Ten Key Facts about Foundation Trusts

1. NHS Foundation Trusts are at the cutting edge of the Government's commitment to devolution and decentralisation in the public services, and are at the heart of a patient-led NHS. They are not subject to direction from Whitehall. Instead, local managers and staff working with local people have the freedom to innovate and develop services tailored to the particular needs of their patients and local communities.

2. NHS Foundation Trusts are firmly part of the NHS and subject to NHS standards, performance ratings and systems of inspection. They have a primary purpose of providing NHS care to NHS patients according to NHS quality standards and principles - free care based on need, not ability to pay.

3. NHS Foundation Trusts are established in law with a new bespoke form of public ownership as independent Public Benefit Corporations. This means far greater local ownership and involvement of patients, the public and staff rather than control from the Department of Health. The principles behind NHS Foundation Trusts build on the sense of ownership many local people and staff feel for their hospital.

4. Democratic - NHS Foundation Trusts are democratic. Local people and staff directly elect representatives to serve on the Council of Governors. The Council of Governors works with the Board of Directors - responsible for day-to-day running of the Trust - to ensure that the NHS Foundation Trust acts in a way that is consistent with its licence conditions. In this way, the Council of Governors plays a role in helping to set the overall direction of the organisation.

5. NHS Foundation Trusts are not a means to privatisation. They are required in law to use their assets - such as land and buildings - to promote their primary purpose of providing NHS services to NHS patients. A legal lock protects these organisations from the sort of 'de-mutualisation' we have seen in the Building Society sector and prevent any threat of future privatisation.

6. NHS Foundation Trusts operate within a clear accountability framework. They are accountable locally to their members through the Council of Governors and to commissioners – including CCGs - for the delivery of NHS services via legally binding agreements. NHS Foundation Trusts are also accountable to Monitor (the Independent Regulator of NHS Foundation Trusts) who oversees and monitors them against their licence conditions, and has powers to intervene.

7. NHS Foundation Trusts are there to treat NHS patients, not to make profits or to distribute them. Just like NHS Trusts, most of their income is derived from agreements reached with local NHS CCGs to provide locally relevant services for NHS patients at the national tariff rate. Private work is strictly limited.

8. NHS Foundation Trusts are not about elitism. All NHS Trusts will receive help and support so that they too are in a position to apply for foundation status.

9. NHS Foundation Trusts must work in partnership with other NHS organisations. They remain part of the NHS and have a duty in law to co-operate with other local partners using their freedom in ways that fit with NHS principles and are consistent with the needs of other local NHS organisations.

10. NHS Foundation Trusts are able to direct their services more closely to the communities they serve with freedom to develop new ways of working that reflect local needs and priorities. This is being done within the NHS framework of standards and inspection that safeguards the quality of NHS care. Direct elections of Governors by local people and staff get local hospitals better focused on meeting the needs of the communities they serve.