

**Update Report to
Nottinghamshire County Council Overview and Scrutiny Committee**

October 2012

Purpose

The purpose of this report is to inform Nottinghamshire County Council of current issues facing Sherwood Forest Hospitals NHS Trust and proposed plans for future management.

Current Status

On the 5th October 2012 Monitor, the Independent Regulator for Foundation Trusts, notified Sherwood Forest Hospitals that its Board had decided to exercise its formal powers of intervention under section 52 of the National Health Services Act (2006) as a consequence of the trust being in breach of its terms of authorisation as a foundation trust.

The decision was made on the basis of information made available to Monitor by Sherwood Forest Hospitals NHS Foundation Trust and having taken into account representations made to Monitor by the Foundation Trust.

Monitor confirmed that it was satisfied:

- (a) that the Foundation Trust had contravened, and is failing to comply with its terms of Authorisation, in particular:
 - (i) Condition 2, which requires the Foundation Trust to exercise its functions effectively, efficiently and economically; and
 - (ii) Condition 5, which requires the Foundation Trust to ensure the existence of appropriate arrangements to provide representative and comprehensive governance; and
- (b) that the contraventions and failures are significant under section 52(1) of the Act.

Full details of the notification to the trust can be found on Monitor's web site www.monitor-nhsft.gov.uk/home/news-events-and-publications.

As a consequence of the intervention Monitor require the Trust to:

- (a) agree to Monitor's advisory engagement in the Foundation Trust's appointment process for a permanent CEO;

- (b) commission a review of quality governance at the Foundation Trust;
- (c) commission a review of Board governance at the Foundation Trust;
- (d) commission a diagnostic review to assess the Foundation Trust's current financial position;
- (e) commission a review to urgently assess the Foundation Trust's strategy for long term financial viability and the extent to which this strategy may need to be revised;
- (f) agree in relation to all of the reviews which the Foundation Trust is required to commission in paragraphs (b) to (e) inclusive above that both the scope of the reviews and the external advisers to be engaged to undertake them will be agreed with Monitor;
- (g) report regularly on progress towards delivery of key milestones to be stipulated by Monitor, and to meet Monitor on a regular basis until Monitor is assured that the Foundation Trust has returned to full and sustainable compliance with its Authorisation.

Leadership Changes

With effect from Thursday 4th October 2012 Tracy Doucét stood down from her position of Chairman of Sherwood Forest Hospitals NHS Foundation Trust.

As a consequence Monitor appointed Christopher Mellor with effect from 8th October 2012 as Interim Chairman of the Foundation Trust to support the organisation going forward and until a substantive Chairman can be found and appointed.

On the 12th October Dr Mark Goldman's appointment as Interim CEO came to the end of its contracted period. Eric Morton, an experienced and respected CEO, has been appointed as Interim CEO to Sherwood Forest Hospitals NHS FT with effect from 15th October 2012.

Three of the Trusts non executive directors have notified their intention of standing down from their posts between October and November this year. The newly appointed chairman will be making arrangements to co-opt suitable individuals to these important Board posts.

Focus on Quality

Despite the financial challenges facing the Trust it has maintained its focus on delivery of high quality patient care and has continued to deliver in line with expectation the majority of its key performance indicators.

In addition the Trust has developed a 'heat map' of metrics which will be carefully monitored to ensure that any future organisational changes do not

detrimentally impact on the quality and safety of patient care. The trust is working closely with local CCG's to ensure transparency of approach and to provide assurance regarding service delivery.

In addition, Monitor has requested that the Care Quality Commission (CQC) undertake a review of standards of care across the organisation. The Trust is currently working with the CQC to ensure that this is done in a timely way.

Proposed actions going forward

The Trust is in the process of commissioning the governance reviews requested by Monitor and anticipates being able to commence this work week commencing 5th November.

Working with Monitor plans to recruit to substantive Chairman and CEO posts will begin to be developed.

Experienced individuals will be co-opted to vacant Non Executive Director posts over coming weeks.

To continue to monitor the quality and safety of care delivered to patients using a comprehensive set of performance indicators which will provide an early alert to the organisation and commissioners where changes in financial arrangements are having a detrimental impact on the quality of patient experience.

Work with the CQC to undertake an external review of the trusts performance against CQC standards of quality.

Summary

Sherwood Forest Hospitals NHS Foundation Trust remains committed to its key purpose, the delivery of high quality care to the patients it serves.

In accordance with the health regulator Monitor's requirements the trust will undertake a series of governance reviews and will act on the outcome of the reviews to strengthen and improve its performance going forward.

The trust will continue to support the work of the CQC and will act upon any findings.

Working with Monitor the newly appointed CEO and Chairman will work towards the appointment of substantive posts to the Board.

Carolyn White
Deputy Chief Executive