

TFA document



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

Tripartite Formal Agreement between:

- Brighton and Sussex University Hospitals NHS Trust
- NHS South East Coast
- 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. In the future, the agreed actions assigned to SHAs will be taken over by the National Health Service Trust Development Authority (NTDA).

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 April 2013


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.

Duncan Selbie, CEO, BSUH NHS Trust	Signature  Date: 16 September 2011
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Candy Morris, CEO, NHS South East Coast	Signature  Date: 28 September 2011
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Ian Dalton, Managing Director of Provider Development, Department of Health	 Signature Date: 30 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.

Amanda Fadero, CEO, Sussex PCT Cluster	Signature
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	 Date: 23 September 2011
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Part 3 – NHS Trust summary

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

BSUH is the regional teaching hospital working across two sites: the Royal Sussex County Hospital in Brighton and the Princess Royal Hospital in Haywards Heath. The Brighton campus includes the Royal Alexandra Children's Hospital and the Sussex Eye Hospital, and the Haywards Heath campus includes the Hurstwood Park Regional Centre for Neurosciences.

BSUH provides District General Hospital services to its local populations in and around the City of Brighton and Hove, Mid Sussex and the western part of East Sussex. BSUH also provides more specialised and tertiary services for patients across Sussex and the south east of England.

Both hospitals provide many of the same acute services for their local populations. In addition, the Princess Royal Hospital is the centre for elective surgery and the Royal Sussex County Hospital is the centre for emergency and tertiary care. BSUH's specialised and tertiary services include neurosciences, neonatal, paediatrics, cardiac, cancer, renal, infectious diseases and HIV medicine. BSUH is also the major trauma centre for the region.

BSUH has been registered with the Care Quality Commission (CQC) without conditions since April 2010. The CQC conducted an unannounced inspection at the Royal Sussex County Hospital on 5 July 2011 and were satisfied that BSUH was compliant with the seven domains they reviewed.

The NHS Trust's main commissioner is NHS Brighton and Hove.

Financial data

	2009/10	2010/11
Total income	416.0	439.7
EBITDA	35.1	30.1
Operating surplus/deficit	10.2	4.5
CIP target	25.1	36.5
CIP achieved recurrent	23.8	22.8
CIP achieved non-recurrent	1.3	0.0

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 checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
Quality and Performance QIPP Quality and clinical governance issues Service performance issues	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
Governance and Leadership Board capacity and capability, and non-executive support	<input type="checkbox"/>
<p>BSUH's vision is to be locally and nationally renowned for delivering safe, high quality and compassionate care and to be the regional centre of clinical and academic excellence.</p> <p>Through its 3Ts programme (teaching, trauma and tertiary care), BSUH plans to modernise the Royal Sussex County Hospital in Brighton, develop and expand the services provided for the most seriously ill and injured patients, and strengthen its role as the regional teaching hospital. The £420m scheme is recognised by the Department of Health (DH) as a public capital funded scheme in procurement and preparation. A final decision on funding will be taken towards the end of 2012. BSUH and its Strategic Health Authority have therefore agreed that 3Ts should be incorporated into the IBP and that the LTFM will cover a ten year period, rather than the normal five. This is consistent with how Monitor has considered other applicants with major capital programmes.</p> <p>BSUH cleared the £34 million of historic debt accumulated in the period up to 2007 three years ahead of schedule. In the short to medium-term, achieving the liquidity ratio required by Monitor for NHS foundation trusts is more challenging but a strategy has been developed to deliver and maintain this, including the recent receipt of a £15 million DH working capital loan repayable over five years. BSUH has delivered between 5 and 6% recurrent CIPs net of income in each of the last three years and, with ongoing rigour provided through strengthened Programme Management Office support, will deliver this level of CIPs in 2011/12 and 2012/13. Delivery of planned surpluses for the 2011/12 and 2012/13 financial years will, however, require delivery of efficiencies above and beyond 6% and a system-wide response is being agreed with NHS Sussex.</p> <p>The commissioning intentions from the commissioners of services from BSUH currently show an expected reduction in unscheduled admissions and A&E attendances in addition to planned care in an outpatient setting by 2014/15 to be achieved through better commissioning of community and primary care services.</p>	

The integrated business plan of BSUH contains prudent assumptions and takes account of these commissioning intentions. BSUH and NHS Sussex continue to work in close partnership to ensure consistency between BSUH's integrated business plan, NHS Sussex's commissioning intentions and QIPP savings as set out in the SHA's integrated plan. This will be completed by March 2012, led by the BSUH Chief Financial Officer and the NHS Sussex Finance Director.

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 checked="" type="checkbox"/>
Other capital and estate Plans	<input checked="" type="checkbox"/>
Quality and Performance	
Local / regional QIPP	<input type="checkbox"/>
Service Performance	<input type="checkbox"/>
Quality and clinical governance	<input checked="" type="checkbox"/>
Governance and Leadership	
Board Development	<input type="checkbox"/>
Other key actions to be taken (please provide detail below)	<input type="checkbox"/>

With ongoing rigour provided through strengthened Programme Management Office support, BSUH will deliver the planned recurrent CIPs in 2011/12 and 2012/13. Key workstreams are clinical processes, procurement, estates rationalisation and back office (including management costs). A Chief Operating Officer will take up post in October 2011 at no additional cost to the Hospital to focus on delivery of the plan and maintain and improve performance generally. BSUH will continue to work in close partnership with NHS Sussex and neighbouring providers in the design and delivery of a system-wide response that realises efficiencies above and beyond those that can be delivered by BSUH alone.

BSUH will continue to embed the safety and quality governance arrangements introduced in 2010 to ensure that they meet the standards required by Monitor and ensure delivery of the Safety and Quality Priorities set out in the BSUH Quality Account for 2010/11.

BSUH will continue to progress the 3Ts programme in close partnership with NHS Sussex, the SHA, DH and the local authority. The planning application was submitted in September with a decision expected by the end of 2011 or January 2012. This follows extensive consultation with the local authority, local stakeholders and English Heritage and significant progress in the design and planning of the redevelopment of the Royal Sussex County Hospital site.

BSUH introduced a new governance framework in the autumn of 2010, as set out in its publication *Rules of Procedure*, which included contributions from subject matter experts from legal, accounting and regulatory backgrounds. One of the core components is the Safety and Quality Committee of the Board, chaired by a NED, which in turn is supported by Divisional Safety and Quality Committees chaired by clinicians.

The Divisional Safety and Quality Committees provide assurance on the true state of safety and quality in the hospital and drive cultural change and best practice. They are supported in their work by cutting edge initiatives such as the appointment of the first Chief of Safety and the first Safety Ombudsman in a UK hospital.

BSUH's Quality Account for 2010/11 sets out the safety and quality achievements for the year and the priorities for 2011/12, which include:

- a 25% reduction in falls across the hospital;
- ensuring that all surgical teams complete the WHO Safer Surgery Checklist training;
- all clinical teams completing the Ward Safety Checklist Training and using it on an ongoing basis;
- a 50% reduction on targeted wards in the number of medication misdoses and omissions;
- the elimination of avoidable category 3 pressure sores and an 80% reduction of avoidable category 2 pressure sores; and
- reducing readmission rates in line with national best practice.

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 checked="" 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>NHS SEC FT assurance process, covering finance, quality and operational performance. Lead: Regional Director of Provider Development Milestones: as below.</p> <p>Support Trust in progressing the 3Ts programme through OBC approval stage. Lead: Director of Finance and Performance Autumn 2011</p> <p>Support Trust and NHS Sussex in implementing system-wide solutions that contribute to delivery of recurrent efficiencies above and beyond the 6% delivered by BSUH. Lead: Director of Finance and Performance</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 checked="" type="checkbox"/>
DH formal consideration and approval of Trust's 3Ts OBC submission to go forward to FBC stage.	

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

Date	Milestone
September 2011	3Ts planning application submitted to local authority
November 2011	LTFM and CIP submission to SHA
December 2011	Decision expected on 3Ts planning application by local authority
By December 2011	3Ts OBC approved by SHA
By March 2012	3Ts OBC approved by DH
April 2012	IBP and LTFM submission to SHA
November 2012	IBP and LTFM submission to SHA, including two year CIP programme (2013/14 and 2014/15)
By December 2012	3Ts FBC approval
January 2013	Historical Due Diligence stage two
February 2013	Final IBP and LTFM submitted to SHA
February 2013	Commissioner convergence letter
March 2013	Board-to-Board with SHA
Each of the milestones are points where the Trust is assessed against the eight domains by the SHA to ensure that appropriate progress has been made versus the assurance timeline. Feedback is provided to the Trust and when appropriate remedial action taken to ensure the process is kept on schedule.	

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. In the future, the agreed actions assigned to SHAs, will be taken over by the National Health Service Trust Development Authority (NTDA).

Part 9 – Key risks to delivery

Risk	Mitigation including named lead
Poor liquidity ratio	Implementation of other elements of liquidity strategy following receipt of £15m working capital loan in September 2011 – Chief Financial Officer
Planning consent for 3Ts development delayed with corresponding impact on funding decision	BSUH will submit its planning application to local authority in late September 2011 following extensive discussions with them, local stakeholders and English Heritage - Director of 3Ts, Estates and Facilities
Non-delivery of CIPs	Ongoing rigour provided through strengthened Programme Management Office support and agreement of system-wide response for delivery of efficiencies above and beyond 6% - Chief Financial Officer