

**To:** Chairs NHS Trusts

**Cc:** Chief Executive NHS Trusts  
SHA Directors of Provider Development

**Gateway Ref:** 16241

Dear Colleague

### **Delivering an all Foundation Trust (FT) Provider Landscape**

Yesterday Sir David Nicholson wrote to the NHS leadership team in light of the Government's detailed response to the NHS Future Forum report, which I am forwarding to you.

His letter describes the current delivery challenges facing the NHS, gives an overview of the key conclusions of the Future Forum and shares a revised transition plan.

I would like to draw out some of the important issues it raises for us all in relation to delivery of the FT pipeline.

Our overarching objective remains to meet the quality and productivity challenge.

Completing the FT pipeline remains at the heart of the provider landscape described in the Government's plans to modernise the NHS. It will not be an option to stay as an NHS Trust, but there will no longer be a blanket deadline in the Bill for abolishing NHS trusts as legal entities. The strong expectation remains that all NHS Trusts will achieve FT status either on their own, as part of an existing FT or in another organisational form.

I am sure that many existing FT board members will attest the process of applying for FT status equips providers to more effectively meet the challenges of the future by testing clinical quality and financial viability.

I'd like to thank you for the work you have done in preparing the Tripartite Formal Agreements (TFAs). Together with the Directors of Provider Development in the SHAs, we are reviewing the draft agreements and in some cases we have already met with you and will be meeting with others over the next few months to discuss your plans to achieve FT status as set out in these crucial documents.

Once agreed by all parties, the signed agreements are a public record which commits your organisation to achieving FT status by a particular date which for most is by April 2014. You will be expected to publish them for scrutiny. While the expectation is that the vast majority of NHS Trusts achieve FT status by 2014, Sir David recognises in his letter that there will be a small minority of Trusts to continue beyond this date, with a specifically agreed later date to move to FT status. This will be by exceptional agreement, made only after close scrutiny of financial and clinical feasibility and agreement on an individual basis.

The accountability for delivering the pipeline remains with SHAs until 2013. They will support the transitional work both of the NHS Commissioning Board and of the NHS Trust Development Authority (NTDA) which will operate in shadow form during 2012-13 before being fully operational in 2013-14.

For the minority of organisations whose trajectory to FT goes beyond 2014, there will be a relentless focus on delivery by SHAs and subsequently the NHS Trust Development Authority.

We will continue our work to deliver national and regional support and, where applicable, to assist your local plans in preparation for your application to Monitor. This was informed by the insight gained from the regional visits the provider development team and I undertook earlier this year. We will share this work with you as it progresses.

We are clear that the next period is a challenging one, and we must all maintain momentum for change as delivery of the pipeline is essential to help us collectively deliver the quality and productivity challenge.

I look forward to working with you and the SHA Directors of Provider Development as we continue the journey to complete FT status for your organisation. If you or any members of your team have any questions about the contents of this letter or require further clarity, please contact Matthew Kershaw, Director of Provider Delivery by email [matthew.kershaw@dh.gsi.gov.uk](mailto:matthew.kershaw@dh.gsi.gov.uk) or by telephone 0207 210 4858.

A handwritten signature in black ink, appearing to read 'Ian Dalton', written in a cursive style.

Ian Dalton, CBE  
Managing Director of Provider Development