

**To:** The Board

**For meeting on:** 30 September 2015

**Agenda item:** 6

**Report by:** Executive Committee

**Report on:** Executive Report

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**Summary:**

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

**EXECUTIVE COMMITTEE BUSINESS UPDATE:**

2. At its meeting on 4 August 2015 the Executive Committee (ExCo) conducted the following business:
  - a. Considering information about the enquiries and complaints received by Monitor in June 2015.
  - b. Reviewing the proposal to establish a formal process for the approval of proposed research topics. Whilst the ExCo was supportive of the benefits of the outputs of the proposed work, it considered it important that ExCo remained the appropriate decision-making forum.
3. At its meeting on 8 September 2015 the ExCo conducted the following business:
  - a. Reviewing a summary of the organisation's year to date expenditure position as at 31 July 2015.
  - b. Considering updates on Monitor's strategic 'top risk' profile and directorate level risks as at the end of Q1 2015/16. Further information about this can be found at agenda item 18(i) (ref: BM/15/92(i)(P)).

- c. Considering an update on the status of 2015/16 Business Plan actions; highlighting progress, key performance indicators and achievements. Further information about this can be found at agenda item 18(ii) (ref: BM/15/92(ii)(P)).
  - d. Reviewing the draft agenda for the meeting of the Audit and Risk Committee on 17 September 2015. Further information about this meeting can be found at agenda item 10 (ref: BM/15/88).
  - e. Reviewing the draft agenda for the meeting of the Technology Assurance Committee on 23 September 2015. Further information about this meeting can be found at agenda item 11 (ref: BM/15/89).
  - f. Considering information about the Senior Information Risk Owner Quarterly Report from June to August 2015.
  - g. Agreeing the implementation of a new Information Governance (IG) structure within Monitor. Whilst ExCo members were content that the IG framework was set up throughout Q3, they requested to be provided with a monthly report of the progress of the Information Governance Group (IGG) and that list of the proposed new Information Assets and Information Asset Owners be added to the IGG.
  - h. Approving the publication of a report on helping NHS providers improve productivity in elective care in October 2015. Whilst the ExCo was supportive of the benefits of the outputs of the proposed work, it considered it important that links to other national work (such as the Carter Review) be made clear.
4. At its meeting on 22 September 2015 the ExCo conducted the following business:
- a. Considering information about the enquiries and complaints received by Monitor in July 2015.
  - b. Reviewing information about the status of current projects being undertaken by the Information Services team, the Strategy and Policy team, the Economics team and the Strategic Communications directorate.
  - c. 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).

## **ECONOMICS, POLICY AND 5YFV UPDATE**

5. To note for August and September 2015:
- a. new rules launched for nursing agency spend

- b. a set of resources published on ‘improving patient flow – evidence to help local decision-makers’
  - c. new Risk Assessment Framework (RAF) published
6. There are no items that are strategy or policy determining in nature.

**Drive and support provider operational improvement and efficiency in the short term, including addressing the 2015/16 financial challenge**

7. The Economics and Policy teams launched new rules to control nursing agency spend, in conjunction with the NHS Trust Development Authority (NHS TDA). These went live on 1 September 2015 and have been welcomed by the sector. They include trust-level ceilings on agency spend and the mandatory use of approved frameworks. Caps on the maximum price per shift will be announced shortly. The teams are now working with colleagues across Monitor and NHS TDA to develop and implement rules for locum doctors.
8. Three related reports from the Economics and Policy teams have been presented to the sector as a suite under the banner ‘improving patient flow through local care and health systems’:
- a. Economics published the study *A&E delays: why did patients wait longer last winter?* in September 2015. It sets out the team’s findings about the drivers of the decline in accident and emergency (A&E) performance and these were discussed online, in the *BMJ* and via a webinar. Follow-up work is underway by the Emergency Care Improvement Programme (ECIP). Staff seconded from Economics are assisting.
  - b. Economics published the study *Moving healthcare closer to home* in September. It was covered in the *HSJ* and the Chief Economist presented it at a conference held by think-tank Reform. The ExCo commissioned further work to develop a scenario-planning software tool that the Provider Sustainability directorate (PSD) can use in supporting the sector. Information Services has begun this work and a number of Vanguard sites are helping with the development of the pilot.
  - c. Policy’s draft study on improving productivity in elective care has been circulated to stakeholders for comment, including the Royal College of Ophthalmologists and British Orthopaedic Association. The report identifies areas where there is potential to significantly improve productivity by using NHS and international benchmarks. The feasibility of the sector delivering productivity gains was tested, including by engaging with clinicians and operational staff. The team is now actively exploring how to help providers realise the identified potential for improvements in elective care.
9. The revised RAF was published in August 2015 with immediate effect. Notable changes are additional measures on financial balance, variance from plan and

value for money.

10. The Economics and Policy teams have engaged with the Carter Review, which aims to support providers to realise efficiency opportunities. In parallel, the teams have discussed with the Care Quality Commission (CQC) how to measure efficiency at trust level; this discussion will inform CQC's development of a 'use of resources' indicator.
11. The Policy team has drafted a diagnostic toolkit designed to speed up and improve how Monitor chooses and deploys its regulatory approach at challenged NHS foundation trusts (NHSFTs). This covers diagnostic work, guidance and pro formas on the analysis required, what to look for, undertaking site visits, recording evidence and reporting findings. It is being piloted at Mid Cheshire Hospitals NHS Foundation Trust and the findings will be reported to the Provider Regulation Executive shortly.

### **Drive and support long-term sustainability and transformation**

12. The outline support package for the first wave of Vanguard sites was published at the end of July 2015. Eight urgent and emergency care Vanguard sites were announced and an additional 14 acute care collaboration (ACC) sites will be announced shortly. Senior Monitor staff seconded to the New Care Models team will lead the ACC Vanguard programme and support the development of multi-specialty provider chains, specialty franchises and clinical networks. A number of Vanguard sites are already being supported by Monitor and their number is expected to increase.
13. Monitor's work on the Success Regime with its tripartite partners NHS TDA and NHS England is gaining momentum. Programme directors are being appointed for each site, work scopes have been agreed at tripartite executive level and work is underway at each site. A dedicated tripartite central team supports the programme directors and regional directors with guidance and tools.
14. The review on centrally funded improvement and leadership development functions (led by Ed Smith, Chairman) and *Better leadership for tomorrow: NHS leadership review* (led by Lord Rose) have been published. PSD, within the 5YFV programme, is developing diagnostic tools and guidance for providers on leadership strategies and culture. The aspiring chief executive (talent management) pilot programme, funded jointly by Monitor and the NHS TDA and working in partnership with NHS Providers and NHS Leadership Academy, will start recruiting shortly.

### **Operate effectively and build our reputation as an evidence-based organisation**

15. The Economics team is scoping frameworks for impact assessment and evaluation of value for money. The team is talking to other regulators that use, or are considering using, evaluation frameworks, to capture best practice.
16. The Economics and Policy teams have published two internal analytical resources:

- a. the first module of the Policy team's integrated care toolkit. This has been presented to staff across Monitor.
- b. The Economics team's community services fact pack, following presentations at Monitor team meetings. The Economics team will update this annually.

17. The Policy team is advising the Strategic Programme Office on the design and operation of delivery planning for the 5YFV programme boards, and considering the policy implications of the creation of NHS Improvement.

## **STRATEGIC COMMUNICATIONS UPDATE**

**Strategic Communications directorate headlines** (no items are strategic or policy determining)

18. To note for the period:

- a. The Monitor *Annual report and accounts* and *Consolidated accounts* of NHSFTs were laid before Parliament in July 2015.
- b. An innovative campaign supported the launches of the reports on accident and A&E delays and moving healthcare closer to home. An infographic on A&E was part of Monitor's wider digital engagement alongside a concise explanation of the broad impact of patient flow.
- c. A co-ordinated communications package supported Ruth May, Nurse Director, on 1 September 2015 in announcing jointly with the NHS TDA the new rules on nursing agency spend.
- d. A major update on progress towards establishing NHS Improvement was issued to staff across Monitor, the NHS TDA and the three teams from NHS England on 9 September 2015.

19. There are no items that are strategy or policy determining in nature.

## **Drive and support provider operational improvement**

20. In advance of the release of the guidance on agency staffing on 1 September 2015, key external stakeholders were identified and engaged. In particular, there were constructive meetings with the Royal College of Midwives, Royal College of Nursing, Unison and Unite. All of these organisations gave considered public responses to the guidance, agreeing that expenditure on agency staff was unsustainable while raising concerns about quality and safe staffing alongside questions about training, supply, pay, recruitment and retention of nurses.

21. A comprehensive sector engagement programme is being implemented to meet stakeholders' interest in the work of the new Provider Sustainability directorate as the efficiency and financial challenges gain prominence.

22. Improving patient flows through local health and care systems emerged as a powerful and overarching theme in the three reports *A&E delays: why did patients wait longer last winter?*, *Moving healthcare closer to home* and the forthcoming study of elective care due to be published early in October 2015. These have been presented as a 'box set', a coherent suite of studies accompanied by a well-received connecting narrative - *Improving patient flow: evidence to help local decision-makers* - which brings together the lessons.

23. The *A&E delays* report was the most popular content on Monitor's website during a busy period. The findings were promoted with a [new style of infographic](#); Monitor's target audiences widely shared this on social media and the *BMJ* referenced it prominently. The top tweet on the study was more than twice as popular as Monitor's previous top-ranking tweets for this year and on the launch day the team saw Monitor's highest level of Twitter engagement for three months. Tweets included:

- *"Finally: A&E breaches were not due to lack of effort on the ED's part. It requires whole system buy-in"* (emergency medicine trainee).
- *"One of the clearest infographics I've seen in #healthcare"* (HEFT recruiter).
- *"Great to see a focus on whole system flow, the A&E Department is rarely the problem"* (South Warks NHS FT).
- *"Fixing A&E performance requires an understanding of what is broken. A recent Monitor report fills that gap"* (healthcare data scientist Stephen Black)

### **Drive and support long-term sustainability**

24. The launch of *Moving healthcare closer to home* as the second in the suite of studies underlined the study's relevance to the theme of patient flow. The focus of Monitor's social media campaign was a set of [online stories told by NHS staff](#) involved in schemes to move care out of hospitals. This resulted in positive levels of engagement, encouraging people to share their experiences and questions.

25. At the Health and Care Innovation Expo 2015 conference in Manchester in early September 2015, the NHS TDA and Monitor had a joint exhibition stand, prompting senior sector figures to remark positively on the two organisations working together. There was much interest in NHS Improvement, most of it broadly positive, although concern was expressed about how it will work and, in particular, how 'conflicts of interest' between regulatory and supporting functions will be managed.

26. At the conference Monitor fielded a strong team to explain how its work on provider development and sustainability, new care models and involving patients in outcomes-based commissioning contributes to the long-term sustainability agenda. This chimed with the conference focus on delivery of new care models.

27. A short video [animation](#) and [visual summary featured in Monitor's digital campaign](#) supporting local health and social care economies to make the rapid shift to payment approaches that will underpin new care models. This content has proved very popular: the animation in particular has been well promoted and shared on social media.

### **Operate effectively**

28. The *Annual report and accounts* and the *Consolidated accounts* were laid before Parliament on 21 July 2015 and a press release was issued highlighting David Bennett's, Chief Executive, remarks in the annual report that sector plans are "unaffordable". This year's annual report followed last year's structure and is designed to meet Monitor's statutory duties while minimising the reporting demands on the organisation. However, the team will review lessons learned before embarking on the 2015/16 report. The team will consider the Board's comments about the tone and whether it can make the review of the year section, in particular, more engaging.

29. The team is refreshing Monitor's intranet homepage to improve engagement, connect staff better and promote collaboration. Staff members have input into the redesign and the team has reviewed how other organisations share information and drive engagement. Improvements include live news feeds from the healthcare sector and links to the most visited Connect2 pages. Staff will also have the option to engage in online discussions as named individuals; guidance on how to use the functionality will be published when the updated homepage is launched later in the autumn.

30. The team successfully launched a new media monitoring service, providing more detailed and accurate analysis of Monitor's coverage. The contract will allow Monitor to combine its service with that of the NHS TDA and launch an NHS Improvement service.

31. A complaint was received in August 2015 about Monitor's handling of a whistleblowing case in 2013/14. Monitor is upholding part of the complaint concerning its liaison with the whistleblower.

### **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 (the confidential annex) is exempt from publication under the Freedom of Information Act 2000.*