UNDERTAKINGS

NHS TRUST:
Shrewsbury and Telford Hospitals NHS Trust
Mylton Oak Road
Shrewsbury
SY3 8XQ

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.

These undertakings include the actions which have been agreed in consequence of the trust being placed in special measures for quality in November 2018.

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.

GROUNDS:

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), (f) and (g), FT4(6)(a), (b), (c), (d) (f) and FT4(7).
In particular:

**Operational performance**

2.1.1. The trust has consistently breached the Accident and Emergency (A&E) 4-hour maximum waiting time target since July 2013. In 2017/18, performance has been below 80% every month, with the exception of April 2017 when the trust achieved 84.5%. In 2018/19 performance was below 80% every month. The previously agreed trajectory was not achieved for any month during 2018/19 to date.

**Financial performance**

2.1.2. The trust agreed a control total deficit for 2017/18 of £15.278m (excluding Provider Sustainability Funding (PSF) resource) but reported a significant adverse variance against this plan. The trust reported a £21.332m deficit (before PSF) and £17.400m (after PSF); a £11.337m adverse variance to the control total plan of £6.063m (incl PSF).

2.1.3. The trust submitted a control total compliant plan for 2018/19 of a £18.439m deficit (before PSF). The plan includes a savings (CIP) requirement of £11.198m (2.9%). At month 12 the trust has reported a deficit of £23.927m which provides a £5.488m adverse variance to date (values pre PSF).

2.1.4. The trust formally submitted this revised FOT position at month 9. Key drivers include the failure of CIP delivery and the increasing premium costs associated with unplanned quality and operational pressures, primarily associated with the Princess Royal site and urgent CQC recommendations.

2.1.5. The trust exceeded its 2017/18 agency ceiling of £10.6m by £8.1m (77%); the key factor being the usage of expensive clinical agency staff to cover vacancies. This resulted in NHSI intervention to support and advise the trust in implementing a recovery programme through bi-weekly meetings. These forums have continued into 2018/19, and the trust continued to spend significantly above its allocated agency ceiling, with a final 2018/19 reported spend of £16.7m, £0.1m higher than plan and £4.8m above the agency ceiling.

**Quality of care**

2.1.6. In November 2018 (following an inspection in August and September 2018) the trust was rated by the CQC as ‘Inadequate’ overall, and specifically across the two domains of safe and well-led. The trust also received two CQC letters of urgent notice of decision (Section 31) to impose conditions for emergency care and maternity services and a CQC S29a Warning Notice relating to medical, A&E and critical care services.
2.1.7. Effective and responsive were rated as ‘Requires Improvement’. Caring was rated as ‘Good’. The CQC report dated 29 November 2018 sets out further details of the CQC’s inspection findings and its recommendations.

These failings by the trust demonstrate a failure of governance arrangements including, in particular, failure to establish and effectively implement systems or processes to:

2.2.1 Ensure compliance with health care standards binding on the trust;

2.2.2 Establish and effectively implement systems and/or processes for effective financial decision-making, management and control (including but not restricted to appropriate systems and/or processes to ensure the trust’s ability to continue as a going concern); and

2.2.3 Identify and manage material risks to comply with the conditions of the Licence.

2.2.4 Ensure adequate oversight by the Board and establishment and implementation of associated governance systems and processes including those relating to quality and to ensure appropriate and sufficient capacity.

2.3 Need for action:

2.3.1 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.

UNDETAKINGS

3. NHS Improvement has agreed to accept, and the trust has agreed to give the following undertakings.

*Operational Plan – A&E*

3.1. The trust will produce a single, comprehensive recovery plan (‘the A&E Plan’) to achieve a minimum of 85% against the A&E standard, and to achieve compliance on a sustainable basis by a deadline to be agreed with NHS Improvement. The A&E Plan will be submitted to NHS Improvement by a date to be agreed with NHS Improvement.

3.2. The A&E Plan will include, in particular:

3.2.1 An evidence-based narrative of the current drivers of performance below the A&E standard;
3.2.2 The trust’s planned actions, in conjunction with system partners, to improve A&E performance at the trust, including those which address the recommendations of NHS Improvement’s clinical lead, supported by key performance indicators against each action, timescales and the expected impact of each action on overall A&E performance; and

3.2.3 The trust’s trajectory for delivery of the A&E standard and how the trust will monitor delivery of actions in the A&E Plan.

3.3. The trust will, by such date as specified by NHS Improvement, agree on milestones and a timetable for delivering the A&E Plan with NHS Improvement and will submit a monthly Board-approved progress report against delivery until such date as specified by NHS Improvement.

3.4. The trust will ensure it has sufficient capacity and capability to deliver the A&E Plan. Where deemed by NHS Improvement to be required, the trust will obtain external support from sources and according to a scope and timescale to be agreed with NHS Improvement.

3.5. The trust will work with system partners to review and strengthen system governance with regards to A&E in such timescales as agreed with NHS Improvement.

3.6. The trust will take all other reasonable steps to deliver compliance with the A&E standards on a sustainable basis within a timeline to be agreed with NHS Improvement.

3.7. If required by NHS Improvement, the trust will commission an external review to assure that the A&E Plan has been appropriately implemented. The scope, source and timing of the reports will be agreed with NHS Improvement.

3.8. The trust will be required to engage with ECIST (Emergency Care Intensive Support Team) as and when required by NHS Improvement.

Financial Plan

3.9. The trust will produce a financial plan for the 2019/20 financial year ("the Financial Plan") with the combined aim of improving the trust’s underlying financial position (as measured by the recurrent income and expenditure position) and achieving the agreed control total for the year.

3.10. The Financial Plan will include phasing, actions and timeframes which will be reviewed at monthly and quarterly meetings which are scheduled between the trust and NHS Improvement.

3.11. Within the Financial Plan, a specific agency spend recovery plan should be developed which addresses all drivers and actions relating to excessive agency expenditure. This should include:
3.11.1 Actions and time frames to address the key issues identified, including a detailed plan of the trust's key schemes to deliver the improvement;

3.11.2 Details of extra controls and other measures the trust has put in place to immediately strengthen financial control and governance arrangements.

3.12 The trust will take all reasonable steps to identify further supporting actions to continue with the implementation and monitoring of financial risks already agreed with NHS Improvement.

3.13 The trust to take all reasonable steps to ensure that it is able to deliver revised agency forecast outturn value as agreed with NHS Improvement.

Funding conditions and spending approvals

3.14 Where interim support financing or planned term support financing is provided by the Secretary of State for Health to the trust under Schedule 5 to the National Health Service Act 2006, the trust will comply with any terms and conditions which attach to the financing.

3.15 Where the trust receives payments from the Provider Sustainability Fund, the trust will comply with any terms or conditions which attach to the payments.

3.16 The trust will comply with any spending approvals processes that are deemed necessary by NHS Improvement.

Integrated Quality Improvement Plan or IQIP

3.17 The trust will take all reasonable steps to address the concerns in the CQC's report dated 29 November 2018 including carrying out the actions set out in the report in accordance with such timescales as determined by the CQC in relation to the required notices and enforcement actions such that, upon re-inspection by the CQC within 12 months of the date of the CQC report (or such other date as CQC may determine), the trust will no longer be found to be 'inadequate' in any of the CQC domains.

3.18 By dates to be agreed with NHS Improvement, the trust will develop and demonstrate that it is able to deliver a quality improvement plan ("the Integrated Quality Improvement Plan or IQIP") including demonstrating that it has sufficient capacity at both executive and other levels of management to enact the IQIP.

3.19 The trust will modify the IQIP if needed following input from NHS Improvement.

3.20 Where matters are identified which materially affect the trust's ability to deliver the IQIP, whether identified by the trust or another party, the trust will notify NHS Improvement as soon as practicable and update and resubmit the IQIP, or relevant part, within a timeframe to be agreed by NHS Improvement.
3.21 The trust will ensure that the delivery of the Integrated Quality Improvement Plan and other measures to improve quality and operational performance do not compromise its overall financial position. The trust will keep the financial cost of its quality improvements under close review and will notify NHS Improvement as soon as practicable of any matters which are identified as potentially having a material impact the trust's overall financial position.

3.22 The Licensee will arrange with NHS Improvement and with local partners a series of clinical visits each quarter to review and assess progress against the implementation of the QIP. The scope and the review team will be agreed by NHS Improvement.

**Improvement Director**

3.23 The trust will co-operate and work with an Improvement Director(s) who may be appointed by NHS Improvement to oversee and provide independent assurance to NHS Improvement on the trust’s delivery of the IQIP and improvement of the quality of care the trust provides.

**Buddy Trust and Partner Organisations**

3.24 The trust will co-operate and work with any such partner organisations (this may include one or more ‘Buddy Trusts’) who may be appointed by NHS Improvement to:

3.24.1 Support and provide expertise to the trust; and

3.24.2 Assist the trust with the delivery of the IQIP and A&E Plan and generally in relation to the improvement of the quality of care the trust provides.

3.25 The trust will work with any such partner organisations on such terms as may be specified by NHS Improvement.

**Programme management**

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

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

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

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

3.27.3 hold individuals to account for the delivery of the undertakings.
3.28 The Licensee will provide to NHS Improvement direct access to its advisors, programme leads, and the Licensee’s board members as needed in relation to matters covered by these undertakings.

Meetings and reports

3.29 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.

3.30 The trust will provide such reports in relation to the matters covered by these undertakings as NHS Improvement may require.

3.31 The trust will attend monthly oversight and assurance meetings, and executive calls with NHS Improvement to discuss its progress in delivering the IQIP and A&E Plan.

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

[Signature]

(Chair or Chief Executive of trust)

Dated: 06.06.19

NHS IMPROVEMENT

Signed

[Fran Steele]

Fran Steele
Delivery and Improvement Director for the North Midlands and member of the Regional Provider Support Group (Midlands and East)

Dated 5/7/19