

## UNDERTAKINGS

### NHS TRUST :

Isle of Wight NHS Trust (“the Trust”)  
St Mary’s Hospital  
Parkhurst Road  
Newport  
Isle of Wight  
PO30 5TG

### DECISION:

On the basis of the grounds set out below, NHS Improvement has decided to accept from the Trust the undertakings specified below, pursuant to the powers exercisable by the National Health Service Trust Development Authority (“the TDA”) under or by virtue of the National Health Service Act 2006. In this notice, “NHS Improvement” means the TDA.

### GROUND:

#### 1. The Trust

The Trust is an NHS trust all or most of whose hospitals, facilities and establishment 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 care services for the purposes of the NHS while failing to establish, implement effectively or apply the systems, standards and/or processes referred to in the following conditions of the licence issued by Monitor under Chapter 3 of Part 3 of the Health and Social Care Act 2012: FT4(5)(a) to (c), and (e)-(f); and FT4(6)(b)-(d) and (f).

2.2 In particular:

#### *Governance, culture and strategy*

2.2.1 The Trust commissioned a Well-Led Governance Review from Capsticks Solicitors LLP (August 2015) (“the governance review”), which raised a number of concerns about governance at the Trust, including:

- (a) that the Trust did not have a clear strategy;
- (b) there was a sense of detachment amongst doctors particularly in the Hospital services and morale was a particular issue;
- (c) quality governance systems had become unduly complex and misaligned and there was much confusion about the route for escalating issues and the process was not clear; and

- (d) there is evidence to suggest that risks are not being sufficiently managed as they should be and risk remain on Risk Register for too long and there is not sufficient evidence to suggest there is a robust, consistent process escalating, reviewing, tolerating or closing risks.

The review included a range of recommendations to address to issues identified.

2.2.2 NHS Improvement's investigation that commenced in September 2016 and included interviews with Board members, leaders of clinical business units, and trust stakeholders, and reviewing minutes of board and committee meetings found that a wide range of issues raised in the governance review had not been effectively addressed. The findings included the following:

- (a) the Trust's governance arrangements to provide oversight of delivery of services, performance, improvement plans and risks, were not operating effectively;
- (b) the Trust's operational restructure, involving moving from directorates to clinical business units, have not been implemented effectively; and
- (c) the Trust's strategy for clinical and financial sustainability was not aligned with key system-wide plans.

#### *Operational performance*

2.2.3 The Trust breached the A&E 4 hour waiting time target for 8 consecutive quarters from Q3 2014/15 and only met its improvement trajectory for 2016/17 in May 2016.

2.2.4 The Trust has not met its 2016/17 trajectory for Red 1 calls since April 2016, or for Red 2 calls and A19 calls since July 2016.

2.2.5 The Trust has not met the Referral to Treatment standard (RTT) since August 2015, or its improvement trajectory since August 2016.

#### *Failures and need for action*

2.2.6 These failings by the Trust demonstrate a failure of governance including, in particular:

- (a) failure to establish and effectively implement systems and/or processes:
  - i. to ensure compliance with the Trust's duty to operate efficiently, economically and effectively,
  - ii. for timely and effective scrutiny and oversight by the Board of the Trust's operations,
  - iii. ensure compliance with healthcare standards binding on the Trust,
  - iv. To obtain and disseminate accurate, comprehensive, timely and up to date information for Board and Committee decision-making, and
  - v. To identify and manage material risks to compliance with the conditions of the licence,

- vi. ensure all of the matters relating to quality of care specified in condition FT4(6).

2.2.7 Need for action:

NHS Improvement believes that the action which the Trust has undertaken to take pursuant to these undertakings, is action required to secure that the governance failures in question do not continue or recur.

## **UNDERTAKINGS**

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

### 1. Governance and Leadership

- 1.1. The Trust will take all reasonable steps to put in place governance structures and processes which would reasonably be regarded as appropriate for a supplier of healthcare services to the NHS, including but not limited to those set out in paragraphs 1.2 to 1.4, below.
- 1.2. The Licensee will develop and agree with NHS Improvement a plan to meet the requirements of paragraph 1.1 above (“the governance plan”) by a date to be agreed by NHS Improvement and demonstrate that it can deliver that plan.
- 1.3. The governance plan will, in particular:
  - 1.3.1. include the actions required to meet the requirements of paragraph 1.1, with appropriate timescales and resourcing, including:
    - (a) any outstanding actions required to implement the recommendations from the governance review, insofar as they are relevant to the Trust’s current situation; and
    - (b) actions required to address gaps in the capacity and capability of the clinical business units, particularly in relation to finance;
  - 1.3.2. describe the key risks to meeting the requirements of paragraph 1.1 and mitigating actions being taken;
  - 1.3.3. be based on realistic assumptions;
  - 1.3.4. reflect collaborative working with key system partners and other stakeholders;
  - 1.3.5. set out the key performance indicators which the Trust will use to measure progress; and
  - 1.3.6. be consistent with the Trust’s other key plans, including but not limited to those plans described elsewhere in these undertakings.
- 1.4. The Trust will keep the governance plan and its delivery under review and provide appropriate assurance to its Board regarding progress towards meeting the requirements of paragraph 1.1, such assurance to be provided to NHS Improvement on request. Where matters are identified which materially affect the Trust’s ability to meet the requirements of paragraph 1.1, whether identified by the Trust or another party, the Trust will notify NHS Improvement as soon as practicable and update and resubmit the governance plan within a timeframe to be agreed with NHS Improvement.

### 2. Operational performance

- 2.1. The Trust will take all reasonable steps to recover operational performance to meet national standards in a sustainable manner, including but not limited to those set out in paragraphs 2.2 to 2.4, below.

- 2.2. The Trust will revisit its operational performance plans and agree with NHS Improvement revised recovery plans to meet the requirements of paragraph 2.1 above (“the performance plan”) by a date to be agreed by NHS Improvement and demonstrate that it can deliver that plan.
- 2.3. The performance plan will, in particular:
- 2.3.1. include the actions required to meet the requirements of paragraph 2.1, with appropriate timescales and resourcing;
  - 2.3.2. describe the key risks to meeting the requirements of paragraph 2.1 and mitigating actions being taken;
  - 2.3.3. be based on realistic assumptions;
  - 2.3.4. reflect collaborative working with key system partners and other stakeholders;
  - 2.3.5. set out the key performance indicators which the Trust will use to measure progress;
  - 2.3.6. be consistent with the Trust’s other key plans, including but not limited to those plans described elsewhere in these undertakings and the Sustainability and Transformation Plan; and
  - 2.3.7. support the Trust in delivering the control totals set by NHS Improvement.
- 2.4. The Trust will keep the performance plan and its delivery under review and provide appropriate assurance to its Board regarding progress towards meeting the requirements of paragraph 2.1, such assurance to be provided to NHS Improvement on request. Where matters are identified which materially affect the Trust’s ability to meet the requirements of paragraph 2.1, whether identified by the Trust or another party, the Trust will notify NHS Improvement as soon as practicable and update and resubmit the performance plan within a timeframe to be agreed with NHS Improvement.

### 3. Sustainability

- 3.1 The Trust will take all reasonable steps to deliver services in a manner that is clinically and financially sustainable, including but not limited to those set out in paragraphs 3.2 to 3.4, below.
- 3.2 The Trust will, by a date to be agreed by NHS Improvement, develop a revised strategy to meet the requirements of paragraph 3.1 (“the strategic plan”), that aligns with relevant system plans and other initiatives with partners to further financial and clinical sustainability.
- 3.3 The strategic plan will, in particular:
- 3.3.1 include the actions required to meet the requirements of paragraph 3.1, with appropriate timescales and resourcing;
  - 3.3.2 describe the key risks to meeting the requirements of paragraph 3.1 and mitigating actions being taken;
  - 3.3.3 be based on realistic assumptions;
  - 3.3.4 reflect collaborative working with key system partners and other stakeholders;

- 3.3.5 set out the key performance indicators which the Trust will use to measure progress;
  - 3.3.6 be consistent with the Trust's other key plans, including but not limited to those plans described elsewhere in these undertakings and the Sustainability and Transformation Plan; and
  - 3.3.7 support the Trust in delivering the control totals set by NHS Improvement.
- 3.4 The Trust will keep the strategic plan and its delivery under review and provide appropriate assurance to its Board regarding progress towards meeting the requirements of paragraph 3.1, such assurance to be provided to NHS Improvement on request. Where matters are identified which materially affect the Trust's ability to meet the requirements of paragraph 3.1, whether identified by the Trust or another party, the Trust will notify NHS Improvement as soon as practicable and update and resubmit the sustainability plan within a timeframe to be agreed with NHS Improvement.

#### 4. Turnaround Director

The Trust will co-operate fully with any Turnaround Director or other individual(s) appointed by NHS Improvement or the Trust's commissioners, including any jointly appointed by the Trust and its commissioners, to work with or support the Trust.

#### 5. Programme management

- 5.1. The Trust will implement sufficient programme management and governance arrangements to enable delivery of these undertakings.
- 5.2. Such programme management and governance arrangements must enable the board to:
  - 5.1.1. obtain clear oversight over the process in delivering these undertakings;
  - 5.1.2. obtain an understanding of the risks to the successful achievement of the undertakings and ensure appropriate mitigation; and
  - 5.1.3. hold individuals to account for the delivery of the undertakings.

#### 6. Meetings and reports

- 6.1. The Trust will:
  - 6.1.1. 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; and
  - 6.1.2. provide such reports in relation to the matters covered by these undertakings as NHS Improvement may require.

**ANY FAILURE TO COMPLY WITH THE ABOVE UNDERTAKINGS MAY RESULT IN THE NHS IMPROVEMENT TAKING FURTHER FORMAL ACTION. THIS COULD INCLUDE**

**GIVING DIRECTIONS TO THE TRUST UNDER SECTION 8 OF THE NATIONAL HEALTH SERVICE ACT 2006.**

THE TRUST

Signed (Chair or Chief Executive of Trust)



Signed in agreement with Eve Richardson, Trust Chair

Dated – 13/02/2017

NHS IMPROVEMENT

Signed (Chair of the Regulation Support Group - South)



Anne Eden, Executive Regional Managing Director (South)

Dated: 08/02/2017