

## TFA document



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

### *Tripartite Formal Agreement between:*

- Manchester Mental Health and Social Care NHS Trust
- NHS North West
- 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)<sup>1</sup> 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.

---

<sup>1</sup> 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**


**Application Submitted**


**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.

Jackie Daniel (CEO of NHS Trust)	Signature  Date: 22 July 2011
----------------------------------	--

Mark Ogden (CEO of SHA)	Signature  Date: 22 July 2011
-------------------------	---

Ian Dalton, Managing Director of Provider Development	Signature  Date: 2 September 2011
--	--

**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.

John Scampion CEO of NHS Manchester	Signature  Date: 22 July 2011
--	---

### 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):

The Trust is currently registered for all services without conditions

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

	2009/10	2010/11
	£'000s	£'000s
Total income	97,067	91,351
EBITDA	978	1,314
Operating surplus/deficit (normalised)	532	542
CIP target	5,547	5,809
CIP achieved recurrent	3,583	3,875
CIP achieved non-recurrent	1,964	1,934

##### The NHS Trust's main commissioners:

NHS Manchester

Manchester Mental Health and Social Care NHS Trust provides a comprehensive range of mental health, public health, physical health and social care services to adults over the age of 18 who live within the city of Manchester, serving a 'resident population' of 484,900 (ONS 2006 population projections for 2010). Whilst we are a Manchester based provider, we also provide some services to people who live in other areas within the North West, beyond the city boundaries, dependent on the contracts we hold. Our turnover in 2010/11 was £91.4million, but will increase to £104.5 million with the transfer of a number of community services in 2011/12. We support in the region of 10,000 service users and as at 31 January 2011, employ 1594.31 staff, 1414.31 WTE of which are permanent employees with the balance coming through a variety of secondments, agency and bank arrangements.

## Part 4 – Key issues to be addressed by NHS trust

Key issues affecting NHS Trust achieving FT	
<p><b>Strategic and local health economy issues</b></p> <ul style="list-style-type: none"> <li>Service reconfigurations <input type="checkbox"/></li> <li>Site reconfigurations and closures <input type="checkbox"/></li> <li>Integration of community services <input type="checkbox"/></li> <li>Not clinically or financially viable in current form <input type="checkbox"/></li> <li>Local health economy sustainability issues <input type="checkbox"/></li> <li>Contracting arrangements <input type="checkbox"/></li> </ul> <p style="text-align: center;"><b>Financial</b></p> <ul style="list-style-type: none"> <li>Current financial Position <input type="checkbox"/></li> <li>Level of efficiencies <input type="checkbox"/></li> <li>PFI plans and affordability <input type="checkbox"/></li> <li>Other Capital Plans and Estate issues <input type="checkbox"/></li> <li>Loan Debt <input type="checkbox"/></li> <li>Working Capital and Liquidity <input type="checkbox"/></li> </ul> <p style="text-align: center;"><b>Quality and Performance</b></p> <ul style="list-style-type: none"> <li>QIPP <input type="checkbox"/></li> <li>Quality and clinical governance issues <input type="checkbox"/></li> <li>Service performance issues <input type="checkbox"/></li> </ul> <p style="text-align: center;"><b>Governance and Leadership</b></p> <ul style="list-style-type: none"> <li>Board capacity and capability, and non-executive support <input type="checkbox"/></li> </ul>	
<p>Please provide any further relevant local information in relation to the key issues to be addressed by the NHS Trust:</p> <p>The Trust has submitted its application to the Department of Health and therefore believes it has no key issues to be addressed. There have been discussions regarding a technical issue which affected the final audited accounts for 2010/11 and the necessary further assurance has been provided in relation to this and is therefore no longer an issue.</p> <p>The Trust firmly believes that it is able to respond to the key Monitor questions of being well managed, well governed and financially sound. The Trust believes it has evidence to back up this belief and is looking forward to the scrutiny of the Monitor stage of the Foundation Trust application process.</p>	

## Part 5 – NHS Trust actions required

Key actions to be taken by NHS Trust to support delivery of date in part 1 of agreement	
<p><b>Strategic and local health economy issues</b></p> <p>Integration of community services <input type="checkbox"/></p> <p style="text-align: center;"><b>Financial</b></p> <p>Current financial position <input type="checkbox"/></p> <p style="text-align: center;">CIPs <input type="checkbox"/></p> <p>Other capital and estate Plans <input type="checkbox"/></p> <p style="text-align: center;"><b>Quality and Performance</b></p> <p>Local / regional QIPP <input type="checkbox"/></p> <p>Service Performance <input type="checkbox"/></p> <p>Quality and clinical governance <input type="checkbox"/></p> <p style="text-align: center;"><b>Governance and Leadership</b></p> <p>Board Development <input type="checkbox"/></p> <p>Other key actions to be taken (please provide detail below) <input type="checkbox"/></p>	
<p><b>Describe what actions the Board is taking to assure themselves that they are maintaining and improving quality of care for patients.</b></p> <p>The Trust has a clear Quality strategy which is monitored monthly by the Quality Board, a formal sub committee of the Trust Board. There are also clear CQUIN targets and the Trust is on course to achieve all of these. The Trust scores 94.7% against one of the 95% Monitor national priorities but there is a clear action plan to achieve compliance by the end of July 2011. Month 3 shows the Trust is over-achieving against its financial plans and the CIP is delivering.</p> <p>The Trust Board is not in any way complacent, but does believe its is maintaining standards of care and has clear and deliverable plans for continually improving quality.</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><b>Performance</b></p> <p>Fortnightly telephone calls with SHA to discuss latest position against Monitor's compliance framework for financial and performance metrics. Also to discuss progress with Monitor.</p>	

## Part 6 – SHA actions required

Key actions to be taken by SHA to support delivery of date in part 1 of agreement	
<b>Strategic and local health economy issues</b>	<input type="checkbox"/>
Local health economy sustainability issues (including reconfigurations)	<input type="checkbox"/>
Contracting arrangements	<input type="checkbox"/>
Transforming Community Services	<input type="checkbox"/>
<b>Financial</b>	<input type="checkbox"/>
CIPs\efficiency	<input type="checkbox"/>
<b>Quality and Performance</b>	<input type="checkbox"/>
Regional and local QIPP	<input type="checkbox"/>
Quality and clinical governance	<input type="checkbox"/>
Service Performance	<input type="checkbox"/>
<b>Governance and Leadership</b>	<input type="checkbox"/>
Board development activities	<input type="checkbox"/>
Other key actions to be taken (please provide detail below)	<input 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><b>Performance</b></p> <p>Fortnightly telephone calls with Trust to discuss latest position against Monitor's compliance framework for financial and performance metrics. Also to discuss progress with Monitor.</p>	

## Part 7 – Supporting activities led by DH

Actions led by DH to support delivery of date in part 1 of agreement	
<b>Strategic and local health economy issues</b> Alternative organisational form options	<input type="checkbox"/>
<b>Financial</b> 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"/>
<b>Governance and Leadership</b> Board development activities	<input type="checkbox"/>
Other key actions to be taken (please provide detail below)	<input type="checkbox"/>
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:	

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

Date	Milestone
By end September 2011	Secretary of State Approval
Beginning October 2011	Monitor Assessment
<p>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.</p> <p>Describe what actions\sanctions the SHA will take where a milestone is likely to be, or has been missed.</p>	

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
<p>Failure to deliver full efficiency requirements would mean financial plans are not met</p>	<p>Director of Finance and Estates/Deputy CEO (Tracy Ellery) – Established and embedded governance process for cost improvement programme is in place for 2011/12. CIP progress is reported to board monthly. Governance structure involves finance committee, CIP programme board, Executive Team meetings and CIP delivery group.</p> <p>LTFM is in place containing 5-year financial plans. As part of managing this risk downside scenarios are considered as mitigations planned for dealing with slippage.</p> <p>Work is already underway to ensure that Trust plans reflect the latest financial assumptions and</p>

	<p>guidance. Trust plans are being reviewed to ensure that they are robust in light of new assumptions.</p> <p>The next iteration of the IBP and LTFM will incorporate any changes needed.</p>
<p>Delivery of capital programme could be compromised by failure to secure the appropriate loan required to fund IPR</p>	<p>Director of Finance and Estates/Deputy CEO (Tracy Ellery) – Capital loan has been approved (August 2011) but there has been delay in implementing project so risk remains around delayed delivery of project and associated implications for CIPs/LTFM and strategic clinical model.</p>