



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

Tripartite Formal Agreement between:

- West Suffolk Hospital NHS Trust
- NHS East of England
- 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


With Monitor


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.


Stephen Graves (CEO of West Suffolk Hospital NHS Trust)	Signature  Date: 24 March 2011
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Sir Neil McKay (CEO of SHA)	Signature  Date: 31 March 2011
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Ian Dalton Managing Director of Provider Development	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.

Paul Watson (CEO of NHS Suffolk)	Signature  Date: 30 March 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):

Unconditional registration

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

£m	2009/10*	2010/11*
Total income	151.2	153.5
EBITDA	12.9	7.7
Operating surplus\deficit	6.1	0.194
CIP target	4.0	5.5
CIP achieved recurrent	3.2	3.2
CIP achieved non-recurrent	1.8	1.8

* excluding Collaborative Procurement Hub which the Trust hosts.

The NHS Trust's main commissioners: NHS Suffolk (84%)

Summary of PFI schemes (if material) The Trust does not have any PFI schemes

Turnover: £150M

Beds: 457

Geographical area covered: West Suffolk Hospital serves a predominantly rural geographical area of approximately 600 square miles. The main catchment area for WST extends to Thetford in the north, Sudbury in the south, Newmarket to the west and Stowmarket to the east.

Main commissioner (% of turnover): NHS Suffolk (84%)

List previous FT applications: August 2004; November 2008

Date secured SHA Support: August 2008

Date secured Secretary of State Support: 10 November 2008

Key decision date. Monitor to confirm – earliest possible is October 2011.

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 checked="" type="checkbox"/> <input checked="" type="checkbox"/>
Governance and Leadership Board capacity and capability, and non-executive support	<input checked="" 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>Various issues have caused delay including:</p> <ul style="list-style-type: none"> – Financial reporting to the Board – Quality reporting to the Board – Plans for TCS – Missing A&E target – CIPs and LTFM downside mitigation <p>Changes to the Executive Team</p> <ul style="list-style-type: none"> – New Finance Director – New CEO – New NEDs <p>QIPP</p> <p>System QIPP plan endorsed by NHS East of England with clear focus on agreed conditions including diabetes, stroke and CHD mortality. The WSH Annual plan is aligned to these and good working arrangements are in place between WSH, NHS Suffolk and the West Suffolk Commissioning Federation to review patient pathways.</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 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 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 Board has taken the following action:</p> <ul style="list-style-type: none"> • Reviewed and changed the Trust governance structures to enhance the organisations focus on quality • Commissioned an independent review of quality governance • Reviewed and improved the processes for SRI reporting and investigation • Reviewed its quality priorities and is consulting on these for 2011/12 • Reviewed quality metrics in place to support directorates and enhanced data collection • Reviewed the Trusts transformation priorities • Improved communication of quality priorities throughout the Trust and in particular from ward to Board <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> <ul style="list-style-type: none"> – Trust has radically improved A&E position (Andy Graham – ongoing) – Agree year-end position with NHS Suffolk (Stephen Graves – March 2011) – New FD in post (April 2011) – Develop updated LTFM (Stephen Graves – April 2011) – Mount successful Monitor assessment (Stephen Graves – summer 2011) – Understand impact of new Monitor 2011/12 Compliance Framework (Andy Graham – March 2011) – Update self assessment and assurance under Monitor Quality Framework (Stephen Graves – April 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 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 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"> – Re-establish Postponement Board with West Suffolk and NHS Suffolk (Steve Dunn – March 2011) – Participate in Monitor assessment – SHA interviews and CQC/SHA QRP review (Steve Dunn/Steve Clarke – Summer 2011) – Present to West Suffolk Board (May 2011) – Run Mock Board to Board meeting with West Suffolk (Steve Dunn – June 2011) – Share learning from QEHKL authorisation (Steve Dunn – April 2011). 	

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: None.	

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

Date	Milestone
March 2011	Postponement Board re-established
April 2011	Trust undertake quality self assessment
June 2011	SHA Mock Board to Board meeting
June 2011	Reassessment with Monitor begins
October 2011	First possible authorisation date
<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>Chair – CEO escalation meeting with SHA to discuss Plan B. This is the final Monitor assessment of the West Suffolk FT application.</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. The agreed actions of all SHAs will be taken over by the NTDA.

Part 9 – Key risks to delivery

Risk	Mitigation including named lead
Year end position 2010/11	Trust / PCT discussions (Stephen Graves)
Delivering the financial plans required in 2011/12	Trust / PCT discussions (Stephen Graves)
Review position against Monitor Quality Framework	Trust commissioned own external review (Stephen Graves / RSM Tenon)
Review position against new Compliance Framework	Trust review (Andy Graham)
Develop two years of detailed CIPs and downside mitigations	Trust Finance Director Craig Black is leading the work
Embedding new Board members	Trust Board development programme (Roger Quince)