named lead
Liquidity issue cannot be resolved resulting in non-viable application to Monitor	Continued dialogue between the Trust, SHA and the DoH to resolve SHA Director of Finance and Performance