

To: NHS trust chief executives

*Richmond House
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3 April 2012

Dear colleagues

The Health and Social Care Act has now passed into law. In less than a year's time, all the new structures will be in place, and patients and staff will start to see the improvements the new system will bring.

I am writing to you today to set out what the Act means for you.

At the heart of the reforms are two simple principles. First, patients should have more control over the care they receive. Second, those responsible for patient care – the doctors, nurses and others who work in our NHS – should have the freedom and power to lead an NHS that delivers continually improving care for its patients.

The Health and Social Care Act explicitly supports the core principles of the NHS - care provided free at the point of use, funded from general taxation, and based on need and not ability to pay. But the Act is only the beginning of a journey. My ambition is for a clinically-led NHS that delivers the best possible care for patients. Politicians should not be able to tell clinicians how to do their jobs. I hope you and your colleagues in the NHS will take advantage of the new freedoms the Act has put in place.

The Act will give you – as an NHS provider organisation – genuine operational independence to determine how best to meet the needs of your commissioners. Monitor will cease to have a role focused solely on the performance of foundation trusts, and instead regulate all healthcare providers to ensure they remain financially sound and well governed. Monitor, working with the NHS Commissioning Board, instead of ministers, will set the national tariff from 2014/15, giving you the long-term stability in planning your income to maximise the operational independence given to you by the Act.

In order to make the most of these freedoms, you are in the process of becoming an NHS foundation trust. This will ensure you are a sustainable NHS organisation, either as a stand-alone NHS foundation trust, by joining with an existing foundation trust, or in another organisational form.

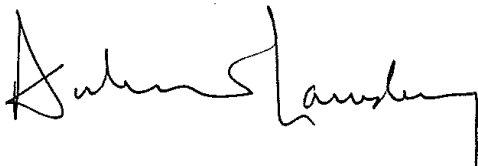
As an NHS foundation trust, the Act will give you far greater operational freedom to organise services in the ways you know will deliver better care for your patients. This will mean you will be able to develop more innovative services, and you will be able to merge with, or acquire, other NHS foundation

trusts and NHS trusts without the explicit approval of Monitor and without a burdensome legislative process. Because you are an NHS trust, you will suffer no disadvantage from an arbitrary cap on private income once you become a NHS foundation trust, so long as you demonstrate how it benefits your NHS services. In addition, there will not be any better deals on the table for private providers that you cannot access.

For some of you the journey to NHS foundation trust status will be relatively straightforward, for others, as set out in your formal tripartite agreement, I know it may be less so. I want to be clear you have my full support in becoming an NHS foundation trust, and my officials will continue to help you in this process. Your success in becoming an NHS foundation trust is a critical part of the reform process. It will ensure your organisation is a sustainable provider of excellent NHS care to your local community well into the future. Crucially, it will also mean you become genuinely free from political interference – free to focus on how best to treat your patients, free to design services according to what your commissioners want and free to deliver continuous improvement in quality.

The Health and Social Care Act is an important step that will put patients at the heart of the NHS, and deliver a clinically-led NHS. I hope you will take maximum advantage of your new powers and freedoms. I look forward to hearing from you as you progress to NHS foundation trust status.

Yours,

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

ANDREW LANSLEY CBE