

Nick Hulme  
Chief Executive  
Croydon Health Services NHS Trust  
12-18 Lennard Road  
Croydon  
CR9 2RS

27 January 2012

Dear Nick,

**Tripartite Formal Agreement (TFA) Escalation meeting - Croydon Health  
Services NHS Trust**

Further to our useful escalation meeting on 17 January 2012, I am writing as agreed to record the main details we discussed. I have, at annex 1, provided an overview of the full conversation.

As you are aware, the Trust having been red rated for three consecutive months relating to numerous indicators in TFA monitoring, has triggered the first stage of the agreed escalation process. The aim of the meeting was to discuss these issues, get clarity and an agreement on the way forward to progress towards Croydon Health Services NHS Trust achieving Foundation Trust (FT) status.

Following the discussion, I reflected that there are three main areas of concern to be resolved:

- the financial situation within the Trust as well as in relation to the wider NHS Croydon position;
- the patient experience concerns and the understanding that they cannot be resolved overnight; and
- the maternity quality and safety issues identified by the Care Quality Commission (CQC) and the need for a further CQC review.

Whilst there has been progress against all of these items there is still work to do and until there is a resolution to the issues the Trust will remain red rated. You and your team, working with the South West London Cluster and Strategic Health Authority (SHA) will need to continue this work as an absolute priority. In addition, I believe that the decision to submit a TFA with

an October 2011 date questions the Board's governance process. As we agreed, you will work with the South West London Cluster to review the position with all these issues and be prepared to respond to questions about a possible revised application submission TFA date when we next meet.

The next stage will be a further conversation at the next FT monitoring call between the Department of Health and NHS London. On the assumption you will remain red rated at that stage, we will be arranging a further escalation meeting at the next level in February. This meeting will include Ruth Carnall as SHA Chief Executive and Ian Dalton as the Senior Responsible Officer for the FT pipeline and at this session we will be considering the work you have done since our meeting and also whether their needs to be a new TFA. It will also cover any implications of agreeing a new date on the organisation as a whole.

I hope this accurately reflects our discussion and if you have any queries, please feel free to contact me.

With reference to annex 1, please come back to me if you feel I have misrepresented or omitted anything material from our discussion.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Matthew Kershaw', enclosed within a large, loopy oval shape.

**MATTHEW KERSHAW**  
**DIRECTOR OF PROVIDER DELIVERY**

**CC:**

**Ian Dalton**  
**Dame Ruth Carnall**  
**John Goulston**

**Background**

Your TFA has a submission date of 1<sup>st</sup> October 2012. You failed to submit to this agreed plan.

**Finance**

We discussed your financial position. We were told of your current 2011/12 financial position, surplus and CIP achievement as detailed in the following table:

Issue	Plan	Current position	Forecast outturn
Surplus	£4.4m	£1.8m YTD (m 9)	£4.0m
CIP	£13.4m		£11.8m

Your team then explained the unexpected impact of the NHS Croydon position on your finances including the reduction in expected income in Q4 and the problems with planning future years against an as yet unknown recovery plan.

You also described how your approach to CIPs had improved for forthcoming years and that next year's was already well developed with £9m of the £11m plan ready for delivery already.

We expressed concern at the lack of Board governance on financial plans not delivering as planned this year and queried what has changed that will demonstrate improvement?

You replied the Finance Committee is working in far greater detail to support delivery of CIP plans and was involving CDs in robust discussions, engaging Directorates more effectively.

We were also told about the lack of demand management impacting on your bed capacity and ability to reduce beds. You explained that you were working collaboratively with NHS Croydon until the recent PCT deficit was identified.

The PCT Cluster described how some repatriation of work may help with the income position, and that the PCT overspend was not directly related to Croydon.

The SHA told us that LHE work was needed to establish an overall picture on commissioning intentions in order to establish a credible picture for LTFMs. A sensible financial plan was needed for 2012/13 in order to plan subsequent years. This was not work that could be done quickly.

## **Patient Experience**

There are CQC concerns about patient experience.

You described you now have a strong Board focus on patient experience. NEDs undertake ward visits (which they themselves select on the day) and you use patient stories at the Board.

You receive 1500 – 2000 comments cards every week which gives real clarity on where to focus and you now have a high number (currently 71%) of patients scoring 9/10 on “would you recommend this hospital”.

You are also concentrating on quality of patient discharge and the next IP survey is due in February 2012.

You have set out clearer expectations of staff attitude and demonstrated the importance by removing staff with poor attitudes.

Your recent whistleblower incident was followed up by a prompt CQC visit.

You acknowledge issues with nursing numbers and staffing levels and we heard your plans to address these, particularly in relation to Maternity issues. And we heard about the Maternity action plan and evidence of progress against it.

The SHA offered you additional support with your patient experience monitoring and you anticipate that you will be in a position to have CQC revisit and potentially lift conditions by April 2012.

## **Conclusion**

After a detailed discussion, I reflected on three main areas of concern that need to be resolved and gave an overall observation:

1. The financial situation overall and specifically in relation the NHS Croydon.
2. The Patient experience concerns and the understanding that this cannot be changed overnight;
3. The Maternity Quality and Safety issues identified by CQC and the need for a further CQC review.

My overall observation was that I was concerned at the rationale behind the original October 2011 date you signed up to in your TFA, given the above issues you need to resolve. Whilst I accepted there are some financial issues outside of your control, that still left significant issues within your control that should have been taken into account and influenced the date.

You replied that in hindsight it had been optimistic, and that at the time you had not fully understand the depth of the issue in Maternity. You have had a lot of change At Board level – New MD, DoN, and Dir. Ops. And you now have a much more cohesive Board.

I still feel that the October 2011 date brings into question Board governance and we will need to reflect how to resolve this to avoid constantly flashing red on the performance monitoring. It is not possible to state the Organisation is sustainable going forward until there is a timetable agreed by all parties at which point we could redefine the TFA timeline.

I told you that we would be considering the information discussed today with the SHA involving Ruth Carnell and Ian Dalton to determine the best way forward for the Trust and a clear path to Foundation Trusts status.

I specifically advised you to reflect on those issues within your span of control and on the failed timescale.

The next stage will be a further conversation at the next FT monitoring call between the Department of Health and NHS London. On the assumption you will remain red rated at that stage, we will be arranging a further escalation meeting at the next level in February by which point we should be considering a new date for your TFA.