

<b>To:</b>	<b>Trust Board</b>
<b>From:</b>	<b>Abigail Tierney, Director of Strategy &amp; Innovation</b>
<b>Date:</b>	<b>2<sup>nd</sup> June 2011</b>
<b>CQC regulation:</b>	<b>ALL</b>

<b>Title:</b>	FT / LTFM / IBP Update										
<b>Author/Responsible Director:</b> Helen Harrison – Foundation Trust (FT) Programme Lead / Abi Tierney - Director of Strategy & Innovation											
<b>Purpose of the Report:</b> To provide the Board with an update on progress with the Trust's FT application and strategic business planning process.											
<b>The Report is provided to the Board for:</b>											
<table border="1"> <tr> <td>Decision</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Assurance</td> <td><input checked="" type="checkbox"/></td> </tr> </table>		Decision	<input type="checkbox"/>	Assurance	<input checked="" type="checkbox"/>	<table border="1"> <tr> <td>Discussion</td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td>Endorsement</td> <td><input type="checkbox"/></td> </tr> </table>		Discussion	<input checked="" type="checkbox"/>	Endorsement	<input type="checkbox"/>
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<b>Summary / Key Points:</b>											
<ul style="list-style-type: none"> <li>On the 9<sup>th</sup> May, Ernst &amp; Young commenced their Historical Due Diligence 1 Review.</li> <li>The outputs of the review, which are formally reported to UHL, the SHA and Monitor identify the key risks and areas for improvement.</li> <li>These areas for improvement will form the next stage plan of our FT application.</li> <li>At the time of writing this paper, Ernst &amp; Young's formal report has not yet been received.</li> <li>The recommendations from this HDD1 review will be made available to the July 2011 Trust Board.</li> </ul>											
<b>Recommendations:</b>											
The Trust Board is asked to note:											
<ol style="list-style-type: none"> <li>The current status of our FT application timetable.</li> <li>That that the recommendations from the Ernst &amp; Young HDD1 review will be made available to the July 2011 Trust Board meeting.</li> </ol>											
<b>Previously considered at another corporate UHL Committee ? No</b>											
<b>Strategic Risk Register:</b>		<b>Performance KPIs year to date:</b>									
Yes		N/A									
<b>Resource Implications (eg Financial, HR)</b>											

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Yes
<b>Assurance Implications</b> Yes
<b>Patient and Public Involvement (PPI) Implications</b> The Trust has consulted on the principle of FT status, the benefits, the issues, the governance arrangements and the Trust's vision and values. The Integrated Business Plan and Long Term Financial Model will be subject to future engagement activity with key stakeholders.
<b>Equality Impact</b> None
<b>Information exempt from Disclosure</b> None
<b>Requirement for further review?</b> The FT timeline and deliverables will be reviewed on a monthly basis by the Trust Board.

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

**REPORT TO:** Trust Board  
**DATE:** 2<sup>nd</sup> June 2011  
**REPORT FROM:** Abi Tierney  
**SUBJECT:** Foundation Trust Application Update

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**1. Background**

On the 9<sup>th</sup> May, Ernst & Young commenced their Stage 1 review (often referred to as Historical Due Diligence 1 or HDD1). At the time of writing this paper, Ernst & Young's formal report has not yet been received – as such this paper concentrates on the HDD1 process to date and not the outputs of the review.

**2. The scope of the review**

The HDD1 review is undertaken by an independent firm of accountants on behalf of the Department of Health and the Strategic Health Authority; in our case this is Ernst & Young. This external review is a formal part of the Foundation Trust (FT) application process and assesses our state of readiness for our FT application.

The focus of the HDD1 review is:

- Our governance arrangements;
- Our Financial Reporting Procedures;
- Our Long Term Financial Model inc CIP;
- Our Integrated Business Plan and supporting strategies.

The outputs of the review, which are formally reported to UHL, the SHA and Monitor identify the key risks and areas for improvement. These areas for improvement will form the next stage plan of our FT application.

The Trust must be able to evidence that the issues identified during the HDD1 review have been resolved before progressing to HDD2.

The key milestones in our FT application are summarised below.

<b>Milestone</b>	<b>Timetable</b>
Public consultation	11 <sup>th</sup> January – 12 <sup>th</sup> April 2010
HDD1	9 <sup>th</sup> – 25 <sup>th</sup> May 2011
HDD2	1 <sup>st</sup> – 12 <sup>th</sup> August 2011
Submission to the DoH	26 <sup>th</sup> September 2011
Monitor assessment	27 <sup>th</sup> December 2011 – 25 <sup>th</sup> March 2012
Potential authorisation date	1 <sup>st</sup> April 2012

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### **3. The HDD1 review process**

The HDD1 review process commenced on the 9<sup>th</sup> of May 2011 with an off site desktop review of our Long Term Financial Model and our Integrated Business Plan. This was followed by face to face and telephone interviews with members of the Trust Board and other key individuals including the SHA, both Internal and External Audit and our commissioners. During this process Ernst & Young have been given access to over 700 items of documentary evidence covering a broad range of issues.

### **4. Outputs of the HDD1 review**

At the time of writing this paper, Ernst & Young's formal report has not yet been received. The recommendations from this review will be made available to the July 2011 Trust Board.

### **5. Recommendations:**

The Trust Board is asked to note:

1. The current status of our FT application timetable.
2. That the recommendations from the Ernst & Young HDD1 review will be made available to the July 2011 Trust Board meeting.