

**REPORT TO:** Healthy Halton Policy and Performance Board

**DATE:** 10<sup>th</sup> March 2009

**REPORTING OFFICER:** Strategic Director – Health and Community

**SUBJECT:** Consultation on Application for NHS Foundation Trust status

**WARDS:** Borough-wide

## **1. PURPOSE OF THE REPORT**

1.1 To provide members of the Healthy Halton Policy and Performance Board with information on the 5 Boroughs Partnership NHS Trust's consultation regarding its application for Foundation Trust status and its organisational proposals.

### **1.2 RECOMMENDATION: That**

1.3 The Partnership Board scrutinises the Trust's proposals, as contained within the Consultation document, as part of the statutory requirement for public consultation and for Overview and Scrutiny of local healthcare provision;

1.4 Following consideration of the consultation proposals and questions, the Committee provides the Trust with any comments arising from its deliberations, within the consultation period which commenced on 26<sup>th</sup> January 2009 and ends on 19<sup>th</sup> April 2009.

## **2. SUPPORTING INFORMATION**

2.1 NHS Foundation Trusts are established under the Health and Social Care (Community Health and Standards Act) 2003 ('the 2003 Act'). They have grown out of the wider NHS reform programme, offering greater autonomy and freedoms for NHS organisations within a national framework of standards and inspections.

2.2 All NHS Provider Trusts have been tasked with achieving the position at which they can be considered as potential Foundation Trusts. A Foundation Trust is an NHS organisation that operates on the principle of working with its members for public benefit. A Foundation Trust remains part of the NHS and maintains the principles and standards of the NHS, such as delivering services without charge.

2.3 Foundation Trusts are subject to NHS standards, performance measures and inspection processes. Foundation Trusts are overseen by an independent regulator, Monitor, and inspected by the Healthcare Commission (to be replaced by the Care Quality Commission in April 2009), which is the body that ensures that Foundation Trusts meet their obligations.

2.4 NHS Foundation Trusts are:

- accountable to local people, who can become 'members' of the Foundation Trust and be elected to the Council of Members;
- free to retain and build up surpluses that they generate and decide how to use these funds for the benefit of patients, service users and the communities they serve;
- able to borrow from commercial sources within limits set by Monitor;
- able to more easily restructure and modernise in order to increase service capacity and efficiency.

Trusts must be able to demonstrate that they are:

- Legally Constituted
- Financially viable
- Well Governed

2.5 5 Boroughs is now ready to be considered for Foundation Trust status. Significant improvements have been made over the last twelve months in managing our finances and in improving services. During the last year the 5 Boroughs Partnership NHS Trust has been successful in achieving Level 2 of the NHS Litigation Authorities' assessment of its ability to manage risk. The Trust is one of only four mental health trusts that have achieved this position. In addition, the Trust's submission for the Annual Health Check was assessed by the Healthcare Commission as achieving a rating of 'Excellent' for the Quality of Services, having been assessed as 'Fair' in the previous year.

2.6 The Trust's consultation document describes its proposals for the future organisational arrangements for governance, which comprises three main components:

- a membership community made up of local people, service users, their carers and staff (enhanced local accountability)
- a Council of Members, comprising elected members of the public and staff along with people appointed from partner organisations and chaired by the Trust's Chairman

- a Board of Directors made up of a Chairman and Non-Executive Directors appointed by the Council of Members, a Chief Executive appointed by the Non-Executive Directors with the approval of the Council of Members and Executive Directors appointed by the Chief Executive and Non-Executive Directors.

2.7 Copies of the Consultation document have previously been provided for circulation to members of the Health and Social Care Partnership Board.

### **3. POLICY IMPLICATIONS**

3.1 Nil as a consequence of this report or the consultation process.

### **4. OTHER IMPLICATIONS**

4.1 Foundation Trusts are accountable to their local membership and the communities they serve. Part of that accountability is the inclusion of nominated representatives of partner organisations on the Council of Members. Representation of Halton Borough Council is included in the Trust's proposals for the construct of the Council of Members.

### **5. RISK ANALYSIS**

5.1 The Trust's proposals provide an opportunity for the Council to be directly involved in the governance of the organisation through its nominated representative in addition to the existing Partnership processes and the Overview and Scrutiny function.

### **6. EQUALITY AND DIVERSITY ISSUES**

6.1 It is a requirement of Foundation Trusts that their membership reflects the demography of the populations they serve. The Trust will actively recruit members, in a targeted manner if this is required, to ensure that its membership is diverse and that opportunity for election to the Council of Members is equitable.