

enabling and empowering people to reach their potential and live fulfilling lives

Summary Report – Trust Board Meeting (Part 1)	Date: 31 October 2012
Report Title: Foundation Trust Report	
Agenda Item; 20	Enclosures:
Sponsor: Chief Executive	Presenter: FT Director
Report Author: FT Director	
Report discussed previously at:	

Purpose of the Report and Action required		
To brief the Trust Board on progress in key areas of the FT work programme through October 2012.	Approval	
	Discussion	✓
	Information	

Executive Summary of Key Issues
<p>The report outlines progress in the period with regard to the FT work programme focussing on the guidance in the Single Operating Model, progress against its key delivery mechanisms and the 8 key domains of FT readiness. It reports the key milestones and risks in the Trust draft Tripartite Formal Agreement.</p>

Foundation Trust Report

Which Strategic Objective does this paper address	
A sustainable value for money business	Yes
Excellent service user access and experience	Yes
Excellent partnership working with other organisations	Yes
Effective engagement and improvement in staff satisfaction	Yes

Link to Fit for the Future Implementation Plan	
<i>Specify objective number</i>	Objective 12 - Action 29. Progression through the Foundation Trust pipeline

Corporate Impact Assessment	
Quality and Safety implications	This report highlights actions taken or planned in response to quality governance criteria required by Monitor - and confirms that the self assessment of the Board Governance Assurance Framework (BGAF) currently underway includes the quality governance module.
Corporate Risk Register	STR 10
FGEB (Trust ALE replacement)	2.1, 5.1
IG Toolkit	N/A
Equality Impact Analysis	N/A

Recommendations to other committees
None

Recommendation/Decision
The Board is recommended to discuss and note the report.

Foundation Trust Report

1. Overview

1.1 This paper updates the Trust on progress on the FT programme since the last report at the September 2012 Board. It does this by reviewing information and action relevant to the DH/NHS Trust Development Agency (NHS TDA) responsible for the FT pipeline, Monitor and its domains of assurance of FT readiness.

2. Department of Health/NHS Trust Development Authority (NHS TDA).

2.1 The 2nd October Stage 2 escalation meeting with the DH/NHS TDA took place and whilst formal confirmation of the outcome of that meeting is pending, work has started to deliver a revised FT pipeline based on the DH assessment phase of the Trusts FT application starting in July 2013. This has included

- Chair /Acting CEO briefing with the Trust Board (2nd Oct) and senior leadership team of the Trust (3rd October) on the outcome of the meeting, followed by direct communication with all staff, by email, from the Acting CEO. This group includes Trust wide Management Group plus a small number of additional senior leaders and clinicians in the Trust.
- redeveloping the FT timeline - as attached as Appendix 3
- reviewing relevant FT guidance - in particular the Single Operating Model (SOM)
- delivering monthly oversight reporting and certification at Trust Board level, and scheduling related monthly SHA oversight meetings as required by the SOM
- scoping of FT programme and support requirements with the Director of Finance and Chief Executive to deliver the programme of work
- commencing work on an independent assessment of the Trust Monitor Quality Governance self assessment submitted to the SHA in October 2011. This has included a reassessment and scoring
- progressing the Trust self assessment against the Board Governance Assurance Framework (BGAF) - as described in Fit for the Future. This includes self assessment of the 3 development modules.
- initiating work to review and redevelop the Trust Integrated Business Plan
- an informal meeting between the Chair and Acting CEO and with Dr Stephen Dunn - Director of Development and Delivery at the NHS TDA who has the lead responsibility for provider development and the FT pipeline in the South West
- October Board seminar discussion of next steps and the FT timeline - and a morning development session on the BGAF self assessment and learning from other Trusts

2.2 **Structure of the Single Operating Model (SOM).** This guidance has been issued by the DH and leads the development of FTs in the NHS. It has been issued in 2 parts:

Part 1 in February 2012 - outlining how SHA clusters will support delivery of the FT pipeline in a consistent way across all SHAs. It brings forward key standard tools to

Report for the Avon & Wiltshire Mental Health Partnership Trust Board – 31 October 2012

For the Part 1 Session sponsored by Chief Executive

Agenda Item: 20

Serial: 12.0717

Page 3 of 9

Foundation Trust Report

support this and aims to improve both support and pace in the delivery of the FT pipeline.

Part 2 in August 2012 - focusing on SHA oversight of NHS Trusts and FT assurance - including regular self certification from NHS Trust Boards as part of their preparation for operating as autonomous FTs. The Trust Board is discussing its SHA oversight monthly certification submission each month prior to signing by the Chair/CEO and SHA submission.

2.3 **Key components of the Single Operating Model (SOM) and Trust status.** The Trust Board is sighted on and familiar with key components and tools in the SOM. This takes place through delivery of the FT programme harnessed by the FT Director, monthly Board reporting and Board development seminars.

2.4 **Key mechanisms in the SOM include:**

Tripartite Formal Agreement (TFA) - a formal signed document that confirms the commitments being made by the NHS Trust, SHA and the Department of Health (DH)/NHS TDA to enable achievement of FT status. It sets formal milestones and identifies key risks to the FT application. Milestones are incorporated in the FT timeline attached as Appendix 3.

The Trust has a draft TFA and the SHA has confirmed that it now wishes to progress this to a formal stage - strengthening its quality governance aspects. The final TFA will be also be signed by the Cluster PCT Chief Executives who have had opportunity to comment on the draft TFA prior to the 2nd October Stage 2 escalation meeting.

The nine domains of FT readiness and assurance - upon which FT Board reports have been based namely:

The Trust is legally constituted

The Trust has a representative membership

The Trust has a 5 year Business Strategy

The Trust is Financially Viable

The Trust has appropriate governance arrangements in place

Service Performance

Quality Governance

Local Health Economy and external relationships

Board Governance Assurance Framework (BGAF) - against which the Trust will self assess. The BGAF forms the basis of the Fit for the Future evaluation strategy in the first instance aligning future organisational change and development with FT. A briefing on the BGAF has been submitted to Board and is available from the FT office.

An independent assessment of the BGAF self assessment is planned for October - December 2012.

Independent review of the Trust self assessment against Monitor quality governance framework requirements - the Board undertook a series of seminars between February and October 2011 to assess itself, prior to SHA submission in October 2011.

A review and updating of this assessment, and supporting evidence, is underway. It will be

Report for the Avon & Wiltshire Mental Health Partnership Trust Board – 31 October 2012

For the Part 1 Session sponsored by Chief Executive

Agenda Item: 20

Serial: 12.0717

Page 4 of 9

Foundation Trust Report

subject to Board discussion on 31st October at the Board meeting prior to an independent review by Chantrey Vellacott. This expects to report in mid November 2012.

Historical Due Diligence (HDD) - at the SHA and DH stages of the FT application on key financial and business planning undertaken by independent auditors. The Trust has undertaken this process 3 times in the last 2 years supported by Alvarez and Marcel, reporting accordingly through monthly FT reports and Board seminars. The FT timeline and programme incorporates further HDD reviews.

Monthly Board Self Certification - to promote Board ownership of the FT application. It establishes a Board scrutiny and oversight system based on Monitors approach and risk ratings, with monthly Board assurance reporting based on returns in line with the FT compliance framework. This includes finance, quality, performance, governance and the FT application. These are developed by the Executive team and a monthly SHA oversight meeting follows on from each Board.

DH Quality Indicator Dashboard - this has been under development in the DH as reported to Board through monthly FT reports. Two drafts have been received to date having been reviewed by the Executive Team.

- 2.5 **Key TFA milestones.** The FT timeline is based on a DH entry date of July 2013. It is subject to change pending the signing of the TFA and further SHA discussion.
- 2.6 The FT timeline projects forward through the DH/NHS TDA assessment and into the Monitor assessment phase concluding with an FT authorisation from February 2014. Key TFA milestones identified are summarised below.

Date	Milestones to DH/NTDA entry
September/October 2012	Internal Audit – Fit for the Future implementation Plan Submission to SHA of BGAF - first internal self assessment. Action plan (October 2012 – May 2013) Draft TFA review and sign off by all parties post escalation meeting
October/November 2012	Independent assessment of Trust self assessment against Monitor Quality Governance Framework.
October – December 2012	BGAF - first independent consultant assessment. Trust sponsored, and development of action plan
November - March 2013	Review of public constitution and delivery of any required top up consultation with members or public on future constituency arrangements with regard to members and Governors. To be agreed with SHA. Board decisions up to July 2013
October - April 2013	IBP development and redraft - v.12 Board approval April 2013 (development supported by ongoing business planning, strategy and Board development from October 2012)
March - June 2013	BGAF – second independent consultant assessment
April 2013	SHA Quality Review refresh if required.
May - June 2013	Commissioner Convergence
May 2013	Mock Board to Board
June 2013	SHA Board to Board
June 2013	Historical Due Diligence part two - and related action plan

Report for the Avon & Wiltshire Mental Health Partnership Trust Board – 31 October 2012

For the Part 1 Session sponsored by Chief Executive

Agenda Item: 20

Serial: 12.0717

Page 5 of 9

Foundation Trust Report

Date	Milestones to DH/NTDA entry
July 2013	Entry to DH/NHS TDA assessment process

2.7 TFA Risks The Trust's current key risks identified in the draft TFA are summarised below:

Risk	Mitigation including named lead
Failure to deliver timely cultural, leadership and governance change	<ul style="list-style-type: none"> - External advice and support for restructuring and recruitment to Executive and Non Executive Board positions Lead: Chair - Trust Fit for the Future Programme - sponsored by CEO. Programme led and delivered based on Prince 2 programme office methodology and principles. Reporting monthly to Board and actions scrutinised by Board sub-committees. Risk identified in corporate risk register - reviewed and scrutinised each month by Board. Executive Lead: Foundation Trust Director.
Failure to improve local commissioning relationships	<ul style="list-style-type: none"> - Review and restructure of local management relationships, service delivery with Local Area Director appointed to each PCT/LA and operational Area Manager in same. Implementation of long term mechanisms to sustain. - Local Area Directors reporting monthly to Board. - Stakeholder Analysis and monthly Snapshot newsletter to internal and external stakeholders introduced to improve communication and report on Fit for the Future. - Reputation risk identified in Trust corporate risk register - reviewed and scrutinised each month by Board. - Develop CCG relationships working with proposed CCG commissioning college and increased doctor to doctor meetings. Lead: Executive Director of Operations
Failure to improve service performance in some local areas	<ul style="list-style-type: none"> - Quality and Performance Improvement project - and action to embed outcomes. - Development and support of stronger local area service management, leadership and responsiveness Lead: Executive Director of Operations - Review and refocus Trust Performance Management Strategy to integrate quality and safety in a meaningful way to front line staff and clinicians Lead: Executive Director of Finance and Commerce
Failure to develop ongoing quality improvement and	<ul style="list-style-type: none"> - Trust Quality Improvement Strategy and related action plan - Trust Nursing Strategy and implementation plan - Annual SBU Quality Improvement Plans

Report for the Avon & Wiltshire Mental Health Partnership Trust Board – 31 October 2012

For the Part 1 Session sponsored by Chief Executive

Agenda Item: 20

Serial: 12.0717

Page 6 of 9

Foundation Trust Report

Risk	Mitigation including named lead
robust scrutiny and assurance of the same	<ul style="list-style-type: none"> - Delivery of action plans related to Homicide Inquiries - and staff conference on learning from Homicides (Sept 2012). Expected to become an annual event open internal and external; stakeholders - Project to deliver electronic incident reporting to improve pace and timelines of learning from incidents. - Development and implementation of a Trust Clinical Engagement Strategy and increased involvement of clinicians in Trust decision-making - Review and development of Professional Council - strengthening clinical participation and restructured to act as the central clinical engagement mechanism in Trust decision making - Review and restructuring of quality assurance systems and implementation including BAF (Board Assurance Framework), Strategic Objectives, Corporate and Clinical Governance arrangements and increased Board and Board Sub-Committee scrutiny. <p>Lead: Executive Director of Nursing, Compliance, Assurance and Standards</p>
Loss of significant income in local tender exercises	<ul style="list-style-type: none"> - Downside scenarios in IBP - to be reiterated and further refined - additional commercial and marketing expertise - from October 2012. - consolidation and development of Trust bidding and business planning expertise - learning from tendering exercises where AWP has been successful in the last year in particular in local areas where there is greatest risk (Bristol/Wiltshire). <p>Lead: Executive Director of Finance and Commerce</p> <ul style="list-style-type: none"> - Work to improve local commissioning relationships, quality and service performance <p>Lead: Executive Director of Operations - and Chief Executive</p>
Failure to deliver TFA milestones	<ul style="list-style-type: none"> - Trust Foundation Trust Programme - sponsored by CEO. Programme led and delivered based on Prince 2 programme office methodology and principles. Reporting monthly to Board and actions scrutinised by Board sub-committees. Risk identified in corporate risk register - reviewed and scrutinised each month by Board. - Monthly Board report and discussion - SHA TOA performance management - FT Risk Register - Programme office <p>Lead: Foundation Trust Director.</p>

Foundation Trust Report

- 2.8 **Monitor** - Following discussion at Executive Team and Trust wide management group the Trust has submitted a consultation response to Monitor on its proposed license conditions. A copy of the response is available from the FT office and has also been shared with the Foundation Trust Network (FTN).

The FT Director has been part of a national working group with the FTN and Monitor to further support input and feedback from FTs/aspirant FTs on the development of the license conditions that will be introduced for providers of NHS funded care from April 2013.

3. The 9 domains of FT Readiness and Assurance.
- 3.1 **The Trust is legally constituted.** The Company Secretary will lead a review of the Trust draft constitution in advance of required public consultation and reconfiguration of membership constituencies that support elections to the Council of Governors. Public consultation, if required, is a formal 13 week process, preceded by an engagement phase, to inform Board decision making. It is subject to considerable statutory guidance and legislation. It represents a significant commitment for Trust Board members and will need dedicated resourcing within the FT programme.
- 3.2 **The Trust has a representative membership** .The Trust Board set its annual membership target of 16,500 broadly representative members for 2012/13 and is delivering to target. Membership figures at the 3rd October 2012 are 16,517 and further information is detailed in Appendix 1 and 2 including additional information sought by Board on older people within the membership. Significant engagement of members has taken place in the last month starting with the quarterly FT members event in North Somerset and a further 10 'Lets Get Engaged' events through September concluding with a 'Moving Forward Together' event on 2nd October 2012.
- 3.3 **The Trust has a 5 year Business Strategy.** Review and redevelopment of the IBP is underway strengthening the Trust strategy and marketing sections of the IBP. This work is being led by the Finance and Commerce Director and FT Director with consultant support. Weekly meetings have been established to ensure co-ordination and alignment of the IBP with finance, planning and development of the Annual Plan / SBU Business Plans. A refresh of all parts of the IBP will take place with emphasis on quality. The annual business planning cycle has been reviewed and launched with Trust wide Management Group, improved through actions within Fit for the Future, to further support this.
- 3.4 **The Trust is Financially Viable.** This is reported elsewhere in the Trust Board.
- 3.5 **The Trust has appropriate Board capability and capacity.** The Trust has appointed a substantive Chief Executive who takes up post on 12th November 2012. A project management approach has been adopted to manage all other related changes to implementing the New Ways of Working decision made by Trust Board in September 2012. This supports the change in leadership and organisational development that the restructuring of Executive, directorate and SBU senior

Foundation Trust Report

management will help to deliver. This work is fully reflected in Fit for the Future and related monthly Board reports.

- 3.6 **The Trust has appropriate governance arrangements in place.** The October Board seminar discussed at length proposals to improve the Trust, SBU and local governance and quality assurance frameworks in anticipation of decision making at the October Board. In addition, the BGAF self assessment is underway as reported elsewhere in this report.
- 3.7 **Service Performance.** This is reported elsewhere in the Trust Board showing performance against Monitor and contractual targets including CPA.
- 3.8 **Quality Governance.** The Monitor Quality Governance framework self assessment is subject to assessment, evidence collation and scoring following a Board seminar discussion in October. The FT Director is leading work to deliver an independent assessment by external consultants - Chantry Vellacott. This includes a desk top review of evidence, observation of the October Board, interviews with lead Director and Non Executives and 2 staff focus groups. A final report is due in mid November.
- 3.9 **Local Health Economy issues and external relationships.** Work continues to strengthen local relationships, partnerships, performance and clinical engagement. Implementing New Ways of Working will further strengthen and embed local area management arrangements.

4. Recommendations

The Board is asked to **note** the report.

5. Report Author:

Jane Britton - Foundation Trust Programme Director

Additional Report Contributors

Nicolette Vos- Neal - Trust Membership Manager.