

**To:** The Board

**For meeting on:** 30 July 2014

**Agenda item:** 11

**Report by:** Toby Lambert, Director of Strategy and Policy  
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**Report on:** 2013/14 Business Plan actions

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## **Introduction**

1. This paper is for the Board to note and provide any comments on Monitor's achievement of the 2013/14 Business Plan actions.

## **Achievement of 2013/14 business plan actions**

2. Monitor successfully transitioned to its new role of sector regulator for health services in England on 1 April.
3. In its Business Plan for 2013/14, Monitor set itself 75 actions to achieve and added another 8 key projects during the course of the year. Out of the total of 83 actions, Monitor successfully completed 67, including all of the additional 8 projects. This amounts to 81% of the target.
4. Where actions were partially completed, due mainly to external dependencies or resource constraints, most were reprioritised into the 2014/15 financial year.

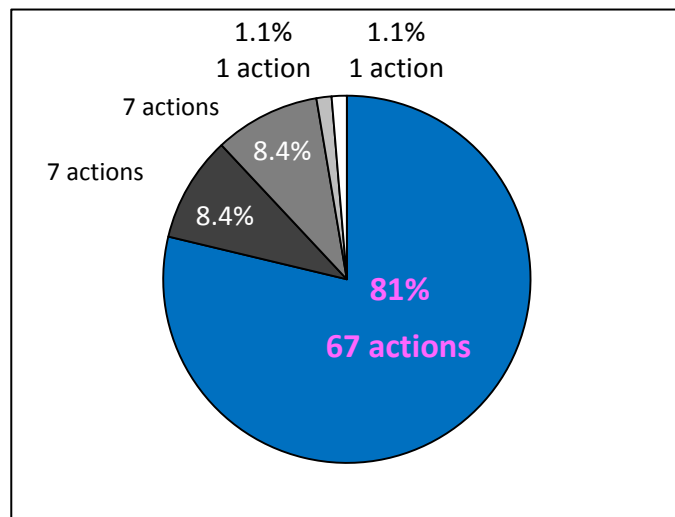
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The diagram below provides an overview of the overall delivery under each 2013/14 strategic objective.



Overall Delivery

Objective 1: Ensure Public Providers are well led	Objective 2: Protecting essential services for patients	Objective 3: Delivering a payment system which incentivises quality and efficiency	Objective 4: Ensuring procurement, choice and competition work for patients	Objective 5: Building an effective and credible sector regulator
20	5	13	13	16
2	0	1	0	4
2	0	3	1	1
0	0	0	0	1
0	0	0	0	1

Delivery by objectives

Business Plan Action Key:

<b>Completed</b>	<b>Partially Completed</b> due to external dependencies	<b>Partially Completed</b> due to resource constraints	<b>Partially Completed</b> due to scope /requirement changes	<b>Partially Completed</b> due to other reasons (project execution)
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The outcomes of all the business plan actions and the 8 additional projects are detailed in the attached Annex.

## **Making a difference for patients**

*This Business Plan Actions Report covers Monitor's achievement of the Business Plan actions in 2013/14 in support of its primary duty to protect and promote the interests of people who use the healthcare services.*

## **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.*

## Annex: Actions for 2013/14: Ensuring Public Providers are well led

Ref	Actions	Outcome
1.1	In partnership with NHS Trust Development Authority (NHS TDA) and Care Quality Commission (CQC) update our assessment approach following recommendations from the Mid Staffordshire NHS Foundation Trust Public Inquiry.	Completed
1.2	Streamline the “end to end” processes for aspirant trusts with the NHS TDA.	Partially completed – external dependencies
1.3	Update the financial efficiency assumptions applied in our assessments to maintain the standards of our assessment decisions.	Completed
1.4	In partnership with the NHS TDA develop a programme to communicate our regulatory approach with insights and lessons learnt to support aspirants with their applications for foundation trust status.	Completed
1.5	Update our approach to evaluating transactions involving NHS foundation trusts in light of the Health and Social Care Act 2012 and the new licence conditions.	Completed
1.6	Update our assessment approach to align with the implementation of the <i>Risk Assessment Framework</i> .	Completed
1.7	Review assessment and regulatory approach, ensuring it accommodates new types of foundation trusts, including integrated social care and high secure services.	Completed
1.8	Work with CQC on clinical sustainability assessments, fit and proper person test, leadership, culture and governance assessments and risk model following recommendations from the Mid Staffordshire NHS Foundation Trust Public Inquiry.	Partially completed – external dependencies
1.9	Work with partners to support foundation trust board leadership and leader recruitment.	Partially completed – resource constraints
1.10	Provide regulatory guidance and showcase good practice to support the sector in good governance including in particular quality governance, and strategic and financial planning.	Completed
1.11	Run an induction programme for new foundation trust chairs, chief executives and non-executive directors and work with partners to provide further development support to chairs, chief executives, medical directors, finance directors and non-executive directors.	Completed
1.12	Establish the new Panel for Advising Governors and work with partners to provide information, guidance and training for foundation trust governors and chairs to support them in working effectively together.	Completed
1.13	Finalise the new <i>Risk Assessment Framework</i> for licensing providers (foundation trusts and independent providers).	Completed
1.14	Develop a framework to understand the dynamics of local health economies and consider the impact on our regulatory approach.	Completed
1.15	Design and implement processes to issue licences to private and independent providers by 1 April 2014, including implementation of a streamlined joint registration and licensing application system with CQC.	Completed
1.16	Move to a regional/local health economy (LHE) approach to regulation, developing relationships with a range of stakeholders – including the	Completed

	Department of Health (DH), CQC and its new Chief Inspector of Hospitals, NHS TDA, NHS England, local MPs and Health watch – to strengthen regulation by ensuring that we identify problems early and take action quickly and effectively.	
1.17	Continue to strengthen regulatory approach to quality in light of the Francis Inquiry, including closer working with CQC and its Chief Inspector of Hospitals, optimising the Quality Surveillance Group process and taking forward the quality governance approach.	Completed
1.18	Upgrade key processes – including Annual Plan Review (APR) and quarterly monitoring – to improve the early identification of problems, gain greater insight in the diagnostic phase (including greater use of benchmarking) and enable regulatory action to be taken more quickly and more effectively.	Completed
1.19	Continue to optimise the implementation of the new licensing regulatory framework for foundation trusts, including implementation of the new <i>Risk Assessment Framework</i> (including design and testing for potential use of governance reviews).	Completed
1.20	Understand the impact of CQC's current transition and their future inspection regime on how we identify potential quality governance problems and make enforcement decisions.	Completed
1.21	Keep the regulatory framework under review, as further experience and insight is gained from situations of, for example, financial distress, contingency planning teams/trust special administrators, transactions, and competition reviews.	Completed
1.22	Explore the best route to report on performance of the health sector as part of fulfilling our new role as sector regulator, and identify the underlying data requirements to achieve this.	Partially completed – resource constraints
1.23	Work with NHS England to prepare guidance for commissioners on the appropriate levels of reserves and working capital to require from providers.	Completed

### Actions for 2013/14: Protecting Essential Services for patients

Ref	Actions	Outcome
2.1	Undertake exploratory research to understand the factors influencing the financial and clinical sustainability of health care at smaller acute providers.	Completed
2.2	Develop and communicate processes that clarify how and when providers enter the enforcement regime.	Completed
2.3	Put in place robust arrangements to ensure that adequate and timely funding is secured for financially distressed providers until a risk pool is established.	Completed
2.4	Develop preferred options for a risk pool and Health Special Administration for submission to DH.	Completed

2.5	Put in place appropriate mechanisms to support the commissioning and delivery of successful contingency planning teams and trust special administrators, which demonstrate value for money.	Completed
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### Actions for 2013/14: Delivering a Payment System which incentivises quality and efficiency

Ref	Actions	Outcome
3.1	In partnership with NHS England publish the <i>National Tariff Engagement Document</i> to communicate to the sector our proposals for the first <i>National Tariff</i> .	Completed
3.2	Make key pricing decisions for 2014/15 with NHS England and publish our first <i>National Tariff</i> document for 2014/15 and how we plan to enforce it.	Completed
3.3	Establish and complete the transition for responsibility for pricing from the DH Payment by Results team to Monitor.	Completed
3.4	Build an operating model for the pricing function to deliver the 2015/16 tariff, including organisational and process design, recruitment and initial training of the team and appropriate IT support and information flows.	Completed
3.5	In partnership with NHS England, agree the design for the payment system and start to establish stakeholder engagement and expert advisory groups to support its development.	Completed
3.6	Work with NHS England to develop and publish the longer term payment strategy for the NHS.	Partially completed – external dependencies
3.7	Undertake research projects to inform the longer term payment strategy, including projects on integrated care, emergency care, mental health, and specialised services.	Partially completed – external dependencies
3.8	Gather evidence and evaluate current local payment approaches to inform the <i>National Tariff</i> .	Completed
3.9	Establish a methodology to manage and adjudicate local price modifications.	Completed
3.10	Assess the potential benefits to patient care of continuing to expand the current scope of our activity based payment system.	Partially completed – external dependencies
3.11	Establish the need for and design a programme to support pioneers and other ambitious local health economies to use the payment system to support integrated care.	Completed
3.12	Put in place a set of rules for local payment variation and local price-setting, supported by publication of guidance for the sector.	Completed
3.13	Develop proposals for an education programme to support the development of sector capability in operating the payment system.	Completed
3.14	Undertake assurance of the 2012/13 reference costs to identify priority improvements in cost collection.	Completed

3.15	Undertake research into methods of improving costing methodologies, giving consideration to international best practice.	Partially completed – resource constraints
3.16	Undertake a pilot to capture a sample of patient level costing data and analyse the data to inform the options for future tariffs.	Completed

### **Actions for 2013/14: Ensuring procurement, choice & Competition work for patients**

Ref	Actions	Outcome
4.1	Work with partners to raise awareness and understanding of the benefits to be gained from good procurement practice.	Completed
4.2	Provide substantive and enforcement guidance on the s.75 regulations to DH for approval.	Completed
4.3	Investigate potential breaches of the rules governing the procurement of NHS health care services.	Completed
4.4	Provide insights into how and whether choice and competition are operating effectively in different health care markets and what this means for patients. This will include publishing working papers on different aspects of health care markets and we will draw on intelligence from our case work and informal advice service.	Completed
4.5	Work with partners to build awareness and understanding of the role choice and competition can play in encouraging higher quality, more innovation and better value.	Completed
4.6	Provide information and guidance to help the sector understand the approach Monitor will take when taking action to protect choice and prevent anti-competitive behaviour.	Partially completed – external dependencies
4.7	Take action to protect choice and prevent anti-competitive behaviour when it is in the interests of patients to do so, including by applying and enforcing sections of the provider licence related to integrated care and choice and competition.	Completed
4.8	Provide advice on matters relating to mergers involving NHS trusts or NHS foundation trusts. Provide information and guidance to help the sector understand Monitor's approach to providing this advice and merger control in general.	Completed
4.9	Gather evidence to understand whether the GP sector is working well for patients.	Completed
4.10	Review if and why NHS walk-in centres are closing and whether this is in the interests of patients.	Completed
4.11	Look into the different drivers providers face when setting service quality levels, in particular for services not subject to choice.	Completed



4.12	Provide information and guidance to help the sector understand how choice and competition can be used to encourage innovative delivery models which seek to improve the services they offer over time.	Completed
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### Actions for 2013/14: Building an effective and credible sector regulator

Ref	Actions	Outcome
5.1	Deliver our recruitment plan to achieve the staffing complement required for our sector regulator role by 1 April 2014.	Partially completed – scope / requirement changes
5.2	Develop a learning and development strategy to build long-term capability and support continuous professional development.	Partially completed – resource constraints
5.3	Create a framework for leadership and management development to build capability and enable our leaders to fulfil our broader role.	Completed
5.4	Develop and implement a programme to align all our staff with our new vision and mission.	Completed
5.5	Review and refine the current employee value proposition to ensure alignment with our mission.	Partially completed – resource constraints
5.6	Develop a long-term employee engagement strategy to maintain and enhance employee commitment, retention and productivity.	Completed
5.7	Review core people management processes to establish a high performance culture and manage business performance effectively.	Completed
5.8	Conduct a post implementation review of our new organisation design and operating model to ensure it is fit for purpose.	Partially completed – resource constraints
5.9	Develop and institutionalise the capability to design new and review existing business processes for our core activities to ensure they are efficient and effective.	Completed
5.10	Relocate Monitor to our new offices in Wellington House, minimising business disruption, and ensuring the facilities and working environment support effective and efficient ways of working.	Completed
5.11	Develop an information and IT strategy to provide the data and systems we need to support our processes and decision making.	Partially completed – external dependencies
5.12	Develop a robust approach to assessing the impact and outcomes of our policies to inform our regulatory approach.	Partially completed – resource constraints
5.13	Policy development to support Monitor's integrated care duty, including the development of guidance and support for the sector and working with national partners on the 'pioneers' programme.	Partially completed - other (project execution)
5.14	Work with national partners to contribute to and influence national policy.	Completed



5.15	Provide thought leadership on health policy in key areas relevant to our functions.	Completed
5.16	Sign memorandums of understanding or partnership agreements with our key national partners (NHS England, CQC, NHS TDA and DH).	Completed
5.17	Deliver a stakeholder engagement and communications programme that increases understanding of Monitor's role and the benefits it delivers for patients.	Completed
5.18	Provide ongoing legal advice to the Board, executive team and all operational teams to identify and manage legal risks.	Completed
5.19	Coordinate and oversee the implementation of the <i>Fair Playing Field Review</i> recommendations.	Completed

### Additional Projects

Ref	Actions	Outcome
	Local Contracts (Economics Team)	Completed
	Patient Engagement (Economics Team)	Completed
	Training & coaching programme to improve use and clarity of language across Monitor's written communications (Strategic Comms Team)	Completed
	Implementation of new approach to handling enquiries and complaints (Strategic Comms Team)	Completed
	Commissioner focus: integrated communications strategy and plan (Strategic Comms Team)	Completed
	Provide advice and support to other functional teams within Monitor on choice and competition issues (CCD Directorate)	Completed
	15/16 Tariff Development Projects (Pricing Team)	Completed
	Research project to develop a methodology for conducting high level sustainability reviews of a provider (Economics Team)	Completed