

Report to: Trust Board 27 September 2012

Title	NHS Foundation Trust update report
Sponsoring Executive Director	Julia Clarke – Director of Compliance and Risk Management
Author(s)	Tony Holt – FT Programme Manager
Purpose	Update on the Trusts progress towards FT authorisation

Executive summary

- **FT Pipeline** - Midlands & East SHA Cluster now publishes quarterly performance ratings for each aspirant FT against their Tripartite Formal Agreement (TFA) milestones. For the latest reporting period (Quarter 1 April to June 2012), the Trust is rated as **Amber/Red**.
- **Provider Management Regime (PMR)** - the Assurance Compliance Unit (ACU) has been issued with the monthly performance monitoring which will be reported to the SHA via the new PMR for the period of August 2012:
 - Financial Risk Rating - **Red**
 - Governance Risk Rating - **Red**

Performance issues continue to be escalated through the PMR framework and discussions are regular and ongoing between the CEO and SHA regarding the Trust's plans to achieve and sustain compliance against all measures within the PMR as soon as possible
- **FT workstreams** - RAG ratings:
 - Financial Governance - **Amber**
 - Quality Governance - **Green**
 - Business Development - **Amber**
 - Workforce - **Green**
 - Governance - **Green**
- The total FT membership stands at 13,068 members (7631 public and 5437 staff members)
- The FT Project Plan shown at Appendix A
- The FT Risk Log shown at Appendix B

Related SaTH objectives	SaTH Sub-objectives
FS - Financial Strength: We will use our resources wisely and create surpluses to invest in quality	FS1. Develop and implement sustainable clinical strategies
LG - Learning and Growth We will develop our staff and internal processes to sustain our ability to change and improve	LG3. Devolve responsibility and accountability and cooperate with each other

Risk and assurance issues	Risks agreed in Tri-partite Formal Agreement Assurance through monthly Provider Management Report
Equality and diversity issues	None
Legal and regulatory issues	All NHS Trusts will become authorised as NHS Foundation Trusts by April 2014

Action required by the Trust Board

Trust Board Members are asked to:

- **DISCUSS** and **APPROVE** the content of the NHS Foundation Trust update report

NHS Foundation Trust Development Programme Summary update report

Attachment xx

Report to:	Trust Board		
Date:	27 September 2012		
Lead:	Julia Clarke		
Overall Status:	RED		
External measures	FT 'pipeline' assessment*		AMBER/RED ↓
	Provider Management Regime**	GRR 4.5	RED ↓
		FRR 2	RED ↓
<p><i>* Midlands & East SHA Cluster SHA internal assessment of finance, quality, performance and TFA progress, Refers to latest reporting period (Quarter 1 April to June 2012)</i></p> <p><i>** Trust position as reported to the SHA via the new PMR for the period of August 2012</i></p>			
Internal measures	FT Workstreams		
	Financial Governance		AMBER ↔
	Quality Governance		GREEN ↔
	Business Development		AMBER ↔
	Workforce		GREEN ↔
	Governance		GREEN ↔
	FT Membership		
		This month	Last month
	Public	7631 ↑	7464
	Staff	5437 ↓	5459

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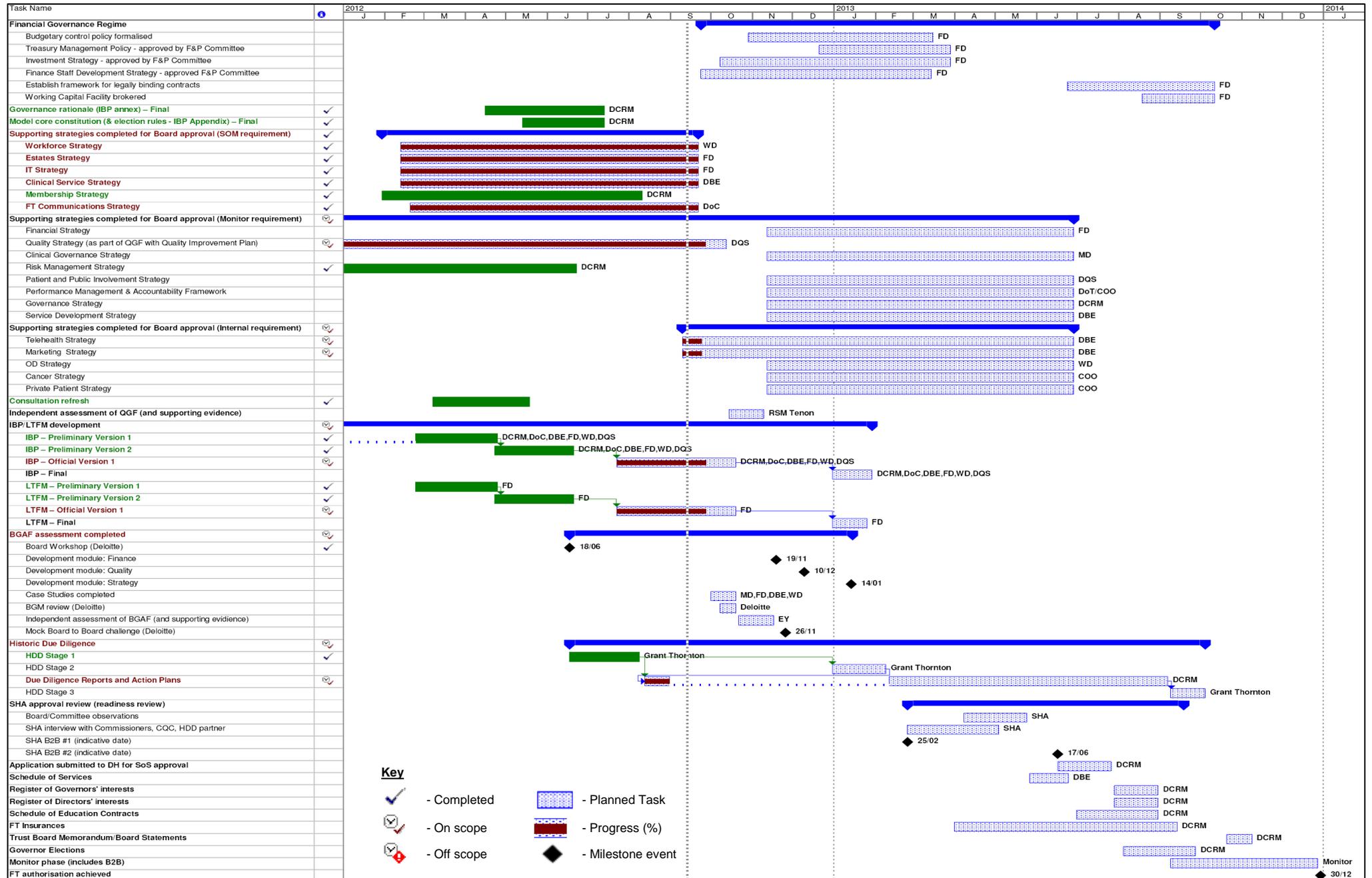
<p>Overview of activity for past month</p>	<ul style="list-style-type: none"> ▪ The Governance Risk Rating has deteriorated for the month of August. Clinical performance issues have been escalated through the PMR framework and the most recent discussions between the Trust Board and SHA Board have focused on RTT, A&E and cancer waiting times. The Finance Risk Rating remains 2 although the outturn position is now forecast as 3 (Green). The SHA has requested firm assurance that plans to achieve and sustain all measures within the PMR are implemented more quickly to ensure full and sustainable compliance as soon as possible. ▪ The Historic Due Diligence stage 1 (HDD1) action plan has been progressed this month, with 8 'high priority' (from 16) and 7 'medium priority' (from 25) recommendations already completed ▪ At the Stakeholder forum on 13 September, a workshop was conducted to form plans on the role of our future Council of Governors. The group were enthusiastic about governorship, but felt that it was important for the Trust to go out to local groups to highlights the benefits of being a member and what is involved in becoming a member. The group agreed that the current geographical areas for membership should be expanded, so that individuals in the South Staffordshire, Herefordshire, Wrexham and Cheshire boundaries could become members. ▪ We continue to periodically communicate our progress towards FT, together with associated the risks and issues, to all stakeholders via, HEC, ODG and TNCC in addition to staff and public member newsletters, the intranet and public website. The next Stakeholder Conference is scheduled for 17 January 2013. ▪ The Workforce Director has increased the workforce engagement risk from 2x2 to 3x3, recognising that further work is required to ensure staff engagement in the FT process. ▪ A FT Board readiness meeting was held with the SHA on 19 September which concluded the trust should continue on the FT pathway, subject to achieving key deliverables.
<p>Key issues/ items for forthcoming period:</p>	<ul style="list-style-type: none"> ▪ Further to the baseline self assessment of the Board Governance Assurance Framework (BGAF), an action plan has been constructed to address areas of development. The Chairman has reviewed the evidence to support the self assessment and this has been discussed at Board Development sessions. Mandatory independent assessment against the Board Governance Assurance Framework (BGAF) by Ernst & Young (EY) will be undertaken during the period of October/November 2012 ▪ Evidence collection and validation by Board members has been planned to assure the Quality Governance Framework (QGF) prior to independent assessment in October/November 2012. The next stage will be for the quality & safety team to collate the evidence to support the self assessment. This should be considered as a priority
<p>Consultations, reviews and events</p>	<ul style="list-style-type: none"> ▪ Monitor, jointly with The King's Fund, is running a conference specifically for FT non-executive directors: Meeting the Challenges, held at The King's Fund offices in London on 15 November 2012. The event will look at: <ul style="list-style-type: none"> - the implications of the Health and Social Care Act for FTs, and what it will mean for their non-executive directors - the implications of the Act for Monitor and how FTs will interact with Monitor in future the role of non-executive directors in ongoing monitoring and compliance of their trust's performance - how non-executive directors can satisfy themselves on clinical risk how non-executive directors can challenge executive directors and ensure they obtain the right kind of information - what non-executive directors need to consider in order to take part in decision-making on significant transactions - what non-executive directors need to do to build relationships and work effectively with new local commissioners <p>Details of this event are provided for information as the event is intended for FTs only, although the themes used here may be useful to base induction of new/development of existing NEDs as part of the Board Development Programme. More details are on the Kings Fund website here: http://www.kingsfund.org.uk/events/ft_nonexecutive_rol.html</p>

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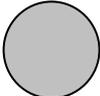
<p>FT authorisations and applicants</p>	<p>There are currently 144 NHS Foundation Trusts of which 41 are mental health trusts, and 4 are Ambulance trusts.</p> <p>The most recent Trust to receive FT authorisation was:</p> <ul style="list-style-type: none"> ▪ Royal Free London NHS Foundation Trust (1 April 2012) <p>59% of all acute and specialist Trusts have now been authorised as FTs.</p> <p>Monitor states that the following Trusts have received Secretary of State approval to apply for NHSFT status:</p> <ul style="list-style-type: none"> ▪ Devon Partnership NHS Trust ▪ Leicestershire Partnership NHS Trust ▪ Royal Liverpool and Broadgreen University Hospitals NHS Trust ▪ The Royal Wolverhampton Hospitals NHS Trust ▪ Manchester Mental Health and Social Care Trust ▪ East of England Ambulance Service NHS Trust ▪ West Midlands Ambulance Service NHS Trust ▪ Dudley and Walsall Mental Health Partnership NHS Trust ▪ Western Sussex Hospitals NHS Trust
<p>Summary: Board Development Day</p>	<p>3 September 2012</p> <p>Agenda items covered were:</p> <ul style="list-style-type: none"> ▪ Workforce Strategy – Victoria Maher ▪ IT Strategy – Neil Nisbet ▪ Clinical Service Strategy - Debbie Vogler ▪ FT Communications Strategy – Adrian Osborne ▪ Latest LTFM – Neil Nisbet ▪ Estates Strategy – Neil Nisbet ▪ Board to Board workshop – Deloitte

Appendix A – FT Project Plan



Appendix B - Risk Log

Risk description	Commentary	Date entered	Owner	Mitigating action taken	LxC*	Residual score	Status
Failure to deliver improved financial position – including working capital and CIPs	Need to ensure QIPP income not understated and LHE deliver QIPP plans. Need robust management of CIP schemes through PMO	TFA	FD	SLR introduced aligned to new Centre structure with monitoring of performance. CIP plans identified to deliver savings to achieve operating surpluses. Dedicated Programme Management Office established to track performance of CIP delivery.	4x5	20	OPEN
Capacity to manage the impact of consolidation of financial management and operational performance whilst starting the FT pipeline	Notice given of two Assistant Directors of Finance are imminently leaving the organisation	TFA	FD	Project approach with robust measurable programmes in place and creation of Programme Management Office to ensure deadlines are delivered. Management and clinical restructure completed. Additional senior staff in post. Restructure of Finance Directorate in progress. Discussion with SHA re: submission date	4x5	20	OPEN
Failure to deliver service performance improvements	Working with LHE 19 projects to improve quality and delivery. PMR improvements seen in GRR and FRR f/cast outturn	TFA	COO	Performance management arrangements in place with escalation procedure – continual monitoring of programme.	3x5	15	OPEN
Failure to deliver improvements to quality and safety	Working with LHE 19 projects to improve quality and delivery	TFA	DQS	Quality Improvement Strategy being drawn up with clear action plan monitored through Quality & Safety Committee. Additional focus on improving patient safety and patient experience. Embedding LIPS across organisation. Trust McKinsey benchmark shows as top quartile performance. Recent improvements in GRR	2x5	10	OPEN
Engagement and understanding of FT amongst staff is not achieved	Greater awareness of implications of FT application needed amongst staff	20.2.12	WD	Learning support being developed 'FT so what' to ensure organisations understanding. Now included in induction. Extend briefings when timeline finalised.	3x3	9	OPEN
Lack of support and engagement from external stakeholders.	Current changing landscape of LHE makes engagement more difficult	18.1.12	Chairman	Inaugural Stakeholder conference held on the 10 May 2012 – to be held quarterly. Second event Sept 2012. Productive Shropshire Board set up. Discussion with CCG planned October.	2x4	8	OPEN

Risk description	Commentary	Date entered	Owner	Mitigating action taken	LxC*	Residual score	Status
Failure to deliver reconfiguration of services	Key risks noted at Trust Board 1) Communication of 2) Workforce training 3) Managing transition /implementation	TFA	DoT	Full public consultation and ongoing engagement with patients and clinicians and clear project management arrangements and plan in place. Approved by Trust Board 16/4/12. Programme Board established under DoT for implementation stage. FBC with SHA for approval	1x5		OPEN
Available time and resource to conduct public consultation if required		26.1.12	DCRM	SHA and HOSC agreed further formal consultation not required	3x2		Closed

