

TFA document



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

Tripartite Formal Agreement between:

- Southport and Ormskirk Hospital NHS Trust
- NHS North West
- 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 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.

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

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


1st 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.


Jonathan Parry, (CEO of NHS Trust)	 Signature Date: 23 May 2011
------------------------------------	---

Mark Ogden, (CEO of SHA)	 Signature Date: 23 May 2011
--------------------------	---

Ian Dalton, Managing Director of Provider Development	 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.

Janet Atherton, (Acting CEO of NHS Sefton)	 Signature Date: 24 May 2011
--	---

Part 3 – NHS Trust summary

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

Required information

The Trust has full CQC registration and there are no conditions.

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

	2009/10	2010/11
	£'000s	£'000s
Total income	146,757	153,368
EBITDA	10,134	9,901
Operating surplus/deficit	500	853
CIP target	4,100	5,000
CIP achieved recurrent	4,237	5,001
CIP achieved non-recurrent	236	150

The NHS Trust's main commissioners:

NHS Sefton (Lead)
NHS Central Lancashire

Summary of PFI schemes (if material)

Not Applicable

Southport and Ormskirk Hospital NHS Trust is a medium sized hospital comprising the Southport and Formby District General Hospital in Merseyside and Ormskirk and District Hospital in West Lancashire.

The NHS Trust serves a resident population of approximately 220, 000 people. It provides a comprehensive range of acute hospital services for emergency and elective patients with its main accident and emergency department on the Southport and Formby DGH site and a Paediatric accident and emergency on its Ormskirk and District General Hospital site.

The total annual income for the NHS Trust during 2009/10 was £146.8m and a surplus of £0.5m was delivered before impairments.

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 checked="" type="checkbox"/> <input type="checkbox"/> <input 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 type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Quality and Performance QIPP Quality and clinical governance issues Service performance issues	<input 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>Finance</p> <p>Whilst the Trust is in a good financial position, it needs to review the headroom afforded to them in their financial plans, even more so following the acquisition of community services. The Net Surplus Margin dips below 1% from 2012/13 to 2014/15 and their strongest liquidity position by 31 March 2014 is only 19.2 days. This level of performance will render the application susceptible to sensitivity analysis.</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 checked="" type="checkbox"/>
Financial	
Current financial position	<input 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 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"/>
<p>Describe what actions the Board is taking to assure themselves that they are maintaining and improving quality of care for patients.</p> <p>The Trust has a well established Quality and Governance structure. The Trust is fully compliant with the Care Quality Commission (CQC) registration standards and is registered without conditions and is scored as Good for Quality of Services and Excellent for Financial Management.</p> <p>The Trust is proud of its track record in relation to clinical quality. The Trust was the highest performer in the North West against the agreed Advancing Quality (AQ) indicators and has an established history of engagement in patient reported outcomes.</p> <p>The Board Assurance Framework is the tool by which the Board is assured that the principal risks to achieving corporate objectives are being managed. The Assurance Framework document contains information regarding internal and external assurances that organisational goals are being met. Where risks are identified, mitigations and subsequent action plans are mapped against them. The document is interrogated by the Trust Board on a monthly basis. Alongside other assurances regularly reported to the board it allows a confidence in the signing of the statement of internal control and the Care Quality Commission declaration of compliance with the regulations.</p> <p>The Trust Board is supported by 6 formal sub-committees designed to provide assurance on delivery of the Trust's business objectives and overall control arrangements. The Risk Management, Infection Control and Quality Committees are the main vehicles by which the Board receive assurance on quality of patient care.</p> <p>The Board Committees provide the internal assurance by focussing on agreed Terms of Reference and work programmes and detailed analysis of assurances given in order to evaluate their effectiveness and determine any gaps on behalf of the board. Non-Executive Directors are members of all Board Committees and minutes of each committee are presented to the Trust Board on a monthly basis at which time appropriate issues are highlighted.</p> <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:</p> <p>Jonathan Parry (CEO), Formal application to DH October 2012</p> <p>Finance Trust meeting SHA in May 2011 to discuss February's LTFM submission and how Trust should progress to next submission including TFA financial monitoring template that needs to be submitted monthly.</p> <p>Performance Monthly extracts from integrated performance report showing latest position against Monitor's compliance framework for financial and performance metrics to be shared with SHA.</p>	

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 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 checked="" 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>Local milestones to be established April 2011. SHA requires monthly extracts from integrated performance report showing latest position against Monitor's compliance framework for financial and performance metrics. Outline progress and key achievements in the time period covered confirming future timeline. Describe how the issues outlined in the TFA are being tackled. Provide an updated risk register, providing risk score and mitigating actions for all risks in the TFA. An action plan will be necessary for any potential slippages of key tasks.</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 2011	SHA/Trust Meeting to establish local milestones. Monthly extracts from integrated performance report showing latest position against Monitor's compliance framework for financial and performance metrics. Monthly TFA review begins.
June 2011	Activity modelling review meeting Financial modelling review meeting
July 2011	Initial TFA financial monitoring template then monthly.
August 2011	LTFM submission
September 2011	Feedback provided on LTFM
November 2011	1 st draft submission of IBP/LTFM TCS 6 month review Quality Governance Assessment commences
December 2011	Feedback provided on IBP/LTFM
January 2012	Review of proposed consultation document
February 2012	2nd formal submission of IBP/LTFM Commencement of consultation
March 2012	Feedback provided on IBP/LTFM
April 2012	3rd formal submission of IBP/LTFM HDD1
May 2012	Feedback provided on IBP/LTFM
June 2012	4th formal submission of IBP/LTFM
July 2012	Feedback provided on IBP/LTFM HDD2
August 2012	Final submission of IBP/LTFM Board to Board session
September 2012	Feedback provided on IBP/LTFM NTDA recommend to Exec Board
<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>The Trust's strategy sees the ICO formation/integration being a key objective in the early part of 2011/12 and this will enable further refinement of the LTFM.</p> <p>Describe what actions\sanctions the SHA will take where a milestone is likely to be, or has been missed.</p> <p>SHA escalation policy will be implemented</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
Transformation & Integration	Lead: Director of Facilities The Trust has established a Programme Management structure to deliver both transformation and integration. This comprises a Strategy Board that reports to the Trust Board supported by an Integration Programme Board.
Monitor financial metrics	Lead: Director of Finance The Trust has been reporting monthly its calculated financial risk rating to Finance & Performance Committee since 2008.
CIPs/Efficiencies	Lead: Director of Finance There is an established CIP Board that meets on a regular basis. Progress is monitored at the Finance & Performance Committee which in turn is reported to the Board.
External Relationships	Lead: Director of Strategy The Trust has a well developed and agreed Communications Strategy. This strategy is supplemented with the impending formation of a Clinical Senate to ensure engagement with the broader Clinical Community.