

## Whittington Health Trust Board

23 January 2013

<b>Title:</b>	<b>Foundation Trust application progress report</b>		
<b>Agenda item:</b>	<b>13/015</b>	<b>Paper</b>	<b>9</b>
<b>Action requested:</b>	<b><i>For discussion</i></b>		
<b>Executive Summary:</b>	<p>This paper gives an update to the Board on progress with the development of the Trust's Foundation Trust (FT) application and details the following items.</p> <p><u>CCG convergence letter</u> The Trust is in discussions with NCL and the CCGs to gain support for its integrated business plan and long-term financial model so that these organisations are able to support the trust's FT application through a convergence letter in advance of the revised timeline for the SHA board to Board meeting which is now scheduled for 21 February 2013.</p> <p><u>FT Governance requirements update</u> The Board reviewed the post public consultation report in October and agreed changes to the make up of the public constituency. Additionally the changes to FT governance resulting from the Health and Social Care Act were formally brought into legislature in October 2012. Both of these changes have now been reflected in the Trust's draft constitution. The Trust's solicitors are revising the current versions of the mandatory supporting governance documentation and will provide the required letter for the SHA submission to confirm the Trust's constitution is in line with FT legislative requirements.</p> <p><u>IBP and LTFM submission to SHA</u> The draft version 6 of IBP and LTFM was provided to the Trust Board, CCGs and NCL on 8<sup>th</sup> Jan 2013. Feedback has now been received and the document is being reviewed, edited and corrected to finalise for the NHSL submission on 25<sup>th</sup> January 2013</p> <p><u>The Single Operating Model September submission</u> The SOM requires the Trust to calculate its risk score and RAG rate current performance against the FT application milestones, in addition to providing comment with regard to any contractual issues and compliance with CQC essential standards. The October and November submissions were signed on behalf of the Board by the Chairman and CEO and are included for Board ratification.</p>		

	<p><u>NHS TDA</u>  The NHS Trust Development Authority (TDA) published on 21 December the planning guidance "Toward High Quality, Sustainable Services: Planning Guidance for NHS Trust Boards for 2013/14". The guidance requires NHS Trusts to produce an integrated plan that focuses on delivery high quality services, living within the resources available and creating the business processes that underpin future sustainability. The first draft of the Trust's plan will be submitted to the TDA on 25 January 2013 with the final Trust Board approved plan submitted on 4 April 2013. Details of the required submission and how this is being managed are included in the paper.</p>						
<b>Summary of recommendations:</b>	<ul style="list-style-type: none"> <li>• The Board is asked to note progress on the FT application</li> <li>• The Board is recommended to ratify the SOM submission</li> <li>• The Board is asked to note and discuss the NHS TDA planning requirements and approve delegated authority for sign off of the submission to the CEO</li> </ul>						
<b>Fit with WH strategy:</b>	This report provides an update on key issues that could affect the achievement of Foundation Trust Status.						
<b>Reference to related / other documents:</b>	Finance Report Chairman's report CEO's report						
<b>Date paper completed:</b>	18 January 2013						
<b>Author name and title:</b>	<b>Fiona Smith Director Planning &amp; Programmes</b>			<b>Director name and title:</b>		<b>Richard Martin Director of Finance</b>	
<b>Date paper seen by EC</b>	N/A	<b>Equality Impact Assessment complete?</b>	N/A	<b>Risk assessment undertaken?</b>	N/A	<b>Legal advice received?</b>	N/A

# FT application progress report

23 January 2013



## 1. Introduction

This paper gives an overall update to the Board on progress with the Trust's Foundation Trust (FT) application and required submissions.

## 2. CCG convergence letter

The Trust is working to ensure GPs and commissioners are fully involved with progressing and approving the development of the IBP and LTFM and the changes made between version 5 and 6.

Trust representatives have attended Haringey's CCG Finance Board in addition to a joint NCL/ Islington CCG/ Haringey CCG meeting to further gain support for the assumptions made in the long-term financial model. Further information has been requested by Haringey CCG in order for the CCG to feel able to support the Trust's FT application. The convergence letter is expected to follow the joint CCG board meeting on 31 January 2013. The Board will be kept assured formally of progress with this and any risks to the timeline through monitoring by the FT Committee, the next meeting being 14 February 2013.

## 3. FT Governance requirements update

The Board reviewed the post public consultation report in October and agreed changes to the make up of the public constituency. Additionally the changes to FT governance resulting from the Health and Social Care Act were formally brought into the legislature in October 2012. Both of these changes have now been reflected in the Trust's draft constitution.

The Trust's solicitors are revising the current versions of the following mandatory supporting governance documentation:

- The governance rationale
- The Code of conduct for the Board of Directors and Council of Governors
- The Standing orders for the Board of Directors and Council of Governors

The solicitors will also provide the required letter for the SHA submission to confirm the Trust's constitution is in line with FT legislative requirements.

These revised documents will be brought to the FT steering committee in February for review and approval and Trust Board in February for ratification.

#### **4. IBP and LTFM submission to SHA**

The draft version 6 of IBP and LTFM was provided to the Trust Board, CCGs and NCL on 8<sup>th</sup> Jan 2013. To finalise the IBP for the NHSL submission on 25<sup>th</sup> January 2013, the following steps have been agreed:

- i) Bring together the common themes and concerns from feedback received to date
- ii) Edward Lavelle to act as master editor of the IBP working with the Trust team to:
  - improve the core substance of the IBP – correcting inaccuracies, adding facts, making more convincing, ensuring factual continuity and consistency through sections etc
  - improve clarity of key messages and improve flow – tighter more relevant section summaries up front, editing to deliver the story more succinctly and drawing the reader's attention to key facts etc
  - improve style – “one author”, reducing word count, general grammar and spelling corrections etc
- iii) Final review of edit to input missing material where appropriate/possible and correct for any other significant feedback

The Trust has a further opportunity to discuss in detail the IBP and LTFM in the private Board meeting today.

#### **5. Single Operating Model**

The Trust is required to submit its “Single Operating Model” for aspirant foundation trust's return to NHS London each month. This compliance regime mirrors the monitor compliance regime and covers aspects of clinical corporate and financial governance. The board delegated responsibility to the Chairman and Chief Executive for signing these returns where the dates for submission fall outside the timings of the Board meetings. The October and November submissions are attached at appendices 9.1a and 9.1b for the board to review in detail.

The single operating model requires that the milestones included in the original tripartite formal agreement (TFA) and accountability agreement (AA) are also included and signed off by NCL. Using the revised RAG rating criteria and methodology to assess progress against the TFA and AA milestones, NCL have agreed the RAG rating against the progress against the TFA has moved from amber-red to red and the RAG rating against the AA has moved to amber-red.

NCL have agreed the following overall RAG rating for the TFA and AA for the January submission:

The Trust has RAG Rated the TFA Risk to Future delivery as **Red**  
 The Trust has RAG Rated the Accountability Agreement Delivery as **Amber/Red**

<b>Comments on TFA Overall Delivery</b>	The Trust has delayed its FT application and agreed a revised SHA B2B date of 21/02/2013 with NHSL and DH submission date of 28 March 2013.
-----------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------

<b>Comments on Accountability Agreement</b>	The Trust is in continuing negotiations with NCL Cluster and CCGs to agree the convergence letter and significant progress has been made. The CCGs will discuss their convergence letter with a view to sign off at the JCCG board on 31 January 2013.
---------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

The SOM also requires the Trust to calculate its risk score and RAG rate performance, assessment of contractual issues with commissioners and compliance with CQC essential standards. Having completed the assessment using the SOM model the overall risk ratings for October and November are as follows:

### October 2012

Key Area for rating / comment by Provider	Score / RAG rating*
Governance Risk Rating (RAG as per SOM guidance)	AG
Normalised YTD Financial Risk Rating (Assign number as per SOM guidance)	2

There was deterioration against the September RAG ratings for governance (from green to amber/green) and finance (from green to red). The governance RAG reflects the combined **October** under - performance against the Emergency Department four hour target and the cancer two week wait target (reported in the performance dashboard report to the Trust Board in November). The financial RAG reflects the M7 financial position in relation to the income and expenditure surplus margin% in the normalised position (reported in the M7 finance report to the Trust Board in October).

### November 2012

Key Area for rating / comment by Provider	Score / RAG rating*
Governance Risk Rating (RAG as per SOM guidance)	G
Normalised YTD Financial Risk Rating (Assign number as per SOM guidance)	3

Both the governance risk rating and financial position RAG has improved and both were green in November submission. This reflects improved ED performance and improved normalised position.

**ACTION: the board is asked to discuss and ratify the SOM submission**

## 6. NHS TDA Planning Guidance

The NHS Trust Development Authority (TDA) published on 21 December the planning guidance "Toward High Quality, Sustainable Services: Planning Guidance for NHS Trust Boards for 2013/14" (Appendix 9.2a). The guidance requires NHS Trusts to produce an integrated plan that focuses on delivery high quality services, living within the resources available and creating the business processes that underpin future sustainability. The submission reflects the Monitor Compliance framework. The plan is due to be submitted to the TDA by 25 January 2013. The Trust will ensure the plan is entirely consistent with the first year delivery of the IBP and LTFM.

The NHS Trust Development Authority requires the following from each NHS Trust:

### a) An overarching presentation

The overarching presentation must capture the narrative on the last year and the year ahead, the key challenges and development needs and the plans for the year ahead, alongside the areas of variation where improvement is expected.

The Trust is expected to identify five key areas of delivery where there is significant variation from the top performers in the NHS and to set out an improvement plan to bridge that gap in the coming year (Appendix 9.2b). The five areas for Whittington Health will be:

1. Sustainable delivery of ED 4 hour target
2. Sustainable delivery of cancer targets
3. Reduction in hospital length of stay
4. Improved outpatient productivity through reduction in first to follow up and consultant to consultant referrals
5. Achieving 95% compliance with mandatory training for all staff

To support NHS Trusts, the TDA wishes to understand a fuller and clearer understanding of the support each NHS Trust would find most beneficial given the particular challenges it faces (Appendix 9.2c). As part of the planning process, the TDA expect every NHS Trust to identify a small number (3-6) of high priority support and development needs. The areas Whittington Health has identified are:

1. Management training for clinicians
2. Middle manager development programmes
3. Implementation of SLM action learning networks
4. Integrated care organisation networks
5. "OD through significant change" network

There is no specified template for the remainder of the presentation, but it should be submitted in PowerPoint format, incorporating the key elements outlined above.

### b) Performance and activity plan

The requirements for the performance and activity plans from each NHS Trust, including templates for submission are set out in an extensive spreadsheet model that forms part of the submission. The requirements include:

- definitions of performance and activity measures
- monitoring arrangements
- accountability expectations
- planning requirements, if applicable
- further information

### **c) Financial plan**

The requirements for the performance and activity plans from each NHS Trust, including templates for submission are set out in an extensive spreadsheet model that forms part of the submission. The requirements include submission of:

- income and expenditure plans
- capital and cash plan
- source and application of funds
- cost improvement programme

### **d) Workforce plan**

A high level workforce plan is needed for triangulation with finance and activity data. The requirements for the performance and activity plans from each NHS Trust, including templates for submission are set out in an extensive spreadsheet model that forms part of the submission and includes:

- whole time equivalents in 2012/13 and planned during 2013/14
- pay bill in 2012/13 and planned during 2013/14
- the average cost per whole time equivalent in each year

### **e) Planning checklist**

The planning checklist is designed as an easy way for NHS Trusts to confirm (self-certify) that they meet key requirements. The planning checklist attached as appendix 9.2d includes the following sections:

- quality
- workforce
- performance
- finance
- Quality, Innovation, Productivity and Prevention (QIPP)
- Innovation Health and Wealth
- NHS Foundation Trust pipeline

In confirming compliance in each section, the Trust will need to take into account its position in relation to each of the requirements. The minimum confirmation of compliance would be 'Yes' and additional statements will be added as appropriate to demonstrate compliance.

If the Trust is not currently compliant, a brief explanation and the mitigation of non-compliance will be provided. The NHS Trust Development Authority may request further details if needed.

The first draft submission will be presented to the FT steering group on 14 February for review and comment and the final version will be presented to Trust Board in March before the final submission to the NHS TDA on 4 April 2013.

**Action:**

- **The Board is asked to note and discuss the NHS TDA submission requirements and approve the improvement and development priorities as described in section 6a**
- **The planning checklist should be signed off by an Executive Member of the Trust Board and the Board is asked to confirm delegation of this to the Chief Executive.**

**Fiona Smith**

**18 January 2013**