

National Health Service Act 2006 (“the Act”)

NOTICE of exercise of intervention powers under section 52 of the Act

**To: The Board of Directors and The Council of Governors
University Hospitals of Morecambe Bay NHS Foundation Trust
Trust Headquarters
Westmorland General Hospital
Burton Road
Kendal
Cumbria
LA9 7RG**

1. On the basis of information made available to the Independent Regulator of NHS Foundation Trusts (“Monitor”) by University Hospitals of Morecambe Bay NHS Foundation Trust (“the Foundation Trust”) and having taken into account representations made to Monitor by the Foundation Trust, Monitor is satisfied that:
 - (a) the Foundation Trust has contravened, and is failing to comply with its terms of Authorisation, in particular:
 - (i) Condition 2, which requires the Foundation Trust to exercise its functions “effectively, efficiently and economically”;
 - (ii) Condition 5(1) which requires the Foundation Trust to ensure the existence of appropriate arrangements to provide representative and comprehensive governance and to maintain the organisational capacity necessary to deliver the mandatory goods and services set out in Schedule 2 to its terms of Authorisation;
 - (iii) Condition 6(1), which requires the Foundation Trust to put and keep in place and comply with arrangements for the purpose of monitoring and improving the quality of health care provided by and for the Foundation Trust; and
 - (iv) Condition 6(2) which requires the Foundation Trust to comply with the healthcare targets and indicators set out in the Compliance Framework (as may be amended from time to time); and
 - (b) the contravention and failure are significant under section 52(1) of the Act.
2. This Notice constitutes formal notification of the immediate exercise by Monitor of its statutory powers under section 52(3) and (4) of the Act.
3. Without prejudice to any further action which Monitor may take under the Act, Monitor:
 - (a) appoints with immediate effect Sir David Henshaw as Interim Chairman of the Foundation Trust for such period or periods, and on such terms with respect to remuneration and allowances, as Monitor may direct;

- (b) requires the Foundation Trust to appoint promptly a Turnaround Director, in agreement with Monitor;
- (c) requires the Foundation Trust to appoint promptly a Chief Operating Officer or equivalent, in agreement with Monitor;
- (d) requires the Foundation Trust to implement a Project Management Office, on terms to be specified by Monitor; and
- (e) requires the Foundation Trust to report to Monitor as directed and at regular intervals on progress on 3(b), (c) and (d).

Dated 6 February 2012

David Bennett

Chair

Annex to NOTICE dated 6 February 2012 of exercise of intervention powers under section 52 of the Act to:

University Hospitals of Morecambe Bay NHS Foundation Trust

The aim of this formal intervention is to ensure that the Board has the appropriate skill and capacity to enable all issues relevant to the Trust's breaches of its Authorisation to be properly and sustainably addressed at suitable pace. This should help to secure due assurance as to both the safety and quality of services for patients and the effective running of the Trust.

Specific improvements the intervention is designed to achieve include improvements in the arrangements to secure high quality care for patients, effective governance and strengthened medical and nursing leadership arrangements to ensure that clinical staff are engaged with and accountable for the clinical performance of the Trust.

Overall, intervention is a secure mechanism of ensuring that appropriate regulatory control is in place to help the Foundation Trust to strengthen its governance arrangements and to protect the services it provides to patients.

In accordance with its Compliance Framework, Monitor will keep the Trust's situation under careful review.