

ITEM: 3

**MEETING:** Trust Board  
21 November 2007

**TITLE:** Foundation Trust Application

**SUMMARY:** This paper sets out the current position and the next steps in the application process, following our submission to the Department of Health on 1<sup>st</sup> November and the Historical Due Diligence undertaken by independent accountants.

**ACTION:** Information and discussion

**REPORT FROM:** Susan Sorensen  
Director of Strategy and Performance

**SPONSORED BY:** David Sloman  
Chief Executive

<p><b>Financial Validation</b> Lead: Director of Finance</p>	<p>N/a</p>
<p><b>Compliance with statute, directions, policy, guidance</b> Lead: All directors</p>	<p>N/a</p>
<p><b>Compliance with Healthcare Commission Core/Developmental Standards</b> Lead: Director of Nursing &amp; Clinical Development</p>	<p><b>Reference:</b> N/a</p>
<p><b>Compliance with Auditors' Local Evaluation standards (ALE)</b> Lead: Director of Finance</p>	<p><b>Reference:</b> N/a</p>
<p><b>Compliance with requirements of FT application and monitoring regime</b> Lead: Director of Strategy &amp; Performance</p>	<p><b>Reference:</b> DoH/Monitor guidance to applicants</p>

## Foundation Trust Project Update

### 1.0 Application timeline

- 1.1 The table below updates the timetable for the remainder of the process following completion of the consultation process and submission of the application to the Department of Health (DoH).

Milestone	Activity
1 November 2007	First stage application submission to Secretary of State. Integrated Business plan including governance arrangements, draft constitution, public/staff engagement and membership strategy.
6 November to 16 November	Historical due diligence (HDD) assessment by independent accountants  Secretary of State decision on whether to put forward for Monitor assessment
23 November	NHS London Provider Agency reports to DoH.  HDD report to DoH and Monitor copied to Trust
3 December	DoH assessment completed and submitted to Applications Committee
11 December	DoH reports to Secretary of State (SoS) on outcome of Applications Committee
21 December	SoS decision announced on whether the application proceeds to Monitor
Beginning of January 2008	Submission of application to Monitor  Monitor desktop assessment to determine order of assessment within wave 7
January – March 2008*	Commencement of Monitor assessment including Board to Board  Election of Council of Members
1 April 2008	Earliest date for authorisation

- 1.2 Although this is an indicative timetable, the period of Monitor assessment could well be extended depending on Monitor's capacity to assess the number of applicants reaching that stage.

### 2.0 Historical Due Diligence

- 2.1 This exercise was undertaken by Ernst & Young, independent accountants appointed by Monitor to carry out the work as part of the DoH assessment phase. The trust provided documentary evidence in response to a checklist drawn up by E&Y. In addition, the E&Y team interviewed a number of directors and managers as follows:

Directorate of Strategy and Performance

Joe Liddane	Chairman (telephone interview)
Peter Farmer	Vice-chairman, Trust Board and Finance & Performance Committee Chairman of the Audit Committee
Dee Henry	Chairman of the Assurance Committee
Professor Anne Johnson	Non-executive director nominated by UCL (telephone interview)
David Sloman	Chief Executive
Richard Martin	Director of Finance
Susan Sorensen	Director of Strategy & Performance, PFI Project Director
Celia Ingham Clark	Medical Director
Margaret Boltwood	Director of HR & Corporate Affairs
Deborah Wheeler	Director of Nursing and Clinical Development
Kate Slemeck	Director of operations
Glenn Winteringham	IM&T Consultant
Clive Spence-Jones	Clinical Director, Women and Children
Linda McGurran	General Manager, Women and Children
Gurcharan Rai	Joint Clinical Director, Medicine
Jennifer Worrall	Joint Clinical Director, Medicine
Matthew Boazman	General Manager, Medicine
Phil Johnstone	External Auditor (Audit Commission)
Nick Atkinson	Internal Auditor (Parkhill Audit Agency)
Simon Goodwin	Finance Director, Islington PCT
Tony Wordley	Senior Financial Performance Manager, NHS London Provider Agency (telephone interview)

- 2.2 The exercise focussed on governance arrangements and financial performance. A draft report will be received by the Trust on 16 November, to check for factual accuracy. A verbal report on the findings and recommendations will be provided to the Trust Board and the final report will be circulated on 23 November.

### 3.0 Membership development

- 3.1 The target for patient and public membership at the 1<sup>st</sup> November was reached, with 2,013 on the database. This has increased to 2,184 as at 14<sup>th</sup> November. In order to meet the recruitment target of 4,000 by the beginning of January, there needs to be an average daily recruitment of 40 members in phase 2.
- 3.2 A detailed project plan for phase 2 recruitment is being drawn up and will include *inter alia*
- a further advertorial in local newspapers, drawing attention to the widening of the geographic boundaries
  - targeted leafleting canvassing in geographic areas and among ethnic communities which do not appear to have been sufficiently covered in phase 1

- recruitment campaign in schools now that the minimum age has been confirmed as 14
- continuation of the staff ambassador scheme
- continuation and possible increase in the engagement of professional canvassing

3.3 The post consultation report is included in the Integrated Business Plan as Appendix 4, and the membership development strategy is in Appendix 5.

#### **4.0 Constitution**

4.1 Following discussion at the FT Project Board and the Trust Board seminar, the trust's solicitors, Bevan Brittan, have been instructed to produce the next draft of the core constitution which is based on the Monitor model. Provisions within the draft constitution which are specific to the Whittington will need to be approved by Monitor.

4.2 The constitution includes in appendices separate Standing Orders for the Board of Directors and the Council of Governors. These will essentially provide the framework for the operation of the new governance arrangements. Bevan Brittan are drafting these on the basis of the trust's existing Standing Orders which are embedded in the integrated governance document approved by the Trust Board in June 2006. The Reservation and Delegation of Powers and Standing Financial Instructions, which form the remainder of the current document, will need to be reviewed prior to authorisation as a Foundation Trust.

4.3 Bevan Brittan have also been asked to draft codes of conduct for both the board of Directors and Council of Governors.

4.4 This suite of documents will be available for discussion the next meeting of the Foundation Trust Project Board to be held on 27th November. Following that they will be circulated to board members for comment, with a view to producing the final version for approval at the Board seminar on 19 December.

#### **5.0 Mock Board to Board**

5.1 The trust have asked KPMG, our financial advisers on the Long Term Financial Model, to run a mock Board to Board on the morning of the Board Development Programme on 28th November. This will start at 9.15 am with a presentation from the chief executive, followed by KPMG acting as Monitor questioning the board until approximately 11 am. There will be a half hour break and then an hour's feedback from KPMG.

5.2 In the afternoon session, there will be an opportunity to review performance and develop an action plan in preparation for the NHS London Provider Agency Board to Board on 21st December.

**The Trust Board is asked to note the current position on the Foundation Trust application, and the plan for the mock Board to Board on 28<sup>th</sup> November.**