

Ref LS EB 2025-05-29

Aaron Cummins
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University Hospitals Morecambe Bay NHS Foundation Trust
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Westmorland General Hospital
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LA9 7RG

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29 May 2025

By email

Dear Aaron

Re: University Hospitals Morecambe Bay NHS Foundation Trust: Final Enforcement Undertakings

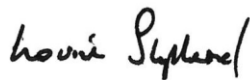
Thank you for your letter of 28 May 2025 confirming the Trust's acceptance of the Draft Enforcement Undertakings.

I now enclose a copy of the Final Enforcement Undertakings (Appendix A).

May I ask you to please sign the appended Final Enforcement Undertakings by 5 June 2025 and return via email to my office.

We look forward to continuing to work with the Trust in its commitment to meeting the financial obligations for 2025/26.

Yours sincerely



Louise Shepherd CBE

Regional Director (North West)

cc, Andrew Stephenson, Chair, University Hospitals Morecambe Bay NHS Foundation Trust



Appendix A

ENFORCEMENT UNDERTAKINGS

LICENSEE:

University Hospitals Morecambe Bay NHS Foundation Trust ("the Licensee")
Trust Headquarters
Westmorland General Hospital
Burton Road
Kendal
LA9 7RG

DECISION

NHS England, on the basis of the grounds set out below, and having regard to its Enforcement Guidance, has decided to accept from the Licensee the enforcement undertakings specified below pursuant to its powers under section 106 of the Health and Social Care Act 2012 ("the Act").

GROUND

1. Licence

1.1 The Licensee is the holder of a licence granted under section 87 of the Act.

2. Breaches

2.1 NHS England has reasonable grounds to suspect that the Licensee has provided and is providing health care services for the purposes of the NHS in breach of the following conditions of its licence:

2023 Licence	Summary of condition
NHS2(5)(a),(f) and (g).	<p>The Licensee shall establish and effectively implement systems and/or processes:</p> <ul style="list-style-type: none">(a) to ensure compliance with the Licensee's duty to operate efficiently, economically and effectively;(f) to identify and manage (including but not restricted to manage through forward plans) material risks to compliance with the conditions of its licence;(g) to generate and monitor delivery of business plans (including any changes to such plans) and to receive internal and where appropriate external assurance on such plans and their delivery.

3. Financial sustainability and governance

3.1 In particular:

- 3.1.1 The Licensee's financial position is significantly adrift from plan at Month 11 2024/25 by £19.2m.
- 3.1.2 At Month 11, the year-to-date (YTD) deficit (excluding deficit support funding) is £41.2m. However, the 2024/25 planned deficit is £21.9m. and the projected forecast outturn is a deficit of £43m.
- 3.1.3 PWC, as articulated through the initial Improvement and Assurance Group (IAG) meetings and management review, have also indicated concerns regarding; the CIP/Efficiency Programme valued at £37.3m, of which only £16.3m has been delivered YTD; workforce expenditure which has exceeded plan month on month (with Month 11 YTD spend at £378.2m vs £349.72m planned); and an 11% increase in whole time equivalent (WTE) that has been observed from Month 12 financial year (FY)2019/20 (6200 WTE) to Month 11 FY2024/25 (6884 WTE).

3.2 The matters set out above demonstrate reasonable grounds for NHS England to suspect a breach of licence conditions in relation to financial arrangements and financial management by the Licensee, including, in particular:

3.2.1 a failure to establish and effectively implement systems and/or processes:

- (a) to ensure compliance with the Licensee's duty to operate efficiently, economically, and effectively;
- (b) for effective financial decision-making, management, and control (including but not restricted to appropriate systems and/or processes to ensure the Licensee's ability to continue as a going concern); and
- (c) to identify and manage material risks to compliance with the conditions of its licence including through development and delivery of forward plans.

4. Need for Action

- 1.1 NHS England believes that the action, which the Licensee has undertaken to take pursuant to these undertakings, is action to secure that the breaches in question do not continue or recur.

5. Appropriateness of Undertakings

- 5.1 In considering the appropriateness of accepting in this case the undertakings set out below, NHS England has taken into account the matters set out in its Enforcement Guidance.

UNDERTAKINGS

NHS England has agreed to accept, and the Licensee has agreed to give the following undertakings, pursuant to section 106 of the Act.

1. Financial planning

- 1.1 Within a timeframe set by NHS England, the Licensee will agree a 2025/26 Financial Plan with NHS England.
- 1.2 The Licensee will deliver a quarter-on-quarter run rate improvement throughout 2025/26, in line with the agreed financial plan signed off through the Enhanced Intervention Programme, which allows for recognised variable factors.
- 1.3 The Licensee will comply with all documented actions agreed with the System Financial Turnaround Director/ Chair of the Delivery Oversight Meeting through the IAG/ Delivery Oversight meetings.

2. Funding conditions and spending approvals

- 2.1 Where interim support financing or planned term support financing is provided by the Secretary of State for Health and Social Care to the Licensee pursuant to section 40 of the NHS Act 2006, the Licensee will comply with any terms and conditions which attach to the financing.
- 2.2 The Licensee will comply with any reporting requests made by NHS England in relation to any financing provided or to be provided to the Licensee by the Secretary of State for Health and Social Care pursuant to section 40 of the NHS Act 2006.
- 2.3 The Licensee will comply with any spending approvals processes that are deemed necessary by NHS England.

3. Meetings and Reporting

- 3.1 The Licensee will provide regular reports to NHS England through the IAG/ Delivery Oversight meetings on its progress in meeting the undertakings set out above.
- 3.2 The Licensee will attend monthly IAG/ Delivery Oversight meetings, or, if NHS England stipulates, conference calls, as may be required, to discuss its progress in meeting those undertakings. IAG/ Delivery Oversight meetings will be led by the System Financial Turnaround Director/ Chair of the Delivery Oversight Meeting, with attendees specified by NHS England.
- 3.3 The Licensee will provide NHS England with the assurance relied on by its Board in relation to its progress in delivering these undertakings, upon request.
- 3.4 The Licensee will comply with any additional reporting or information requests made by NHS England.

The undertakings set out above are without prejudice to the requirement on the Licensee to ensure that it is compliant with all the conditions of its licence, including any additional licence condition imposed under the Act and those conditions relating to:

- compliance with the health care standards binding on the Licensee; and
- compliance with all requirements concerning quality of care.

The undertakings will be reviewed at regular points throughout the year, using information shared and discussed within the IAGs/ monthly delivery oversight meetings. A formal review will take place in June 2025, then on a quarterly basis thereafter.

Any failure to comply with the above undertakings will render the Licensee liable to further formal action by NHS England. This could include the imposition of discretionary requirements under section 105 of the Act in respect of the breach in respect of which the undertakings were given and/or revocation of the licence pursuant to section 89 of the Act.

Where NHS England is satisfied that the Licensee has given inaccurate, misleading or incomplete information in relation to the undertakings:

- (i) NHS England may treat the Licensee as having failed to comply with the undertakings; and
- (ii) if NHS England decides so to treat the Licensee, NHS England must by notice revoke any compliance certificate given to the Licensee in respect of compliance with the relevant undertakings.

LICENSEE



Signed (Chief Executive of Licensee)

Dated: 2 June 2025

NHS ENGLAND



Louise Shepherd

Signed (North West Regional Director and Chair of the Regional Support Group) Dated: **16 June 2025**