

Reporting to:	Trust Board - 31 October 2013
Title	NHS Foundation Trust update report
Sponsoring Director	Julia Clarke – Director of Corporate Governance
Author(s)	Tony Holt - Corporate Governance Manager
Previously considered by	Trust Board
Executive Summary	<p>The Trust continues working to establish an appropriate timeline for FT status, overseen by the NHS Trust Development Authority (TDA). Both parties have acknowledged that our FT application will receive full support from TDA upon the Trust's sustained achievement of all clinical and financial performance targets. The Trust is currently subject to escalated scrutiny as described in the TDA <i>Accountability Framework</i>.</p> <p>Appendix A shows a proposed timeline for achieving FT status</p> <p>Appendix B shows the FT Risk Log</p> <p>Appendix C shows the Trust's progress towards achieving compliance with the Board Governance Assurance Framework</p> <p>Appendix D shows progress against the Historic Due Diligence (stage 1) action plan</p> <p>Appendix E shows TDA escalation status model</p>
<p>Strategic Priorities</p> <p><input checked="" type="checkbox"/> Quality and Safety</p> <p><input type="checkbox"/> Healthcare Standards</p> <p><input checked="" type="checkbox"/> People and Innovation</p> <p><input type="checkbox"/> Community and Partnership</p> <p><input checked="" type="checkbox"/> Financial Strength</p>	<p>Operational Objectives</p> <p>QS8 Develop a long-term clinical services site strategy and wider health strategy for the optimal configuration of acute, community and primary care services</p> <p>PI4 Build leadership and management capability</p> <p>FS1 Deliver our milestones to achieve NHS Foundation Trust status</p>
Board Assurance Framework (BAF) Risks	<p><input checked="" type="checkbox"/> Deliver Safe Care or patients may suffer avoidable harm and poor clinical outcomes and experience</p> <p><input type="checkbox"/> Implement our falls prevention strategy to help prevent patients suffering serious injury</p> <p><input type="checkbox"/> Achieve safe and efficient Patient Flow or we will fail the national quality and performance standards</p> <p><input checked="" type="checkbox"/> Clear Clinical Service Vision or we may not deliver the best services to patients</p> <p><input checked="" type="checkbox"/> Good levels of Staff Engagement to get a culture of continuous improvement or staff morale and patient outcomes may not improve</p> <p><input type="checkbox"/> Appoint Board members in a timely way or may impact on the governance of the Trust</p> <p><input checked="" type="checkbox"/> Achieve a Financial Risk Rating of 3 to be authorised as an FT</p>
Care Quality Commission (CQC) Domains	<p><input type="checkbox"/> Safe</p> <p><input checked="" type="checkbox"/> Effective</p> <p><input type="checkbox"/> Caring</p> <p><input type="checkbox"/> Responsive</p> <p><input checked="" type="checkbox"/> Well led</p>
<p><input type="checkbox"/> Receive <input checked="" type="checkbox"/> Review</p> <p><input type="checkbox"/> Note <input checked="" type="checkbox"/> Approve</p>	<p>Recommendation</p> <p>Trust Board Members are asked to REVIEW and APPROVE the content of the NHS Foundation Trust update report</p>

NHS Foundation Trust Development Programme

Summary update report

Overall Status:	AMBER / RED																		
Current position	<ul style="list-style-type: none"> ▪ The Trust continues to discuss a timeline for NHS Foundation Trust (FT) status with the NHS Trust Development Authority (TDA). Both parties acknowledged that our FT application will receive full support from TDA upon the Trust's sustained achievement of all clinical and financial performance targets ▪ A proposed timeline (appendix A) has been drafted, setting out the key milestones towards the delivery of Foundation Trust status. This has yet to be formally agreed with TDA, and the Trust's performance is being closely monitored on a monthly basis. Because clinical and financial performance targets are not currently being met in full, the Trust is subject to escalated scrutiny as described in the TDA's <i>Accountability Framework</i> ▪ Progress towards FT authorisation is also contingent on the successful development and final agreement with local, regional and national stakeholders on our future clinical service strategy. The process, led by Clinical Commissioning Groups, will involve a formal public consultation during 2014 ▪ Risks around the FT application have been aligned with the Corporate Risk Register and all duplication removed from the FT Risk Log (appendix B). The remaining FT specific risks are being reviewed on a monthly basis and escalated via the Trust's risk management process as appropriate ▪ A number of mandated strategies and assessment frameworks continue to form a significant part of the FT application process. The Trust's progress against these items is assured through the relevant Committee reporting to the Board (for example, the People (Workforce) Strategy is being assured through the Workforce Committee) ▪ The Quality Governance Framework action plan is currently being developed by the Quality and Safety team for assurance through the Quality and Safety Committee. A summary will be included in future FT updates to the Trust Board ▪ Review of the Board Governance Assurance Framework is reserved to the Trust Board and a summary memorandum is appended to this report (appendix C). The Historic Due Diligence (stage 1) exercise undertaken in July/August 2012 is assured through the Finance Committee. A summary is shown in appendix D 																		
External measures	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; padding: 5px;">TDA escalation status * <i>'Material Issue'</i></td> <td style="width: 10%; text-align: center;">1</td> <td style="width: 10%; text-align: center;">2</td> <td style="width: 10%; text-align: center;">3</td> <td style="width: 10%; text-align: center; background-color: #ff6600;">4</td> <td style="width: 10%; text-align: center;">5</td> <td style="width: 10%; text-align: center;">↔</td> </tr> </table> <p style="font-size: small; margin-top: 5px;">* Source - TDA Summer Report (Sep-13). Assessed on finance, quality and performance measures based on the four months to Jul-13</p> <p>For a full explanation of TDA escalation status, please see appendix E</p>			TDA escalation status * <i>'Material Issue'</i>	1	2	3	4	5	↔									
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Appendix A: Draft FT timeline @ Oct-13

Timescale	Ind. Date*	Milestone
Pre- Stage Late autumn 2014	Sep to Nov-14	Clinical Service Strategy agreed (to include period of public consultation to include FT application and Governance rationale) Workforce Strategy/assurance reports Staff / clinical engagement and culture of the organisation
Stage 1: Diagnosis and due diligence		
M1-7	Dec-14 to Jun-15	Trust self assessments against: <ul style="list-style-type: none"> ▪ Board Governance Assurance Framework (BGAF) including development of case studies ▪ Quality Governance Framework ▪ HDD1
M6*	May-15	Improved clinical performance position (inc. developing track record of sustainability – *two quarters)
M6*	May-15	Financial stability achieved (inc. developing track record of delivery against plan – *two quarters)
M4	Mar-15	Begin production of IBP/LTFM (following conclusion of Clinical Service Review)
M6-8	May to Jul-15	Independent third party reviews <ul style="list-style-type: none"> ▪ HDD Stage 1 review – assess requirement for repeat Stage 1 if still required (2½ years since HDD1 undertaken) ▪ BGAF ▪ Quality Governance Framework
Stage 2: Development and application		
M8	Jul-15	Formal submission of key FT application documents <ul style="list-style-type: none"> ▪ IBP & LTFM with CIPs/QIAs, ▪ Clinical strategy including Quality account and CQC registration profile & Clinical risk register ▪ Integrated Workforce strategy aligned to quality & financial plans ▪ Underpinning strategies – Estates, IT, Membership ▪ Monitor appendices ▪ FT Risk register including BAF ▪ Final public consultation document ▪ Independent third party reports (HDD, QGF, BGAF) ▪ Quality Account ▪ Media analysis identifying issues and action plans
M9-10	Aug to Sep-15	Further iterations of key FT documents Updates on action plans from BGAF, QGF, HDD1, Monitor Risk ratings Ongoing review of rolling two-year (min) detailed CIPs and QIAs
M10	Sep-15	HDD Stage 2
Stage 3: Assurance and approval		
M11	Oct-15	TDA readiness and approval reviews: <ul style="list-style-type: none"> ▪ B2B ▪ Documentation review ▪ Clinical Quality review ▪ interviews with Commissioners, CQC, BGAF, QGAF, HDD partners etc ▪ Peer review
M13	Dec-15	TDA Technical Committee/SoS approval
M14-18	Jan to Mar-16	Monitor phase
M19	Apr-16	FT application approved

* Indicative date - refers to date of task completion

Appendix B – FT Risk Log

Ref	4Risk Ref	Risk description	Commentary	Date entered	Owner	Mitigating action taken	L	C	Residual score*	Status
FT31	522	Lack of support and engagement from external stakeholders.	Current changing landscape of LHE makes engagement more difficult	18.1.12	CEO	- Quarterly Stakeholder Conference events held through 2012/13 Tri-partite board meetings ongoing - facilitated by DoC to enable closer working with CCGs in relation to IBP and LTFM	2	4	8	OPEN
FT26	524	Engagement and understanding of FT amongst staff is not achieved	DoC working with WD to ensure staff engagement fundamental to Organisational Development Strategy	20.2.12	DoC	Staff engagement approach integrated within overarching Comms strategy. To include as regular feature in CEO's update. Organisational Values developed - 8 workshops engaging with >140 staff - officially launched at Leadership Conference Oct-13 People Strategy to Workforce Committee Dec-13; Board Jan-14	2	4	8	OPEN
FT29	706	Failure to develop and agree a clinical service development strategy with our commissioners that will provide the organisation with a sustainable future	Major focus around Emergency/Critical Care and Stroke Services	29.11.12	DBE	Plan in development which will be subject to public consultation during 2014. Proposals presented to HEC Jul-13. 'Call to Action' LHE initiative led by CCGs in developing CSS to include comprehensive community engagement. Tri-partite board meetings ongoing - facilitated by DoC	1	5	5	OPEN

*LxC = Likelihood x Consequence

Source: SaTH Risk Management Strategy (RM01)

Appendix C: Board Governance Memorandum: Summary Self-Assessment

Ref	Area	Initial assessment	Current assessment	Red Flags ¹	Lead update	Action Owners	Due date
1. Board composition and commitment							
1.1	Board positions and size	RED	AMBER GREEN	1/3	All Board positions appointed to. 66% currently within first 2 yrs. Will be ≥50% by end of Sep-14	CEO	Oct-14
1.2	Balance and calibre of Board members	GREEN	AMBER GREEN	1/4	Composition of FT-ready Board to be reviewed by CEO and incoming Chair	CEO	Apr-14
1.3	Board member commitment	GREEN	GREEN	0/4	Trust Board and Committees are appropriate, effective and well attended	CEO	Complete
2. Board evaluation, development and learning							
2.1	Effective Board-level evaluation	AMBER RED	AMBER RED	2/4	External evaluation to be undertaken as part of Board Development Programme during 2014- to include stakeholder views on capacity and capability	CEO	Mar-14
2.2	Whole Board development programme	AMBER RED	GREEN	0/2	WD leading ongoing programme with incoming Chairman. BGAF development modules being considered as part of 14/15 Board Development Programme	WD	Complete
2.3	Board induction, succession and contingency planning	RED	AMBER RED	2/3	Formal induction process for Board members implemented. WD assessing effectiveness of new process. Deputy CEO role and Board succession planning being addressed by CEO	CEO/WD	Mar-14
2.4	Board member appraisal and personal development	RED	GREEN	0/2	CEO formal appraisal of EDs implemented from Apr-13	CEO	Complete
3. Board insight and foresight							
3.1	Board performance reporting	RED	GREEN	0/7	FT-ready content and format of IPR updated to include Quality Information and Quality Performance by Service Line. Finance Report to include 12 month rolling cashflow forecasting	CEO/FD/DQS	Complete
3.2	Efficiency and Productivity	RED	AMBER GREEN	1/2	Monitoring and post-implementation reviews of QIA to be routinely reported to the Board from Apr-13. Local QIPP plan remains underdeveloped but position now reported regularly to Board	FD	Oct-13
3.3	Environmental and strategic focus	RED	AMBER GREEN	0/3	Work ongoing to improve risk element of IBP and LTFM modelling. Contingent on ongoing development of Clinical Service Strategy	FD	Mar-14
3.4	Quality of Board papers and timeliness of information	AMBER GREEN	GREEN	0/3	Data quality to be assured through Internal Audit. Audit Committee reports quarterly on data quality and governance to the Board	FD	Complete

¹ Red Flags as defined within the BGAF guidance. Numbers indicate Red Flags identified as 'open' / number of Red Flags within the BGAF section

4. Board engagement and involvement							
4.1	External stakeholders	RED	GREEN	0/4	Patient survey results are acceptable. Net promoter score above regional/national average and showing month on month improvement	DBE	Complete
4.2	Internal stakeholders	RED	AMBER GREEN	1/3	Staff Survey results presented to TB Feb/Mar-13 - Action Plan developed and maintained through Workforce Committee – aim to improve 'average' score for 13/14. Values exercise completed in Sep/Oct-13 - new organisational values launched at Leadership Academy event 6 Oct-13	WD	Nov-13
4.3	Board profile and visibility	GREEN	GREEN	0/2	There is a structured programme of events/ meetings that enables the Board to engage with staff, patients and public	CEO	Complete
4.4	Future engagement with FT Governors	GREEN	GREEN	0/3	FT Constitution and Membership Strategy in place. Organisational Comms Strategy and Governor Development Plan under development	DCG/DoC	Complete

RAG rating criteria: BGAF Guidance

<p>Green</p> <ul style="list-style-type: none"> ▪ All good practices are in place unless the Board is able to explain why it is unable or has chosen not to adopt a particular good practice ▪ No Red Flags identified 	<p>Amber/ Red</p> <ul style="list-style-type: none"> ▪ Some elements of good practice in place ▪ Where good practice is currently not being achieved: <ul style="list-style-type: none"> ○ Action Plans are not in place, not robust or not on track; ○ the Board is not able to explain why it is unable or has chosen not to adopt a good practice; or ○ the Board is not controlling the risks created by noncompliance ▪ Two or more Red Flags identified but robust Action Plans are in place to remove the Red Flags or mitigate them
<p>Amber/ Green</p> <ul style="list-style-type: none"> ▪ Some elements of good practice in place. Where good practice is currently not being achieved, there are either: <ul style="list-style-type: none"> ○ robust Action Plans in place that are on track to achieve good practice; or ○ the Board is able to explain why it is unable or has chosen not to adopt a good practice and is controlling the risks created by non-compliance ▪ One Red Flag identified but a robust Action Plan is in place and is on track to remove the Red Flag or mitigate it 	<p>Red</p> <ul style="list-style-type: none"> ▪ Action Plans to remove or mitigate the risk(s) presented by one or more Red Flags are either not in place, not robust or not on track

Guidance note: the various Red Flags included throughout the BGAF are designed to highlight governance risks and are not intended to be a barrier to the Board's FT application. Where Red Flags are indicated, the AFT Board should describe the actions that are either in place to remove the Red Flags (e.g. a recruitment timetable where an AFT currently has an interim Chair) or mitigate the risk presented by the Red Flags (e.g. where Board members are new to the organisation there is evidence of robust induction programmes in place).

Appendix D: Historic Due Diligence (stage1) action plan

i) HDD1 action plan dashboard

Initial assessment (Nov-12) Priority*		Current position	Overdue
High	11	6	1
Medium	20	11	1
Low	2	2	0
Complete	10	24	

* Priority level as defined by Grant Thornton (HDD assessor)

ii) HDD1 actions listed by heading

Heading	Open	For ratification by Finance Committee	Closed
1. Audit Arrangements	2	1	0
2. Corporate Governance	2	0	9
3. Financial Controls and Reporting	2	1	2
4. High Level Control	3	2	6
5. IT Arrangements	0	1	1
6. Key Risks	1	0	0
7. Management Reporting and Control	0	1	4
8. Risk Management	2	0	2
9. Standards and Targets	0	1	0
Total	12	7	24

Appendix E: Escalation Status Model

(Source: TDA Accountability Framework, Apr-13)

