



MEETING TITLE Trust Board in Public		MEETING DATE 20/05/2014	
TITLE of PAPER	For Assurance: Monitor Accountability Framework	PAPER REF	5.4
STRATEGIC OBJECTIVE	All		
PURPOSE OF THE PAPER	The purpose of the paper is that the Trust Board is made aware of the revised NHS Trust Development Authority Accountability Framework for NHS Trust Boards, effective from 1 April 2014.		
For Approval	<input type="checkbox"/>	For Assurance	<input checked="" type="checkbox"/>
For Decision	<input type="checkbox"/>	Discussion/Information	<input checked="" type="checkbox"/>
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DISCUSSED AT / INFORMED BY Board Development Meeting Presentation 29.4.14			
PREVIOUSLY AGREED AT:	Committee/Group:	Date:	
RECOMMENDATION	It is recommended that the Trust Board notes and accepts the contents of the NHS TDA 2014/15 Accountability Framework for NHS Trust Boards.		
RISK ASSESSMENT		Yes	No
Corporate Risk Register and/or Board Assurance Framework amended		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Resource Implications (Financial, Workforce, other - specify) <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Legal implications/Regulatory requirements <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Quality and Diversity Implications		<input type="checkbox"/>	<input checked="" type="checkbox"/>
ASSURANCE/COMPLIANCE			
Care Quality Commission Registration Outcome(s)		All	
NHSLA Risk Management Standards for Ambulance Trusts		1: Governance	

1. PURPOSE/AIM

- 1.1 The purpose of the paper is that the Trust Board is made aware of the revised NHS Trust Development Authority Accountability Framework for NHS Trust Boards, effective from 1 April 2014.

2. BACKGROUND/CONTEXT

- 2.1 On the 31st March 2014 NHS Trust Development Authority (TDA) published *Delivering for Patients: the 2014/15 Accountability Framework for NHS trust boards*. This document sets out how the TDA will work with trusts to support the delivery of high quality, sustainable services and assess trusts progress through the foundation trust application process.

Specifically the Accountability Framework sits alongside other planning guidance and describes the NHS TDA's approach to measuring and overseeing NHS trusts; escalation and intervention; the provision of support to aid improvement; and the process to ensure NHS trusts move towards a sustainable future.

The refreshed Framework reflects learning from the TDA's first year of operation and some of the key changes to the health and care system over past year, such as the development of the new Chief Inspector of Hospitals regime and the implications of the implications of the Mid Staffordshire and Berwick reviews into patient safety.

The Framework focuses on three areas of responsibility:

- Oversight and escalation
- Development and support
- The approvals process for Foundation Trust, significant transactions and capital investment

Oversight and escalation

The oversight model sets out how the NHS TDA will measure and hold Trusts to account for service quality, financial management and sustainability.

Quality measures have been amended to align them to the Care Quality Commission (CQC) monitoring process. The five CQC domains are caring, effective, responsive, safe and well led. Trusts will be rated using escalation levels 1-5 with 1 representing the highest risk and 5 the lowest risk. The NHS TDA will refresh each Trust's evaluation score on a monthly basis using publically available information.

The oversight model for finance comprises two assessment categories, in-year financial delivery and continuity of service. The in-year financial delivery measures focus on delivery of income and expenditure against plan, performance against the Trust's capital resource limit and delivery of efficiency targets.

Sustainability

In evaluating sustainability the NHS TDA will focus on the credibility of each Trust's five year plans. The five board areas of assurance will comprise:

- Clinical and Workforce strategy
- Finance and Business strategy
- Future commissioning and service strategy
- Securing a sustainable organisational form
- Leadership capability and capacity

An escalation and special measures process will apply to NHS Trusts which have serious failures in quality of care and/or financial performance.

Development and support

The Accountability Framework describes the revised approach to providing development and support for Trusts in partnership with the NHS Leadership Academy and Foundation Trust network. Four key themes as part of this support are leadership, quality, support for challenged organisations and support for high performing organisations.

The NHS TDA will work with the CQC and Monitor to develop a well led framework for Trusts clarifying and aligning the requirement of NHS boards. Boards will be required to submit an individual development plan to the NHS TDA by September 2014.

Specific quality improvement events will be held during 2014/15 on ambulance trust performance and safe staffing levels.

Approvals process

A key part of the formal assessment process for aspirant Foundation Trusts will be a comprehensive inspection of the Trust by the Chief Inspector of hospitals. An overall inspection rating of good or outstanding will be required prior to entering the Monitor assessment phase of the application process.

The first two stages of the approval process involve preparation and development of Trusts strategic plans. For Trusts in the earlier stages of the application process an independent financial review will replace the historic due diligence review.

At stage three the TDA Board reviews the Trusts full application for Foundation Trust status and at stage four this is the Monitor assessment stage on whether to authorise the Trust to become a Foundation Trust.

Where a Trust cannot demonstrate sustainability of a Foundation Trust in its current form a range of alternative transactions will need to be considered such as merger with another Foundation Trust or acquisition by an existing ft.

Capital investments

The NHS TDA has the ability to approve all NHS Trust of capital investment up to £50m. Investment and disposals over this value will require NHS TDA, DoH and HM Treasury approval for all stages of the business case.

When assessing investment proposals the NHS TDA will consider whether they are consistent with the Trusts clinical strategy, that they demonstrate engagement from staff within the organisation and the wider health economy and that they are affordable and deliver value for money.

3. PROPOSALS/NEXT STEPS

- 3.1 It is proposed that the Trust uses the framework described within the revised Accountability Framework to guide its operational delivery and approach to its FT application.

4. RISK ASSESSMENT

- 4.1 There are regulatory and reputation risks to the Trust if the Accountability Framework is not appropriately adhered to.

5 RECOMMENDATIONS

- 5.1 It is recommended that the Trust Board notes and accepts the contents of the NHS TDA 2014/15 Accountability Framework fir NHS Trust Boards.

6. APPENDICES/BACKGROUND INFORMATION

- 6.1 Accountability Framework