

To: The Board

For meeting on: 25 February 2015

Agenda item: 6

Report by: Victor Smart, Editorial Director

Report on: Annual report and accounts 2014/15

Summary

1. The annual report and accounts 2014/15 must be laid before Parliament in July 2015. This paper proposes that Monitor continues with the same format as successfully used last year with the opening narrative section structured around the organisation's six strategic objectives. It also sets out the timetable and clearance processes; these also broadly follow last year's.
2. The Chairman requested last year that the annual report should be kept reasonably short. In order to ensure that the document does not grow beyond the current length, the Editorial team will give directorates indicative lengths for their respective contributions to the narrative section based on last year's page count.

Approach to the 2014/15 annual report and accounts

3. As in previous years, the team has reviewed feedback from last year's Committee and Board meetings to take account of learning from last year's annual report. The draft 2013/14 annual report was well received by the Board in May 2014. The annual accountability report prepared for the Health Select Committee (HSC) in November 2014 followed a similar structure and was also seen as successful.
4. Once again the team plans to minimise the amount of senior management time spent on reviewing and inputting into the annual report. It proposes that:
 - a) Existing material is used when pulling together the outline content for the Executive Committee's (ExCo's) approval in February 2015 and when drafting the report itself. The HSC accountability report 2014 will be a particularly important source document.
 - b) The report is structured around Monitor's corporate strategic objectives as was done with the annual accountability report (with a specific mention of Monitor's role in integrated care added).

Content and length of the report

5. The proposed structure of contents will closely follow that from the 2013/14 report. As usual, the National Audit Office will review the report to ensure that it is consistent with other accountability statements.
6. The Chairman has emphasised that the document should be kept reasonably short. The Strategic Communications directorate agrees that this makes the report most accessible to target readers. However, Monitor is obliged to provide much of the reporting content, meaning that it should look particularly closely at the length of those sections where it does have some discretion.
7. Last year two long tables summarising annual business plan actions and regulatory action, which had previously been included, were removed. This reduced the overall length of the report but the opening narrative section grew from 14 to 25 pages. The most recent accountability report was also significantly longer than the previous year's. In part this reflects increased activity as Monitor has taken on new powers. But there is also a tendency for directorates to give very full accounts of their work during the year.
8. To prevent the overall report becoming longer, the Editorial team proposes that it provides directorates with indicative lengths for their respective sections in the opening narrative section based on the page count of last year's document. The team will also supply a clear suggested structure based on last year's content. There would be latitude to expand sections where necessary; but a concerted effort would be made to ensure the report does not exceed last year's overall length of 92 pages.

Proposed structure

9. The proposed structure of the 2014/15 annual report and accounts is as follows:
 - i) About Monitor
 - ii) Chairman's foreword
 - iii) Chief Executive's review of the year
 - iv) Making sure public providers are well led – appraising providers
 - Continued development of regulatory processes
 - Revising our approach to transactions
 - Provider appraisal activity during the year 2014/15
 - v) Making sure public providers are well led – regulating providers
 - Developing our regulatory action to respond to challenge
 - Improving annual planning

- Creating a Performance Sustainability directorate
 - Reviewing sustainability and local health economics
 - Supporting the sector's development
 - Monitor and complaints
- vi) Making sure essential NHS services are maintained
- Dealing with an increasing caseload
 - Solutions for the most troubled trusts and local health economies
 - Regulating independent providers of NHS services
- vii) Making sure the NHS payment system promotes quality and efficiency
- Pricing delivery
 - Pricing enforcement and case management
 - Pricing development
- viii) Making sure procurement, choice and competition operate in the best interests of patients
- Making sure the sector understands how the rules can be used to benefit patients
 - Focusing our investigations where they will have the greatest benefit for patients
- ix) Our duty to enable integrated care
- Ensuring that the sector does not block efforts to integrate care
 - Providing flexibility for new care models to emerge
 - Integrated care licence guidance
- x) Promoting change through high quality analysis and debate, and by encouraging innovation
- The Five Year Forward View
 - Encouraging debate on new care models
 - Identifying high value models of care
 - Encouraging innovation throughout the NHS
 - Identifying barriers arising from our regulatory framework
 - Working with national partners to build support for the necessary changes to the way services are delivered
 - Understanding the issues facing small acute providers
- xi) Making sure Monitor is a high performing organisation
- Monitor's staff
 - Monitor's employee engagement
 - Whistleblowers and complaints
 - Annual plans 2014/15
 - Monitor's financial position
- xii) Annual Governance Statement 2014/15
- xiii) Our Board

- xiv) Executive Committee
- xv) Directors' report
- xvi) Strategic report
- xvii) Statement of Accounting Officer's responsibilities
- xviii) The certificate and report of the Comptroller and Auditor General to the Houses of Parliament
- xix) Accounts and notes

Timetable

10. The outline timetable for the production of the 2014/15 annual report and accounts is as follows:

- a) February 2015: Submit structure and high level content of the 2014/15 annual report and accounts contained in this paper to the Board for information.
- b) 12 May 2015: Draft report (having received individual input from ExCo members) shared with the ExCo for further comments before sharing with the Board.
- c) 27 May 2015: Draft report shared with the Board for comments and agreement that the Audit and Risk Committee (ARC) sign off the final report. Report updated in light of any final ExCo and Board comments.
- d) 16 June 2015: the ExCo signs off report for publication (in advance of ARC sign-off).
- e) 1 July 2015: the ARC approves annual report.
- f) Monitor's annual report published before parliamentary recess.

11. The Board is asked to:

- a) agree the proposed approach to the 2014/15 annual report outlined above
- b) agree the proposed content structure
- c) agree the recommendation to provide the structure and high level content of the report provided in this paper to the Board for information
- d) agree that the Editorial team gives directorates indicative lengths for sections in the narrative section in an effort to ensure the report is no longer than last year's
- e) give any further input on the content/tone/approach at this point.

Victor Smart
Editorial Director

Exempt information:

All of this report is exempt from publication under Section 36 (Prejudice to effective conduct of public affairs) of the Freedom of Information Act 2000.

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.