

Averil Dongworth
Chief Executive
Barking, Havering and Redbridge
University Hospitals NHS Trust

3 May 2012

Dear Averil,

Barking, Havering and Redbridge University Hospitals NHS Trust - Stage two escalation meeting

I am writing to you further to the stage two escalation meeting held on 17 April 2012. This letter serves as a formal record of our discussion and highlights the key actions agreed.

The meeting took place following the Trust's further red rating and following the stage one escalation meeting held on 26 January 2012. The purpose of the meeting was to discuss the Trust's journey to Foundation Trust status and the need for a clear plan to achieve clinical and financial sustainability.

Following the stage one escalation meeting, a number of issues were raised and detailed in the letter from Matthew Kershaw, dated 16 February 2012. These were reiterated by the letters from Sir David Nicholson and Ruth Carnall. There has been some improvement, but the issues that remain and require resolution are:

- the Trust's A&E performance;
- the financial performance of the Trust in 2012/13 and going forward; and,
- the Care Quality Commission (CQC) review.

A&E Performance

As stated in the meeting, the Trust's A&E performance continues to be poor and requires significant change to raise it to the standards expected.

The Trust failed to achieve target by the end of March 2012 and action is required to enable the Trust to improve performance and quality of care on a week by week basis. It was recognised that there are a number of factors that have contributed to the Trust's A&E performance, namely recruitment and retention, leadership issues as a result of historic poor performance and significant events such as Norovirus. The Trust now has to take a number of measures to remedy this.

You stated that the Trust is carrying a number of vacancies and has struggled to recruit the desired number of WTE consultants and middle grade staff. The Trust also needs to develop a retention policy to ensure the nursing levels remain as required. Whilst some appointments have been made, the Trust needs to ensure it has the right people to meet the standard.

I noted that the Cluster has commissioned external support for the Trust's turnaround and that this has completed its diagnostic phase. This work is focussing on a number of areas including:

- full in-hospital patient pathway;
- quality and access; and
- staffing.

The Trust now needs to translate this diagnostic work and its plans into an agreed trajectory to achieve continual improvement each month of Quarter 1. It has agreed to continue to report to NHS London on a weekly basis in relation to the trajectory, progress against it and next steps. The Trust and NHS London will meet with the Department of Health again in July to formally review this and other key actions.

Financial Performance

It was agreed that the Trust requires greater financial improvement and to deliver that, behaviours across the organisation would need to change. It was also agreed that existing inefficiencies can be improved with strong leadership, by clinical and managerial staff and this needs to be a priority going forward. Whilst historically the Trust has failed to manage its budget effectively and hold budget holders to account, I was encouraged to hear that a number of measures are now more robustly in place such as holding budget holders to account, training being given to all budget holders and all budgets being signed off by the Trust's Board.

I still have some concerns about the Trust's Cost Improvement Plans (CIPs). Delivery in 2011/12 was at a lower level than originally agreed and as such will impact on 2012/13; how the Trust manages this going forward is key. Linked to this, is the development of the Trust's Long Term Financial Model (LTFM). The Cluster has been working with the Trust to develop the LTFM and Operating Plan for 2012/13 and whilst I am pleased to note that there is an improved working relationship between the Trust and commissioners, the work to develop the LTFM and CIP programme has not made sufficient progress. The Trust needs to have developed a comprehensive and robust LTFM by June 2012. The Trust with commissioners has reached the Heads of Agreement but at the time of writing had yet to sign the Service Level Agreement (SLA). I asked for confirmation that the SLA has been signed by 20 April 2012.

I am pleased to note that there have been a number of new appointments to the top team, such as HR Director and Transformation Director, as well as the ten clinical fellows. However, there is a broader issue with resourcing that requires action. It is my view that, the Trust, with its sizeable financial challenge will need to reduce staffing levels to help meet the financial challenges ahead. You confirmed that the Trust's staffing had increased in the last year and this now needs to be reduced whilst maintaining service levels and quality of care.

Whilst you have outlined some positive developments to enable it to become more financially sustainable, you need to ensure that these are established into detailed and measurable plans and that they are implemented and deliver the expected improvements. Confirmation of progress with this will be another item to discuss at the July review.

CQC Review

The issue of quality of care as outlined by the CQC around maternity and A&E remains an issue. I acknowledge there have been a number of improvements, notably in maternity services which is aiming to resume 'business as usual' from 1 May 2012. There is an improved relationship and communication between the Trust and CQC and it is positive to see the two organisations working together to improve quality for patients.

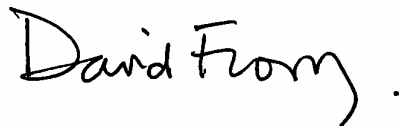
Whilst an action plan is in place which has been signed off by the Cluster with a Programme Board and monthly progress reports to NHS London, the Trust remains 'red' rated in a number of areas. As such, I will require immediate sight of the CQC report following the May 2012 review and we will need confirmation of progress in our July review.

Conclusion/Next Steps

In addition to the actions detailed throughout this letter, the Department of Health will continue, with NHS London, to have monthly conversations at the Tripartite Formal Agreement monitoring calls. A further escalation meeting will be organised for July 2012 to review the Trust's performance and to discuss A&E performance, in year finance and the LTFM. We will also cover any implications of failure to hold to these milestones and other commitments made in the meetings on the organisation as a whole.

I hope this accurately reflects our discussion and if you have any queries feel free to contact Matthew Kershaw in the first instance.

Yours sincerely,

A handwritten signature in black ink that reads "David Flory". The signature is written in a cursive, slightly slanted style. A period "." is placed at the end of the signature.

DAVID FLORY
SENIOR RESPONSIBLE OFFICER
FT PIPELINE

CC:
Ruth Carnall, NHS London;
Hannah Farrar, NHS London;
Matthew Kershaw, DH.