TFA document

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

Tripartite Formal Agreement between:

- East and North Hertfordshire 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 DH

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.

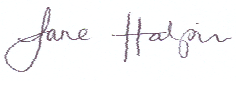
Nick Carver (CEO of East and North Hertfordshire Hospital NHS Trust)	Signature  Date: 25 March 2011

Sir Neil McKay (CEO of SHA)	Signature  Date: 31 March 2011

Name, Job Title (Ian Dalton)	Signature  Date: 23/09/2011

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.

Jane Halpin (CEO of NHS Hertfordshire)	Signature  Date: 31 March 2011

Part 3 – NHS Trust summary

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

Current CQC registration (and any conditions):

The Trust is registered with the CQC without conditions.

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

	2009/10	2010/11
Total income	331.3	337.6
EBITDA	14.7	14.1
Operating surplus\deficit *	2.5	3.3
CIP target	9.6	13.0
CIP achieved recurrent	9.6	11.7
CIP achieved non-recurrent	0	0.2

* Excludes impact of impairments

The NHS Trust's main commissioners are NHS Hertfordshire and NHS Bedfordshire

Summary of PFI schemes (if material)
Only PFI scheme is Hertford County Hospital (HCH) with a unitary payment of around £1m pa.

Geographical area covered:
The East and North Hertfordshire NHS Trust provides secondary and limited tertiary care services from four sites:

- The Lister Hospital, Stevenage; The Queen Elizabeth II (QEII) Hospital in Welwyn Garden City; Hertford County Hospital in Hertford; Mount Vernon Cancer Centre.

The area served by the Trust for acute hospital care covers a population of around 600,000 people and includes south, east and north Hertfordshire, as well as parts of south Bedfordshire. The Mount Vernon Cancer Centre provides specialist cancer services to two million people from Hertfordshire, Bedfordshire, north-west London and parts of the Thames Valley.

Phases 1 - 4
In 2007 we developed, jointly with the PCTs, a service reconfiguration strategy (Delivering Quality Healthcare in Hertfordshire) to consolidate our acute and emergency services on the Lister site, while the PCT develops a 'Local General Hospital', called 'The New QEII' on the vacated QEII Hospital site. This was fully consulted upon in 2007, and received acceptance by the local community and the Hertfordshire County Council's Overview and Scrutiny Committee (OSC). As a result, we have a strategic framework within which to develop services in Hertfordshire that are financially efficient and have the clinical critical mass to support evolving scientific and technological developments. The DQHH programme provides the appropriate strategy for securing the required investment to reconfigure health services in an economic downturn environment.

To achieve the consolidation of acute services the Trust has an Our Changing Hospitals programme which takes a phased approach to change, testing deliverability and flexibility at each stage.

- Phase 0 – Electrical infrastructure and combined heat and power: The electrical infrastructure project is scheduled to be completed by July 2011 and a combined heat and power plant that will heat the hospital in a more sustainable way it is expected to be ready by March 2012 (subject to final approval).
- Phase One (Surgicentre): construction of the Surgicentre development is completed. Detailed work is underway to ensure the successful delivery of the surgical services that will be provided to our patients by Clinicenta through the Surgicentre when it opens (date to be confirmed). Following service commencement the Trust will reconfigure the surgical services to deliver further quality improvements.
- Phase Two (Women's and Children's): construction commenced in September 2009 with the service due to become operational in October 2011. This project remains on

plan and in budget, and the new building opened as part of our decanting plan in December 2010.

- Phase Three (Car Park): construction commenced in August 2010, with the car park due to open in July 2011.
- Phase Four (Full consolidation of acute services): the centralisation of emergency services, including A&E, on the Lister site during 2013 and full acute service consolidation later that year. The Trust Board approved the outline business case in September 2010 and the PCT and SHA Boards approved the case at their respective Board meetings in September 2010. The OBC is currently with the DH /HM Treasury. We anticipate HM Treasury approval in March 2011.

Turnover: Turnover in 2010/11 is approximately £334m

Beds: We currently have 809 beds (including 68 maternity beds and 28 cots in NICU) in our three Hertfordshire hospitals, and 79 in the Mount Vernon Cancer Centre.

Main commissioner (% of turnover): NHS Hertfordshire 73%

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:

- Maintain momentum with reconfiguration
- Update LTFM once 2011/12 contract is agreed
- Strengthen cash and liquidity position
- Further review (self certification) under Monitor Quality Framework
- Maintain service performance and financial position understanding the impact of the new 2011/12 Monitor Compliance Framework.

Further assurance information on QIPP
The development of the QIPP plan in this health economy has been led by NHS Hertfordshire in partnership with the 4 provider Trusts. The plan has been developed over the last year resulting in a plan which has been signed by all Chief Executives, including East and North Hertfordshire NHS Trust.

As a local health system we need to identify £276m (17%) of efficiency savings from our current spending so that we can meet the challenges of increasing costs and the need to improve quality at a time when the NHS is receiving very little growth funding. East and North Hertfordshire's share of the £276m is £66.7m. This sum to be delivered over the next 4 years represents the combination of the savings addressed through the Trust's:

- CIP programmes
- Our Changing Hospital strategic change programme
- Demand management initiatives

The Trust clearly has a key role in delivering these change programmes both at a corporate level but also as part of the wider health system.

In terms of overall governance the Director of Finance chairs the Hertfordshire QIPP implementation group. In addition, many of the work streams have senior clinical and managerial representation from the Trust as part of the project teams.

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 Board receives assurance that they are maintaining and improving the quality of care, patient safety and experience through a number of mechanisms. These include:

- Board Committee Structure including the Risk and Quality Committee (RAQC), Audit Committee and Finance and Performance Committee;
- Director accountability for specific portfolios, standards and new guidance and legislation;
- Monitoring of Trust Strategic and annual objectives;
- Risk management arrangements that continue to evolve, including work to continue to strengthen the Board Assurance Framework (BAF) and Corporate Risk Register. The risks within the Annual plan are reflected the BAF and IBP. The Board Assurance Framework and Corporate Risk Register are updated by the Executive Team and presented to the RAQC and Trust Board each quarter to ensure the risks are managed and mitigated against and delivery of the Trust's objectives are monitored and achieved;
- Formal internal monitoring of CQC Essential standards: review each outcome against the evidence twice a year (September and March). Monthly compliance report to Board and Board Committees. The Trust's Quality Risk Profile from CQC is reviewed monthly. An Assurance Map is maintained, triangulating key pieces of internal and external assurances and reported to RAQC at least quarterly;
- Monthly reports on compliance and efficiency measures including receiving exception reports with clear actions and trajectories;
- Monthly monitoring of floodlight score card (which includes leading indicators on infection control, quality, clinical outcomes, patient experience and workforce) and exception reports;
- Monitoring through the RAQC the actions identified to strengthen quality governance following the internal and external validation assessments undertaken in 2010 against the components of Monitor's Quality Governance framework;
- Findings from the Internal Audit programme and monitoring of the implementation of subsequent actions.
- Monitoring progress of the Our Changing Organisation Steering Group and work program to drive forward an organisational culture change resulting in greater emphasis being placed upon the need for an engaged workforce focused upon the experience of our patients.

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:

- Recruit new Nurse Director (Nick Carver - Spring 2011) - Recruited
- Update LTFM once 2011/12 contract is agreed (Paul Traynor – Director of Finance - April 2011) – updated in August
- Strengthen cash and liquidity position (Paul Traynor – Director of Finance – ongoing) – PCT and SHA support provided
- Further review (self certification) under Monitor Quality Framework (Jude Archer – Company Secretary – April 2011) – completed in August 2011
- Maintain quality, service performance and financial position understanding impact of the new 2011/12 Monitor Compliance Framework (Nick Carver – ongoing) - maintained

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.

- Support to resolve cash/liquidity issues (Steve Clarke – Spring 2011)
- Presentation to DH Applications Committee (Steve Dunn/Steve Clarke – November 2011)
- Participate in Monitor process – SHA interview and CQC/SHA review of QRP (Steve Dunn/Steve Clarke - Winter 2011)
- Run monthly PMR meetings with the Trust until authorisation (Steve Dunn ongoing)

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:

- DH and Treasury to sign off of phase four OBC (March 2011) – *now signed off*
- Guidance on strengthening liquidity and cash (March 2011) – *guidance provided*
- Send response from the DH Technical Committee Meeting in February 2011 (March 2011) – *received. SHA and Trust have addressed issues raised.*

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

Date	Milestone
August 2011	OBC phase four sign off
August 2011	New Nurse Director takes up her post
September 2011	Trust submissions to SHA
October 2011	SHA assurance to DH ahead of Application Committee
December 2011	DH Applications Committee
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. Any missed milestone will lead to a Chair and CEO escalation meeting between SHA and Trust.	

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
Trust production of updated LTFM and IBP	Timescale agreed between Trust and SHA (SD and NC)
Ability to strengthen liquidity position in LTFM	Trust and SHA (Paul Traynor and Steve Clarke)
Sustain quality and service performance	Sustained for the last year (NC)
Substantive Nurse Director appointment	New Nurse Director, Deputy from Addenbrookes, began on 31 August.