

To: The Board

For meeting on: 26 February 2014

Agenda item: 9

Report by: David Bennett, Chief Executive

Report for: Information

TITLE: National Audit Office Report on Monitor

Summary:

This report provides the Board with information about the National Audit Office (NAO) report on Monitor that is due to be published on Wednesday 26 February 2014. A further oral update on the content of this report will be provided at the Board meeting.

Recommendations:

The Board is asked to note the information provided about the NAO report on Monitor.

Public Sector Equality Duty:

Monitor has a duty under the Equality Act 2010 to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people from different groups. In relation to the issues set out in this paper, consideration has been given to the impact that the recommendations might have on these requirements and on the nine protected groups identified by the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, gender and sexual orientation).

It is anticipated that the recommendations of this paper are not likely to have any particular impact upon the requirements of or the protected groups identified by the Equality Act.

Exempt information:

None of this report is exempt under the Freedom of Information Act 2000.

NAO report on Monitor

1. The NAO is expected to publish a report imminently on Monitor's role in regulating NHS foundation trusts (NHS FTs). This is the first time the operation of the organisation has been reviewed by the official spending watchdog.
2. Previously Monitor's track record has come under NAO scrutiny through wider inquiries into the financial sustainability of the NHS, the Peterborough and Stamford Hospitals NHS Foundation Trust private finance initiative (PFI) scheme, and most recently NHS waiting times. It is quite unusual for the NAO to make judgements about the effectiveness of an organisation as a whole, and reflects Monitor's expanded role within the new NHS architecture.
3. The investigation set out to review how Monitor assesses applicant NHS trusts, supports NHS FTs to improve their financial position, management or governance, and intervenes if a trust gets into difficulties. The NAO also indicated it would examine Monitor's new licensing and "economic regulator" roles. As with any auditor's review, the NAO can be expected to highlight risks to future performance as well as judge present effectiveness.
4. An oral update of the NAO's verdict will be provided at the meeting of the Board on Wednesday 26 February 2014, and copies of the report will be available to Board members and circulated to staff. As Chief Executive, I have been invited to give evidence to the Public Accounts Committee (PAC) on the findings on 31 March 2014. The PAC chair, the Labour MP Margaret Hodge, is likely to challenge Monitor on an even more wide-ranging set of subjects than the report covers.

David Bennett
Chief Executive