

**To:** The Board

**For meeting on:** 28 May 2015

**Agenda item:** 7

**Report by:** Executive Committee

**Report on:** Executive Report

---

**Summary:**

1. This report summarises key developments at Monitor since the Board meeting held on 29 April 2015.

**EXECUTIVE COMMITTEE BUSINESS UPDATE:**

2. At its meeting on 5 May 2015 the Executive Committee (ExCo) conducted the following business:
  - a. Considering information about the enquiries and complaints received by Monitor in March 2015.
  - b. Reviewing the findings of an internal audit of the Legal Services directorate which focussed specifically on the processes and evidence in place to support legal decision making and corporate governance arrangements. The outcome of this audit review was also considered by the Audit and Risk Committee at its meeting on 21 May 2015. Further information about this meeting can be found at agenda item 10 (ref: BM/15/58).
  - c. Reviewing the draft agenda for the meeting of the Technology Assurance Committee on 14 May 2015. Further information about this meeting can be found at agenda item 9 (ref: BM/15/57).
  - d. Considering the high-level approach to Monitor's organisational performance reporting system for 2015/16 alongside a potential set of key performance indicators (KPIs).

3. At its meeting on 12 May 2015 the ExCo conducted the following business:
- a. Reviewing information about the overall progress of the NHS Five Year Forward View (5YFV) and specific workstreams within this work programme (New Care Models, Whole System Intervention and Efficiency).
  - b. Scrutinising Monitor's top risks, risk movements, emerging risks and risk mitigations. Further information about this can be found at agenda item 17(i) (ref: BM/15/61(i)(P)).
  - c. Reviewing the status of the 2014/15 Business Plan actions, KPIs and key achievements. Further information about this can be found at agenda item 17(ii) (ref: BM/15/61(ii)(P)).
  - d. Considering Monitor's draft annual report for 2014/15 alongside the timetable for finalising this. Further information about this can be found at agenda item 18 (ref: BM/15/62(P)).
  - e. Discussing the Annual Governance Statement that Monitor is required to include in its 2014/15 Annual Report and Accounts.
  - f. Reviewing Monitor's 2014/15 draft Annual Accounts.
  - g. Reviewing the draft agenda for the meeting of the Audit and Risk Committee meeting on 21 May 2015. Further information about this meeting can be found at agenda item 9 (ref: BM/15/57).
  - h. Considering findings of internal audits of Monitor's Data Quality, Recruitment and Induction and IT Security. The Data Quality internal audit focussed on Monitor's data quality policies, processes and systems used to ensure that appropriate data quality is maintained throughout data use. The Recruitment and Induction review considered the processes and governance in place to support effective and compliant recruitment and induction. The IT Security internal audit looked at Monitor's arrangements for ensuring information security.
4. At its meeting on 19 May 2015 the ExCo conducted the following business:
- a. Reviewing information about the status of current projects being undertaken by the KIM team, the Strategy and Policy team, the Economics team and the Strategic Communications directorate.
  - b. Scrutinising the proposed memorandum of understanding between Monitor and the Health and Social Care Information Centre. Further information about the proposed agreements can be found at agenda item 5 (ref: BM/15/53).

## ECONOMICS UPDATE

### **Making sure public providers are well led AND Making sure essential NHS services are maintained**

5. Following feedback from the sector, the team is finalising its **Community Services** 'fact pack'. This will be communicated around Monitor in a series of presentations over the summer.
6. The team is on track to deliver its findings on the drivers of the decline in accident and emergency (A&E) performance over 2014/15 at the beginning of June 2015.

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

7. The team is currently finalising its work on the **'financial impact of moving care out of hospital'**. This project is aiming to complete at the beginning of July 2015.
8. The team has completed its substantive analysis on **'workforce'**, including finalising insights from provider interviews. The team is bringing together these findings, and will test and develop them further with stakeholders before sharing more widely and developing materials for the sector in early Summer.
9. Both of these projects fit in to the wider programme of work on the **'economics of new care models'**.

## STRATEGY & POLICY UPDATE

### **Making sure public providers are well-led**

10. Further work continues following the recommendations of the Ed Smith Review into NHS IQ, NHS Leadership Academy and local improvement networks including Academic Health Science Networks, strategic clinical networks and clinical senates. Recommendations will be given to incoming Ministers to consider. The steering group of the six arm's length bodies (ALBs) to oversee implementation will be chaired by David Bennett.
11. The team presented the results of the 2014/15 survey of NHS foundation trust governors at the inaugural Governor Focus conference on 8 April 2015 with NHS Providers.
12. Revisions to Monitor's 'Well-Led' framework were published on 14 April 2015.
13. A survey of NHS provider non executive directors (NEDs) was launched, jointly with the NHS Trust Development Authority (NHS TDA), in order to establish outstanding NED support needs and to identify NEDs in the sector who may be

willing to help develop and support non-executive and executive peers given their background experiences. The survey was extended to the 24 April 2015 and the results are currently being analysed.

### **Making sure essential services are maintained**

14. The business case to set up the Agency Intensive Support Team (AIST) within the Provider Sustainability directorate was approved by the Department of Health and recruitment has commenced. The AIST is undertaking initial testing of the concept at Sherwood Forest Hospitals NHS Foundation Trust.
15. The Joint Review on Agency Spend (Monitor/Cabinet Office) has now been finalised. Monitor actions include delivering training and support to the sector in collaboration with the NHS TDA and setting up a Workforce and AIST with the Provider Sustainability directorate.
16. On Whole Systems Intervention (Success Regime), Monitor has now agreed the high level approach and governance design. Proposals are being developed for the first wave of local health economies (LHEs) to enter the regime. The 5YFV Chief Executives' Group will meet mid-May 2015 to review the approach and the LHE proposals, which will then be taken to NHS England's Investment Committee to request the first phase of funding, from the Transformation Fund.

### **Promoting change through high quality analysis and debate**

17. The team prepared a paper for the 5YFV Chief Executives' Group on securing delivery of the 5YFV including assessing the starting point and undertaking delivery planning focused on the outcomes promised in the 5YFV ie better patient care, higher productivity and healthier populations.
18. Nick Ville (Project Director (Policy)) spoke at the joint NHS England/Monitor International Care Models conference for Integrated Care Pioneers. A paper was circulated on Monitor's support to Integrated Care Pioneers and will be used to set up the corresponding package for New Care Model Vanguard.
19. A training session was held with the NHS TDA London Region staff to ensure consistent messaging to providers on integrated and new models of care and plan to repeat for the other regions.
20. Suzie Bailey (Development Director) presented at the Kings Fund event 'Learning from high-performing healthcare organisations' on the 21 April 2015 which included speakers from the UK and USA. It has developed proposals for the internal governance and management of Monitor's work for the 5YFV.
21. Charlotte Goldman (Senior Policy Adviser) has joined the 5YFV Coordinating Office of the ALBs on a six-month secondment. The purpose of this unit is to support the Chief Executives of the six ALBs involved in the 5YFV, enabling a coordinated programme of action and effective relationships across the 5YFV.

22. The research project on elective surgery is making good progress with the design of hypotheses on the main drivers of quality and efficiency, the design of the data request and progress of visits to co-production sites. This work aims to identify optimum care models for elective care based on research into best practice international and national models. This will also draw out implications for future delivery models and work with a small cohort of sites to test the feasibility of these new 'stretch' models on the ground. Overall it has three main objectives:

- i) What does an optimum care look like in elective surgery – the team will initially focus on the high spend specialties of orthopaedics and ophthalmology;
- ii) Calculate the realistic size of the improvement opportunity for the NHS; and
- iii) Provide a roadmap for Monitor and the NHS to realise the value identified.

### **Making sure Monitor is a high performing organisation**

23. The 2015/16 Monitor Business Plan was published on 1 May 2015. The operational planning process has advanced and expected to be complete by the end of May 2015.

24. The Risk and Performance team is reviewing performance measures across the organisation. A finalised set of Key Performance Indicators is due at the end of May 2015 to commence reporting the beginning of June 2015.

25. The scope of a project on improving the way Monitor diagnoses problems in trusts was reconfirmed in April 2015. The project will prepare a manual for use in the Provider Regulation directorate providing a framework of logic trees and data sources for use by staff. The project is due to present its initial findings in July 2015.

## **STRATEGIC COMMUNICATIONS UPDATE**

### **Making sure providers are well led**

48. The team continued to make routine media announcements, highlighting regulatory action at eight NHS foundation trusts (NHSFT) and the authorisation of the 152nd NHSFT. Local and trade media coverage was obtained for each of them – although the restrictions meant the team could not put up a spokesperson on radio or television.

49. A summary of Monitor's media coverage during the period is as follows:

Item	Description	Coverage			Rating
		L	S	N	
King's College Hospital NHSFT	s106 action on finances and A&E	4	4	0	

North Lincolnshire and Goole NHSFT	s106 action on finances	5	2	0	
Cambridge and Peterborough NHSFT	Investigation launched into finances	2	1	0	
Great Western Hospitals NHSFT	s106 action on finances	6	1	0	
Sherwood Forest Hospitals NHS FT	s106 and s111 action on governance	2	0	0	
East Anglia trusts	s106 action at Norfolk and Norwich UH NHS FT and buddy trust at Norfolk and Suffolk NHS FT	7	2	0	
Bradford District Care NHS Trust	Authorised as a foundation trust	1	1	0	
NHS bosses' pay	<i>Daily Mail</i> campaign 'named and shamed' FT chiefs	7	1	3	
A&E at Calderdale Royal Hospital	Labour candidates seized on Monitor's contribution at scrutiny committee to claim the A&E would close	4	0	0	
Dorset HealthCare University NHS FT	Delayed transfer of care story following FOI to Monitor	0	2	0	
Media and Rating Keys: L: 'Local' S: 'Sector' N: 'National'		Positive		Neutral	
					Critical

### **Making sure the NHS payment system promotes quality and efficiency**

50. Toby Lambert (Director of Pricing), Catherine Pollard (Pricing Development Director) and Glen Pearson (Costing and Outcomes Lead) spoke at the Healthcare Financial Management Association annual costing conference. It was held in partnership with Monitor on 30 April 2015 and attended by 90 NHSFTs and 55 NHS trusts. The costing transformation programme was discussed with delegates visiting Monitor's exhibition stand; they recognised that Monitor listens to feedback and showed enthusiasm for support from the organisation in gaining board and financial director buy-in to the initiative. Several providers also expressed an interest in becoming pilots for the programme.

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

51. A 5YFV Directors of Communications Steering Group has been established to support the arm's length bodies (ALBs) Chief Executives' Board. It met three times during April 2015, chaired by Monitor. Its main purpose is to ensure that communications to the sector and wider public on the 5YFV is collaborative and co-ordinated. It has also allocated pairs of ALBs to provide dedicated communications

resource to each major 5YFV programme and workstream: Monitor is supporting System Efficiency and New Care Models, in both cases jointly with NHS England.

52. The current priority for the Steering Group is the delivery of a frontline contact programme for the chief executives, beginning in late May 2015. The aim of this is to engage with a range of key stakeholders around the sector, but especially senior leadership in the New Care Models Vanguard organisations. The Group is also supporting the joint presentation on the 5YFV which the Chief Executives will make at the NHS Confederation annual conference on 4 June 2015.
53. The team has recently actively engaged the Local Government Association (LGA), through the Integrated Care and Support Working Group (NHS England/LGA) and LGA's health and wellbeing networks. The LGA has responded by inviting Monitor's Chairman to address the plenary session of its annual conference in July 2015 on the topic of integrated care. This presents an opportunity to get across to an important audience Monitor's thinking on integration of health and social care and commitment to the 5YFV.
54. Between May and the end of July 2015, Monitor spokespeople are scheduled to speak at more than 30 events.

## **Executive Committee**

**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:**

*Some of the information in this report is exempt from publication under the Freedom of Information Act 2000.*

*The information is exempt as it falls under section 36 of the Freedom of Information Act 2000. Disclosure of that information would, or would be likely to, inhibit the free and frank provision of advice, or exchange of views for the purposes of deliberation. In applying these exemptions, we have considered the public interest test; disclosure of this information will not enhance the accountability or transparency of Monitor as its disclosure would inhibit the free frank disclosure of information.*