

Board Meetings held in Common

Date: 27 June 2019
Agenda item: 11
Paper Title: Challenged providers
Report by: Hugh McCaughey, National Director of Improvement

Decision Making Responsibility:

NHS England	<input type="checkbox"/>
NHS Improvement	<input type="checkbox"/>
NHS England and NHS Improvement	<input type="checkbox"/>
N/A - joint discussion	<input checked="" type="checkbox"/>

Introduction

1. Providers in special measures for quality or financial reasons face the most significant financial and quality of care challenges. The attached report provides an overview of providers currently in special measures or at risk of entering special measures as at 27 June 2019.
2. The Board is requested to **note** the information provided in this report.
3. Since the last report in March 2019, the policy for quality and financial special measures has moved to the Improvement Directorate, led by the National Intensive Support Director. There will be a transitional period of up to six months to develop the intensive support framework and governance. During the transitional period, there will continue to be a joint regional and national approach to overseeing the improvement of the most challenged trusts. This will include the continued role of the Joint Strategic Oversight Group (JSOG), the forum for sharing intelligence amongst national partners including the General Medical Council, Nursing and Midwifery Council, Health Education England and Care Quality Commission (CQC).
4. At JSOG on 29 May, it was agreed there would be joint regional reporting on quality and financial special measures to identify trusts of concern and make decisions on the intensive support required.

Key updates

5. *Kettering General Hospital NHS Foundation Trust* has exited special measures



for quality reasons.

6. Eighteen providers are now in special measures:
 - Four for quality and financial reasons
 - Eight for solely quality reasons
 - Six for solely financial reasons.

Trusts entering and exiting special measures

7. In May 2019, *Kettering General Hospital NHS Foundation Trust* exited special measures for reasons of quality. It entered in April 2017 when it was rated 'inadequate'. It was re-inspected in November 2017 and improvement seen resulting in a 'requires improvement' rating. However, it was not recommended for exit because of concerns about the sustainability of improvements and leadership changes. A recent inspection saw that the trust had maintained improvement with further improvement in place. The trust was rated 'requires improvement' with 'good' in well led. There are still areas that require attention, and these will be monitored through the regional NHS England and NHS Improvement team.
8. No trusts have entered or exited special measures for finance since the previous report.

Trusts in special measures for financial and quality reasons

9. There are currently four trusts in special measures for financial and quality reasons:
 - *Northern Lincolnshire and Goole NHS Foundation Trust* delivered an outturn of (£60.1m) against a plan of (£39.6m). External support has been commissioned as an interim measure. NHS Improvement/NHS England is currently focused on ensuring the 2019/20 plan is robust. Although the latest CQC inspection rated it 'requires improvement', the trust remains in special measures as it needs to demonstrate sustained improvement in terms of both quality and finances. Discussions have been had with the region who are developing a strategic solution and will access support from Intensive Support team if required.
 - *St George's University Hospitals NHS Foundation Trust* has made progress in improving quality and is preparing for a focused inspection and 'well-led' anticipated in Q2. However cardiac services remain a concern with an external review to be published summer/early autumn. The trust delivered an outturn of (£52.0m) against a plan of (£29.0m). The variance was mainly due to issues relating to elective income together with cardiac surgery. NHS Improvement/NHS England has been focused on supporting the trust to prepare a robust 2019/20 plan.
 - *United Lincolnshire Hospitals NHS Trust* is rated 'requires improvement' following its last CQC inspection but remains in special measures for quality reasons because of significant safety concerns about ED at Pilgrim Hospital.

There are also leadership challenges with the Chief Executive leaving in June 2019. The trust delivered an outturn of (£88.2m) against a plan of (£74,7m). Despite the £13.5m variance to plan and is demonstrating a real improvement in its approach to its financial position with a much stronger structure to 2019/20 efficiency planning, aligned to key messages conveyed to the trust by the FSM team. The team is currently focussing on workforce efficiency through improved productivity, better and faster recruitment and appropriate skill mix.

- The *Isle of Wight NHS Trust* has seen some improvements in addressing patient safety issues, however its overall performance needs to make more progress. ED and community mental health remain challenged. Progress has been made in identifying a bespoke strategic solution is needed to address its issues and unique geographical situation. FSM kick off meeting took place in early May 2019. Additional support has been agreed with the regional teams for the trust to enhance NHS Improvement/NHS England's financial oversight and support, with Intensive Support input. The current focus of the team's support is towards 2019/20 cost improvement plan (CIP) development, and inputting into the trust aspects of the development of a system recovery plan.

Trusts in special measures for financial reasons

10. Six trusts are in special measures for financial reasons:

- *Barts Health NHS Trust* delivered an outturn of (£84.3m) against a plan of (£56.8m), with the variance primarily driven by the impact of Specialised Commissioning dispute and operational pressures. The trust has accepted its 2019/20 control total and the Intensive Support team recommends exit from FSM. There is currently limited FSM support to the trust, and leadership is driving the ongoing turnaround.
- *Barking, Havering and Redbridge University Hospitals NHS Trust* delivered (£60.3m), in line with the Financial Recovery Plan submitted to NHS Improvement in December 2018. The trust has accepted its control total for 2019/20. NHS Improvement/NHS England is currently supporting the trust to deliver financial upturn by helping stabilise ED and deliver all planned elective performance.
- *East Kent Hospitals NHSF Trust* ended the 2018/19 financial year £12.3m behind plan with (£42.1m). NHS Improvement/NHS England continues to work with the trust to support planning processes around 2019/20. System transformation piece of work is expected to be undertaken with the regional team.
- *East Sussex Healthcare NHS Trust* delivered an outturn of (£44.8m) against a plan of (£45.0m). The trust submitted a 2019/20 plan which delivers the control total of (£34m).
- *King's College Hospital NHS Foundation Trust* delivered an outturn of (£189.7m) with key variance relating to CIP under-delivery and clinical income. NHS Improvement/NHS England is supporting the trust through GIRFT, nursing, outpatients and financial support seconded to the trust, alongside a dedicated Intensive Support resources focusing an operational support in endoscopy.

- *University Hospitals North Midlands NHS Trust* delivered an outturn of (£63.6m), against a plan of (£44.8m). The variance of £18.8m was driven by medical pay overspend, clinical supplies overspend. The Intensive Support team is supporting the trust in de-risking the 2019/20 plan. Alongside the region they are quantifying the scale of the risk associated with the agreed contracting approach. The new Chief Executive has started her role. The new Chief Finance and Chief Operating Officer expected to start by July. Recruitment is underway for a new Director of Nursing.

Trusts in special measures for quality reasons

11. Four trusts could exit within the next six months:

- *Walsall Healthcare NHS Trust* was rated 'requires improvement' in December 2017 but it was not recommended for exit from special measures due to concerns about maternity services. Its recent CQC inspection identified areas of improvement and the trust has met all the requirements of its s29A notice for maternity services. The trust anticipates receiving the report for Factual Accuracy checking this week. Following this being returned, the CQC will progress their recommendation and the trust is hopeful this will be to exit.
- *Royal Cornwall Hospital NHS Trust* is rated 'requires improvement' with 'inadequate in 'well led'. The executive leadership is now stable and making positive changes to system leadership. The trust is continuing to demonstrate improvement and is redesigning services around its patients. The next CQC inspection anticipated in Q2 and robust preparation is in place including board preparation for 'well led'.
- *South East Coast Ambulance Services NHS Foundation Trust* is rated 'requires improvement'. A new Chief Executive is starting in September and staff survey results are positive, and the trust is improving. The next CQC inspection took place between 4 and 6 June with the Well-led anticipated in July.
- *St Georges University Hospital NHS Foundation Trust* is rated 'requires improvement'. The trust is improving and has the potential to exit with a trust commissioned governance review going to the Board in June. The next CQC inspection is anticipated in Q2 and robust preparations are in place, however cardiac services remain a concern.

12. There are a further five trusts in special measures for reasons of quality receiving support. These are *Norfolk and Norwich University Hospitals NHS Foundation Trust*, *Norfolk and Suffolk NHS Foundation Trust*, *Worcester Acute Hospitals NHS Trust*, *The Queen Elizabeth Hospitals King's Lynn NHS Foundation Trust* and *The Shrewsbury and Telford Hospital NHS Trust*.

Providers at risk of entering special measures

13. There is a total of fourteen providers on the 'Challenged Provider for quality' list following the addition of *Leicestershire Partnership Trust* and the removal of

Oxford University Hospitals NHS Foundation Trust at the May JSOG meeting. Of these fourteen:

- five trusts are referred to region and receiving regional support;
- four trusts, *Blackpool Teaching Hospital NHS Foundation Trust, Hampshire Hospital NHS Foundation Trust, Southport and Ormskirk Hospital NHS Trust and Hillingdon NHS Foundation Trust* are receiving support from an Improvement Director;
- one trust *London North West University Hospital* is receiving support from an Associate Improvement Director.
- four trusts, *Plymouth NHS Trust, The Rotherham NHS Foundation Trust, Barking, Havering and Redbridge University Hospitals NHS Trust and Leicestershire Partnership NHS Trust* are having pre-deployment reviews that will be carried out by two experience Improvement Directors.

14. *East Kent Hospitals University NHS Foundation Trust* and *Barking, Havering and Redbridge University Hospitals NHS Trust* are in special measures for financial reasons and are also on the challenged provider for quality list.

15. The Intensive Support team is also supporting regional teams to help several other trusts that have financial challenges, some of which may require more extensive support from the Intensive Support team. This intensive support covers, for example, financial control, CIP and recovery planning, financial governance etc.

16. This work relates to *Buckinghamshire Healthcare NHS Trust, The Hillingdon Hospitals NHS Foundation Trust, London North West University Healthcare NHS Trust, The Shrewsbury And Telford Hospital NHS Trust, Stockport NHS Foundation Trust, and Worcestershire Acute Hospitals NHS Trust.*

System Prototype Approach

17. Discussions have been held with regional colleagues and a workshop planned for 4 July to explore the co-creation of a one team coordinated support offer to two systems where there have been enduring issues of sustainable improvement. It is anticipated that these two systems will be the early prototypes discussed previously.