

Frequently Asked Questions **NHS Foundation Trusts**





The creation of NHS Foundation Trusts is a key step in public sector reform – giving greater freedoms to NHS organisations, as part of the wider programme of moving from an NHS controlled nationally towards an NHS where standards and inspection are national but delivery and accountability is local.

NHS Foundation Trusts will remain fully a part of the NHS and will have a primary purpose of providing NHS services to NHS patients. They will be subject to NHS standards, NHS performance ratings and NHS systems of inspection. NHS Foundation Trusts will pioneer a new model of social ownership, giving local communities real opportunities to get involved in the stewardship of their local hospitals.

This Q&A is designed to give general information about NHS Foundation Trusts and answer some common concerns. It forms part of a series of guides which provide useful information on NHS Foundation Trusts.

What is an NHS Foundation Trust?

NHS Foundation Trusts are a completely new kind of NHS organisation. They are about the NHS being run locally by local people rather than by politicians in central government. They will still be accountable to Parliament, but local people will have a real say in running their local hospital.

They will be different from existing NHS trusts in three important ways. They will:

- Have new freedom to decide locally how to meet their obligations;
- Be accountable to local people, who can become members and Governors; and
- Be authorised and monitored by an Independent Regulator for NHS Foundation Trusts.

Transferring ownership and accountability from Whitehall to the local community will mean that NHS Foundation Trusts will be able to tailor their services to better meet the needs of the local population and to tackle health inequalities. But the freedoms given to NHS Foundation Trusts will be underpinned by a framework of national standards which will safeguard quality and protect the public interest.



Why do we need NHS Foundation Trusts?

The Government wants the NHS to be a service that is properly responsive to patients' needs and provides fast, convenient, high quality care. More money is being invested in the NHS than ever before – £59 billion in 2003/04, up from £54 billion the previous year. But alongside this extra money, the NHS must reform to become a service shaped around the needs of patients and the skills of clinical staff.

If the reforms are to succeed, they need to be led by local communities and by the NHS professionals delivering services on the ground. So, having put a system of national standards and inspection in place, the Government now wants to liberate the talents of staff and local communities. Patients, public and staff will be more involved in running NHS Foundation Trusts.

Who can become an NHS Foundation Trust?

The Government wants to give the new freedoms and flexibilities to organisations that are best placed to use them well. Eligibility for NHS Foundation Trust status is therefore being restricted to those NHS Trusts with a track record of good performance - those with three stars in the NHS Performance Ratings. The NHS Performance Ratings give a high level summary of the overall performance of NHS Trusts against a number of key targets and important indicators of progress.

However, the test for NHS Foundation Trust status does not rely solely on performance ratings. Suitability to become an NHS Foundation Trust will depend on an evaluation of financial performance as well as management, vision and leadership potential.

What difference will this make to me?

Patients will have for the first time a way to direct and shape these organisations and to really influence how they are run. Decisions will be taken locally which means that they will be more responsive to the needs of their patients. For example, if a MRI scanner will improve the service provided to patients, then the NHS Foundation Trust can use existing funds or borrow money to purchase one without the need to refer to a central hierarchy for approval.

The public will have true social ownership of their local hospital, with accountability devolved from Whitehall to the local community. They will have a say in how that hospital is run. Local people will have the opportunity to become involved in the running of their NHS Foundation Trust, with rights to elect or become Governors.



How can I get involved?

Local people, patients and NHS staff will all be eligible to become members of their local NHS Foundation Trust. Members will be able to stand for election to the Board of Governors of the NHS Foundation Trust. Membership will strengthen the link between hospitals and local communities. To find out about how to become a member, please contact your local hospital.

What does being a member mean?

Members of an NHS Foundation Trust will have a number of important roles, including:

- Electing their representatives to serve on the Board of Governors;
- Standing for election to the Board of Governors; or
- Putting themselves forward for appointment as non-executive directors – including the chair – of the NHS Foundation Trust; and
- Being consulted on plans for future development of the NHS Foundation Trust and its services.

Will being a member take up a lot of extra time?

No, not necessarily. Members will receive a variety of information but won't have to attend meetings if they don't want to. They will however be able to give their views on relevant issues to Governors to act on. Governors will have to commit more time to their responsibilities but this isn't expected to be excessive.

Will NHS Foundation Trusts lead to privatisation of the NHS?

No. It is about devolving power from the centre to local people. NHS Foundation Trusts will be set up with a new form of social ownership, with a Board of Governors elected by local people, patients and staff. NHS Foundation Trusts will exist to provide NHS services to NHS patients: they will still be part of the NHS. There will be no shareholders, no dividends and the NHS Foundation Trust will be prevented by law from being taken out of the NHS or sold.



Will NHS Foundation Trusts be able to ‘opt out’ of the NHS?

Becoming an NHS Foundation Trust does not represent opting out of the NHS. An NHS Foundation Trust will be fully a part of the NHS family, subject to NHS systems of inspection. They will treat NHS patients according to NHS principles and NHS standards, but they will be controlled and run locally, not nationally. NHS Foundation Trusts will continue to co-operate with the rest of the NHS.

Will NHS Foundation Trusts lead to a two tier health service?

No NHS Foundation Trusts will uphold the values and principles of the NHS and protect high standards for the NHS. They will have to meet the same national standards as the rest of the NHS and they will be paid at the same national tariff rates as other NHS hospitals.

All hospitals will have the opportunity to apply for NHS Foundation Trust status within 5 years.

Will NHS Foundation Trusts encourage competition between hospitals?

No. NHS Foundation Trusts will remain fully a part of the NHS family; they will provide health services in line with the requirements of NHS commissioners (Primary Care Trusts). NHS Foundation Trusts will not compete within the NHS; they will be expected to co-operate and collaborate with other NHS and social care bodies.

Will NHS Foundation Trusts poach staff away from other NHS hospitals?

No. It is important that all NHS organisations have the flexibility to recruit and retain staff. This is why, within Agenda for Change – the new pay system for the NHS – all NHS organisations will have a range of pay flexibilities, for example to help to recruit staff to hard to fill vacancies. NHS Foundation Trusts will implement Agenda for Change. They will not be able to use unfair competition to attract staff.



Will NHS Foundation Trusts be able to pick what services they provide?

No. NHS Foundation Trusts will exist to provide NHS services to NHS patients. The legislation which will establish them will allow for special protections to be applied to essential NHS services, such as A&E, provided by NHS Foundation Trusts. Under the terms of authorisation (similar to a licence), each NHS Foundation Trust will have to continue to provide these services to NHS commissioners (Primary Care Trusts). They will only be able to change these protected services if the Independent Regulator supports their proposals.

Will NHS Foundation Trusts treat more private patients?

No. There will be limits on the amount of private work an NHS Foundation Trust can carry out. NHS Foundation Trusts will be subject to strict limits on private patient work based on the amount of private work they currently do. If an NHS Foundation Trust wishes to treat more private patients, it will need to treat more NHS patients *first*. This will ensure that NHS Foundation Trusts continue to focus on NHS work.

Shouldn't the Government be concentrating on helping poorly performing hospitals rather than best performers?

NHS Foundation Trusts form part of a wider reform programme designed to raise standards across the NHS as a whole. The Government is committed to raising performance right across the NHS, bringing all NHS Trusts and Primary Care Trusts up to the standard of the best. NHS Trusts will be supported through a £200 million investment programme over the next four to five years to help them achieve the required standard in order to be able to submit an application for foundation status.



**Further information about NHS Foundation
Trusts can be found on the Department of
Health website:
www.doh.gov.uk/nhsfoundationtrusts**



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32910/A Short Guide to NHS Foundation Trusts can also be made
available on request in braille, audio cassette, disk, large print and
in other languages.

www.doh.gov.uk/nhsfoundationtrusts