

ITEM: 6

MEETING: Trust Board
16 May 2007

TITLE: Foundation Trust project update

SUMMARY:

The attached report provides a summary of the progress made on the FT application process following notification that the NHS London Provider Agency will recommend to the Department of Health that the Trust should join wave 7.

ACTION: To discuss and approve or amend the recommendations made by the FT project Board

REPORT FROM: Susan Sorensen
Director of Strategy & Performance

SPONSORED BY: David Sloman
Chief Executive Officer

Financial details supplied/checked by: na

Recommendations contained within this paper have been checked for compliance with relevant statute and regulations/directions/policy as follows:
DH and Monitor
Applying for NHS Foundation Trust Status - Guide for Applicants February 2007



Foundation Trust Project Update

1.0 Application timeline

1.1 The recently established Provider Agency of NHS London has formally notified the Trust that it is recommending to the Department of Health that we should join Wave 7 of the Foundation Trust application process. The recommendation is based on their assessment of the Annual Business Plan submitted in March this year. The summarised feedback indicated a financial risk rating of 3 (on a scale of 1 to 5), which is the minimum required, ratings of green for governance and services and amber for quality and safety. The latter reflected the Trust's performance against the MRSA target reduction. The NHS London Provider Agency also advised the Trust to aim for higher income and expenditure surpluses in future years, to continue to develop robust plans for utilising the increased day case capacity in the new facility and finalise schemes to meet the cost improvement target.

1.2 The provisional timetable for wave 7 sets out a four phase process, which is briefly summarised as follows:

Phase	Period	Activity
1	June 2007	DH assessment based on NHS London report Trust develops its Integrated Business Plan and consultation documents
2	July – October 2007	Secretary of State approval to consult on plans 12 week consultation 23 July to mid October Application submitted end October
3	November December 2007	Historical due diligence assessment by independent accountants Trust continues to develop its plans and membership Secretary of State decision on readiness for Monitor assessment
4	January – March 2008	Monitor assessment including Board to Board Election of Council of Members 1 st April authorisation (target)

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 Project Structure

2.1 The FT Project Board was first established in January 2006 when the Trust aspired to join wave 3a. It has now been reactivated and met in January, April and May 2007. The terms of reference were reviewed at the last meeting and the updated version is attached as Appendix 1. Minor revisions reflect the most recent DH and Monitor guidance. The Project Board will meet monthly and report to the Trust Board at each meeting. Ongoing project management will be conducted through the weekly Executive Team meetings.

- 2.2 Four major workstreams have been identified and established as sub-projects each led by a member of the Executive Team.

Workstream	Executive Lead	Support
Integrated Business Plan	Susan Sorensen	Janice Isaac Business Planning Group NHS Professionals
Long term Financial Model	Richard Martin	Senior Finance team KPMG
Governance	David Sloman	Fiona Elliott External advisers tba
HR Development	Margaret Boltwood	Senior HR team External advisers tba

Each of these workstreams will draw on a number of existing and newly-created project teams and forums as illustrated in Appendix 2.

- 2.3 The Executive Team and Project Board have reviewed a detailed task analysis. Responsibilities, dependencies and timescales are currently being defined to form the basis of detailed project plans including critical paths.

3.0 Consultation Process

- 3.1 This is an important element of the pathway to Foundation Trust status in ensuring that our stakeholders – patients, public, staff, commissioners - are supportive of our service strategy and governance proposals. A Consultation and Communications Team has been established to develop and implement our strategy and produce the consultation documentation. This is also an opportunity to kickstart the drive for the target 6,000 members including staff.

- 3.2 The team has recommended to the Project Board the following publications to support the consultation process:

- A limited edition “Whittington Review” in a professionally designed format. This will be a targeted distribution to particular groups. The narrative themes will be also included in the Annual Report and Accounts prepared for the Annual Public Meeting in September.
- A mass produced professionally-designed summary leaflet for wider distribution
- Two “advertorials” in the local press – July and September
- Pages on the website and intranet

All these media will incorporate feedback and membership application forms.

- 3.3 A programme of both staff and public consultation meetings will be drawn up with particular attention to communicating with “hard to reach” groups. We shall also exploit opportunities provided by local events including those planned as part of the Building for Babies appeal.
- 3.4 It is proposed that an open day should be held in the atrium on the same day as the Annual Public Meeting, with health promotion displays from both the Whittington and other organisations.
- 3.5 It is anticipated that all Board members will contribute to the consultation process as far as is practical. Given that the period includes the summer holidays, a detailed analysis of Board and staff availability will be undertaken.

4.0 Membership Development

- 4.1 Recruitment will continue throughout the consultation period and beyond. We shall consult on the geographic scope of the public constituency and on patient/carer eligibility. We shall ask the staff for their views on securing a representative occupational spread in the elections for staff members on the Members’ Council.
- 4.2 The Project Board recommends that partnership organisations to be invited to join the Council should include West Haringey, North Islington and Central Islington GP Commissioning practices, the prison service and the local Mental Health Trust.
- 4.3 The final proposed make-up of the Members’ Council is yet to be determined.
- 4.4 The Project Board meeting in April had agreed that the membership management process should be externally tendered. However, following a presentation from the Royal Free FT project manager (one wave ahead of the Whittington) it was decided that the options should be reconsidered and a firm recommendation made to the next meeting of the Project Board.
- 4.5 Elections to the Members’ Council are likely to take place in February 2008 and it is confirmed that this task will be out-sourced nearer the time.

5.0 Integrated Business Plan (IBP)

- 5.1 This is a major element of the application submission along with the 5-year Long Term Financial Model. KPMG have been appointed as financial advisers on the development of the model and work has commenced on populating the template. The overall process will be supervised by the Business Planning Group who will determine the assumptions to be built into the financial model and evaluate the risks to inform the sensitivity analysis.
- 5.2 Chapter headings for the IBP are:
 - 1. Executive summary
 - 2. Profile of the Trust
 - 3. Strategy
 - 4. Market Assessment
 - 5. Service Development Plans

6. Financial Plans
7. Risks
8. Leadership and workforce
9. Governance arrangements

Appendices cover:

- I. Financial model
- II. Governance Rationale
- III. Model core constitution
- IV. Consultation response and staff engagement
- V. Membership strategy

- 5.3 A key focus of the assessment process is the extent to which an integrated approach can be demonstrated, including credible and consistent activity and workforce assumptions. The current detailed activity analysis emerging from the work of the SOC Project Team and DTC project team will feed into the IBP. Consultancy support from NHS Professionals has been procured to assist with the development of robust workforce plans reflecting service development and demand assumptions.
- 5.4 Drafts of the plan during the pre-submission phase can be discussed with the trust's leads at both the DH and the NHS London provider agency. The latter have requested a draft by end September on the assumption of a submission date end of October.

6.0 Historical Due Diligence

- 6.1 Immediately following submission, the period of Historical Due Diligence commences. This is undertaken by an independent firm of accountants procured by Monitor and reporting to the Secretary State in December and Monitor subsequently. It will look closely at our financial history and current governance arrangements.
- 6.2 The outcome of this investigation, along with DH analysis of the IBP will be the basis of the recommendation to the Secretary of State on whether the Trust should enter the Monitor assessment process.

7.0 Monitor Assessment

- 7.1 Although scheduled to commence in the New Year, the exact timing of this three month scrutiny will depend on Monitor's capacity. On the assumption of the shortest timescale, we would expect the Board to Board to take place in March and, if the application is successful, for Monitor to make his recommendation for the trust to be licensed to operate as an FT by 1 April. This timetable could, however, extend by several months.
- 7.2 During this period, there will be continuous challenge to the IBP and financial model culminating in a final submission just before the Board to Board. Additional documentation relating to governance arrangements is also required as part of the submission to Monitor.

- 7.3 The objective of Monitor's assessment is to establish whether the Trust is
- ✓ Legally-constituted
 - ✓ Financially viable
 - ✓ Well-governed
- 7.4 In preparation for both the DH and Monitor assessment, a Board and staff development programme will be drawn up and implemented. Consideration will be given to what external support may be required, bearing in mind particularly the impending changes to the non-executive team.

8.0 Indicative programme for Board meetings

Meeting	Business
Trust Board 16 May	<ul style="list-style-type: none"> • Receive project update • Decisions as below
Seminar 20 June	<ul style="list-style-type: none"> • Receive detailed project plans • Review first draft IBP and appends • Review first draft consultation documentation and programme and agree approval process
Trust Board 18 July	<ul style="list-style-type: none"> • Ratification of Public Consultation programme • Review updated draft of IBP and appends
Seminar 15 August	<ul style="list-style-type: none"> • Review progress of consultation • Approve report on consultation for submission to DH
Trust Board 19 September	<ul style="list-style-type: none"> • Approval of draft IBP and financial model for submission to NHS London Provider Agency • Review of progress on other application documentation for submission to DH
Open Day Annual Public Meeting Late September tbc	<ul style="list-style-type: none"> • Presentation of Whittington Review • Annual Report and Accounts • Membership recruitment
Seminar 17 October (whole day)	<ul style="list-style-type: none"> • Approve application document for submission to DH • Board Development • Review frequency of Board meetings
Trust Board 21 November	<ul style="list-style-type: none"> • Review additional draft documents for Monitor submission • Review progress on membership • Approve election process

Seminar 19 December	<ul style="list-style-type: none">• Review application to Monitor• Board Development
Trust Board 16 January	<ul style="list-style-type: none">• Review membership progress• Confirm election process
Seminar 20 February	<ul style="list-style-type: none">• Further consideration of IBP• Mock Board to Board
Trust Board 19 March	<ul style="list-style-type: none">• Monitor Board to Board

The Trust Board is asked to:

- 1. Note the application timetable**
- 2. Note the project structure**
- 3. Approve the revised terms of reference of the FT Project Board**
- 4. Endorse the approach to consultation and proposals for publications**
- 5. Provide details of availability of Board members during the consultation period**
- 6. Agree the date for the Annual Public meeting/Open Day**
- 7. Endorse the Project Board recommendation on partner representation on the Members' Council**
- 8. Note the indicative programme for Board meetings and Seminars**