

Report to: **East Sussex Health Overview and Scrutiny Committee (HOSC)**

Date: **20th November 2009**

By: **Director of Law and Personnel**

Title of report: **Brighton and Sussex University Hospitals NHS Trust proposals to become a foundation trust**

Purpose of report: **To brief HOSC on Brighton and Sussex University Hospitals NHS Trust's application for Foundation Trust status**

RECOMMENDATIONS

HOSC is recommended:

- 1. To agree any key points in relation to Brighton and Sussex University Hospitals NHS Trust's Foundation Trust application for inclusion in HOSC's feedback prior to the Trust's formal consultation which begins in January 2010.**
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1. Background

1.1 Brighton and University Hospitals NHS Trust (BSUH) is the region's teaching hospital providing general and specialist hospital care from two main sites: the Royal Sussex County Hospitals in Brighton and the Princess Royal Hospitals in Haywards Heath. The Trust treats more than 500,000 people each year; employs 6,000 staff and has an annual turnover of £400 million.

1.2 BSUH has agreed with NHS South East Coast Strategic Health Authority that it should aim to achieve Foundation Trust status in the Autumn of 2010.

2. Foundation Trust application

2.1 Foundation Trusts represent a key part of the Government's reform programme for the NHS. They are a new type of NHS organisation, established as independent public benefit corporations and are intended to be free from central government control and strategic health authority performance management. However, they remain providers of NHS healthcare which is free at the point of delivery and are expected to conform to the same national standards in relation to clinical quality and safety.

2.2 The key features of Foundation Trusts relate to their governance arrangements and their financial regime. In terms of governance, Foundation Trusts are accountable to local people who form a membership. From this, public Governors are elected to form part of a Council of Governors which works alongside the Trust Board. In terms of finance, Foundation Trusts are free to retain any surpluses they generate for reinvestment, to borrow in order to support this investment, and to make their own decisions about what capital investment is needed to improve services. These freedoms and increased local accountability are designed to encourage innovation in local service delivery.

2.3 Foundation Trusts are regulated by an organisation called Monitor. In order to become a Foundation Trust an NHS Trust must be approved by the Department of Health to apply to Monitor and must then meet a range of criteria, particularly relating to their financial stability, governance arrangements and plans for the future. There is an expectation that all Trusts will eventually become Foundation Trusts.

2.4 BSUH is currently going through the process of Foundation Trust application and is planning to carry out public consultation on the Trust's proposals from 25 January to 23 April 2020. It is important to note that the consultation is not about whether or not the Trust should become a Foundation Trust. Instead, the consultation relates to how the governance arrangements of the proposed Foundation Trust should work and the Trust's future plans. HOSC is invited to give informal feedback on the plans, prior to formal consultation in early 2010.

4. Issues to consider

4.1 The Trust has provided a presentation (appendix 1) which gives an overview of the Foundation Trust proposals and background paper (appendix 2). Duncan Selbie, Chief Executive and Alex Sienkiewicz, Company Secretary will attend HOSC to present and take questions.

4.2 HOSC may wish to explore the following issues:

Foundation Trust

- Whether the Committee endorses BSUH's vision
- How the Trust will ensure representation from across its catchment area in its Foundation Trust governance arrangements and whether the Committee agrees with BSUH's proposed public constituencies and staff constituencies.
- Whether the proposed governance arrangements promote openness and transparency as recommended by national guidance.
- Whether the Foundation Trust will hold its Board meetings in public
- How the Trust can effectively communicate and engage with its membership.

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