

UNDERTAKINGS

NHS TRUST:

Croydon Health Services NHS Trust
530 London Road
Thornton Heath
CR7 7YE

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),(c),(d) and FT4(6).

2.2. In particular:

2.2.1. The Trust has been in financial deficit since 2013/14, with its financial position deteriorating each year up to 2016/17.

2.2.2. Although the Trust has achieved its control total in 2016/17 and has accepted its control totals for 2017 – 2019, it will be in deficit each year and continues to require monthly cash support from the Department of Health.

2.2.3. The Trust has breached the 4-hour Accident and Emergency (A&E) waiting time target each month in 2016/17 and performance has deteriorated year-on-year. The Trust has not met its agreed A&E improvement trajectory in each month subsequent to its agreement in October 2016 and Trust and its system partners do not have a credible plan for recovery in relation to A&E.

2.2.4. Following the Care Quality Commission inspection in June 2015, the Trust was overall rated as 'Requires Improvement' in the 'Well-Led' domain by the Care Quality Commission and as 'Inadequate' in the 'Well-Led' domain for Surgery.

2.3 These failings by the Trust demonstrate a 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) to ensure compliance with health care standards binding on the Trust;
- (c) for effective financial decision-making, management and control; and
- (d) to ensure the matters relating to quality of care specified in condition FT4(6) are complied with.

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. Finance

Financial controls

1.1. The Trust will demonstrate that it has in place and is effectively implementing the improved financial controls implemented while the Trust was in financial special measures for the duration of 2017/18, or until such later date as specified by NHS Improvement.

1.2. For the period referred to in paragraph 1.1, the Trust will seek approval from NHS Improvement for any business case that increases the Trust's total pay costs by an

amount over a threshold agreed with NHS Improvement prior to its implementation. This will be in addition to the existing rules for business case approvals.

- 1.3. The Trust will ensure it has the capacity and capability to deliver its 2017/18 control total, and will, if required by NHS Improvement, obtain external support. If the Trust is to procure external support, the source of that support, its scope and the timetable for it to be provided will be agreed with NHS Improvement.

Financial sustainability

- 1.4. The Trust will, by such date as specified by NHS Improvement, develop a strategic financial sustainability plan to return to surplus by 2019/20 and remove reliance on the Department of Health for financial support. In developing the plan, the Trust will work with local and national NHS partners.
- 1.5. The Trust will, by such date as specified by NHS Improvement, agree milestones and a timetable for delivering the plan with NHS Improvement and will submit a quarterly Board-approved progress report against delivery until such date as specified by NHS Improvement.
- 1.6. The Trust will continue to participate in forums to enable delivery of cross-local healthcare system efficiency savings, and will participate constructively.
- 1.7. The Trust will ensure it has sufficient capacity and capability to deliver the plan. The Trust will obtain external support from a source and according to a scope and timescale to be agreed with NHS Improvement.
- 1.8. The Trust will keep the plan under review and agree any necessary amendments with NHS Improvement.

2. Operational performance

- 2.1. The Trust will develop a recovery plan in relation to A&E that addresses the evidence-based drivers of poor performance, and which will incorporate the recommendations made by ECIP. The recovery plan will be agreed with NHS Improvement by 31 May 2017.
- 2.2. The Trust will, by such date as specified by NHS Improvement, agree milestones and a timetable for delivering the plan with NHS Improvement and will submit a quarterly Board-approved progress report against delivery until such date as specified by NHS Improvement.
- 2.3. The Trust will ensure it has sufficient capacity and capability to deliver the plan. The Trust will obtain external support from a source and according to a scope and timescale to be agreed with NHS Improvement.
- 2.4. The Trust will work with system partners to review and strengthen system governance, on such timescales as agreed with NHS Improvement.

3. Leadership and improvement capacity

3.1. The Trust will agree the scope and timescales for the Well-Led Review due to be commissioned in 2017/18 with NHS Improvement, within a timeframe to be agreed with NHS Improvement.

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 or, if NHS Improvement stipulates, conference calls, 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.

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



(Chair or Chief Executive of Trust)

Dated

12/5/17

NHS IMPROVEMENT

Signed

A handwritten signature in blue ink, appearing to read 'Steve R...', with a horizontal line drawn underneath the signature.

Executive Regional Managing Director (London) and
Chair of the Regional Provider Support Group (London)

Dated

