

## VARIATION TO ENFORCEMENT UNDERTAKINGS

### LICENSEE:

Norfolk and Norwich University Hospitals NHS Foundation Trust ("the Licensee")  
Colney Lane  
Norwich  
NR4 7UY

### BACKGROUND:

On 5 August 2016 NHS Improvement gave notice that the Licensee is in Financial Special Measures.

Financial Special Measures is a package of measures applied to particular NHS bodies as part of a reset of expectations of financial discipline and performance in the NHS. Financial Special Measures is designed to help NHS bodies facing the biggest financial challenges.

The Licensee has agreed to deliver the Financial Special Measures actions as set out below.

Any reference to "NHS Improvement" in this variation of undertakings is to be taken as a reference to Monitor.

### VARIATION:

The Licensee and NHS Improvement have agreed the following variations to the terms of the Enforcement Undertakings accepted from the Licensee by Monitor on 5 April 2016:

After paragraph 7.1 of the Enforcement Undertakings insert the following:

#### "8. Financial Special Measures

##### *Governance*

8.1 *Within the timescales specified by NHS Improvement, the Licensee will:*

8.1.1 *publish a statement on its website homepage explaining that the Licensee has been placed in Financial Special Measures and the reasons for this (taking into account the explanation provided by NHS Improvement). The statement will include a link to the Financial Improvement Notice issued to the Licensee by NHS Improvement; and*

8.1.2 *notify its council of governors that the Licensee has been placed in Financial Special Measures, the reasons for it and the planned response.*

##### *Financial Recovery Plan*

8.2 *As soon as reasonably practicable after receiving the Financial Improvement Notice, the Licensee will identify and set out in writing the key financial issues, including an analysis of the underlying causes of the Licensee's financial position, that need to be addressed to ensure the Licensee's financial recovery ("Diagnostic").*

- 8.3 *Taking into the account the findings of the Diagnostic, the Licensee will develop a Financial Special Measures recovery plan ('FSM RP'). The scope and detailed content of the FSM RP will be as agreed with NHS Improvement but will include:*
- 8.3.1 *actions to address the key issues identified by the Diagnostic with key milestones;*
  - 8.3.2 *a robust recovery plan, quality-assured and agreed by the Licensee's board that will deliver rapid financial recovery and achieve a quarter on quarter improvement in the I&E run rate during 2016/17 and a quarter 4 I&E run rate to deliver a materially better financial result for 2017/18 than the 2016/17 recovery plan;*
  - 8.3.3 *details of extra controls and other measures the Licensee has already put in place since being put into Financial Special Measures to immediately strengthen financial control. These may relate, for example, to staff pay costs, procurement, cash, delegated financial limits and programme management offices (PMOs); and*
  - 8.3.4 *details of how the Licensee will deploy sufficient resources to ensure implementation of the FSM RP.*
- 8.4 *When developing the FSM RP, the Licensee will engage effectively with key stakeholders, including commissioners, and will reflect their views appropriately in the FSM RP.*
- 8.5 *The Diagnostic and the FSM RP will be delivered to NHS Improvement at least 2 working days in advance of the Progress Review Check (defined below). The Diagnostic and FSM RP are subject to review and approval by NHS Improvement.*
- 8.6 *The Licensee will take all reasonable steps to secure that it is able to deliver the FSM RP once approved by NHS Improvement.*

*Financial Improvement Director*

- 8.7 *The Licensee will co-operate and work with a Financial Improvement Director appointed by NHS Improvement to oversee and provide independent assurance to NHS Improvement on the Licensee's actions to deliver its financial recovery, including the FSM RP.*
- 8.8 *The Licensee will provide the Financial Improvement Director and their team with full access to the Licensee's key personnel, meetings, resources and information during the Financial Special Measures period.*

*Financial Control*

- 8.9 *The Licensee will comply with any arrangements specified by NHS Improvement for the approval of the Licensee's decisions on expenditure.*

8.10 The Licensee will not make any application for financial assistance provided by the Secretary of State under section 40 of the National Health Service Act 2006 unless that application has been approved by NHS Improvement.

Reporting

8.11 The Licensee will meet with representatives of NHS Improvement, including the Financial Improvement Director, within 1 month of receiving the Financial Improvement Notice ('**Progress Review Check**'). The purpose of the Progress Review Check is to consider the Diagnostic and the FSM RP and to determine the Licensee's progress in meeting the undertakings set out above.

8.12 The Licensee will attend other meetings or, if NHS Improvement stipulates, conference calls, during the period of Financial Special Measures to discuss its progress. These meetings will, unless NHS Improvement stipulates otherwise, take place at times and places to be specified by NHS Improvement and with attendees specified by NHS Improvement.

8.13 The Licensee will provide NHS Improvement with direct access to its advisers, its board members, and any other members of its staff considered necessary by NHS Improvement, as needed in relation to the matters covered by these undertakings.

8.14 The Licensee will comply with any additional reporting or information requests made by NHS Improvement."

**These variations are agreed pursuant to paragraph 11 of Schedule 11 to the Health and Social Care Act 2012 (variation of terms).**

**All other terms of the original Enforcement Undertakings accepted from the Licensee by Monitor on 5 April 2016 remain unchanged.**

Signed on behalf of the Licensee

Name: JOHN FRY

Position: CHAIRMAN

Signature: 

Date: 2/9/16

Signed on behalf of NHS Improvement

Name: BEN DYSON

Position: EXECUTIVE DIRECTOR OF STRATEGY AND CHAIR OF PROVIDER REGULATION COMMITTEE

Signature: 

Date: 2/9/16

