

Item 09/007  
DOC: 6

**Meeting:** Trust Board  
**Date:** 21 January 2009

**Title:** Report from FT Programme Board

**Executive Summary:** The attached paper provides the board with an overview of the work undertaken by the Foundation Trust Programme Board.

Detailed within the paper is an update of current status of the Trust's FT application including detail of the decision to delay submission to Monitor, which the Board had the opportunity to discuss in detail at the morning Board Seminar.

Progress with the development of the next iteration of the long term financial model to reflect the impact of HRG 4, Market Forces Factor (MFF) and IFRS is outlined.

The Board is updated on the progress against the recommendations from both the Ernst & Young's due diligence reviews and assured that all actions against this are now complete.

The Board is informed about the progress with orientation and induction of Governors, the election of a Lead Governor and the work that will follow a Governor half day event to explore their role and function within the Trust.

Finally, the paper outlines progress against FT membership recruitment targets and recommends the revision of these targets following consideration within the preparation of the second IBP submission.

**Action:** The Board is asked to note progress made to date and discuss the decision to delay its FT application submission to Monitor.

The Board is asked to approve the revised membership targets.

**Report from:** Fiona Elliott, Director of Planning & Performance

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

**Financial Validation**

Lead: Director of Finance

Name of finance officer

N/a

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

The Chairman and Chief Executive have reviewed the impact on the business plan of the revised NHS pricing structure published in December 2008. The impact of IFRS and the bringing of the PFI onto the balance sheet were also considered. In this context they consider that the Trust is not in a position to re-initiate its FT application until these issues have been fully worked through. Greater clarity on the national and pan-London handling of these issues is expected by the end of February. The 2009/10 contract with the PCTs will also be signed off by the end of February, which again will give more certainty to the position moving forward. The issues were discussed with the SHA who support the Trust's analysis.

As such the Chief Executive notified Monitor that the Trust will not be re-initiating its application in February. The Board was presented with, and had the opportunity to discuss in detail this issue at this mornings Board seminar.

### 2.0 Integrated business plan

The IBP was completed and presented to the Board in December 2008. This version of the IBP was based on activity analysed under HRG 3.5. Further work will be required to update the IBP to take account of HRG4 and potential changes to the Market Forces Factor (MFF).

### 3.0 The financial model

The Board was presented with the revised Long Term Financial Model (LTFM) in December 2008. Work has progressed on updating the model to take account of HRG 4 and MFF. The Board was presented with, and had the opportunity to discuss in detail, the implications for these changes at this mornings Board seminar.

KPMG has been engaged to undertake a quality assurance review of the LTFM and their completed report will be presented to the FTPB in February.

## 1.0 Corporate governance

Following the Trust's due diligence assessment by Ernst & Young in Feb 2008 an action plan was developed which details the tasks, responsibilities and timescales for completing the work which addresses the recommendations set out in the due diligence report. KPMG were engaged to quality assure the outcomes of the work undertaken to deliver the changes recommended by E&Y. Good progress has been made against each of the actions and all items have now been actioned and work completed.

## 4.0 Membership Office

The Trust continues to recruit FT members. The Trust originally set itself a target for recruitment of 4,000 members by time of authorisation. Patient and public membership numbers are currently 4,376. The membership database has undergone 'data cleansing' to ensure it is as accurate as possible and this results in the removal of members at the rate of approximately two members per week.

Consideration of the future membership targets set early in our FT application was undertaken as part of the development of the trust's second submission to Monitor and a recommendation is made to revised the targets as outlined in the tables below:

Table1 : Original membership targets:

Options	Minimum target by authorisation	Minimum target membership at 1st anniversary of FT status	Minimum target membership at year 3
Patients	1500	2000	2500
Public	2500	3000	3500
Total	4000	5000	6000

Table2 : Revised membership targets:

Options	Minimum target by authorization (~1 April 2009)	Minimum target membership at 1st anniversary of FT status	Minimum target membership at year 3
Patients	2000	2000	2250
Public	2500	3000	3250
Total	4500	5000	5500

Membership diversity is being analysed and this will be presented to the FTPB at its January meeting. The membership officer is developing a membership recruitment action plan for 2009/10 and this will be reviewed by the FTPB at its February meeting.

**The Board is asked to note progress with FT member recruitment and to approve the revised membership targets.**

## 5.0 Council of Governors

There have been eight meetings of the Council of Governors (COG) which have focused on the induction and orientation of Governors and discussions about what the role of the Governors is at the Whittington. Governors have attended a series of events held at the Trust. A number of Governors have joined committees and working groups within the hospital.

Governors have now elected Mr. Ron Jacobs as their 'Lead Governor' who will act as a conduit from the CoG to the Chairman. The Chairman and Corporate Secretary will work with Mr. Jacobs to support the development of his role as Lead Governor.

The CoG is having an independently facilitated half day event on 29 January to start to define their roles as Governors and to shape how they would wish to work with the Trust. The work of this event will be presented by the Governors to a future Board meeting. The Board will use the information and suggestions from the Governors to discuss and agree BoD/CoG working relationships and how the constitution will be embedded into the organisation.

## **7.0 Conclusion**

The Board is asked to note the progress with the different elements of the Trust's FT application.