

Report to: Trust Board 29 November 2012

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

Executive summary

- **Tripartite Formal Agreement** – a revised TFA, based on the outcomes of the Board to Board session with the SHA in September, is due to be formalised by January 2013
- The total **FT membership** stands at 13,346 members (7724 public and 5622 staff members)
- **FT Pipeline** - Midlands & East SHA Cluster publishes monthly performance ratings for each aspirant FT against aggregated finance, quality, performance and TFA progress measures. For the latest reporting period (October 2012) the Trust is rated as **Amber/Red**.
- Progress against the revised FT project plan will be monitored on a monthly basis via a review meeting with each individual lead, chaired by the CEO, and the outcome reported to the relevant assurance Committee
- 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 LG - Learning and Growth: We will develop our staff and internal processes to sustain our ability to change and improve	FS1. Develop and implement sustainable clinical strategies LG3. Devolve responsibility and accountability and cooperate with each other

Risk and assurance issues	Risks agreed in Tripartite Formal Agreement Assurance through monthly Provider Management Regime
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:

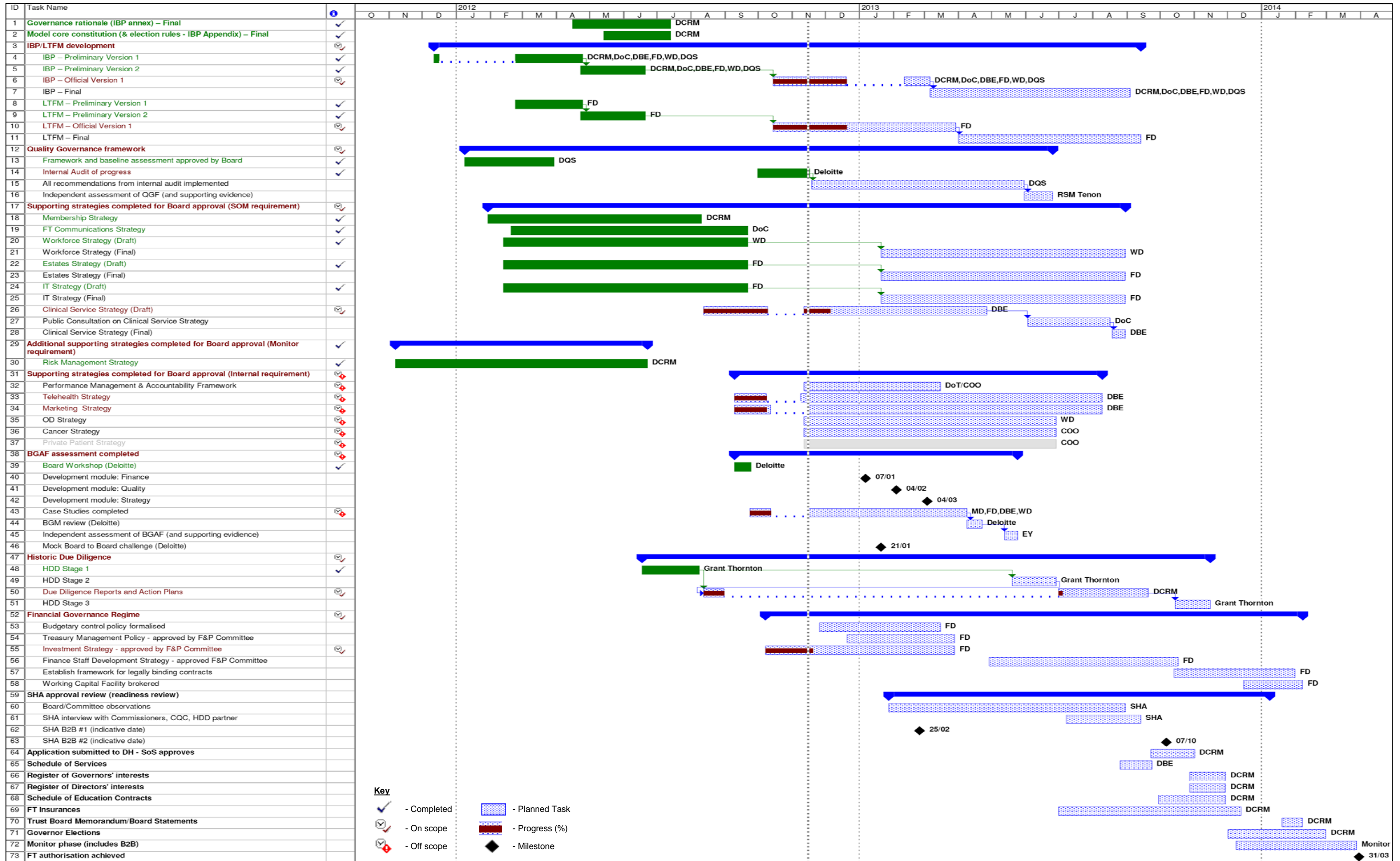
- **REVIEW** and **APPROVE** the content of the NHS Foundation Trust update report

NHS Foundation Trust Development Programme Summary update report

Enclosure 10

Overall Status:	AMBER / RED																	
External measures	Midlands & East SHA Cluster FT 'pipeline' assessment (Oct-12) ¹		AMBER/RED ↔ <small>¹ Based on finance, quality, performance and TFA progress</small>															
	NHS PAF score (Oct-12) ²		<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 50%;">Finance</td> <td style="width: 50%;">Quality</td> </tr> <tr> <td>Performing</td> <td>Performance under review</td> </tr> </table> <small>² NHS Performance Assessment Framework 'Balanced Scorecard'</small>	Finance	Quality	Performing	Performance under review											
	Finance	Quality																
Performing	Performance under review																	
<table border="1" style="width: 100%;"> <tr> <td rowspan="2" style="width: 30%;">Provider Management Regime³</td> <td style="width: 30%;">Governance Risk Rating</td> <td style="width: 10%; text-align: center;">4</td> <td style="width: 10%; text-align: center;">RED</td> <td style="width: 10%; text-align: center;">↑</td> </tr> <tr> <td>Finance Risk Rating</td> <td style="text-align: center;">2</td> <td style="text-align: center;">RED</td> <td style="text-align: center;">↔</td> </tr> </table> <small>³ Trust position as reported to Midlands and East SHA for the period of September 2012</small>		Provider Management Regime³	Governance Risk Rating	4	RED	↑	Finance Risk Rating	2	RED	↔								
Provider Management Regime³	Governance Risk Rating		4	RED	↑													
	Finance Risk Rating	2	RED	↔														
Membership	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 30%;">FT Membership</td> <td style="width: 20%;">This month</td> <td style="width: 10%;"></td> <td style="width: 20%;">Last month</td> <td style="width: 10%;"></td> </tr> <tr> <td>Public</td> <td>7724</td> <td style="text-align: center;">↑</td> <td>7676</td> <td></td> </tr> <tr> <td>Staff</td> <td>5622</td> <td style="text-align: center;">↑</td> <td>5616</td> <td></td> </tr> </table>			FT Membership	This month		Last month		Public	7724	↑	7676		Staff	5622	↑	5616	
FT Membership	This month		Last month															
Public	7724	↑	7676															
Staff	5622	↑	5616															
Monitoring	<ul style="list-style-type: none"> ▪ Further to the FT 'readiness assessment' of the Trust undertaken by NHS Midlands and East in September, a number of revisions to the milestones agreed in the Tripartite Formal Agreement (TFA) have been proposed. These are due to be formalised between the Trust and newly emerging NHS Trust Development Agency (NTDA) in January 2013 ▪ Subject to agreement with the NTDA, a revised FT project plan (appendix A), based on a November 2013 submission to the DH, has been drafted outlining the key milestones, interdependencies and accountabilities to delivery. Progress against the plan will be monitored on a monthly basis via a review meeting with each accountable Director, chaired by the CEO ▪ Progress will be assured through the relevant Committee reporting to the Board (for example, the Workforce Strategy will be assured through the Workforce Committee; Quality Governance Framework through the Quality & Safety Committee; Historic Due Diligence through Finance Committee). Review of the Board Governance Assurance Framework is reserved to the Trust Board ▪ Risks around the FT application will be added and reviewed on a monthly basis (appendix B), and escalated through Risk Management process where appropriate ▪ Deloitte have issued a draft internal audit report on the Quality Governance Framework. A management response is due w/c 26 November prior to the final report being presented at Audit Committee in December 																	
FT governance frameworks: status	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 50%;">Framework</td> <td style="width: 25%;">Open actions</td> <td style="width: 25%;">Last period (Sep-12)</td> </tr> <tr> <td>Board Governance Assurance Framework (BGAF)</td> <td>41</td> <td>74</td> </tr> <tr> <td>Historic Due Diligence (stage1)</td> <td>29</td> <td>33</td> </tr> <tr> <td>Quality Governance Framework (QGF)*</td> <td>tbc</td> <td>n/a</td> </tr> </table> <small>* awaits development</small>			Framework	Open actions	Last period (Sep-12)	Board Governance Assurance Framework (BGAF)	41	74	Historic Due Diligence (stage1)	29	33	Quality Governance Framework (QGF)*	tbc	n/a			
Framework	Open actions	Last period (Sep-12)																
Board Governance Assurance Framework (BGAF)	41	74																
Historic Due Diligence (stage1)	29	33																
Quality Governance Framework (QGF)*	tbc	n/a																

Appendix A – FT Project Plan



Key

- ✓ - Completed
- 📌 - On scope
- 🚫 - Off scope
- ▨ - Planned Task
- ▨ - Progress (%)
- ◆ - Milestone

Appendix B - Risk Log

Risk description	Commentary	Date entered	Owner	Mitigating action taken	LxC*	Residual score	Status
Failure to deliver service performance improvements	Projects in place throughout Trust to achieve improvements. GRR and FRR f/cast outturn is FT authorisable	TFA1	COO	Performance management arrangements in place with escalation procedure – continual monitoring of programme. Command group structure established with weekly monitoring meetings at operational level	4x5	20	OPEN
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	TFA1	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.	3x5	15	OPEN
Capacity to manage the impact of consolidation of financial management and operational performance whilst completing the FT pipeline	Restructure of Finance Department CEO to hold individual Directors to account for delivery	TFA1	FD	Management and clinical restructure completed. Additional senior staff in post. Restructure of Finance Directorate in progress. Agreement with SHA re: revised submission date Regular reports to Trust Board	3x5	15	OPEN
Failure to deliver improvements to quality and safety	Working with LHE 19 projects to improve quality and delivery. Need robust process to monitor actions from Quality Governance Assurance Framework. Need to ensure Board receive details of QIAs on CIPs.	TFA1	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 improvement in GRR. Need robust process to monitor actions from Quality Governance Assurance Framework	3x5	15	OPEN
Failure to deliver reconfiguration of unscheduled care and hyper-acute stroke services	Following national and local guidance	TFA2	DBE	Full public consultation and ongoing engagement with patients and clinicians and clear project management arrangements and plan in place – Director of Business and Enterprise. Will need public consultation 2013	3x5	15	OPEN
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 – next event scheduled for 17 January 2013 Need closer working with CCGs in relation to IBP and LTFM	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	TFA1	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	5	OPEN
Engagement and understanding of FT amongst staff is not achieved		20.2.12	WD	Learning support being developed: 'FT - so what' to ensure organisational understanding.	2x2	4	OPEN

*LxC = Likelihood x Consequence

Source: SaTH Risk Management Strategy (RM01)