TFA document

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

Tripartite Formal Agreement between:

- East Cheshire 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

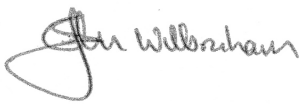
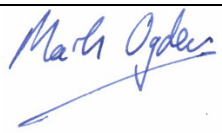
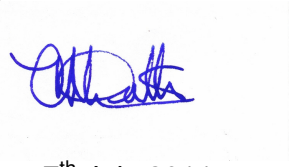
1st October 2012

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.

John Wilbraham, (CEO of NHS Trust)	Signature  Date: 25th May 2011
Mark Ogden, (CEO of SHA)	 Signature Date: 25th May 2011
Ian Dalton, Managing Director of Provider Development	Signature  Date: 7th 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.

Mike Pyrah, (CEO of Central and Eastern Cheshire PCT)	 Signature Date: 25th May 2011

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):

There are no conditions to the CQC registration

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

	2009/10	**2010/11**
	£'000	**£'000**
Total income	115,877	118,610
EBITDA	6,014	5,896
Operating surplus\deficit	3,926	804
CIP target	7,600	6,600
CIP achieved recurrent	6,400	2,200
CIP achieved non-recurrent	1,200	4,400

The NHS Trust's main commissioners:

NHS Central and Eastern Cheshire

In April 2011 East Cheshire NHS Trust became an integrated Trust comprising a medium sized acute hospital at Macclesfield District General Hospital. Knutsford and Congleton Community Hospitals provide diagnostic, specialist outpatients and intermediate care. The Trust is also responsible for a comprehensive set of Community Services for the Central and Eastern Cheshire Geography and Styal Women's Prison.

The Trust serves a resident population of 453,000 people. It provides a comprehensive range of acute hospital services for emergency and elective patients with its main accident and emergency department on the Macclesfield site. Community Services are provided from 66 sites ranging from Crewe in the South to Poynton and Wilmslow in the North.

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:

Finance

The Trust is forecasting a small surplus in 2010/11 having received £5.5m non recurrent income to offset over performance against a capped contract and a one off write down of some historic balance sheet items. The Trust is planning to deliver an underlying recurrent surplus of £1m in 2011/12 before non-recurrent restructuring costs of £0.75m leaving a final planned surplus for the year of £0.25m. The Trust has agreed a PbR compliant contract with commissioners consistent with these plans. The Trust agreed a contract for the transfer of CECH with a contract value of £48.5m and from 1st April 2011 has commenced delivering these services.

CIP target is in excess of 7% in 2011/12 and the Trust have a challenge in the early identification of these recurrent schemes to enable them to deliver a positive recurrent run rate from the first quarter in 2011/12.

Performance

Challenges with A&E targets, single sex accommodation and the 18 weeks target.

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 is implementing a Quality Strategy
- The Board recognise that in this time of transformation we need to align senior resources to both the Transformation process and also the 'Maintaining and improving quality
- The Trust Board has a Safety, Quality and Standards sub committee where assurance is sought on the identified risks and on continuous improvement
- The Trust Board considers quality issues as a matter of priority and has implemented the process of a patient story at the Board
- Trust Board performance metrics
- Clinical Leadership and accountability through the Business Units
- Director of Nursing and Patient Experience and the nurse leadership accountability

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:

John Wilbraham (CEO), Formal application to DH October 2012

Finance

Trust meeting SHA in April 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.

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.

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.

Delivery date reflects the agreement to allow for a full business year showing the integration of the PCT provider arm. The Trust will require a CIP in excess of 7% for 2011 – 12.

Local milestones 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. Transition Director assigned to support the Trust.

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
April 2011	SHA/Trust Meeting to establish local milestones
May 2011	Monthly extracts from integrated performance report showing latest position against Monitor's compliance framework for financial and performance metrics. Monthly TFA review/Transition Director meetings begin.
June 2011	Activity modelling review meeting Financial modelling review meeting
July 2011	Initial TFA financial monitoring template then monthly. 1st formal submission of IBP/LTFM first iteration focus on the Transformation Plan moving from transferring community services to transforming the pathways.
October 2011	Feedback provided on IBP/LTFM
November 2011	TCS 6 month review Quality Governance Assessment commences
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
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. SHA escalation policy will be implemented	

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
Transactional & Transformation	The transactional phase of integration has commenced with both parties recognising and accepting the residual level of risk. The Transformation plan to be agreed with the aim of efficiency and effectiveness. Lead: Director of Strategy
Current Financial position	2010/11 forecast expected surplus. Lead Director of Finance.
Monitor financial metrics	Management of the CIP and capital spend to improve the liquidity position. Lead: Director of Finance.
CIPs/Efficiencies	Implement plan from 1 April 2011. Lead: Director of Finance.
Performance metrics	Urgent care pathway agreement by end of June 2011. Lead: Medical Director. 18 week admitted RTT to be recovered by end of June 2011, to ensure Quarter 2 performance is achieved. Lead: Director of Nursing, Performance & Quality.