

NOTICE OF REQUIREMENT TO APPOINT INTERIM CHAIR

LICENSEE:

St George's University Hospital NHS Foundation Trust ("the Licensee")
Blackshaw Road
Tooting
London
SW17 0QT

DECISION:

On the basis of the grounds set out below, and having regard to its Enforcement Guidance, Monitor has decided to require the Licensee to appoint an interim chair as specified below, pursuant to its powers under section 111(5) of the Health and Social Care Act 2012 ("the Act").

REQUIREMENT:

The Licensee must appoint Sir David Henshaw as the interim chair of the Licensee, with effect from a date to be agreed by Monitor on such terms and conditions as Monitor may approve.

GROUNDINGS:

1. Licence

The Licensee is the holder of a licence granted under section 87 of the Act.

2. Power to require appointment of interim chair

Enforcement action to date

2.1 Monitor accepted enforcement undertakings from the Licensee under section 106 of the Act on 29 July 2015. Monitor imposed an additional licence condition ("the additional condition") on the Licensee under section 111 of the Act on 29 July 2015.

2.2 Paragraph 1 of the additional condition requires the Licensee to ensure that it has in place sufficient and effective Board management capacity and capability, as well as appropriate governance systems and processes, to enable it to:

- (a) address the issues specified effectively; and
- (b) comply with any discretionary requirement imposed or enforcement undertaking accepted under the act in connection with those issues.

2.3 The issues referred to in paragraph 1 of the additional licence condition are:

- (a) the issues described in the notice imposing the additional licence condition; and

- (b) any other issues relating to the Licensee's governance or operations, that have caused or contributed to, or are causing or contributing to, or will cause or contribute to breaches, or the risk of breach of conditions of the Licensee's licence.

Current Issues

- 2.4 The serious issues leading to the enforcement action remain to be fully and effectively addressed, with significant persisting concerns including those set out below.
- 2.5 The Licensee delivered a deficit of £16.8m in 2014/15 and has projected a higher year-end deficit for 2015/16. The Licensee is currently in receipt of distressed funding from DH. In order to address its financial issues, the Licensee is undergoing a comprehensive turnaround programme based on the enforcement actions in place and overseen by Monitor. Whilst progress has been made in addressing the underlying drivers of the deficit a significant amount of further work is required to deliver a greatly reduced deficit in 2016/17.

Chair

- 2.6 The Licensee's last substantive chair left in January 2016. A substantive chair has not yet been appointed notwithstanding the Licensee's significant efforts in this respect. This is now an urgent requirement and one which is considered to be most appropriately filled by a suitable interim appointment for the short to medium term.

Necessary progress

- 2.7 In these circumstances it is considered vital to:
- strengthen the Board of the Licensee;
 - provide the necessary leadership support for the Licensee through a crucial phase in its recovery; and,
 - position the Licensee such that an effective substantive appointment can be made in due course as soon as appropriate.

Breach of the additional condition and need for action

- 2.8 These matters demonstrate that the Licensee does not have in place "sufficient and effective board and management capacity and capability" as required by the additional condition.
- 2.9 Monitor is therefore satisfied that the Licensee is breaching the additional licence condition.
- 2.10 Monitor considers that in light of this breach and having regard to the requirements of the Licensee's enforcement undertakings, and the issues identified in the additional condition, there is an urgent need to appoint an interim chair for the short to medium term.
- 2.11 Monitor also considers that the person appointed as interim chair must be an individual with the skills and experience necessary to ensure that the Licensee complies with those enforcement requirements, addresses those issues and takes the steps appropriate to secure compliance with the Licensee's licence.

3. Appropriateness of Requirement

In considering the appropriateness of the requirement imposed in this case, Monitor has taken into account its Enforcement Guidance.

THE REQUIREMENT SET OUT IN THIS NOTICE IS WITHOUT PREJUDICE TO:

- (i) THE REQUIREMENTS OF THE ADDITIONAL LICENCE CONDITION;
- (ii) THE REQUIREMENTS OF ANY DISCRETIONARY REQUIREMENT OR ENFORCEMENT UNDERTAKING IMPOSED OR ACCEPTED BY MONITOR;
- (iii) ANY ACTION WHICH MONITOR MAY CONSIDER APPROPRIATE IN RESPONSE TO A FURTHER BREACH OF THE ADDITIONAL LICENCE CONDITION; AND
- (iv) THE REQUIREMENT ON THE LICENSEE TO ENSURE THAT IT IS COMPLIANT WITH THE OTHER CONDITIONS OF ITS LICENCE INCLUDING THOSE RELATING TO QUALITY OF CARE.

IF THE LICENSEE OR ANY OTHER PERSON FAILS TO COMPLY WITH THIS NOTICE, MONITOR WOULD BE ABLE TO DO ONE OR MORE OF THE THINGS WHICH IT COULD REQUIRE THE LICENSEE TO DO UNDER SECTION 111(5) OF THE ACT. THIS COULD INCLUDE APPOINTING THE INTERIM CHAIR , OR REMOVING ONE OR MORE OF THE OTHER DIRECTORS OR MEMBERS OF THE COUNCIL OF GOVERNORS.

MONITOR

Dated

15TH

March 2016

Signed



Adrian Masters
Chair of the Provider Regulation Executive committee

