

03/08/2015

Ms Jane Tomkinson  
Chief Executive  
Liverpool Heart and Chest Hospital NHS Foundation Trust  
Trust Headquarters  
Thomas Drive  
Liverpool  
Merseyside  
L14 3PE

Dear Jane

**Liverpool Heart and Chest Hospital NHS Foundation Trust**

**2014/15 Q4 monitoring and 2015/16 Annual Plan Review (APR)**

I am writing in response to the one-year 2015/16 operational plan and the 2014/15 Q4 return both submitted by the trust in May 2015.

As noted in the separate letter from David Bennett, we are asking all trusts to look at their 2015/16 plans again with the aim of reducing the unaffordable sector deficit. Therefore the purpose of this letter is to:

- Confirm the trust's current and forecast continuity of services risk ratings
- Confirm the trust's governance rating
- Feed back on any specific concerns identified from our review of your 2014/15 Q4 and 2015/16 operational plan review submissions (over and above those outlined in David Bennett's letter to the sector).

We appreciate the efforts undertaken by you and the sector as a whole during the planning round this year, especially given the introduction of a draft plan phase, the changes to the timetable, and the need to update plans with short timeframes to reflect the tariff.

As previously communicated in our 2015/16 guidance<sup>1</sup>, the 2016/17 planning round is likely to include a multi-year strategic element and this is still our intention. These plans will need to both build on the strategy submitted to Monitor in June 2014 and reflect your response to the 'Five Year Forward View'.

Further guidance will be issued in due course, but in the meantime you may wish to refer to the Strategy Development Toolkit<sup>2</sup> made available last autumn.

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<sup>1</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/390070/APR\\_guidance\\_Dec14.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/390070/APR_guidance_Dec14.pdf)

<sup>2</sup> <https://www.gov.uk/government/publications/strategy-development-a-toolkit-for-nhs-providers>

## Foundation trust risk ratings

We have now completed the review of your one-year operational plan and Q4 submission. Based on this work, the trust's current and forecast risk ratings are:

	Q4 14/15 (actual)	Q1 15/16 (plan)	Q2 15/16 (plan)	Q3 15/16 (plan)	Q4 15/16 (plan)
Continuity of service risk rating	4	3	4	4	3
Governance rating	Green				

Under the Risk Assessment Framework<sup>3</sup>, the governance rating indicates whether Monitor is currently taking any action; this rating therefore reflects the outcome of both the operational plan review and Q4 monitoring.

As explained in our letter of 13 May 2015, governance ratings and continuity of services ratings will be published on Monitor's website for all trusts shortly.

## Regulatory response

### *Quarterly monitoring*

The Trust has been assigned a Green governance rating. In Q4 the Trust failed to meet the referral to treatment target for admitted patients for the third consecutive quarter, which triggered consideration for further regulatory action. In addition the Trust failed the target for incomplete pathways and the referral to treatment target for non-admitted patients for the first time in Q4. We considered the reasons for the performance (e.g. planned failures) and the relevant information submitted by the trust and it was agreed that Monitor would not open an investigation at Q4.

As set out in the tripartite letter of 24 June 2015, the RTT admitted and non-admitted targets are being abolished and Monitor will no longer take regulatory action at trusts on the grounds of a failure to meet the RTT admitted and/or non-admitted standards.

The incomplete target remains in place and Monitor uses this target (amongst others) as an indicator to assess the quality of governance at foundation trusts. A failure by a foundation trust to achieve the targets applicable to it 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 Guidance<sup>4</sup> and the Risk Assessment Framework.

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<sup>3</sup> [www.monitor.gov.uk/raf](http://www.monitor.gov.uk/raf)

<sup>4</sup> [www.monitor-nhsft.gov.uk/node/2622](http://www.monitor-nhsft.gov.uk/node/2622)

We expect the trust to address the issues leading to the incomplete pathways target failure and achieve sustainable compliance with the target promptly (and we understand this to be at least from Q2 15/16). Should any other relevant circumstances arise, Monitor will consider what, if any, further regulatory action may be appropriate.

A report on the FT sector aggregate performance from Q4 2014/15 is now available on our website<sup>5</sup>, which I hope you will find of interest.

We have also issued a press release<sup>6</sup> setting out a summary of the key findings across the FT sector from the Q4 monitoring cycle.

*Annual plan review*

No undue concerns were raised from review of your operational plan. We will continue to monitor ongoing delivery as normal.

However, as explained in the separate letter from David Bennett, given the unaffordable sector-wide deficit being forecast for 2015/16 all trusts are being asked to look at their plans again to determine whether the options outlined in that letter may present opportunities to improve their financial position. Please refer to the separate letter for further details and required actions.

If you have any queries relating to the above, please contact your new Senior Manager Becky Chantry by telephone on 0203 747 0474 or by email [Becky.Chantry@monitor.gov.uk](mailto:Becky.Chantry@monitor.gov.uk).



Tania Openshaw

Senior Regional Manager

CC. David Jago, Director of Finance

Neil Large, Chairman

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<sup>5</sup> <https://www.gov.uk/government/publications/nhs-foundation-trusts-quarterly-performance-report-quarter-4-201415>

<sup>6</sup> <https://www.gov.uk/government/news/foundation-trusts-face-challenging-year-as-pressures-mount>

