

Item 6.4

1 December 2015

Ms Jane Tomkinson
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Making the health sector
work for patients

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Dear Jane

Q2 2015/16 monitoring of NHS foundation trusts

Our analysis of your Q2 submissions is now complete. Based on this work, the trust's current ratings are:

- Financial sustainability risk rating: 2
- Governance rating: Green

These ratings will be published on Monitor's website later in December.

The trust has been allocated a financial sustainability risk rating of or 2 which has triggered consideration for further regulatory action. The trust is reporting a £1m deficit compared to a planned deficit of £0.18m.

Monitor uses the measures of financial robustness and efficiency underlying the financial sustainability risk rating as indicators to assess the level of financial risk at foundation trusts. A failure by a foundation trust to achieve a financial sustainability risk rating of 3 or above could indicate that the trust is providing health care services in breach of its licence. Accordingly, in such circumstances, Monitor could consider whether to take any regulatory action under the Health and Social Care Act 2012, taking into account, as appropriate, its published guidance on the licence and enforcement action including its Enforcement Guidance¹ and the Risk Assessment Framework².

We are also concerned that the trust is now forecasting a full year deficit of £1.2m compared to an APR planned deficit of £0.3m deficit. We expect the trust to address the issues leading to the financial deterioration and financial sustainability risk rating promptly.

Monitor has decided not to open an investigation to assess whether the trust could be in breach of its licence at this stage. The trust's governance rating has been reflected as 'Green'. Should any other relevant circumstances arise, Monitor will consider what, if any, further regulatory action may be appropriate.

¹ www.monitor-nhsft.gov.uk/node/2622

² www.monitor.gov.uk/raf

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A report on the FT sector aggregate performance from Q2 2015/16 is now available on our website¹ which I hope you will find of interest.

We have also issued a press release² setting out a summary of the key findings across the FT sector from the Q2 monitoring cycle.

If you have any queries relating to the above, please contact me by telephone on 0203 747 0474 or by email (Becky.Chantry@Monitor.gov.uk).

Yours sincerely



Becky Chantry
Senior Regional Manager

cc: Mr Neil Large, Chairman,
Mr David Jago, Director of Finance

¹ <https://www.gov.uk/government/publications/nhs-providers-quarterly-performance-report-quarter-2-201516>

² <https://www.gov.uk/government/news/challenging-environment-for-nhs-providers>

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