

ITEM: 8

Meeting: Trust Board Part 1
Date: 20 May 2008

Title: **Report from FT Programme Board**

Executive Summary: The attached paper provides the board with an overview of the work undertaken by the FT programme Board. Terms of Reference and membership are included as an appendix.
 The paper outlines the FT application project plan timetable, included as an appendix. In addition this section includes the comments and guidance received from Monitor in relation to the application, following meetings between the Trust and officers from Monitor.
 The board is asked to note that a programme plan for the development of the LTFM is on track to provide a progress report and initial findings to the Trust Board in July and that progress against the recommendations from both the Ernst & Young's due diligence reviews is progressing well.
 A programme of trust board meetings and board seminars has been scheduled to October and the detail of this is included as an appendix for the Board to offer comment.
 The paper updates the board on the Council of Governors elections and appointments and requests that the board ratify the decision to hold a by-election for the vacant seat in July.
 Finally the paper provides an update on membership recruitment.

- Action:**
1. To note progress to date
 2. To confirm the intention to submit the IBP to Monitor in October – the implication of this is that the Trust would be authorised as an FT in February 2009
 3. Note that this decision will be reviewed in July
 4. Note the seminar and board programme – this will be confirmed following the two Trust Board away days
 5. To ratify the decision made by the FT PB to hold the Whittington South Governor by-election in July

Report from: **David Sloman, Chief Executive, Chair of the Foundation Trust Programme Board**

Sponsor:

Financial Validation	Name of finance officer
Lead: Director of Finance	N/a

<p>Compliance with statute, directions, policy, guidance</p> <p>Lead: All directors</p>	<p>Reference:</p> <p>FT application process</p>
<p>Compliance with Healthcare Commission Core/Developmental Standards</p> <p>Lead: Director of Nursing & Clinical Development</p>	<p>Reference:</p> <p>N/a</p>
<p>Compliance with Auditors' Local Evaluation standards (ALE)</p> <p>Lead: Director of Finance</p>	<p>Reference:</p> <p>N/a</p>
<p>Evidence for self-certification under the Monitor compliance regime</p> <p>Lead: All directors</p>	<p>Compliance framework reference:</p> <p>Management of the Governance risk rating</p>

Report from FT Programme Board

PURPOSE OF THE REPORT:

1. To report to the Board on the foundation trust (FT) application, outlining progress against key milestones.
2. To detail for the Board decisions made by the FT programme board (FTPB) and request ratification
3. To detail, through exception reporting, issues which the Board should note or discuss to determine way forward.
4. To provide detail of aspects of the application which require decisions to be made by the Board.
5. To update the board on the business of the Council of Governors and the progress with developing the membership base.

1.0 FTPB terms of reference and membership

The terms of reference and membership of the foundation trust programme board can be found at appendix 1.

2.0 Project Plan

Having postponed its FT application the board will be aware that that a provisional target date for authorisation is set for the turn of the calendar year 2009.

In preparation for the resubmission of our application to Monitor a project plan for the development of the Integrated Business Plan (IBP) has been established and this is performance managed through the FT PB. The application preparation outline timetable can be found at appendix 2.

The board is asked to note that a letter of confirmation has been received from Stephen Hay, Chief Operating Officer at Monitor confirming the trust's application postponement.

To note:

- Monitor agreed to postpone the application for NHS foundation trust status for a period of up to twelve months. This means that the trust would need to re-activate its assessment by 1st April 2009.
- Although the formal period of postponement is twelve months the trust discussed a timetable leading to authorisation around the end of the year. Under such a timetable Monitor would need to recommence the assessment process in September/October
- Monitor confirmed that the trust will use the postponement period to address the following key issues:
 1. Ensuring that all of the outstanding issues from both Ernst & Young due diligence reports are fully addressed;
 2. Ensuring that the risks associated with the day treatment centre, accident and emergency department and proposed maternity development are fully addressed within the Integrated Business Plan; and

3. Ensuring that the finance function is fully fit for FT status.
 - Monitor recommend that in order to address point 2 above the trust should have further discussions with both the PCTs and SHA
 - Upon re-activation, the assessment will follow a similar form to that of the original application. A second board to board meeting will be held, the Board will need to make a new self certification and Ernst & Young will need to conduct further fieldwork to update their working capital and financial reporting procedures opinions.

The board is advised that the FT application is progressing to the target timescales and that there are no significant variances to report in relation to project progress at this time.

3.0 Monitor Submissions

The Chief Executive and Director of Strategy & Performance met with David Hoppy (acting head of assessment) and Richard Boyce (senior assessment manager) on Friday 2 May to discuss process and timing of the FT application re-submission. Monitor advised the following:

Process

- Assessment would be over two months (accelerated) or three months (normal)
- It was a pass or fail decision - no further postponement or deferment allowed
- Monitor would try to allocate the same teams as before
- Expect an update of financial review
- Expect an assessment of local health economy and in particular the PCTs' position in relation to the Healthcare for London review as part of the IBP
- Meetings with non-executive directors are required

Timing

If the trust's IBP were submitted on 1 September 2008, the assessment period would take place over September/October with a Board-to-Board meeting at the end of October and Monitor Board meeting at the end November for authorisation 1 December 2008.

There is no Monitor Board meeting in December 2008. The next Monitor board would be end January 2009, for which the Board-to-Board would be held around mid-December.

Monitor confirmed that it was acceptable for the IBP and LTFM to demonstrate significant change from the previous version.

The FTPB recommends that the Board agree that the trust resubmits its FT application on 1 October 2008, which would result in authorisation in February 2009.

4.0 Strategy

The board is reviewing its strategic plans as part of its board development work that will be undertaken at the planned away day on 20/21 May 2008. The IBP will reflect any changes to the strategic direction, formulated by the board.

5.0 The financial model

Development of the trust's application includes a revision of the Long Term Financial Model (LTFM). KPMG has been engaged to assist in the development of the LTFM, to undertake a fitness for purpose review of the finance department against FT requirements and a quality assurance review of the LTFM. The LTFM covers the years 2008/09 – 2013/14 and will be based on the activity assumptions in the three – year contract signed with the PCTs and the PCT's commissioning strategic plans, each of which will be risk assessed in terms of known community developments and likely success of the schemes from historical

performance and market intelligence. All directorates are involved in the development of activity assumptions, service development proposals, cost pressures and future years cost improvement plans.

The board is asked to note that the established programme plan for the development of the LTFM is on track to provide a progress report and initial findings to the Trust Board in July 2008.

6.0 Corporate governance

Following the appointment of the Chairman and Non-Executive Directors at the end of 2007, the board agreed that the corporate governance structure should be reviewed.

A corporate governance action plan that sets out the tasks, responsibilities and timescales for completing the corporate governance framework in preparation for the follow-up Stage 2 assessment is performance managed through the FT PB.

The board is asked to note that the board reviewed the committee structure as a separate presentation to today's meeting. No further detail is therefore included in this report.

6.1 Due Diligence

Following the trust's due diligence assessment by Ernst & Young in Feb 2008 an action plan has been developed which details the tasks, responsibilities and timescales for completing the work which addresses the recommendations set out in the due diligence report. KPMG are also engaged to quality assure the outcomes of the work undertaken to deliver the changes recommended by E&Y.

The board is asked to note that there are no variances to report in relation to this work at this time.

6.2 Board programme

A programme of trust board meetings and board seminars has been scheduled to October 2008. This is aligned to the Monitor Compliance Framework timetable and the Intelligent Board guidelines and ensures that all items that require trust board discussion and approval are managed within the recommended/required timescales. The programme includes allocated time for the board to receive and debate key items in the IBP.

The programme is attached at appendix 3.

The board is asked to note that the programme will be confirmed following the Trust Board away day on 20/21 May.

7.0 Council of Governors

The elections to the Council of Governors (CoG) are now complete. All but one of the public seats was filled leaving a vacancy for the Whittington South constituency.

There are now five appointed Governors out of the 10 available seats as follows:

Ms Anita Charlesworth – Islington PCT

Councilor Stefan Kasprzyk – London Borough of Islington

Councilor Bob Harris – London Borough of Haringey

Dr Steven Rogers – Islington PBC group

Dr Gillian Greenhough – Islington PBC group

We are still awaiting confirmation from Camden & Islington Mental Health and Social Care Trust, Haringey Teaching PCT (appointed Governor and appointed GP Governor) and UCL.

We have not yet approached the Middlesex University for their nomination to maintain the majority of public and patient Governors whilst there is a vacant Whittington South seat.

The FT PB have determined a schedule for the by-election for the vacant Whittington South seat and the board is asked to ratify the decision to run a by-election in July 2008.

8.0 Membership Update

The trust is working to achieve a membership target of 4,500 by 1 October 2008. Patient and public membership is currently 4,215. The membership officer will be attending a number of community events during the summer months to target recruitment of groups who are underrepresented within the diversity of the membership.

9.0 Conclusion

The Board is asked to note that progress with the trusts FT application is progressing to time and that the LTFM will be presented to the board in July.

Details of any item outlined above can be found in the FTPB meeting papers and minutes