TFA document

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

Tripartite Formal Agreement between:

- London Ambulance Service NHS Trust
- NHS London
- 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

1 December 2011

Part 2a - Signatories to agreements

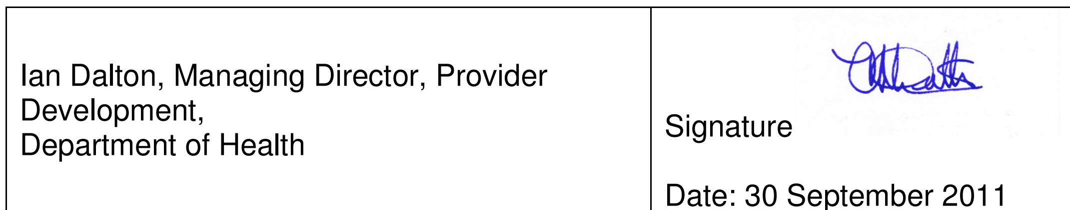
By signing this agreement the following signatories are formally confirming:

- 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.

Peter Bradley (CEO of NHS Trust)	Signature Date: 28 September 2011

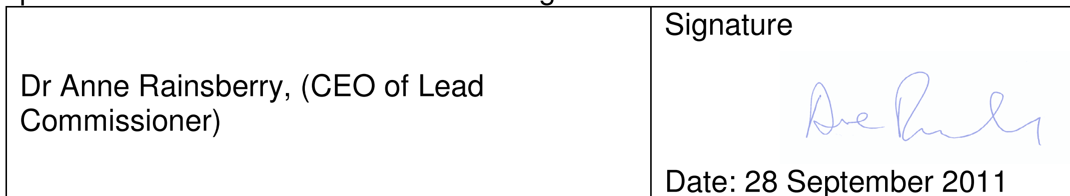
Dame Ruth Carnell, DBE Chief Executive, NHS London	Signature Date: 28 September



Ian Dalton, Managing Director, Provider Development, Department of Health	Signature Date: 30 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.



Dr Anne Rainsberry, (CEO of Lead Commissioner)	Signature Date: 28 September 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): unconditional registration since March 2010

Financial data

	2009/10 £000's	2010/11* £000's
Total income	279,864	283,617
EBITDA	18,076	17,160
Operating surplus**	1,425	990
CIP target	11,600	18,300
CIP achieved recurrent	6,400	13,400
CIP achieved non-recurrent	4,900	5,000

Source:DH FIMS
*Unaudited figures
**Excludes impairments/IFRS adjustments

The London Ambulance Service NHS Trust is the busiest emergency ambulance service in the UK, answering more than 1.48 million emergency 999 calls and responding on scene to more than one million incidents in 2009/10.

We provide a service to 32 London boroughs with a population of 7.7 million residents, plus approximately 775,000 daily commuters and visitors. To do this we employ just under 5,000 staff who provide operational and support services across 74 London sites. Over 80% of this workforce delivers front line patient care.

The total annual income for the Trust in 2010/11 was £283.6 million and a surplus of £0.989m was delivered before impairments.

Our service area covers the NHS London strategic health authority (SHA) area, six commissioning Clusters and 31 primary care trusts (PCTs) as shown below:

NHS London Commissioning Clusters and PCTs served by the Trust

Commissioning Clusters	Primary care Trusts (PCTs)
North West London	Ealing, Harrow, Brent. Hillingdon, Hounslow, Westminster, Hammersmith & Fulham, and Kensington & Chelsea
North Central London	Barnet, Enfield, Camden, Islington, Haringey
Outer North East London	Waltham Forest, Redbridge, Barking & Dagenham and Havering
Inner North East London	City & Hackney, Tower Hamlets and Newham
South East London	Lambeth, Southwark, Lewisham, Greenwich, Bromley and Bexley

South West London	Richmond, Kingston, Wandsworth, Sutton, Merton and Croydon

The annual A&E contract is commissioned by the North West London Commissioning Partnership (NWLCP), representing a conglomerate of 31 PCTs and six sector commissioning units across London. The contract sets out the emergency and urgent care services that we are required to provide and sets the levels of performance we are expected to achieve, with penalty clauses in the event of under-performance. Some targets are nationally mandated, such as the time it takes us to attend patients with a life-threatening condition (Category A calls). Other targets are locally negotiated and address particular requirements of the local emergency and urgent healthcare system.

We have other contracts covering the remainder of our annual funding, including stadia and events, HART and CBRN. All of these non-A&E contracts have individual agreements detailing service specifications, pricing structure, performance metrics and sanctions. We are being commissioned separately for our contribution to the 2012 Games by the NWLCP, in accordance with the requirements of the London Organising Committee of the Olympic Games.

Two other key services we provide are Patient Transport Services (PTS) and the Emergency Bed Service (EBS). The total annual income for these services is £6 million. The PTS involves us transporting patients to and from NHS approved hospital appointments and in 2009/10 we undertook 350,000 patient movements. The EBS arranges hospital admissions for GP patients, runs the national neonatal bed registry, and monitors emergency department capacity across London.

Part 4 – Key issues to be addressed by NHS trust

Key issues affecting NHS Trust achieving FT	
Strategic and local health economy issues	
Service reconfigurations	☐
Site reconfigurations and closures	☐
Integration of community services	☐
Not clinically or financially viable in current form	☐
Local health economy sustainability issues	☐
Contracting arrangements	☒
Financial	
Current financial Position	☒
Level of efficiencies	☐
PFI plans and affordability	☐
Other Capital Plans and Estate issues	☐
Loan Debt	☐
Working Capital and Liquidity	☒
Quality and Performance	
QIPP	☐
Quality and clinical governance issues	☐
Service performance issues	☐
Governance and Leadership	
Board capacity and capability, and non-executive support	☐

Please provide any further relevant local information in relation to the key issues to be addressed by the NHS Trust:

A key issue for 2012/13 and beyond is the need for clarity over future contractual arrangements for CBRN funding. The existing CBRN funding supports the A&E service and this needs to be acknowledged in the contract going forward.

The HDD2 report was refreshed by Grant Thornton in April 2011 and the Trust has made significant progress in all areas. There are no remaining red issues and the Trust continues to work to its action plan. The HDD2 process will need to be refreshed before our application can be passed to the DH. This is planned to take 2 stages – pre and post the Board to Board on 7th October 2011.

A key area of the QIPP which is reflected in the CIP, IBP delivery programme and CQUINS is to ensure that every patient is taken to the right place at the right time. This will contribute to a reduction of conveyance rates to emergency departments as well as increased use of the wider healthcare system. The increased availability of appropriate care pathways in partnership with commissioners and other providers is essential to support this as is increased telephone resolution. Maintaining and improving the quality of patient care runs throughout the IBP, the CIP projects and QIPP and all are supported by the Medical Director and Director of Health Promotion and Quality.

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	☐
Financial Current financial position	☒
CIPs	☒
Other capital and estate Plans	☐
Quality and Performance Local / regional QIPP	☒
Service Performance	☐
Quality and clinical governance	☐
Governance and Leadership Board Development	☐
Other key actions to be taken (please provide detail below)	☒

Describe what actions the Board is taking to assure themselves that they are maintaining and improving quality of care for patients.

Quality and safety are standing items on the Trust Board agenda and the Quality Committee is a formal Board committee chaired by a non-executive director. The Trust has recently appointed a Director of Health Promotion & Quality and a draft quality strategy has been approved by the Quality Committee.

The governance arrangements for the CIP programme for the next 5 years ensure that each plan is signed off by either the Medical Director or Director of Health Promotion & Quality and the impact will be monitored as plans are implemented.

The Department of Health now publishes the national clinical performance indicators which the LAS monitors as well as internally developed quality measures- this is a key objective for 2011/12.

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:

The Cost Improvement Programme is now in place and the governance arrangements are set up. There are three programme boards each with an executive director SRO. Monthly updates are given to the Trust Board and the Quality and Finance & Investment Committees will take an active role in monitoring the CIP and providing assurance to the Trust Board.

The HDD2 review was refreshed in April 2011 and the Trust has made significant progress in all areas. There are no remaining red issues and the majority of areas are now green. It has been agreed with the SHA that this will be refreshed prior to our FT application being passed to the DH.

The Trust's financial and CIP position at the end of months 2 and 3 was not on target with the plan which has led to further review of expenditure and commitments in 2011/12 and the development of a recovery plan. The HDD2 refresh will review the financial recovery plan and progress against this prior to the B2B on 7th October, with further review of Month 6 results in November prior to the SHA passing our application to the DH. The financial recovery plan is due to be discussed and signed off by the Trust Board on 23rd August and it will be shared with the SHA and the Cluster Finance Director.

The main issue delaying the B2B was the implementation of CommandPoint and the immediate problems on 8th June that led to the Trust returning to the current system, CTAK. Root cause analysis was undertaken by the suppliers who identified 4 core problems. The Trust and supplier are now working to fix the problems and to prevent recurrence when the system next goes live. The Trust Board is due to agree a go live date during 2011/12 at the board meeting on 23rd August 2011. The LAS Director of IM&T has been working with the SHA IM&T lead who has been assured of the identification of the root causes as well as the work underway to achieve go live later in 2011/12.

We will continue to engage with NHSL, DH and the cluster regarding CBRN and Olympics funding.

A key area of the QIPP which is reflected in the CIP, IBP delivery programme and CQUINS is to ensure that every patient is taken to the right place at the right time. This will contribute to a reduction of conveyance rates to emergency departments as well as increased use of the wider healthcare system. The increased availability of appropriate care pathways in partnership with commissioners and other providers is essential to support this as is increased telephone resolution. Maintaining and improving the quality of patient care runs throughout the IBP, the CIP projects and QIPP and all are supported by the Medical Director and Director of Health Promotion and Quality.

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)	☐
Contracting arrangements	☒
Transforming Community Services	☐
Financial CIPs\efficiency	☐
Quality and Performance Regional and local QIPP	☐
Quality and clinical governance	☐
Service Performance	☐
Governance and Leadership Board development activities	☐
Other key actions to be taken (please provide detail below)	☒
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. Resolution of CBRN funding arrangements for 2012/13. Written confirmation of level of funding support for 2012 Olympic Games. Ensuring the Trust QIPP programme aligns with commissioners' plans. **Lead: Cluster Director of Strategy, 18th August 2011**	

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	☐
Financial NHS Trusts with debt	☐
Short/medium term liquidity issues	☐
Current/future PFI schemes	☐
National QIPP workstreams	☐
Governance and Leadership Board development activities	☐
Other key actions to be taken (please provide detail below	☒

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:

To confirm CBRN funding and contractual arrangements from 2012/13 onwards.

We are awaiting DH guidance on the working capital facility and we are also looking into an alternative external funding facility.

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

Date	Milestone
23rd August 2011	Trust Board sign off financial recovery plan and review downside cases and mitigation programme
September 2011	HDD2 refresh stage 1
7th October 2011	Board to Board with the SHA
October/November 2011	HDD2 refresh stage 2 – review of M6 financial position
September 2011	Receive confirmation in writing on the level of DH funding.
October 2011	Receive confirmation from the DH of future contractual commitment for CBRN funding
1st December 2011	Submission of FT application to Department of Health

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.

The Trust will have a financial recovery plan in place and agreed by the Trust Board by the end of August 2011 together with the 5-year downside cases and mitigation programme. HDD2 will review this at stage 1 in September and then the impact and financial position at M6 in October/November.

Whilst we have received confirmation from the 2012 lead for NHSL that we have secured funding in 2011/12 and 2012/13 for the Olympic Games, we have not had the precise level of funding confirmed.

Describe what actions\sanctions the SHA will take where a milestone is likely to be, or has been missed.

NHS London's monthly performance monitoring process will highlight challenges to FT pipeline milestones with regard to quality, service performance & finance and address these in monthly performance improvement meetings with the trust (and include the Cluster). In addition, NHSL's Provider Development Directorate will link this to a NHSL TFA tracker and where a milestone not related to in year performance is likely to be missed, the Regional Director of Provider Development will hold a review meeting with the Trust Chief Executive. Where required, these meetings will include relevant SHA Directors and be chaired by the SHA Chief Executive. These meetings may also involve the SHA Chair, the Trust Chair or a Board to Board meeting. The outcome of the milestone review meeting will be a recovery plan with escalation to DH where necessary.

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	Named Lead
Clarification of CBRN funding from 2012/13 onwards	Resolution through DH and NHSL LAS actions - additional downside scenario prepared.	Lizzy Bovill, Deputy Director of Strategic Development, LAS
Shortfall in Olympic funding in 2012/13	Confirmation in writing of level of funding for 2011/12 has been received . Still awaiting final written confirmation of 2012/13; LAS actions - additional downside scenario prepared.	Hilary Ross 2012 lead, NHS London Michael Dinan Director of Finance, LAS
The Trust cannot achieve the control total for 2011/12	Financial recovery plan developed, reviewed and signed off by the Trust Board on 23rd August 2011; 5-year Downside cases and mitigation programme developed and reviewed by Trust Board.	Mike Dinan Director of Finance, LAS
The Trust falls behind on year 1 of the CIP	Robust management review of all programmes, and actions linked to the financial recovery plan.	Peter Bradley Chief Executive Officer, LAS
Delays to the implementation of CommandPoint impact upon the Trust's 5-year strategic and financial plan	Programme of work in place to achieve successful go live in 2011/12	Peter Suter Director of IM&T. LAS