TFA document

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

Tripartite Formal Agreement between:

- Buckinghamshire Healthcare NHS Trust
- NHS South of England Strategic Health Authority
- 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
NHS Trust Development Authority - Chief Executive Officer

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 (NHS TDA)[1] when that takes over the SHA provider development functions on 1 April 2013.

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] NHS TDA 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

1 April 2013 **Revised from 1 April 2012**

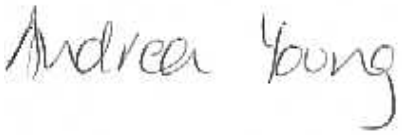
Part 2a - Signatories to agreements

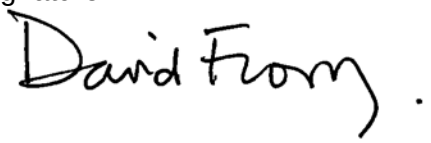
By signing this agreement the following signatories are formally confirming:

- 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.

Name, Anne Eden (CEO of Buckinghamshire Healthcare NHS Trust)	Signature  Date: 29 June 2012

Name, Sir Ian Carruthers(CEO of NHS South of England) (Sir Ian Carruthers is on leave – Andrea Young COO, signed as Deputy)	Signature:  Date: 9 July 2012

Name, David Flory (Chief Executive Officer NHS Trust Development Authority)	Signature  Date: 5 September

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.

Name, Matthew Tait (CEO of NHS Buckinghamshire& Oxfordshire PCT Cluster, lead commissioner)	Signature  Date: 6 July 2012

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):

Registration without conditions

Financial data

£million	**2010/11**	**2011/12**
Total income	345.4	340.4
EBITDA	29.0	26.2
I&E position	2.7	4.3
CIP target	29.8	28.2
CIP achieved recurrent	18.3	26.6
CIP achieved non-recurrent	11.9	6.8

The major commissioner is NHS Buckinghamshire & Oxfordshire PCT Cluster, working with the Aylesbury Vale and Chiltern Clinical Commissioning Groups.

Summary of PFI schemes.

The Trust has established PFIs on its three main sites. The cost in financial terms is 8% of Current turnover, circa £27 million.

Further Information

Buckinghamshire Healthcare NHS Trust is the major provider of NHS healthcare services in Buckinghamshire, serving a population of more than half a million. Following the TUPE of staff from Community Health Bucks on 1st April 2010 and the establishment order for the newly merged organisation in November 2010, the Trust now provides a full range of integrated services delivering both acute and community based healthcare.

The trust employs around 6,000 staff (4,773 wte's) and acute services are provided from two sites, Stoke Mandeville and Wycombe Hospitals, while community based services are delivered from a further 21 sites including the community hospitals at Amersham, Buckingham, Chalfont St Peter, Marlow and Thame.

The Trust provides general emergency and planned acute services and a number of high-quality specialist services such as dermatology, and burns and plastics. There are also accredited units for urology and skin cancer. The Trust treats many patients who live beyond the county including those from abroad who come to receive treatment in the internationally renowned National Spinal Injuries Centre at Stoke Mandeville Hospital.

The Trust offers a full range of community based nursing and therapy services directly into people's homes as well as from community clinics and hospitals, and in schools and children's centres.

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:

Background

- The trust originally applied in May 2009 but the application was paused at the DH stage due to an in-year deficit of £2.7million incurred due to audit not allowing the inclusion of a forward land sale.
- In early 2010 a new application date of September 2011 was agreed.
- In July 2010, an adverse variance of £616k on the trust's financial plan led to an SHA "deep dive" and to the appointment of a turnaround team and regular meetings between the SHA and the Trust.
- Due to the scale of the financial challenge a longer FT application timetable was agreed.
- During 2010 the Trust merged with Buckinghamshire community services resulting in an increase in staffing, £40m in additional revenue, and an increase in the number of operating bases.
- The Trust has delivered a significant cost improvement plan of £33.4 million in year (2011/12).
- 2011/12 financials show an adjusted retained surplus of £2.8m (against plan of £2.8m).

Current situation

- The trust is forecasting achievement of savings of £30.7m (i.e.9.2% of turnover) in 2012/13 including demand management.
- The Appointments Commission is in the process of recruiting a new Chair, interviews are scheduled in September.
- The current savings programme is a cumulative 23% over the 5 years to 2017/18.
- SHA has been working closely with the PCT and the Trust to ensure QIPP plans are understood and owned by all parties, with better understanding and concessions on both sides.

- Further headcount reductions are planned by the Trust in 2012/13and the restructuring costs will need to be resourced by the health system.
- The Trust successfully concluded a public consultation, with its lead commissioner, on its clinical strategy and service reconfiguration in order to ensure sustainable services across its two acute sites, and to provide robust cardiovascular and stroke services as agreed by the clinical networks..
- The Trust is strategically aligned with the commissioners and has the support of the Clinical Commissioning Groups for its clinical strategy.
- A full draft IBP and LTFM was produced and discussed with the SHA in May and July 2012 demonstrating the agreed vision for the future shape of services in Buckinghamshire.
- At a meeting with NHS South of England on 11th May 2012, a detailed trajectory was agreed leading to an FT application in April 2013.

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)	☒

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:

- Delivery of CIPs is managed through the Transformation Programme Board with monthly reporting to Trust Board. Potential adverse effects upon Clinical Quality and Patient Safety from schemes are guarded against through a Clinical Risk Assessment on each scheme, which culminates in joint approval and sign off of every scheme by the Medical Director and Chief Nurse.

- Trust strategy to deal with cash issues include:
  - Working capital facility draw down
  - Interest bearing loans
  - Continued focus on cash releasing CIPs

  It should be noted that the Trust's cash position is improving and BHT did not require the interest bearing loans anticipated in either 2010/11 or 2011/12.

- Transformation of community services has become integration of community services and development of new care pathways in order to deliver the QIPP agenda. This will require further investment to enable the rebalancing from acute into community, either through additions to the block contract or a shadow community tariff.

- Services need to be reconfigured in line with the clinical strategy of the Trust, and within the limitations of the PFI contracts. Following the successful public consultation, implementation of the reconfiguration will commence in Autumn 2012. Rationalisation of the estate will form part of this programme.

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

The Board is assuring itself through:

- the monthly Board self-certification process (from August)
- the monthly monitoring meetings with the SHA
- monthly Healthcare Governance dashboard fed through the Healthcare Governance committee to the Board
- the activities of the Board sub-committees, in particular the Healthcare Governance committee, and the Board's governance report based on the quarterly healthcare governance report
- Quality Accounts produced annually

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.

SHA to:

- continue work with the health system to ensure QIPP delivers
- provide support on the implementation of the service reconfiguration plans
- work with the Trust to resolve any liquidity issue if it arises
- provide support to the management team given the breadth of the management agenda facing the Trust
- provide support in the appointment of a new Chair

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:

- Work with DH on the development of a community tariff, with BHT involved in any pilot schemes.

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

2012	
May 2012 ***completed***	SHA meet PCT to discuss strategic alignment
11 May 2012 ***completed***	Executive to Executive meeting
21 May 2012 ***completed***	Feedback to Trust
mid July 2012 ***in progress***	HDD phase 1 commences
13 July 2012 ***completed***	Submission of v4 IBP and LTFM, enabling strategies, constitution, and governance rationale
by end July ***completed***	Clinical quality peer review; action plan developed
3 August 2012 ***completed***	SHA feedback to Trust
by end August	HDD 1 report received and action plan developed
14 September 2012	Third party external assessment of clinical governance
14 September 2012	Submission of v5 IBP and LTFM
3 October 2012	Feedback to Trust
5 October 2012	Commissioner convergence and letters of support
5 October 2012	Readiness meeting with SHA
31 October 2012	Submission of final IBP, LTFM, enabling strategies, constitution, and governance rationale
November 2012	HDD phase 2 commences
by end of November	HDD phase 2 report to SHA
2013	
by mid January 2013	Board to Board meeting to approve application
February 2013	Formal submission to include: final draft of IBP and LTFM, enabling strategies, legal confirmation of constitution, commissioner support letters, update on independent HDD action plan.
1 April 2013	SHA apply to DH

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.

Robust performance management and escalation arrangements will be put in place with :

- Monthly reviews against project plan and milestones;
- Monthly Trust self-certification against Monitor requirements from Trust Board to SHA
- Executive to Executive Management meetings;
- Regular Board to Board meetings
- Quarterly reviews of Finance (including CIP delivery) and Quality

Any slippage, or risk of slippage will be addressed immediately with action plans.

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 formally has the authority.)

Part 9 – Key risks to delivery

Risk	Mitigation including named lead
Need to ensure that QIPP, contract and LTFM are all balanced.	• Identified with SHA & DH as key area of risk • Contract negotiation process Trust Lead: Director of Finance & I.T. SHA Lead: Director of Finance and Performance
Financial risk on downside case	• Model the "worst case"scenario now and develop robust mitigating actions the trust can take • Respond to Historical Due Diligence Trust Lead: Director of Finance & I.T. SHA Lead: Director of Finance and Performance
Service and CIP Performance slips	• Regular performance monitoring arrangements in place • Regular financial monitoring arrangements in place • Intervention gradient in place to enable swift response and action • Regular performance meetings with the Trust and commissioner to address any emerging issues • Regular meetings of Executive Team to manage emerging situations/gaps. Trust Lead: Chief Operating Officer SHA Lead: Director of Finance and Performance
Failure of Demand Management plans with local health economy unable to fund increased activity	• Joint action plan with commissioners to recover the agreed contract position Trust Lead: Chief Operating Officer PCT Cluster Lead: Director of Finance SHA Lead: Director of Finance and Performance
One of the first integrated Trusts to proceed through the FT process	• Robust IBP and LTFM • Regular contact with SHA • Networked through the FTN with other integrated Trusts going through FT Trust Lead: Director of Strategy SHA Lead: Director of Finance and Performance