



Supporting all NHS Trusts to achieve NHS Foundation Trust status by April 2014

Tripartite Formal Agreement between:

- Bedford Hospital NHS Trust
- NHS East of England
- Department of Health

Introduction

This tripartite formal agreement (TFA) confirms the commitments being made by the NHS Trust, their Strategic Health Authority (SHA) and the Department of Health (DH) that will enable achievement of NHS Foundation Trust (FT) status before April 2014.

Specifically the TFA confirms the date (Part 1 of the agreement) when the NHS Trust will submit their “FT ready” application to DH to begin their formal assessment towards achievement of FT status.

The organisations signing up to this agreement are confirming their commitment to the actions required by signing in part 2a. The signatories for each organisation are as follows:

NHS Trust – Chief Executive Officer
SHA – Chief Executive Officer
DH – Ian Dalton, Managing Director of Provider Development

Prior to signing, NHS Trust CEOs should have discussed the proposed application date with their Board to confirm support.

In addition the lead commissioner for the Trust will sign to agree support of the process and timescales set out in the agreement.

The information provided in this agreement does not replace the SHA assurance processes that underpin the development of FT applicants. The agreed actions of all SHAs will be taken over by the National Health Service

Trust Development Authority (NTDA)¹ when that takes over the SHA provider development functions.

The objective of the TFA is to identify the key strategic and operational issues facing each NHS Trust (Part 4) and the actions required at local, regional and national level to address these (Parts 5, 6 and 7).

Part 8 of the agreement covers the key milestones that will need to be achieved to enable the FT application to be submitted to the date set out in part 1 of the agreement.

Standards required to achieve FT status

The establishment of a TFA for each NHS Trust does not change, or reduce in any way, the requirements needed to achieve FT status.

That is, the same exacting standards around quality of services, governance and finance will continue to need to be met, at all stages of the process, to achieve FT status. The purpose of the TFA for each NHS Trust is to provide clarity and focus on the issues to be addressed to meet the standards required to achieve FT status. The TFA should align with the local QIPP agenda.

Alongside development activities being undertaken to take forward each NHS Trust to FT status by April 2014, the quality of services will be further strengthened. Achieving FT status and delivering quality services are mutually supportive. The Department of Health is improving its assessment of quality. Monitor has also been reviewing its measurement of quality in their assessment and governance risk ratings. To remove any focus from quality healthcare provision in this interim period would completely undermine the wider objectives of all NHS Trusts achieving FT status, to establish autonomous and sustainable providers best equipped and enabled to provide the best quality services for patients.

¹ NTDA previously known as the Provider Development Authority – the name change is proposed to better reflect their role with NHS Trusts only.

Part 1 - Date when NHS foundation trust application will be submitted to Department of Health

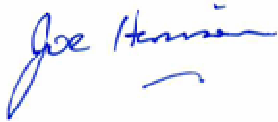
<p>Estimated application date October 2012</p> <p>-----</p> <p>Formal decision on re-entry to FT pipeline and necessary steps to achieve FT status will be made at a Trust/SHA Chair and CEO review meeting on 26 October 2011</p>
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Part 2a - Signatories to agreements

By signing this agreement the following signatories are formally confirming:

- their agreement with the issues identified;
- their agreement with the actions and milestones detailed to support achievement of the date identified in part 1;
- their agreement with the obligations they, and the other signatories, are committing to;

as covered in this agreement.


<p>Joe Harrison (CEO of Bedford Hospital NHS Trust)</p>	<p>Signature</p>  <p>Date: August 2011</p>
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<p>Sir Neil McKay (CEO of SHA)</p>	<p>Signature</p>  <p>Date: 30 September 2011</p>
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Name, Job Title (Ian Dalton)	Signature  Date: 30 September 2011
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Part 2b – Commissioner agreement

In signing, the lead commissioner for the Trust is agreeing to support the process and timescales set out in the agreement.

Angela McNab (CEO NHS Bedfordshire)	Signature  Date: 31 March 2011
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Part 3 – NHS Trust summary

Short summary of services provided, geographical/demographical information, main commissioners and organisation history.

Required information

Current CQC registration (and any conditions):
Registered without any conditions.

Financial data (figures for 2010/11 should to be based on latest forecast)

	2009/10 £k	2010/11 £k	2011/12
Total income	134,959	143,694	141,888
EBITDA	9,156	9,381	10,635
Operating surplus/deficit	4,611 surplus/1,351 surplus after removal of impairment	3,286 deficit/274 surplus after removal of impairment effect	1,390 surplus
CIP target	4,230	4,968	11,700
CIP achieved recurrent	2,517	2,468	7,900
CIP achieved non-recurrent	1,525	1,290	3,800

The NHS Trust's main commissioners

The Trust's main commissioner is NHS Bedfordshire, which currently accounts for 96% of its service level agreement income.

Market share analysis using the CHKS tool reveals that the Trust holds 43.00% of the market share for all inpatient admissions commissioned by NHS Bedfordshire in 2009/10

This equates to a market share of 41.51% of NHS Bedfordshire's commissioned elective activity and 44.76% of non elective activity.

Analysis of outpatient activity (GP referral only) shows the Trust holds 49.40% of the market share for activity commissioned by NHS Bedfordshire in 2009/10.

Summary of PFI schemes (if material) None.

The Trust is a 414 bed acute district general hospital providing a range of services to approximately 270,000 people living predominantly in North and Mid Bedfordshire. These services are delivered mainly from one site and include a 24-hour accident and emergency department, acute medicine, maternity, paediatrics, older people's services and a comprehensive range of surgical specialities.

The Trust is the county hub for vascular services and is one of three centres in the country that provide porphyria services. A tunable laser dye centre provides a service to most of the south east of the country. Moorfields Eye Hospital NHSFT provides world-class ophthalmology services on site through a subcontract. Pathology services are delivered through our partners GSTS.

Turnover: The hospital has over 2,148 staff and a current turnover of £142 million.

Geographical area covered:

Bedford hospital serves a primary catchment population of about 270,000, predominantly resident in Bedford Borough and the geographically proximate parts of Central Bedfordshire. The Trust is well positioned to serve the entire populations of Bedford Borough and Central Bedfordshire, which totals around 411,000. The Trust's secondary catchment population (in south and central Bedfordshire and across the borders of neighbouring counties) is in excess of 750,000 (Cambridgeshire, 550,000, Luton, 85,000, Milton Keynes, 207,000, Northamptonshire, 630,000, North Hertfordshire, 117,000). All of these populations are set to increase over the next ten years.

Bedfordshire has seen sustained population growth over the past two decades (currently

population growth rates in Bedfordshire are more than twice the national average); a trend set to continue as part of the South East Midlands / Milton Keynes housing and employment growth agenda (the South East Midlands growth strategy).

Part 4 – Key issues to be addressed by NHS trust

Key issues affecting NHS Trust achieving FT	
<p>Strategic and local health economy issues</p> <p>Service reconfigurations <input type="checkbox"/></p> <p>Site reconfigurations and closures <input type="checkbox"/></p> <p>Integration of community services <input type="checkbox"/></p> <p>Not clinically or financially viable in current form <input type="checkbox"/></p> <p>Local health economy sustainability issues <input type="checkbox"/></p> <p>Contracting arrangements <input type="checkbox"/></p> <p>Financial</p> <p>Current financial Position <input checked="" type="checkbox"/></p> <p>Level of efficiencies <input checked="" type="checkbox"/></p> <p>PFI plans and affordability <input type="checkbox"/></p> <p>Other Capital Plans and Estate issues <input type="checkbox"/></p> <p>Loan Debt <input type="checkbox"/></p> <p>Working Capital and Liquidity <input checked="" type="checkbox"/></p> <p>Quality and Performance</p> <p>QIPP <input type="checkbox"/></p> <p>Quality and clinical governance issues <input type="checkbox"/></p> <p>Service performance issues <input type="checkbox"/></p> <p>Governance and Leadership</p> <p>Board capacity and capability, and non-executive support <input checked="" type="checkbox"/></p>	
<p>Please provide any further relevant local information in relation to the key issues to be addressed by the NHS Trust:</p> <ul style="list-style-type: none"> – Recruit new Finance Director – New CEO now in post. New COO started on 12th September – Refresh of service developments to be completed by October 2011 – Develop and sign off full CIP and financial plan for 2011/12 – (8.5% CIP) <p>The Trust and SHA held a Chair and CEO review meeting in June 2011 and agreed a number of improvement milestones:</p> <p>We agreed that the foundation trust application should be put on hold for a number of months while the Trust identifies further cost improvement plans and demonstrates delivery of the financial plan. The Trust will also address the concerns raised by the CQC, Deanery and identified via the internal self assessment of the Quality Framework.</p> <p>By way of milestones to monitor progress, we will continue to meet with the Trust Executive team on a monthly basis under the Provider Management Regime (PMR).</p> <p>We will monitor the delivery of the following milestones:</p> <p>Service performance – We will expect the key service performance standards that drive our governance risk rating to be delivered. We will use the governance risk rating to monitor continued delivery of service performance and the clearance of CQC concerns. We agreed that the Trust would deliver and sustain a green or amber-green governance risk rating from August onwards.</p>	

Quality – Beyond the governance risk rating we expect the Trust to develop a plan to clear the CQC concerns (moderate for nutrition and minor for dignity and respect), address the issues raised at the recent Deanery visit (in particular supervision and quality of induction) and to strengthen the processes and outcomes that are reviewed under the Quality Framework. The SHA and the Trust have reviewed detailed plans and progress on the quality improvement issues at the monthly Provider Management Regime meetings which involve the SHA Quality and Nursing team. The Trust has also undertaken a review against the Monitor Quality Framework. We expect the Trust to maintain the positive HCAI and HSMR delivery.

Finance - We reviewed a detailed CIP programme in July and will monitor delivery against the agreed month-by-month trajectory. We will also monitor the cash position through the CIP plan review meetings. Detailed plans and progress has been reviewed at the monthly Provider Management Regime meetings with the Trust which include representation from the SHA Finance team. The PCT Finance Director will attend the monthly PMR meetings going forward.

Governance and assurance –. The SHA and Trust agreed that the SHA would receive a short review of the lessons that the Board can learn in terms of challenge and assurance relating to some of the finance, quality and service performance issues discussed at our meeting. The review should outline whether the new Board governance arrangements are embedding and adding value. It would also be helpful for us to understand what the short and medium term Board development programme entails and how this will support more effective governance. We would like to receive this review by the end of August 2011.

The delivery of the indicators above will demonstrate delivery of the basics that are necessary to be viewed as a credible FT applicant. If they are delivered we will consider re-setting the timeline when we meet in late October 2011. If they are not delivered we will meet with the Chair and Chief Executive to discuss alternative plans.

It was agreed that a further review meeting will take place in October 2011 to review progress with the strengthening of the fundamentals and, assuming progress can be demonstrated, to re-set the FT timeline at that point. This timeline and the interim milestones will be discussed and formally reviewed at the 26 October Trust/SHA Chair and CEO meeting. The interim steps to meet the overall timescales will fall out of that discussion.

Part 5 – NHS Trust actions required

Key actions to be taken by NHS Trust to support delivery of date in part 1 of agreement	
Strategic and local health economy issues	
Integration of community services	<input type="checkbox"/>
Financial	
Current financial position	✓
CIPs	<input type="checkbox"/>
Other capital and estate Plans	✓
Quality and Performance	
Local / regional QIPP	<input type="checkbox"/>
Service Performance	<input type="checkbox"/>
Quality and clinical governance	<input type="checkbox"/>
Governance and Leadership	
Board Development	<input type="checkbox"/>
Other key actions to be taken (please provide detail below)	<input type="checkbox"/>
<p>Describe what actions the Board is taking to assure themselves that they are maintaining and improving quality of care for patients.</p> <p>The Trust Board follows all best practice assurance mechanisms. It complies with CQC registration and receives any additional patient safety and quality external reviews such as the Francis Report as required at the Trust Board.</p> <p>Please provide any further relevant local information in relation to the key actions to be taken by the NHS Trust with an identified lead and delivery dates:</p> <p>See section 4</p>	

Part 6 – SHA actions required

Key actions to be taken by SHA to support delivery of date in part 1 of agreement	
Strategic and local health economy issues	
Local health economy sustainability issues (including reconfigurations)	<input type="checkbox"/>
Contracting arrangements	<input type="checkbox"/>
Transforming Community Services	<input type="checkbox"/>
Financial	
CIPs\efficiency	<input checked="" type="checkbox"/>
Quality and Performance	
Regional and local QIPP	<input type="checkbox"/>
Quality and clinical governance	<input type="checkbox"/>
Service Performance	<input type="checkbox"/>
Governance and Leadership	
Board development activities	<input type="checkbox"/>
Other key actions to be taken (please provide detail below)	<input checked="" type="checkbox"/>
<p>Please provide any further relevant local information in relation to the key actions to be taken by the SHA with an identified lead and delivery dates.</p> <p>The SHA held a Chair and CEO review meeting with the Trust in June to discuss issues, plans for resolution and to agree improvement KPIs.</p> <p>The SHA has been working with the Trust to support their development of a financial plan for 2011/12 that delivers the 8.5% CIP challenge. Now that a plan is in place the SHA Nurse and Workforce Director will review the Quality assessment process for CIPs with the Trust and PCT.</p> <p>The SHA has been working with the system (including the PCT) to agree transformation funding support for the change programme planned at Bedford Hospital. The system has agreement over QIPP plan assumptions.</p> <p>The Provider Management Regime meetings held between the Trust and SHA will now also include the PCT.</p> <p>The SHA will monitor the risk ratings, CIP plans, broader financial delivery, quality improvement and the re-setting of the strategy ahead of a further review meeting with the Trust Chair and CEO in October.</p> <p>The SHA will observe the Trust Board ahead of the FT review meeting.</p> <p>This timeline and the interim milestones will be discussed and formally reviewed at the 26 October Trust/SHA Chair and CEO meeting. The interim steps to meet the overall timescales will fall out of that discussion.</p>	

Part 7 – Supporting activities led by DH

Actions led by DH to support delivery of date in part 1 of agreement	
Strategic and local health economy issues Alternative organisational form options	<input type="checkbox"/>
Financial NHS Trusts with debt	<input type="checkbox"/>
Short/medium term liquidity issues	<input type="checkbox"/>
Current/future PFI schemes	<input type="checkbox"/>
National QIPP workstreams	<input type="checkbox"/>
Governance and Leadership Board development activities	<input type="checkbox"/>
Other key actions to be taken (please provide detail below)	X
Please provide any further relevant local information in relation to the key actions to be taken by DH with an identified lead and delivery dates: Review of TFA in November 2011 Reassessment of FT assurance	

Part 8 – Key milestones to achieve actions identified in parts 5 and 6 to achieve date agreed in part 1

Date	Milestone
June 2011	SHA/Trust Chair and CEO review meeting
July 2011	Consistent delivery of green or amber green GRR
August 2011	Transformation funding agreement
August 2011	CIP and financial plan delivery – monthly monitoring
August 2011	Joint Provider Management meetings to include PCT
August 2011	Trust to submit governance review to SHA
September 2011	Board observation by the SHA
October 2011	Chair and CEO review meeting with SHA to discuss re-entry to the FT pipeline or alternative plans to achieve FT status
November 2011	Agree finalised FT timeline
March 2012	Deliver year-end financial and service performance positions
July 2012	Due diligence refresh
August 2012	Trust to make final FT submissions to the SHA
September 2012	SHA Cluster and Trust Board to Board meeting
October 2012	Presentation to the DH
	Provide detail of what the milestones will achieve\solve where this is not immediately obvious. For example, Resolves underlying financial problems – explain what the issue is, the proposed solution and persons\organisations responsible for delivery.
	These milestones move to a decision meeting on 26 October 2011 when the full FT timeline will be discussed and on the basis of demonstrable progress would be formally re-set. The TFA captures the timeline that the Trust and SHA have discussed informally ahead of the review meeting.
	Any missed milestone will lead to a Chair and CEO escalation meeting between SHA and Trust.

Key Milestones will be reviewed every quarter, so ideally milestones may be timed to quarter ends, but not if that is going to cause new problems. The milestones agreed in the above table will be monitored by senior DH and SHA leaders until the NTDA takes over formal responsibility for this delivery. Progress against the milestones agreed will be monitored and managed at least quarterly, and more frequent where necessary as determined by the SHA (or NTDA subsequently). Where milestones are not achieved, the existing SHA escalation processes will be used to performance manage the agreement. (This responsibility will transfer to the NTDA once it is formally has the authority)

Part 9 – Key risks to delivery

Risk	Mitigation including named lead
Delivery of 2011/12 financial plan (including 8.5% CIP)	<ul style="list-style-type: none"> • Clear plan (JH) • Transformation funding support and clarity on activity plans from PCT (AMcN) • Trust Medical and Nurse Directors signing off quality review of CIP plans (EN and EJ) • PCT and SHA review of quality process and CIP plans (AMcN and RM/SW)
Delivery and sustaining of green governance risk rating	<ul style="list-style-type: none"> • Board, PCT and SHA over-sight– (JH, SB, VC, SD) • Recruitment of a Chief Operating Officer (JH) • Clearance of CQC concerns (JH and EJ)
Quality improvement and Quality Framework	<ul style="list-style-type: none"> • Trust to deliver improvement action plan (JH and EJ) • Trust to self assess (JH and EJ) • External review of self assessment (JH and EJ)
Recruitment of full substantive Executive team	<ul style="list-style-type: none"> • Strong interims and recruitment process (JH)