

TFA document



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

Tripartite Formal Agreement between:

- Western Sussex 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

1st October 2011

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.

Marianne Griffiths, Chief Executive, Western Sussex Hospitals NHS Trust	Signature  Date: 30 th September, 2011.
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Candy Morris, Chief Executive, NHS South East Coast	Signature  Date: 30 th September, 2011
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Ian Dalton Managing director of provider development, DH	Signature  Date: 30 th 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: 30th September, 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):

Financial data

	2009/10	2010/11
Total income	340.7	361.6
EBITDA	27.1	26.4
Operating surplus/deficit	4.1	5.2
CIP target	11.8	13.4
CIP achieved recurrent	8.5	9.5
CIP achieved non-recurrent	3.1	3.8

The NHS Trust's main commissioners

NHS West Sussex (95% of SLA Income)

Summary of PFI schemes (if material)

N/A

Further Information

Western Sussex Hospitals NHS Trust is a large general hospital situated on the South Coast of Sussex. It has a catchment population of approximately 450,000 people. It delivers health care from three major sites; St. Richard's Hospital in Chichester, Worthing Hospital and Southlands Hospital in Shoreham.

Both St. Richard's Hospital and Worthing Hospital provide a comprehensive range of acute hospital services for emergency and elective patients; both have accident and emergency services and consultant-led maternity services on site. Southlands Hospital provides a more limited range of inpatient and outpatient services, with no A&E or maternity services on site

The Trust employs more than 6,000 staff and had a turnover in excess of £350m in 2010/11. The Trust was established on 1st April 2009 from the merger of Royal West Sussex and Worthing and Southlands Hospitals. It has approximately 850 acute beds, 60 maternity beds, 40 paediatric inpatient beds, 25 neonatal cots and 40 critical care beds.

The Trust admits approximately 58,000 emergencies annually, treated 120,000 A&E attenders, treated 52,000 patients electively and held 427,000 outpatient appointments

Part 4 – Key issues to be addressed by NHS trust

Key issues affecting NHS Trust achieving FT	
<p>Strategic and local health economy issues</p> <p>Service reconfigurations <input type="checkbox"/></p> <p>Site reconfigurations and closures <input type="checkbox"/></p> <p>Integration of community services <input type="checkbox"/></p> <p>Not clinically or financially viable in current form <input type="checkbox"/></p> <p>Local health economy sustainability issues <input type="checkbox"/></p> <p>Contracting arrangements <input checked="" type="checkbox"/></p> <p>Financial</p> <p>Current financial Position <input type="checkbox"/></p> <p>Level of efficiencies <input type="checkbox"/></p> <p>PFI plans and affordability <input type="checkbox"/></p> <p>Other Capital Plans and Estate issues <input type="checkbox"/></p> <p>Loan Debt <input type="checkbox"/></p> <p>Working Capital and Liquidity <input checked="" type="checkbox"/></p> <p>Quality and Performance</p> <p>QIPP <input type="checkbox"/></p> <p>Quality and clinical governance issues <input checked="" type="checkbox"/></p> <p>Service performance issues <input checked="" type="checkbox"/></p> <p>Governance and Leadership</p> <p>Board capacity and capability, and non-executive support <input type="checkbox"/></p>	
<p>Please provide any further relevant local information in relation to the key issues to be addressed by the NHS Trust:</p> <p>Contracting Arrangements</p> <p>Full contract for 2011/12 not signed at beginning of year. Heads of Agreement signed on 21st April. Full contract signed 21st July.</p> <p>Working Capital and Liquidity</p> <p>Poor liquidity position (caused by legacy working capital position and debt service payments) in form of both medium term borrowing and access to a working capital facility. Without external support this will result in a financial risk rating which is below the level required for FT status.</p> <p>Quality and clinical governance issues</p> <p>The CQC conducted a responsive review of a number of wards at the Trust during June, and in their draft report have voiced moderate concerns regarding leadership on one of the wards. The CQC have also raised inquiries due to two Dr. Foster mortality outlier alerts. (Both issues now resolved – see below)</p> <p>Service Performance Issues</p> <p>The Trust is currently not meeting the Monitor Compliance criteria for referral to treatment for admitted patients.</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 checked="" 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 checked="" 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"/>

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

Favourable external assurance of Quality Governance (Deloitte) FT Applicant Self Certification, Revised Governance arrangements (Quality and Risk Committee, Patient Experience and Feedback Committee), Quality Strategy in place, revised Vision puts Quality at heart of what we do, Strategic Objectives and Business Objectives focus on quality.

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:

Contracting Arrangements

Contract for 2011/12 now signed. Further discussions planned to ensure a revised PCT letter of support for the FT application, to be in place prior to submission to DH

Working Capital and Liquidity

Liquidity issue (see section 4) to be resolved through securing a loan from the Department of Health.

Quality and clinical governance issues

The Trust has put in place a number of urgent actions to address the issues raised in the CQC's responsive review in June and now believes that the CQC concerns have been fully addressed. Re-visit by CQC in July has now lifted concerns.

The Trust has responded (on 17 June) comprehensively to the CQC on the mortality outlier alerts and believes it has taken the necessary steps to address concerns in these areas. CQC has now responded stating that they will take no further action and are happy with the Trust's action plan.

Service Performance issues

The Trust agreed a recovery plan with the SHA in May, demonstrating how it intended to achieve the 18-week admitted performance measure by the start of the 3rd quarter of 2011/12. This recovery plan is being managed and monitored actively and is on target to deliver. For Cancer waits, the performance position has improved during the first quarter of 2011/12 and the Trust is on plan to be compliant in this area for quarter 2.

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 checked="" 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 checked="" 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> <p>Other key actions</p> <p>NHS SEC FT assurance process as well as on-going management of finance, quality and operational performance. Lead: Interim regional director of provider development; Sue Eggleton Milestones: as below.</p> <p>Support the Trust in its request for a Department of Health loan facility (above) Lead: Director of finance and performance; Vanessa Harris.</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 checked="" 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"/>
<p>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:</p> <p>Discussions are underway with the Department of Health to consider a Working Capital Loan as described in Part 5 above. Without a medium term loan to address the liquidity issue, the trust will not be able to achieve the required FRR for authorisation.</p>	

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

Date	Milestone
July 2011	CQC concerns regarding responsive review and mortality outlier alerts resolved Performance issues relating to Cancer waits resolved 18 week RTT backlog and action plan progress to SHA Contract between Trust and Commissioner agreed Draft base case and downside LTFM reviewed by SHA Membership numbers update Monthly performance and finance review
August 2011	18 week RTT backlog and action plan progress to SHA Membership numbers update Monthly performance and finance review
September 2011	Revised letter of support from PCT signed Submission of IBP and supporting documentation to SHA Submission of base case LTFM, downside LTFM and mitigations Submission of updated cost improvement programme 18 week RTT backlog and action plan progress to SHA Membership numbers update Monthly performance and finance review
September 2011	4 to 4 assurance review meeting: Chair; CE; DoF; Medical Director of SHA and trust
October 2011 onwards	Trust compliant on 18 week admitted performance measure
1 st October 2011	Application submitted to the DH
July-October 2011	Resolution of discussions regarding consideration of working capital loan
<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>Describe what actions\sanctions the SHA will take where a milestone is likely to be, or has been missed.</p> <p>Project oversight elements of assurance process augmented by sanctions set out in NHS South East Coast Performance and Intervention policy.</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. In the future, the agreed actions assigned to SHAs will be taken over by the National Health Service Trust Development Authority (NTDA). Where milestones are not achieved, the existing SHA escalation processes will be used to performance manage the agreement.

Part 9 – Key risks to delivery

Risk	Mitigation including named lead
Contracting Arrangements PCT letter of support not agreed	Spencer Prosser (FD for Western Sussex Hospitals NHS Trust) leading process to ensure that that PCT letter of support can be agreed, working closely with the PCT cluster and with SHA support
Working Capital and Liquidity – issue (outlined in sections 4 and 5) not resolved	Spencer Prosser (FD For Western Sussex Hospitals NHS Trust) to continue to liaise with the Department of Health over the consideration of a working capital loan

Service Performance Issues – Trust fails to improve performance against 18 weeks	Jane Farrell (Chief Operating Officer) ensuring that the Trust is taking the actions set out in the Trust's recovery plan, with heightened executive scrutiny on progress on a weekly basis.
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