

4 April 2019

Royal Cornwall Hospitals  
NHS Trust  
Bedruthan House  
Truro  
Cornwall  
TR1 3LJ

**DECISION:**

On the basis of the grounds set out below and pursuant to the powers exercisable by NHS Improvement under or by virtue of the National Health Service Act 2006 and the TDA Directions, NHS Improvement has decided to accept undertakings from the Trust.

**DEFINITIONS:**

In this document:

“the conditions of the Licence” means the conditions of the licence issued by Monitor under Chapter 3 of Part 3 of the Health and Social Care Act 2012 in respect of which NHS Improvement has deemed it appropriate for NHS trusts to comply with equivalent conditions, pursuant to paragraph 6(c) of the TDA Directions;

“NHS Improvement” means the National Health Service Trust Development Authority;

“TDA Directions” means the National Health Service Trust Development Authority Directions and Revocations and the Revocation of the Imperial College Healthcare National Health Service Trust Directions 2016.

**GROUND:**

**1. The Trust**

1.1. The Trust is an NHS trust whose facilities and establishments are situated in England.

**2. Issues and need for action**

2.1. NHS Improvement has reasonable grounds to suspect that the Trust has provided and is providing health services for the purposes of the health service in England while failing to comply with the following conditions of the Licence: FT4 (2); (4); (5)(a), (b), (c), (d), (e) and (g); (6) and (7).

2.2 In particular:

2.2.1. The Trust reported a year end deficit for 2017/18 of £2.6million against a control total of £1.3million (including Sustainability and Transformation Funding (STF)) and its underlying deficit was £20million. For 2018/19, the Trust has accepted a control total of £12million deficit (including £8.8m of Provider Sustainability Funding (PSF)). This plan contains material risks driven by slippage on savings plans, workforce pressures resulting in a higher use of agency staff and under-recovery of specialised commissioning income.

2.2.2. The Trust has a significant revenue investment plan for 2018/19 to address improvements required in quality and performance. The full year effect of

these schemes will be carried forward to 2019/20 along with any non-recurrent or unachieved savings.

- 2.2.3. The Trust does not yet have a robust workforce strategy and associated workforce planning arrangements to respond to long-standing recruitment and retention challenges, to respond to staff engagement concerns highlighted in the staff survey, and to ensure delivery of annual activity plans.
- 2.2.4. The Trust has not delivered the Accident and Emergency (A&E) 4-hour maximum waiting time standard (the 4-hour standard) for over four years (with the exception of April and May 2018 following a system hard reset), has not delivered the referral to treatment (RTT) standard since March 2017 and has not delivered the diagnostic standard since February 2017. The Trust has not delivered 62-day cancer performance standard since April 2018 and have indicated that the standard is unlikely to be delivered in quarter two (2018/19), overall and by month. While there have been periods of performance improvement during 2018/19, the Trust does not have robust plans to deliver sustained improvement and the Trust governance arrangements for overseeing delivery require strengthening.
- 2.2.5. In July 2017 the Care Quality Commission (CQC) rated the Trust 'Inadequate' overall and the Trust was placed in special measures on the 5 October 2017. Surgery, maternity and gynaecology, end of life and outpatient services were rated as inadequate. During a follow up inspection in June 2018 the CQC found the Trust had made significant improvements against the requirements in the warning notice, dated 29 August 2017 and had fully met the requirements in surgery, maternity and outpatients. The CQC highlighted that additional work was required in critical care and Trust-wide with governance.
- 2.2.6. A full comprehensive inspection took place in September 2018 where these issues were followed up to ensure further progress had been made, the final report is expected in December 2018.

2.3. These issues demonstrate a continued failure of governance arrangements including, in particular, failure to establish and effectively implement systems or processes:

- (a) to ensure compliance with the Trust's duty to operate efficiently, economically and effectively;
- (b) for timely and effective scrutiny and oversight by the Board of the Trust's operations; and
- (c) to ensure compliance with healthcare standards binding on the Trust.

2.4. Need for action:

- 2.4.1. NHS Improvement believes that the action which the Trust has undertaken to take pursuant to these undertakings, is action required to secure that the failures to comply with the relevant requirements of the conditions of the Licence do not continue or recur.

#### **UNDERTAKINGS:**

NHS Improvement has agreed to accept, and the Trust has agreed to give the following undertakings.

### **3. Financial sustainability**

- 3.1. The Trust will take all reasonable steps to secure financial sustainability.
- 3.2. In meeting the requirements of paragraph 3.1, the Trust will:
  - 3.2.1. take all reasonable steps to ensure that there is adequate clinical leadership and engagement in the development and delivery of Trust financial improvement and recovery plans;
  - 3.2.2. continue to develop and share with NHS Improvement, a medium-term recovery plan (the 'Financial Recovery Plan') which may be part of the wider Sustainability and Transformation Partnership (STP) financial plan) and be able to demonstrate that the recovery plan has been agreed by the Board and can be delivered; and
  - 3.2.3. take all reasonable steps to continue to actively engage with local system partners to develop plans to ensure financial sustainability, including sharing relevant Trust plans with key local partners (where appropriate).

### **4. Workforce**

- 4.1. The Trust will take all reasonable steps to strengthen its workforce planning and staff engagement arrangements to address the key workforce risks it faces.
- 4.2. In meeting the requirements of paragraph 4.1, the Trust will:
  - 4.2.1. develop and submit to NHS Improvement, to a timescale to be agreed with NHS Improvement, a comprehensive workforce strategy (the 'Workforce Strategy') setting out the key actions the Trust will take to:
    - 4.2.1.1. develop its workforce to support delivery of its 2018/19 operational plan and improvement priorities supported by robust demand and capacity planning, job planning and rostering;
    - 4.2.1.2. strengthen staff recruitment and retention to address key workforce risks and capacity gaps, and support delivery of agency cost reductions;
    - 4.2.1.3. engage with its staff effectively and respond to the key issues and concerns highlighted in the Trust's staff survey and other relevant feedback tools including the Medical Engagement Scale; and
    - 4.2.1.4. work jointly with local partners and supportive agencies, such as Health Education England, as appropriate to develop the workforce strategy and contribute to the STP and Healthy Cornwall workforce priorities.
  - 4.2.2. Keep the Workforce Strategy under regular review and will continue to develop this in response to the emerging priorities and strategic plans agreed with local partners.

### **5. 4-hour performance**

- 5.1. The Trust will take all reasonable steps to deliver the 4-hour standard in a sustainable manner.
- 5.2. In meeting the requirements of paragraph 5.1, the Trust will maintain its comprehensive A&E recovery plan and trajectory, as agreed by the Trust Board

and by NHS Improvement (the 'A&E Improvement Plan') and demonstrate that it can deliver that plan.

## **6. 18 Weeks Referral To Treatment performance improvement**

- 6.1. The Trust will take all reasonable steps to deliver the Referral to Treatment (RTT) Incomplete Pathways standard and associated national sub-metrics in a sustainable manner and will take all reasonable steps to reduce patients waiting in excess of 52 weeks for treatment.
- 6.2. In meeting the requirements of paragraph 6.1, the Trust will maintain its comprehensive RTT recovery plan and trajectory, as agreed by the Trust Board and by NHS Improvement (the 'RTT Improvement Plan') and demonstrate that it can deliver that plan.

## **7. Diagnostics**

- 7.1. The Trust will take all reasonable steps to deliver the maximum 6-week national diagnostics standard in a sustainable manner.
- 7.2. In meeting the requirements of paragraph 7.1, the Trust will maintain its comprehensive diagnostics recovery plan and trajectory, as agreed by the Trust Board and by NHS Improvement (the 'Diagnostics Improvement Plan') and demonstrate that it can deliver that plan.

## **8. Cancer performance improvement**

- 8.1. The Trust will take all reasonable steps to deliver the national 62-day cancer performance standard and associated national sub-metrics, namely improved 2-week wait performance, achievement of the 31-day cancer performance standard and the elimination of any 104-day cancer waits, in a sustainable manner.
- 8.2. In meeting the requirements of paragraph 8.1, the Trust will maintain its comprehensive cancer access recovery plan and trajectory, as agreed by the Trust Board and by NHS Improvement (the 'CWT Improvement Plan') and demonstrate that it can deliver that plan.

## **9. Quality of care**

- 9.1. The Trust will take all reasonable steps to deliver standards of care quality appropriate for a supplier of NHS healthcare services.
- 9.2. To deliver the requirements of paragraph 9.1, the Trust will:
  - 9.2.1. maintain its comprehensive Quality Improvement Plan (QIP) incorporating the Trust actions to respond to the CQC's findings, as described in 2.2.5, as agreed by the Trust Board and by NHS Improvement, and will demonstrate that it can deliver the QIP; and
  - 9.2.2. will refresh the QIP upon receipt of any and all new inspection reports and warning notices.

## **10. Governance**

- 10.1. The Trust will take all reasonable steps to put in place principles, systems and standards of governance which would reasonably be regarded as appropriate for a supplier of healthcare services to the NHS.

- 10.2. In meeting the requirements of paragraph 10.1, the Trust will develop an action plan (the 'Well Led Improvement Plan') to address the findings of the CQC well led assessment undertaken in September 2018.

## **11. Delivery of plans**

- 11.1. The Trust will ensure that the Financial Recovery Plan, Workforce Strategy, A&E Improvement Plan, RTT Improvement Plan, Diagnostic Improvement Plan, CWT Improvement Plan, QIP and Well Led Improvement Plan (together, the 'Plans') are developed and delivered in a robust and coherent manner which enables the Trust to meet the requirements of paragraphs 3.1, 4.1, 5.1, 6.1, 7.1, 8.1, 9.1 and 10.1.
- 11.2. In meeting the requirements of paragraph 11.1, the Trust will, in particular:
  - 11.2.1. ensure that the Plans form a single, coherent and comprehensive approach to addressing the challenges facing the Trust, with clear milestones, action owners and KPIs;
  - 11.2.2. ensure that the Plans are reviewed and agreed by NHS Improvement and lead commissioners and that they provide the basis for joint work with commissioners and local system partners to develop a single whole-system recovery plan;
  - 11.2.3. keep the Plans and their delivery under review and provide appropriate assurance to the Trust Board regarding progress towards meeting the requirements of paragraphs 3.1, 4.1, 5.1, 6.1, 7.1, 8.1, 9.1 and 10.1, such assurance to be provided to NHS Improvement on request; and
  - 11.2.4. where matters are identified which materially affect the Trust's ability to meet the requirements noted at 11.1 above, whether identified by the Trust or another party, the Trust will notify NHS Improvement as soon as practicable and update and re-submit the affected Plan(s) within a timeframe to be agreed with NHS Improvement.

## **12. Programme management**

- 12.1. The Trust will implement sufficient programme management and governance arrangements to enable delivery of these undertakings.
- 12.2. Such programme management and governance arrangements must enable the Board to:
  - 12.2.1. obtain clear oversight over the process in delivering these undertakings;
  - 12.2.2. obtain an understanding of the risks to the successful achievement of the undertakings and ensure appropriate mitigation; and
  - 12.2.3. hold individuals to account for the delivery of the undertakings.

## **13. Meetings and reports**

- 13.1. The Trust will attend meetings or, if NHS Improvement stipulates, conference calls, at such times and places, and with such attendees, as may be required by NHS Improvement.
- 13.2. The Trust will provide such reports in relation to the matters covered by these undertakings as NHS Improvement may require.

## **14. Funding conditions and spending approvals**

- 14.1. Where interim support financing or planned term support financing is provided by the Secretary of State for Health to the Trust under Schedule 5 to the NHS Act 2006, the Trust will comply with any terms and conditions which attach to the financing.
- 14.2. Where the Trust receives payments from the STF, the Trust will comply with any terms or conditions which attach to the payments.
- 14.3. The Trust will comply with any spending approvals processes that are deemed necessary by NHS Improvement.

## **THE TRUST**

A handwritten signature in green ink, appearing to read 'R. Schofield', is written across the page.

Signed  
Chairwoman of Trust  
Dated

## **NHS IMPROVEMENT**

Signed  
Richard Schofield  
Delivery and Improvement Director, South-West (South) and Member of the Regional  
Provider Support Group (South)  
Dated