

Health Scrutiny Committee
Meeting to be held on 4 March 2014

Electoral Divisions affected: All

Lancashire Teaching Hospitals Trust
(Appendices A, B & C refer)

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Executive Summary

Representatives from Lancashire Teaching Hospitals Trust (LTHT) have been invited to attend Committee to provide members with information on:

- Performance
- Winter pressures
- Challenges facing the Trust

The Trust met with the Health Scrutiny Committee Steering Group on 8 November last year. A copy of the note of that meeting is attached at Appendix A.

The Care Quality Commission (CQC) also recently carried out an inspection of the Trust looking at the following standards:

- Care and welfare of people who use services
- Cleanliness and infection control
- Staffing
- Assessing and monitoring the quality of service provision
- Complaints

A report was produced in January and a copy is attached at Appendix B

In addition on 9 December, Monitor (the sector regulator that ensures Trusts are well led and are run efficiently) wrote to the Trust notifying them of their decision to open a formal investigation due to governance concerns. A copy of the letter can be found at Appendix C.

Recommendation

The Health Scrutiny Committee is asked to consider the information relating to the performance of the Lancashire Teaching Hospitals Trust and determine what further scrutiny may be required.

Background and Advice

Following the attendance of officers from the Trust at the Health Scrutiny Committee Steering Group meeting on 8 November last year (a copy of the notes attached at Appendix A), members felt it would be beneficial for further scrutiny of the performance and financial management of the Trust to take place. Therefore it was agreed that the Trust to be invited to attend the Committee at the earliest convenience.

The Trust was informed that the areas of scrutiny would include:

- Performance
- Winter pressures
- Challenges facing the Trust

They were asked if they wished to provide supporting information for the members of the Committee but declined the opportunity and therefore in consultation with the Chair of the Health Scrutiny Committee, County Councillor Steve Holgate it was agreed that members should be provided with the latest CQC report and the current concerns of Monitor regarding the risk ratings of the Trust.

The latest CQC report identified that 3 out of the 5 inspection areas indicated 'action needed'. These areas were:

- Care and welfare of people who use services
- Staffing
- Complaints

A copy of the report is provided at Appendix B and can also be found via the following link: [CQC report - 8.1.14](#)

Additionally as a Foundation Trust, LTHT is subject to continual assessment by Monitor, who has created a risk-based system of regulation which informs the intensity of the monitoring. It is designed to identify actual and potential financial and non-financial problems.

They publish two risk ratings for each NHS foundation trust:

- **financial risk rating** (rated 1-5, where 1 represents the highest risk and 5 the lowest); and
- **governance rating** (trusts are rated green if no issues are identified and rated red where they are taking enforcement action).

Where they have identified a concern at a trust but not yet taken action, they will provide a written description stating the issue at hand and the action they are considering. Foundation trusts' risk ratings are updated each quarter. They also update risk ratings in 'real time' to reflect regulatory action they take.

Financial risk rating (1- 5)

1. highest risk - high probability of significant breach of authorisation in short-term, e.g. <12 months, unless remedial action is taken
2. risk of significant breach in medium-term, e.g. 12 to 18 months, in absence of remedial action
3. regulatory concerns in one or more components. Significant breach unlikely
4. no regulatory concerns
5. lowest risk - no regulatory concerns

Governance rating

- Red - where they are taking enforcement action
- Green - no evident concerns
- *Where they have identified a concern at a trust but not yet taken action, they will provide a written description stating the issue at hand and the action they are considering.*

Monitor have identified the Financial Rating for the Trust as **3** and the Governance Rating is subject to further action required due to concerns at the Trust, following breaches of the Referral to Treatment (RTT) target and the C.difficile target.

Monitor wrote to the Trust on 9 December (Appendix C) to inform them of their intention to open a formal investigation.

Further information can be found via the following link: [Monitor - LTHT risk ratings](#)

Consultations

N/A.

Implications:

This item has the following implications, as indicated:

Risk management

This report has no significant risk implications.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Tel
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N/A.

Reason for inclusion in Part II, if appropriate

N/A.