

RSM Tenon is the largest provider of Risk Management services to the Public Sector with over 650 clients across the health, education, housing and local government sectors as well as a large number of government departments and agencies. Within that, we work with over 80 NHS clients including Foundation Trusts, Acute Trusts, Mental Health Trusts, Community Trusts and Primary Care Trusts.

We are the 7th largest accounting and professional services firm in the UK and the UK member firm of RSM International, the 6th largest global network of independently owned and managed professional services firms.

We can offer the specialist skills needed to improve your organisation through:

- Streamlined processes
- Development of your staff capability
- Improved operational performance
- Access to best practice methodologies
- Independent expert opinion
- Better management of risk
- Improved internal controls
- Innovative solutions and ideas

The RSM Tenon Business Advisory Services team has over 100 years experience of working with the Health sector, much of it gained leading senior teams within Monitor, the Department of Health and various NHS organisations. Our Foundation Trust conversion team is lead by Mike Gill, who helped develop the assessment process for Monitor and acted as an Assessment Director for the first three waves of applications.

## RSM Tenon

# Becoming a Foundation Trust: are you ready for the challenge?

## A closer look

NHS Trusts have seen Foundation Trust (FT) authorisation deadlines come and go, but postponing change is no longer an option. No non-FT will be allowed to continue beyond 2013. If your NHS Trust wants to avoid being merged with or acquired by a Foundation Trust, now is the time to take control of your destiny.

The drive to attain FT status has never been more focused. Several deadlines for authorisation of trusts as FTs have been and gone with little impact on those that still remain NHS Trusts. However, the NHS is undergoing significant change and the provision of an all-FT economy is central to this change. It is inconceivable that the timelines for FT authorisation will be allowed to slip once again.

The 2013 deadline is more urgent than it may sound. If all NHS Trusts are to convert, the rate needs to almost double from the historic average of 22 to around 40 organisations per year. As Monitor has widened the scope of its assessment activities following the learnings from Mid-Staffordshire NHS Foundation Trust, the actual deadline to submit your application to ensure you are authorised in time for the deadline may be less than a year away.

### Should you appoint a partner to help you with the application?

With timescales for conversion tight, you will need to ensure your application is accepted first time. There may not be time to revise your bid and reapply. Working towards Foundation Trust status will require you to address a number of issues. We have highlighted overleaf the main challenges you are likely to face on your journey to Foundation Trust authorisation. Choosing an experienced partner will ensure that your application proceeds smoothly.

RSM Tenon is the largest provider of risk management services to the Public Sector and has worked with over 40 Foundation Trusts. Our FT conversion team is headed by Mike Gill, who worked at Monitor from its inception until October 2006 and helped develop the assessment process, including leading on the development of the Mental Health assessment process. He also acted as an Assessment Director for the first three waves of applications. Following that, he moved across to the Dept of Health, to work with the FT Unit to help improve the 'pass rate' at Monitor by ensuring that aspirant trusts were better prepared for the rigours of the Monitor assessment process.

Our wider team has extensive professional experience within the NHS, with many members having previously held senior management positions within NHS Trusts. We have supported a number of NHS Trusts through the conversion process, including Humber Mental Health NHS Trust, which was previously rejected in 2006. The case study is available on Monitor's website.

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## Common issues facing NHS Trusts converting to FTs

An effective trust board	<b>Issue</b>	Is the board capable of operating as an autonomous Foundation Trust?
	<b>Resolution</b>	<p><b>The role of the Trust Board</b> RSM Tenon has an experienced Organisational Development team who can work with the board as a whole and as individuals to ensure that the sum is greater than the parts. This is coupled with our extensive experience of working with Trust Boards during the FT process and conducting mock 'board to boards' and other advice on how best to present an evidenced effective working board.</p> <p><b>Effective self certification and transparency of board reporting</b> It is essential that the key 'golden thread' systems/processes of Risk Management and Performance Management are operating effectively and providing the right data to the right place to allow effective decision making. As the largest provider of Internal Audit to the NHS as well as an established consultancy practice we have vast experience and evidence of good practice reporting which can help ensure that your board reporting and self certification processes are fit for purpose.</p>
Strategic business planning	<b>Issue</b>	Boards must have a vision for the future and this should be captured in comprehensive plans, where both the financial and quality impacts of those plans have been carefully considered.
	<b>Resolution</b>	<p><b>Commissioning/contracting intentions</b> RSM Tenon has developed a capacity planning model that allows trusts to effectively model commissioner intentions, demand management initiatives and operational efficiency requirements at the press of a button. Contained within the detail is an ability to model elective/non elective separately as well as male/female bed requirements to ensure that you do not fall foul of existing policies. The model will allow you to demonstrate articulation of strategy into operational practice and also demand that your cost improvement programme is achievable within a reduced bed base without breaching occupancy levels, male/female splits etc.</p> <p><b>Cost Improvement Plans and the link to quality</b> "A well developed cost improvement programme has been the cornerstone of recent successful applications." At RSM Tenon we have individuals who have experience of developing robust cost improvement programme plans, creating Programme Management Offices, implementing cost improvement programmes (including LEAN methodology).</p> <p>We have also undertaken several 'dry run' Quality Governance Framework assessments and are well versed in the need to demonstrate the impact of quality on all cost improvement programmes.</p> <p><b>Robust financial planning, including downside planning and mitigations</b> Trusts continue to under estimate the time required to build up a robust set of financial plans. Equally, due to their often over optimistic nature (even in this environment) it doesn't take Monitor long to challenge assumptions and plans that you have developed over a long period of time.</p> <p>Our experienced FT modellers can offer inputting advice, support and assistance or equally they are well versed in critiquing the outputs and providing challenge back to the trust. We can also assist in moderating aspirations, developing scenarios and reviewing the reasonableness of mitigating plans.</p>

Service performance	<b>Issue</b>	Failure to address performance within a reasonable timeframe has led to Monitor questioning the board's effectiveness.
	<b>Resolution</b>	As referred to earlier we will undertake a comprehensive board development programme to ensure that it is effective to operate as an autonomous organisation and through our experience of board operation we can advise/support the organisation in its development of an appropriate suite of KPIs that ensures that the board receives the right information, at the right time and also acts upon it.
Financial governance	<b>Issue</b>	Ensuring that your financial model reflects and supports the technical requirements placed upon you in addition to the strategic planning assumptions which trusts tend to concentrate upon.
	<b>Resolution</b>	RSM Tenon will undertake an assessment of the historical due diligence areas (pre or post historical due diligence) and also consider any wider balance sheet issues that need incorporating into your financial plans and help you to model these appropriately within the long term financial model.
Quality governance	<b>Issue</b>	Trust boards need to evidence that they accurately understand the quality of the care their organisation provides.
	<b>Resolution</b>	<p>As part of our board development work we will ensure that quality is central to all that you do and help you reframe your activities accordingly if required. Mike Gill previously worked at Mid Staffordshire Hospitals NHS FT post the CQC review period and personally led the development of the trust's responses to the criticisms and also helped change the board reporting emphasis into a patient centred one which included development of appropriate KPIs and reports.</p> <p>We have also undertaken a number of 'dry run' Quality Governance Framework assessments on behalf of aspirant FTs and can therefore introduce wider learning into your organisation regarding what other aspirants are doing in this new area of assessment.</p>

To discuss your journey to gaining Foundation Trust authorisation in more detail, please contact **Mike Gill**, his contact details are shown below.

"Mike is well placed to assist aspirant FTs in mounting a successful and credible foundation trust application. Mike has been assisting aspirant FTs since 2004 and through his time as Assessment Director at both Monitor and the Department of Health, and as a DCEO/FD within an FT, he has amassed a wealth of knowledge and experience regarding the process. As a consequence he has been instrumental over the years in supporting several trusts within the East of England through to FT status." **Dr Stephen Dunn, Director of Strategy, NHS East of England.**