



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

Tripartite Formal Agreement between:

- Winchester and Eastleigh Healthcare 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 that takes over the SHA provider development functions.

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 anyway, 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 Quality, Innovation, Productivity & Prevention (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 NTDA previously known as the Provider Development Authority – the name change is proposed to better reflect their role with NHS Trusts only.


9 January 2012
***acquisition date by**
Foundation Trust


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, Dr Chris Gordon (Acting CEO of Winchester and Eastleigh Healthcare NHS Trust)	Signature  Date: 1st September 2011
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Name, Andrea Young (CEO of NHS South Central SHA)	Signature  Date: 1 st September 2011
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Name, Ian Dalton, (Managing Director of Provider Development, Department of Health)	Signature  Date: 27 th 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.

Name, Debbie Fleming Chief Executive NHS Hampshire (CEO of NHS Hampshire, Lead commissioner)	Signature  Date: 1st September 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 conditions

Financial data

£m	2009/10	2010/11
Total income	143.7	147.0
EBITDA	9.6	10.8
Operating surplus\deficit	0.2	0.1
CIP target	10.0	11.1
CIP achieved recurrent	4.5	4.8
CIP achieved non-recurrent	2.2	1.0

The NHS Trust's main commissioners

The main commissioner of the Trust is NHS Hampshire accounting for around 92% of Primary Care Trust (PCT) related income for local acute services.

Summary of PFI schemes (if material)

Not applicable

Further information

The Winchester and Eastleigh Healthcare NHS Trust is a two site, acute trust providing secondary care and some community services to the residents of Winchester city and Test Valley and Eastleigh boroughs; to a population base of 340,000.

The Royal Hampshire County Hospital in Winchester (400 beds) offers a range of acute services, whilst Andover War Memorial Hospital (22 beds) provides a minor injuries unit, outpatient and diagnostic services, maternity services and elective surgery. Paediatric acute services are provided at Royal Hampshire County Hospital and outpatient services at Andover.

The Trust was originally established as a combined acute and community trust and therefore still provides a number of community services.

It currently employs 2270 staff (wte).

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	<input type="checkbox"/>
Site reconfigurations and closures	<input type="checkbox"/>
Integration of community services	<input type="checkbox"/>
Not clinically or financially viable in current form	<input checked="" type="checkbox"/>
Local health economy sustainability issues	<input type="checkbox"/>
Contracting arrangements	<input type="checkbox"/>
Financial	
Current financial Position	<input checked="" type="checkbox"/>
Level of efficiencies	<input checked="" type="checkbox"/>
PFI plans and affordability	<input type="checkbox"/>
Other Capital Plans and Estate issues	<input checked="" type="checkbox"/>
Loan Debt	<input type="checkbox"/>
Working Capital and Liquidity	<input type="checkbox"/>
Quality and Performance	
QIPP	<input checked="" type="checkbox"/>
Quality and clinical governance issues	<input type="checkbox"/>
Service performance issues	<input type="checkbox"/>
Governance and Leadership	
Board capacity and capability, and non-executive support	<input type="checkbox"/>

Please provide any further relevant local information in relation to the key issues to be addressed by the NHS Trust:

A number of the local health economies in NHS South Central face financial challenges which are putting pressure on commissioning budgets. The local Quality, Innovation, Productivity and Prevention challenge is significant.

Acquisition by the Basingstoke and North Hampshire NHS Foundation Trust is the preferred option, following a robust clinically led commissioning process. This is subject to the final approval of the Board of Basingstoke and North Hampshire NHS Foundation Trust which has submitted a Business Case to Monitor for the acquisition, but will not make a final decision until end of October 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
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Strategic and local health economy issues	
Integration of community services	<input type="checkbox"/>
Financial	
Current financial position	<input checked="" type="checkbox"/>
CIPs	<input checked="" type="checkbox"/>
Other capital and estate Plans	<input checked="" 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 checked="" 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 has robust governance arrangements and an active patient safety culture. The Board receives regular monthly reports on quality of care including key metrics, patients' stories and audit information. The Trust has recently been awarded Level 2 CNST for Maternity Services and performed particularly well in the National Sentinel Stroke Audit. Winchester and Eastleigh Healthcare NHS Trust has a strong reputation for high quality care and has a commitment to continuing improvement. The failure to reach Foundation Trust status is driven by financial lack of sustainability and not by quality of care. The Board recognises the need to ensure that this high quality care is maintained during this time of organisational change.

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:

- The Trust will work with Basingstoke and North Hampshire NHS Foundation Trust to ensure that the acquisition proceeds. Due diligence was completed at the end of March, and Basingstoke and North Hampshire NHS Foundation Trust have submitted an integrated business plan to Monitor Winchester and Eastleigh Healthcare NHS Trust are providing full support to this process led by the Chief Executive Officer.
- The Trust must improve its financial position in 2011/12. This is being led by the Finance Director and the Chief Operating Officer. In order to do this the Trust will meet contractual, Cash Releasing Efficiency Savings and demand management targets, set out below:
 - £9.4m Cash Releasing Efficiency Savings to cover national requirements and local cost pressures.
 - NHS Hampshire and Winchester and Eastleigh Healthcare NHS Trust have identified £3.8m of Quality, Innovation, Productivity and Prevention savings which could be realised from the Winchester and Eastleigh Healthcare NHS Trust budget in 2011/12. Winchester and Eastleigh Healthcare NHS Trust will actively contribute to delivering these savings.
 - The Trust has provided robust data to allow NHS Hampshire to recognise £1.5m of additional payments for locally priced activity.
 - NHS Hampshire will ensure that the contract agreements with Winchester and Eastleigh Healthcare NHS Trust and Basingstoke and North Hampshire NHS Foundation Trust for 2011/12 are aligned to support the future acquisition.
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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 checked="" 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"> • Work with the Primary Care Trust and Trust to ensure Quality Innovation Productivity Prevention and efficiency targets are delivered • Ensure Department of Health Transaction Board approval • Ensure Clinical Commissioning Consortia involvement in shaping clinical strategy • Ensure cancer waiting times and referral to treatment targets are delivered 	

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 checked="" 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"> • Clarity on Department of Health Transaction Board process 	

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

Date	Milestone
March 2011	Due Diligence completed
13 May 2011	Cooperation and Competition Panel began review of proposed acquisition
End of May 2011	Basingstoke and North Hampshire NHS Foundation Trust (BNHFT) develop business case for acquisition, including clinical services model
August 2011	Cooperation and Competition Panel completed extended Phase 1 review and approved acquisition
August – October 2011	Basingstoke and North Hampshire NHS Foundation Trust submit business case to Monitor Monitor consider business case and provide risk rating
End October 2011	Board of Directors of Basingstoke and North Hampshire NHS Foundation Trust approve the acquisition
November 2011	Strategic Health Authority submit transaction to DH Transactions Board
9 January 2012	Dissolution of Winchester and Eastleigh Healthcare NHS Trust (WEHT)
<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 is formally has the authority)

Part 9 – Key risks to delivery

Risk	Mitigation including named lead
Financial risk on downside case	<p>Continue to develop Cost Improvement Plans and work with commissioners</p> <p>Trust Lead: Director of Finance SHA Lead: Director of Finance and Performance</p>
Service Performance slips	<ul style="list-style-type: none"> • Regular performance monitoring arrangements in place. • Intervention gradient in place to enable swift response and action • Regular performance meetings with the Trust and commissioner to address any emerging issues • Weekly meetings of Executive Team to flag emerging situations/gaps <p>Trust Lead: Director of Finance SHA Lead: Director of Finance and Performance</p>
Delays in CCP process	<ul style="list-style-type: none"> • Timely supply of information to Cooperation and Competition Panel • Contingency Plan for date to slip to January 2012 <p>SHA Lead: Director of Provider Development</p>
QIPP challenge not delivered and WEHCT financial position worsens	<ul style="list-style-type: none"> • All parties to continue to work closely on delivery and ensure that plans are delivered <p>Trust Lead: Director of Finance SHA Lead: Director of Improvement and Efficiency</p>
Organisational uncertainty at SHA and PCT level	<ul style="list-style-type: none"> • Close liaison between existing organisations and emerging NHS Trust Provider Development Authority <p>PCT Cluster Lead: Cluster Director of Finance SHA Lead: Director of Communications and Corporate Affairs</p>
BNHFT Board do not approve the acquisition	<ul style="list-style-type: none"> • Close liaison between BNHFT and the signatories of this agreement to understand any potential issues and resolve them quickly. <p>Trust Lead: Chief Executive SHA Lead: Director of Provider Development</p>
Delays with the DH Transactions Board process	<ul style="list-style-type: none"> • Ensure information is submitted as requested and discussions held to address key issues. <p>SHA Lead: Director of Provider Development</p>