

Public Board Meeting

Report

Subject: Monitor Compliance Report

Date: 31st March 2016

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Executive Summary

Monitor write to the Trust quarterly regarding their assessment of the trusts ratings for Financial Sustainability risk rating and Governance, this assessment is based on an analysis of the Trusts Q3 Submissions

The trusts current ratings based the trusts Q3 submissions are:

- Financial Sustainability risk rating: 2
- Governance rating: Red

Financial Sustainability risk rating:

An assessment under Monitors Financial Sustainability risk rating describes the risk of a provider of commissioner requested services (CRS) ceasing to be a going concern and its overall financial efficiency. This rating represents Monitor's view of the likelihood that a licence holder is, will be or could be in breach of the Continuity of Service (CoS) licence condition 3 and/or the provisions of the NHS foundation licence Condition 4 (governance) which relate to finance.

Requirements of the continuity of services licence conditions requires CRS providers to :

- Be financially viable
- Co-operate with Monitor
- Provide assurance on commitment and capability to provide CRS
- Maintain CRS provision

The relevant provisions of Condition 4 are:

- Foundation trusts must establish and effectively implement systems and processes to ensure compliance with the duty to operate economically, efficiently and effectively
- Foundation trusts must establish and effectively implement systems and processes for effective financial decision-making, management and control.

There are 5 levels of ratings 4, 3, 2*, 2 and 1

A risk rating of 2 is described by Monitor as likely to represent a material level of financial risk. If a foundation trust is rated '1' on any individual component of the financial sustainability risk rating, its overall score will be capped at 2. A risk rating of 2 could indicate a potential investigation.

Governance rating:

The status of NHS foundation trusts is reflected in additional conditions in their licence. Condition 4 (the governance condition) sets out the overall standards set by Monitor for different aspects of the trusts governance. Monitor generate the rating by considering the following information and whether it is indicative of a potential breach of the governance condition:

- Performance against selected national access and outcomes standard
- Outcomes of CQC inspections and assessments relating to the quality of care provided
- Relevant information from third parties
- A selection of information chosen to reflect organisational health at the organisation
- The degree of financial sustainability risk and other aspects of risk relating to financial governance and efficiency.
- Any other relevant information

Governance risk rating are assigned as follows:

- Green – if no governance concern is evident or where Monitor are not currently undertaking a formal investigation
- If Monitor identify potential material causes for concern with governance in one or more of the categories the green rating is replace with 'under review'
- A red rating is assigned if Monitor are taking regulatory action under s105, s106, s111

The outcome which the author seeking from the board:

The Board is invited to note the letter from Monitor and the definition of ratings as detailed in the report

Relevant Strategic Priorities (please mark in bold)

Ensure the highest standards of safe care are consistently delivered by, and for, individuals, teams and departments	Ensure that patients experience the very best care, building on good practice and listening and learning from both negative and positive feedback and events
Provide timely access to diagnosis, treatment and care when people need it and safely reduce the time patients spend in hospital	Raise the level of staff engagement through strong leadership, communication, feedback and recognition
Reduce the scale of our financial deficit by reducing costs, improving utilisation of resources and productivity, and achieving best value for money	Work in partnership to keep people well in the community, and enable them to return as soon as they are ready to leave hospital
Develop and implement a programme of work in conjunction with Nottingham University Hospital NHST to create a new combined organisation	

How has organisational learning been disseminated	N/A
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Links to the BAF	Links to all strategic risks with regard to achievement of strategic priorities
Financial Implications/Impact	N/A
Legal Implications/Impact	N/A
Partnership working & Public Engagement Implications/Impact	N/A
Committees/groups where this item has been presented before	N/A