

From: Collins, Diane On Behalf Of Behan, David

Sent: 09 December 2014 16:30

Subject: Message from David Behan, Chief Executive

Dear Colleague,

Some of you may be aware that in January 2014 the Care Quality Commission's former deputy chief executive, Jill Finney, instigated legal action against CQC. This was following CQC's publication of the Grant Thornton report into CQC's regulatory oversight of University Hospitals of Morecambe Bay NHS Foundation Trust in June 2013. Ms Finney's legal claim was based on two key elements: a libel action in respect of the Grant Thornton report; and a claim for damage to Ms Finney's reputation resulting from the manner in which her name was released into the public domain. The total damages sought were £1.5m.

Parties to high value litigation are encouraged to consider confidential mediation at an early stage before legal costs escalate for both sides. As a result of successful mediation, CQC has this afternoon issued a statement jointly agreed with Ms Finney. In addition, CQC has paid Ms Finney £60,000 in damages reflective of those matters set out in the statement, specifically the manner in which her name was released. This represents a full and final settlement with Ms Finney over all aspects of her claim. CQC has also made a contribution to Ms Finney's legal costs.

The confidential nature of these proceedings has meant that I have been unable to brief you in my weekly message, but it has absorbed a lot of my time over the past months. I anticipate that there will be some media coverage of this story, but can't predict with certainty how much nor the tone and style of any coverage. I believe it was right to settle this case through mediation. Today's statement should allow us to draw a line and move on.

One aspect of settling this claim is that the parties are bound by the confidentiality of the mediation process. It is therefore difficult for me to offer any more comment than that included in the statement and in this message.

We are announcing this outcome today as a continuing commitment to the transparency in what we do. A similar statement has been issued to the media via our website.

The agreed statement is below:

*The CQC has settled the proceedings brought against it by Jill Finney, its former Deputy Chief Executive. The proceedings arose from the publication on 19 June 2013 of a report into the CQC's regulation of the University Hospital Morecambe Bay NHS Foundation Trust (UHMB), produced by Grant Thornton LLP. The CQC had previously committed itself to publishing Grant Thornton's report, which came to the conclusion that Ms Finney may have been party to a "cover up" of a report into the CQC's regulation and oversight of UHMB, something she and others have always emphatically denied.*

*From the interview stage, Ms Finney and others were highly critical of Grant Thornton's fairness and processes including their interviewing, note-taking and record-keeping techniques. She complains that she was not even given advance notice of the allegations to be levelled at her in the interview.*

*The CQC deeply regrets its decision, taken on legal advice, to withhold the names of individuals in the report, as promised to Ms Finney and others. It then had to reverse that decision after names, including Ms Finney's, appeared in the media as a result of speculation by journalists. The consequences for Ms Finney were aggravated by the fact that some of the national media wrongly portrayed the internal report as being about maternity deaths at UHMB. Further, due to confusion caused by an IT failure, the CQC failed to inform Ms Finney that her name had been released until 18 hours later, by which time she had been summarily dismissed from her then employment.*

*The CQC accepts that Ms Finney was thereby disadvantaged in protecting her reputation and giving her public defence to an allegation which she has always denied; in addition, she suffered considerable distress. The CQC wishes to take this opportunity to apologise to her and is happy to repeat what its Chief Executive Mr Behan wrote to her at the time of her departure in February 2013: 'you have been a rock of stability in CQC leading with passion, energy and dedication. You have given much, and people have testified to this'.*

All queries in relation to this should be directed to Chris Day (Chris.Day@cqc.org.uk)

David