



RCN Policy Unit

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Mergers; Markets; and Monitor: An Update on NHS Foundation Trust Developments

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Background

NHS Foundation Trusts were introduced as a result of new legislation in the Health and Social Care Act (2004) as one of the flagship elements of the government's NHS reform programme. Based upon NHS Principles and with greater autonomy and extended powers including greater financial and managerial freedoms, NHS Foundation Trusts have presented the RCN with a serious challenge because these new powers represent a significant shift in the way in which NHS services are managed and governed. In response to the introduction of Foundation Trusts the

rest of the NHS is too frequently failing to do so. So how are NHS Trusts coping with the task of becoming Foundation Trusts?

Making the Grade

In June 2005 the Department of Health announced the government's intention that by April 2008, the whole of acute sector NHS Trusts in England would have become NHS Foundation Trusts. By October 2005 this ambition was altered and the intention was that all NHS Trusts would "have the opportunity" to become NHSFTs by April 2008. As a means of gauging the potential for NHS Trusts to become Foundation Trusts, the Department introduced "fitness for purpose" reviews, beginning in June 2005. With a system designed by US healthcare consultants, McKinsey, all NHS organisations, including NHS Trusts, Mental Health Trusts and PCTs have been reviewed by this process, regardless of whether they are to become FTs or not. As a result, the Department of Health (DH) now have a comprehensive picture of the likely candidates for FT status by April 2008 and the identity of those organisations which, according to the McKinsey assessment methodology, are unlikely to be able to proceed to FT authorisation, even by the end of 2008.

Although the DH have never published a comprehensive record of the outcomes of the "fitness for purpose" reviews it seems likely that around 170 or so of the existing NHS Trusts will be deemed fit to apply, many after undergoing rigorous programmes of preparation. This would leave somewhere in the region of 60 NHS Trusts who would not be in a position to become NHS Foundation Trusts by January 2009. So what will become of these organisations and the services that they offer?

Winners and losers; who gets the biggest slice of the FT cake?

In September 2006 Monitor published a guide o

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Foundation Trusts. Focussing primarily on partnership working and co-operation, the survey will take place in Spring 2007 with a report ready for RCN Congress 2007.

If you have any further queries about these issues or any other matters related to NHS Foundation Trusts, please contact Colin Beacock in the RCN Policy Unit at colin.beacock@rcn.org.uk

Associated Policy Unit Publications

RCN Briefing; NHS Foundation Trusts (2004)

http://www.rcn.org.uk/downloads/rcndirect/NHS_Foundation_Trusts_and_the_Growth_of_Mutualisation_in_Public_Services.pdf

RCN Survey of NHS Foundation Trusts

<http://www.rcn.org.uk/aboutus/policy/foundationtrusts/review.php>