TFA document

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

Tripartite Formal Agreement between:

- The Royal Wolverhampton Hospitals NHS Trust
- NHS West Midlands
- 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 – David Loughton CBE, Chief Executive Officer
SHA – Ian Cumming, 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 on 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

Trust is at 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.

David Loughton, CBE Chief Executive The Royal Wolverhampton Hospitals NHS Trust	Signature  Date: 29th March 2011/ Revised: 24th May 2011
Ian Cumming, OBE Chief Executive NHS West Midlands	Signature  Date: 24.5.2011
Ian Dalton Managing Director, Provider Development Department of Health	Signature  Date: 8 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.

Robert Bacon, CE Black Country Cluster	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 is registered without conditions with the CQC

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

	2009/10 £m	**2010/11**** £m
Total income	290	305
EBITDA	31	31
Operating surplus\deficit*	8.0	8.6
CIP target	5.8	8.1
CIP achieved recurrent	4	7.1
CIP achieved non-recurrent	1.8	1

*Breakeven performance adjusted for impairments and IFRIC 12
**Based on draft accounts

The NHS Trust's main commissioners
Wolverhampton City PCT
South Staffordshire PCT
Specialised Services Commissioners
Summary of PFI schemes (if material) - Nil

Overview of the Trust
The Royal Wolverhampton Hospitals NHS Trust was established in 1994 and is a major acute Trust providing a comprehensive range of services for the people of Wolverhampton, the wider Black Country, South Staffordshire, North Worcestershire and Shropshire. It gained Cancer Centre status in 1997, was designated as the 4th Regional Heart & Lung Centre during 2004/05 and became one of the first wave Bowel Screening Centres in 2006. The Trust is the largest teaching hospital in the Black Country providing teaching and training to around 130 medical students on rotation from the University of Birmingham Medical School. It also provides training for nurses, midwives and allied health professionals though well established links with the University of Wolverhampton. One of the largest acute providers in the West Midlands the Trust has an operating budget of £305 million, 726 beds including 27 intensive care beds and 14 neonatal intensive care cots and employs almost 5000 staff. In 2009/10 the Trust treated more than 700,000 patients at hospital and community sites across the West Midlands. The Trust serves a core catchment population of around 336,000 for its secondary care services and around one million for its tertiary services**. From 1st April 2011 the Trust integrated with the provider services (with the exception of mental health and learning disabilities) from Wolverhampton City PCT under the Transforming Community Services agenda**

The Trust is in the Monitor phase of its application to become a foundation trust. Wolverhampton City PCT and Specialised Services Commissioners have confirmed their support for the Trust's application and its intentions as described in its Integrated Business Plan and Long Term Financial Model to the SHA and to Monitor

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	☐
Financial	
Current financial Position	☐
Level of efficiencies	☐
PFI plans and affordability	☐
Other Capital Plans and Estate issues	☐
Loan Debt	☐
Working Capital and Liquidity	☐
Quality and Performance	
QIPP	☐
Quality and clinical governance issues	☐
Service performance issues	☐
Governance and Leadership	
Board capacity and capability, and non-executive support	☐

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

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	
Financial	
Current financial position	☐
CIPs	☐
Other capital and estate Plans	
Quality and Performance	
Local / regional QIPP	☐
Service Performance	☐
Quality and clinical governance	
Governance and Leadership	☐
Board Development	☐
Other key actions to be taken (please provide detail below)	

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

The Trust's vision is "to be a first class hospital providing top quality care in every way". Patient safety and quality of care and experience are our highest priority and feed into every discussion the Board has. The Trust has a number of strategies linked to improving the quality of care and preventing harm. To monitor successful delivery of these strategies the Trust has a comprehensive suite of performance indicators. These are reported to the Trust Board on a monthly basis as part of the Quality and Safety report and the Operational Performance report. Each month the Trust Board hears a Patient Story these reflect the very good experiences and also areas where the Trust needs to improve, these stories complement the regular reports the Board receives on complaints

The Trust Board promotes a quality focussed culture across the organisation, placing a high priority on communicating the importance of quality to all staff. This approach is supported by Board members undertaking Safety Walkabouts. Its Preventing Harm Campaign encapsulates a Board to Ward approach to patient safety with active engagement from staff across the organisation and regular reporting to the Board. The Trust's approach to infection prevention has been taken beyond the hospital and into the community settings with a highly successful campaign the results of which are evidenced by passing the 2 year mark for no cases of MRSA. Reporting of incidents and untoward events is actively encouraged, this is reflected in the NPSA reports which show the Trust is at the top of its peer group for incident reporting. Staff engagement and support is critical to the ability to deliver high quality services. The Trust uses a range of methods to seek views and get involvement at all levels of the organisation including Listening into Action events and realtime staff surveys. The level and diversity of engagement is evidenced by the number of awards that the Trust is shortlisted for and the products that it has developed for sale on the open market

The approach to quality and safety is also evidenced in the process the Trust uses to assess the impact on quality of its cost improvement schemes and service redesign with clinical and managerial sign off at directorate level and a lead executive director for each scheme.

The Trust has delegated responsibility for detailed analysis and monitoring of quality to its Board Assurance and Quality and Safety Committees, both of which have executive and non-executive director membership. The Board Assurance Framework and Integrated Risk Register are aligned to the Trust's strategic goals and are reviewed on a monthly basis at the Trust Board and relevant sub committees of the Board. External monitoring of quality indicators takes place in Quality Review meetings which are held with commissioners bimonthly. Board development sessions are held monthly providing an opportunity to explore quality issues in greater detail and for Board members to undertake training in areas such as safeguarding.

The Trust has published a Quality Account for the last 2 years. In developing the document the Trust has held stakeholder events and sought the views of patients and carers through other mechanisms to ensure that the Account is reflective of the views of those using our services.

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:

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)	☐
Contracting arrangements	☐
Transforming Community Services	☐
Financial CIPs\efficiency	☐
Quality and Performance Regional and local QIPP	☐
Quality and clinical governance	☐
Service Performance	☐
Governance and Leadership Board development activities	☐
Other key actions to be taken (please provide detail below)	☐

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.

N/A as SHA has already met with Monitor. Awaiting Monitor Board/expected authorisation

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	☐
Financial NHS Trusts with debt	☐
Short/medium term liquidity issues	☐
Current/future PFI schemes	☐
National QIPP workstreams	☐
Governance and Leadership Board development activities	☐
Other key actions to be taken (please provide detail below	☐
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

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.

Describe what actions\sanctions the SHA will take where a milestone is likely to be, or has been missed.

N/A

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 viability – responding to Monitor's revised assumptions	Identification of further mitigations to offset the additional efficiencies required in the downside case. Secure robust evidence of mitigation with respect to financial impact of readmissions and non-elective cap from commissioners. Agree additional CIP schemes across the organisation and secure Board approval **Lead: Director of Finance and Information**
HSMR – awaiting report from CQC Board in response to mortality alerts	Provide further assurance that there is not an underlying problem in respect of hospital mortality **Lead: Medical Director/ Director of Nursing & Midwifery**
Adverse report from CQC findings from unplanned visits affect CQC registration	Awaiting report – due at end of May **Lead: Chief Executive/ Director of Nursing and Midwifery**