

## Declarations required by General condition 6 and Continuity of Service condition 7 of the NHS provider licence

*The board are required to respond "Confirmed" or "Not confirmed" to the following statements (please select 'not confirmed' if confirming another option). Explanatory information should be provided where required.*

### **1 & 2** General condition 6 - Systems for compliance with license conditions (FTs and NHS trusts)

- 1 Following a review for the purpose of paragraph 2(b) of licence condition G6, the Directors of the Licensee are satisfied that, in the Financial Year most recently ended, the Licensee took all such precautions as were necessary in order to comply with the conditions of the licence, any requirements imposed on it under the NHS Acts and have had regard to the NHS Constitution.

Confirmed

### **3** Continuity of services condition 7 - Availability of Resources (FTs designated CRS only)

- 3b After making enquiries the Directors of the Licensee have a reasonable expectation, subject to what is explained below, that the Licensee will have the Required Resources available to it after taking into account in particular (but without limitation) any distribution which might reasonably be expected to be declared or paid for the period of 12 months referred to in this certificate. However, they would like to draw attention to the following factors (as described in the text box below) which may cast doubt on the ability of the Licensee to provide Commissioner Requested Services.

Confirmed

**Statement of main factors taken into account in making the above declaration**

In making the above declaration, the main factors which have been taken into account by the Board of Directors are as follows:

CoS7 3b - This is based on the working assumption that the Department of Health and Social Care will continue to provide interim cash support to the value of our deficit.

Signed on behalf of the board of directors, and, in the case of Foundation Trusts, having regard to the views of the governors

**Signature**



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**Name**

Sarah Tedford

**Capacity**

Chief Executive Officer

**Date**

22/05/2019

**Signature**



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**Name**

Lis Paice

**Capacity**

Interim Chair

**Date**

22/05/2019

# Corporate Governance Statement (FTs and NHS Trusts)

The Board are required to respond "Confirmed" or "Not confirmed" to the following statements, setting out any risks and mitigating actions planned for each one

## 4 Corporate Governance Statement

	Response	Risks and mitigating actions
1 The Board is satisfied that the Trust applies those principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate for a supplier of health care services to the NHS.	Confirmed	<p><b>Risk:</b> An external governance review has not been completed in 2018/19. The new developmental framework permits such review to take place within a 3-5 year period.</p> <p><b>Action:</b> The Trust commissioned an external governance review in 2018/19. This review was paused in late 2018 because of leadership changes and will be completed in the summer of 2019. The trust received interim improvement measures when the review was paused, and this has enabled the trust to triangulate these early findings and action required with the CQC report. The Trust will review the findings from the completed review and develop an action plan to address any weaknesses identified. The trust is also receiving developmental support around risk, quality and governance from the Good Governance Institute.</p>
2 The Board has regard to such guidance on good corporate governance as may be issued by NHSI from time to time	Confirmed	No Risk identified

- 3 The Board is satisfied that the Trust implements:
- (a) Effective board and committee structures;
  - (b) Clear responsibilities for its Board, for committees reporting to the Board and for staff reporting to the Board and those committees; and
  - (c) Clear reporting lines and accountabilities throughout its organisation.

**Confirmed**

**Risk:** Risk that committees are not completely aligned to support the delivery of the Trusts strategic priorities.

**Action:** The Trust is currently working with the Good Governance Institute (GGI) to introduce a structured and customised board development programme in order to improve the impact and overall effectiveness of the Board of Directors. In addition, a review of the Trust's corporate governance and risk management arrangements is underway in order to align the Board committee structure more closely with the Trust's strategic priorities, including review of terms of reference, membership and reporting and escalation arrangements

- 4 The Board is satisfied that the Trust effectively implements systems and/or processes:
- (a) To ensure compliance with the Licensee's duty to operate efficiently, economically and effectively;
  - (b) For timely and effective scrutiny and oversight by the Board of the Licensee's operations;
  - (c) To ensure compliance with health care standards binding on the Licensee including but not restricted to standards specified by the Secretary of State, the Care Quality Commission, the NHS Commissioning Board and statutory regulators of health care professions;
  - (d) For effective financial decision-making, management and control (including but not restricted to appropriate systems and/or processes to ensure the Licensee's ability to continue as a going concern);
  - (e) To obtain and disseminate accurate, comprehensive, timely and up to date information for Board and Committee decision-making;
  - (f) To identify and manage (including but not restricted to manage through forward plans) material risks to compliance with the Conditions of its Licence;
  - (g) To generate and monitor delivery of business plans (including any changes to such plans) and to receive internal and where appropriate external assurance on such plans and their delivery; and

**Confirmed**

**Risk:** Some weaknesses in the Trust arrangements for ensuring the quality of performance data have been highlighted by our external auditor, with reference to their work carried out on the Quality report where errors were found with regard to the A&E 4 hour wait and 62 day cancer performance indicators. MBI also highlighted some data quality issues with regard to Referral to Treatment (RTT) waiting lists.

**Action:** An RTT validation group has been established and a weekly RTT recovery board chaired by the CEO is monitoring progress on our improvement actions.

The required actions to improve data quality will be driven by the Data Quality Steering Group with assurance overseen by the Audit and Risk Committee.

**Risk:** The Care Quality Commission (CQC) inspection report of the Trust published in July 2018 noted a number of issues that the Trust needed to deal with, and rated the Trust Inadequate in the Safe and Well-led domains with an overall rating of Requires Improvement. In addition, NHS Improvement (NHSI) noted through its ongoing oversight of the Trust, poor performance in patient surveys (National Inpatient Survey and the A&E Patient Survey) and significant issues relating to

(h) To ensure compliance with all applicable legal requirements.

sepsis management. A number of internal audits undertaken throughout the year also highlighted some significant weaknesses in governance arrangements.

Based on the CQC's inspection report and NHSI's own work with the Trust, NHSI concluded that there were reasonable grounds to suspect that the Trust was in breach of its provider licence in relation to the delivery of quality.

In June 2018 the Trust agreed enforcement undertakings in respect of the Trust's quality and programme management issues related to A&E, finance and governance.

Our external auditors have also concluded an 'adverse' VFM opinion making reference to the above as significant VFM risks which have contributed toward their opinion.

**Action:** The Trust has instituted a number of key actions to address the concerns raised as follows:

- developing a comprehensive action plan that addresses the issues raised in the CQC inspection.
- developing a deliverable financial plan to March 2020 which will include an understanding of the underlying financial position and detailed analysis of the causes of the underlying financial position; a well-developed Cost Improvement Programme and a link to workforce optimisation.
- the Trust has produced a plan for A&E performance recovery ("the A&E Plan").
- a performance management and accountability framework and a more robust integrated performance report are under development to ensure there is clarity on expectations and consistency in performance reporting across the Trust, aligned to the Trust's strategic objectives
- the Trust has appointed a Deputy Chief Executive/Director of Strategy
- the Trust has appointed to the Associate Director of PMO role that supports the Financial Improvement Programme

5 The Board is satisfied that the systems and/or processes referred to in paragraph 4 (above) should include but not be restricted to systems and/or processes to ensure:

- (a) That there is sufficient capability at Board level to provide effective organisational leadership on the quality of care provided;
- (b) That the Board's planning and decision-making processes take timely and appropriate account of quality of care considerations;
- (c) The collection of accurate, comprehensive, timely and up to date information on quality of care;
- (d) That the Board receives and takes into account accurate, comprehensive, timely and up to date information on quality of care;
- (e) That the Trust, including its Board, actively engages on quality of care with patients, staff and other relevant stakeholders and takes into account as appropriate views and information from these sources; and
- (f) That there is clear accountability for quality of care throughout the Trust including but not restricted to systems and/or processes for escalating and resolving quality issues including escalating them to the Board where appropriate.

6 The Board is satisfied that there are systems to ensure that the Trust has in place personnel on the Board, reporting to the Board and within the rest of the organisation who are sufficient in number and appropriately qualified to ensure compliance with the conditions of its NHS provider licence.

- the Trust has appointed Kingsgate to support delivery of financial recovery.

**Confirmed**

**Risk:** Risk that there may be a lack of capacity and capability to sustainably manage quality issues, as well as performance and financial matters.

**Action:** The interim board Chair has a medical background and the chief executive a nursing background. The Board is currently undertaking a skills audit in order to ensure capacity and capability to sustainably manage quality issues, as well as performance and financial matters. Quality impact assessments are built into decision making processes, for example the agreement of the cost improvement programme. The Board is currently reviewing performance and quality dashboards, supported by external expertise. There is stakeholder involvement in the quality agenda, for example through the governors. The current risk policy and associated escalations processes are being reviewed.

**Confirmed**

**Risk:** Lack of Fit and Proper Persons procedure for Governors

**Action:** Draft procedure rejected by Governors and revise procedure to be presented in July 2019

Additionally the Board is undertaking an externally facilitated skills review to ensure it has the right capacity and capability for the challenges ahead, and that there are development plans to ensure a sustainable, appropriately skilled board is in place to lead the Trust.



Signed on behalf of the board of directors, and having regard to the views of the governors

**Signature**



**Name**

Sarah Tedford

**Signature**



**Name**

Lis Paice

## Certification on training of governors (FTs only)

*The Board are required to respond "Confirmed" or "Not confirmed" to the following statements. Explanatory information should be provided where required.*

### 2 Training of Governors

- 1 The Board is satisfied that during the financial year most recently ended the Licensee has provided the necessary training to its Governors, as required in s151(5) of the Health and Social Care Act, to ensure they are equipped with the skills and knowledge they need to undertake their role.

Confirmed

Signed on behalf of the Board of directors, and, in the case of Foundation Trusts, having regard to the views of the governors

Signature



Name Sarah Tedford

Capacity Chief Executive Officer

Date 22/05/2019

Signature



Name Lis Paice

Capacity Interim Chair

Date 22/05/2019