

To: The Board

For meeting on: 30 April 2014

Agenda item: 6

Report by: Executive Team

Report for: Information

TITLE: Executive Report

Summary:

This report summarises key developments at Monitor since the Board meeting held on 26 March 2014.

Recommendation:

The Board is asked to note the report.

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).

As this report is for information, 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.

REPORT FROM THE EXECUTIVE COMMITTEE (ExCo)

Wednesday 2 April 2014:

1. At its meeting on 2 April 2014 the ExCo conducted the following business:

February 2014 enquiries and complaints report

2. Reviewing information about the enquiries and complaints received by Monitor in February 2014. Elsewhere on the agenda a report can be found on the manner in which Monitor handles the complaints it receives.

Employee Survey Action Planning

3. Discussing suggested areas for priority action to be undertaken in response to the results of the 2014 employee opinion survey. ExCo members were content with the proposed next steps, which included a mixture of communication, signalling commitment and central action. A report setting out the results of the survey and the plan of action for responding to it will be submitted to the Board for consideration at its meeting on 28 May 2014.

Framework Agreement with the Department of Health

4. Considered the proposed Framework Agreement to define the critical elements of the relationship between the Department of Health (DH) and Monitor.

Year end performance reviews – timetable and process

5. Agreeing the proposed timetable and communications. Consideration was also given to the process for the issuing of ratings.

High level sustainability reviews – purpose and next steps

6. Discussing the purpose of the high level sustainability review, including where this fits in Monitor's provider regulation processes.

Smaller acute providers

7. Considering a summary of the findings of the smaller acutes project, the project team's views of the implications for Monitor and the key supporting data analysis.

Tuesday 8 April 2014:

8. At its meeting on 8 April 2014 the ExCo conducted the following business:

Performance Management: the problem, principles and possibilities

9. Discussing the issues with Monitor's current performance management approach and the typical aims and principles of a performance management framework.

Wednesday 16 April 2014:

10. At its meeting on 16 April 2014 the ExCo conducted the following business:

Operational conflicts of Interest

11. Reviewing a proposed revision to Monitor's 'Conflicts of Interest' policy in light of Monitor's statutory duty to manage and resolve in the manner it considered best conflicts between its general duties. With regard to the mechanisms that should be put in place to manage the possible conflicts of interest between Monitor's pricing and competition functions, it was considered that further work was required to ensure that these were as transparent and embedded as possible. In light of this the ExCo will give further consideration to the policy once this work had been completed. The policy will then be submitted to the Board for consideration at its meeting in May 2014.

Governance Review

12. Considering information about the outcome of the organisation's annual governance review, particularly with regard to proposed changes to the Board's Rules of Procedure. Further information about this item can be found elsewhere on the agenda for this meeting.

Review of Executive Committee decision-making and operation

13. Reviewing the outcome of work that had been undertaken to determine whether its Terms of Reference remained appropriate and agreeing a number of minor amendments.

ECONOMICS, STRATEGY & POLICY UPDATE

Make sure public providers of NHS care are well-led so they provide quality care.

14. The Strategy and Policy team is working to establish a common governance framework with the Care Quality Commission (CQC) which will underpin both Monitor's own work on governance at NHSFTs and applicants and the CQC's 'Well-led' inspection agenda. This is currently awaiting the CQC's publication of its inspections handbook to progress which is due in April 2014.
15. Monitor's Development Director is now in place and the team has a full agenda of development activities for Chairs, Chief Executives, Non-Executive Directors (NEDs) and Medical Directors planned for the coming months, as well as research and guidance that will be published.

Make sure essential NHS services are maintained if a provider gets into difficulty.

16. The Strategy and Policy team has kicked off a project pulling together work to date from within Monitor and our partners on the financial challenge facing the sector in 2015/16 and formulating Monitor's response.
17. The Economics team is contributing to this by engaging with partners on a set of work in preparation for the next Spending Review and the financial challenges in 2015/16. On the

Spending Review, the Economics team plays the key role for Monitor in developing a more transparent model of costs in the health system. For 2015/16, the Economics team is working with NHS England on a preliminary assessment of potential actions for 2015/16 to feed into the joint Monitor/NHS England group discussion in April.

18. As independent sector providers of Commissioner Requested Services (CRS) are licensed, the Strategy and Policy team is working to identify what options are available to Monitor, in the absence of Health Special Administration, to protect key patient services should one go into administration.
19. The Economics team's "**NHS foundation trust (NHS FT) sustainability**" project is developing a methodology to test the clinical and financial sustainability of an NHS Foundation Trust at a high level. A paper went to the ExCo on 2 April 2014 setting out the results of the first pilot and next steps in terms of ongoing work and resources. The ExCo agreed that the Economics team should continue to work closely with the Provider Appraisal and Provider Regulation directorates to develop the methodology.
20. The Economics team is also working on the "**Local Health Economy (LHE) diagnostic**" project to develop a methodology and model for analysing LHE performance and drivers of that performance. This month, the focus has been on piloting the data benchmarking tool and methodology developed for the first pilot LHE and identifying how these products can be refined and improved in light of lessons learned. The team is also working closely with its two main clients of these reports: the Provider Regulation and Provider Appraisal directorates, to try and maximise the added value of the diagnostic reports and to test this through a second pilot which will commence in early May 2014.
21. Following a request from the Provider Regulation directorate, the Economics team is also engaging with some work on transactions lessons being led by NHS England's London team. This work may feed into wider work on reconfiguration lessons included within the business plan for 2014/15.

Promoting change through high quality analysis and debate, and by encouraging innovation

22. The Strategy and Policy team is working with NHS England and the NHS Trust Development Authority (TDA) to examine the potential of piloting the six care models discussed in Everyone Counts: Planning for Patients 2014/15 to 2018/19.
23. Work is ongoing both internally and with external partners to support Monitor's duty to enable integrated care, including the integrated care pioneers, and it is planned to issue guidance for the Integrated Care licence condition in the summer. A paper on Integrated Care will be submitted to the meeting of the Board in May 2014.
24. The Economics team is also kicking off work to understand better the similarities and differences between the English NHS and international examples for core acute services with a view to understanding whether there are lessons for the NHS. This "**international acute comparisons**" project will aim to report back to ExCo in August.

Making sure Monitor is a high performing organisation

25. The Risk and Performance teams are now in place and are monitoring performance across the organisation. Monitor is working to develop enhanced risk management and performance oversight frameworks, with implementation planned in the summer of 2014.
26. Monitor's Business Plan to be discussed by the ExCo in the middle of May and presented to the Board at the end of May.
27. The "**Learning from other regulators**" project has been looking at the lessons that can be learnt from other regulators and how this could help the Economics team judge performance of Monitor as a regulator (e.g. in the form of a framework). The desk based work has progressed well and will summarise lessons from other sectors, as well as a small number of international regulators, including New Zealand and Maryland's health regulators. The team anticipates bringing results of this to the ExCo in early May 2014 before launching a deep-dive into those areas of regulation that might provide the most valuable lessons for Monitor.

STRATEGIC COMMUNICATIONS UPDATE

Corporate strategy launch

28. David took our staff through the strategy at the recent all-staff briefing. We have also alerted them by email to the final version and a bespoke area of connect2 with press coverage and stakeholder comment. Working with Organisation Transformation, we will continue to engage staff on the content and what it means for them.
29. The Times and HSJ covered the new corporate strategy after interviews with David Bennett. The tone was positive, with emphasis on the key message that change needs to happen quickly. The Economist also interviewed David and included comments from him in an article calling for NHS reform to be speeded up. We expect the Financial Times to carry an article shortly.
30. Several of our key stakeholders publicly welcomed our corporate strategy, including:
 - NHS Confederation: "We welcome the risk-based approach to regulation Monitor is taking so that it better supports organisations that are in danger of failing. Early intervention is necessary so that changes are planned to avoid them being crisis-driven ... the focus on whole system changes is welcomed."
 - FTN: "We particularly welcome that the strategy spells out how Monitor will operate in its role and use the full range of its regulatory powers to advance its core duty ... this means striking the right balance between letting local trust boards have the independence to make decisions that are right for their communities, against the need to manage risks to services."
 - NHS Partner Network: "We welcome Monitor's approach. Supporting commissioners to understand and interpret the competition regulations will be crucial. We also welcome their approach which looks across the entire healthcare landscape, and acknowledges that problems ... can be helped by looking to other parts of the system, including to independent sector providers."

31. We extended the reach of the strategy through digital media. The document has been downloaded 908 times and the webpage has been viewed 1,285 times. We sent the strategy to 3,524 unique email alert subscribers and our tweets received 26 retweets (including UK Regulators, Dr Anna Dixon, Foundation Trust Governors' Association, Chris Hopson and NHS Confederation). The tweets reached 62.2k followers in total.
32. We will continue to promote the strategy with an article in April's corporate newsletter and a video featuring David Bennett. It will also be at the heart of our programme of stakeholder engagement and speaking events over the next few months.

Public Accounts Committee session

33. David Bennett and Una O'Brien gave evidence to the Public Accounts Committee in relation to the National Audit Office report on Monitor.
34. Among other topics, the committee explored why some NHS foundation trusts were underperforming and the impact of competition on the sector. Committee members also asked for more detailed information to be supplied after the session on a number of topics.

Co-operation and competition

35. HSJ and a number of legal trade publications covered the Co-operation and Competition Directorate's completed review of a proposed reorganisation of pathology services in Surrey and Sussex.
36. We organised 10 workshops across the country, from Newcastle to Brighton, to explain to commissioners how the Section 75 Regulations guidance can help them deliver good outcomes for patients. Feedback showed that those who said they now understood the regulations had more than doubled to nearly 90%. Attendees included 230 commissioners from clinical commissioning groups, clinical support units and NHS England.

Mid Staffordshire NHS Foundation Trust

37. Local, regional and trade press covered our announcement about the next steps towards dissolution of the Mid Staffordshire NHS Foundation Trust and the cost of the process so far.
38. HSJ ran an article that was critical of the cost and the length of time the process was taking. In response we organised a briefing for HSJ with senior members of the trust special administration team who set out the complex nature of the work required to dissolve a foundation trust.

Media coverage of regulatory action

39. Local and trade media, including HSJ, covered our announcement that we will send in a team of experts to devise a plan to secure the future of services for patients at the Queen Elizabeth Hospital King's Lynn NHS Foundation Trust.

40. The Manchester Evening News and trade media covered the appointment of a new Chair at The Christie NHS Foundation Trust in Manchester, and there was significant local and regional coverage of our investigations into Barnsley Hospital NHS Foundation Trust, Kettering General Hospital NHS Foundation Trust and Central and North West London Foundation Trust.

Executive Committee