

UNDERTAKINGS

NHS TRUST:

Avon and Wiltshire Partnership NHS Trust (the Trust)
Jenner House
Langley Park
Chippenham SN15 1GG

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.

GROUNDINGS:

1. The Trust

The Trust is an NHS trust all or most of whose hospitals, 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(5)(a), (b), (d), (e), (f) and (g).

2.2 In particular:

- 2.2.1 The Trust's forecast deficit for the financial year 2016/17 stands at £12.5m which is a £13.7m negative variance to plan (excluding payments from the Sustainability and Transformation Fund) and the Trust's control total. The Trust lacks a developed financial recovery plan and the capacity to deliver the very ambitious 8.5% cost improvement plan target in the 2017/18 financial plan. The deterioration against control total is the biggest percentage movement (as a percentage of income) in the mental health sector as at month 10 of the 2016/17 financial year and is a significant outlier when compared to the other mental health trusts with variances against control totals.
- 2.2.2 The Trust does not have adequate governance arrangements in place, for example, the reporting to the Board is not effective and the reporting arrangements for internal audit and ineffective oversight of the local delivery units are not appropriate. NHS Improvement concluded that whilst the Trust has started to address the weaknesses, they are sufficiently serious for the Trust to require formal support.
- 2.2.3 The Trust's strategy requires a significant refresh but at present there is no extant written strategy.
- 2.2.4 There are cultural problems at the Trust which have contributed to its financial deterioration, for example, LDUs operating independently with insufficient accountability.
- 2.3 These failings by the Trust demonstrate a failure of governance arrangements including, in particular, 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;
 - (c) for effective financial decision-making, management and control;
 - (d) to obtain and disseminate accurate, comprehensive, timely and up to date information for Board and Committee decision-making;
 - (e) to identify and manage (including but not restricted to manage through forward plans) material risks to compliance with the conditions of the Licence; and
 - (f) 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.

2.4 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 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.

1. Financial Sustainability

1.1 The Trust will seek external support to assist in the development and delivery of Cost Improvement Programmes, with the support to include capacity and development of the Programme Management Office function at the Trust. In doing this the Trust will ensure there are appropriate arrangements in place to manage the impact on quality.

1.2 The Trust will develop a financial recovery plan to achieve a sustainable financial position that aligns with the Trust's new strategic direction and its quality and operational strategies.

1.3 The Trust will implement the financial recovery plan by such a date to be agreed with NHSI.

2. Financial governance

2.1 The Trust will develop a governance improvement plan that addresses the findings of the NHS Improvement investigation, NHS Improvement board observation work and the internal governance reviews undertaken by the Trust.

2.2 The Trust will implement the governance improvement plan by such a date to be agreed with NHS Improvement.

2.3 The Trust will commission a review to evaluate how effective that implementation has been in improving the Trust's governance. The timing and scope of the review, and the person to be commissioned, will be agreed with NHS Improvement.

2.4 The Trust will undertake a procurement for external audit services to be provided to the Trust in the financial year 2018/19 and such subsequent years as may be agreed with NHS Improvement, and include a representative from NHS Improvement on the selection panel.

3. Strategy and culture

3.1 The Trust will undertake a full strategic review and develop a strategy for the Trust which aligns with the two Sustainability and Transformation Plans in which the Trust participates.

3.2 The Trust will undertake a communications programme to ensure that the new strategic direction is understood by external stakeholders and staff.

3.3. The Trust will complete the undertakings in respect of strategy and culture by such a date to be agreed with NHSI.

4. Programme management

4.1 The Trust will implement sufficient programme management and governance arrangements to enable delivery of these undertakings.

4.2 Such programme management and governance arrangements must enable the board to:

4.2.1 obtain clear oversight over the process in delivering these undertakings;

4.2.2 obtain an understanding of the risks to the successful achievement of the undertakings and ensure appropriate mitigation; and

4.2.3 hold individuals to account for the delivery of the undertakings.

5 Meetings and reports

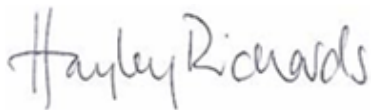
5.1 The Trust will attend meetings at such times and places, and with such attendees, as may be required by NHS Improvement.

5.2 The Trust will 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 NHS Improvement taking further regulatory action. This could include giving formal directions to the Trust under section 8 of the National Health Service Act 2006 and paragraph 6 of the TDA Directions.

THE TRUST

Signed

A handwritten signature in blue ink that reads "Hayley Richards". The signature is written in a cursive style.

Chief Executive

Avon & Wiltshire Mental Health Partnership NHS Trust

Dated: 18 May 2017

NHS IMPROVEMENT

Signed

Amanda Lyons.

Amanda Lyons- Delivery and Improvement Director, South Central

Dated: 24 May 2017