

To: The Board

For meeting on: 24 September 2014

Agenda item: 5

Report by: Executive Committee

Report on: Executive Report

Summary:

This report summarises key developments at Monitor since the Board meeting held on 30 July 2014.

EXECUTIVE COMMITTEE BUSINESS UPDATE:

1. At its meeting on 2 September 2014 the Executive Committee (ExCo) conducted the following business:
 - a. Considering information about the enquiries and complaints received by Monitor in June and July 2014. Further information about this can be found at later in this report.
 - b. Reviewing provided information about the status of current projects being undertaken by the Knowledge and Information Management (KIM) team.
 - c. Scrutinising the organisation's year to date expenditure position and latest financial projection as at 31 July 2014. A full reforecast is underway and will be complete by the end of September 2014.
 - d. Discussing the proposed annual Internal Audit plan for 2014/15 ahead of its submission to the Audit and Risk Committee meeting on 18 September 2014. Further information about this can be found at agenda item 11 (ref: BM/14/99).

- e. Considering the importance of an employee value proposition (EVP), whether Monitor's current EVP needs refreshing and discussing a possible alternative approach.
2. At its meeting on 9 September 2014 the ExCo conducted the following business:
- a. Scrutinising Monitor's top risks, risk movements, emerging risks and risk mitigations. Further information about this can be found at agenda item 16(i) (ref: BM/14/101(i)(P)).
 - b. Reviewing the status of Monitor's 2014/15 Business Plan actions. Further information about this can be found at agenda item 16(ii) (ref: BM/14/101(ii)(P)).
 - c. Discussing, ahead of its submission to the Audit and Risk Committee, an update on the work carried out to date by the Risk and Performance Team to articulate a potential risk appetite for Monitor. Further information about this can be found at agenda item 11 (ref: BM/14/99).
 - d. Considering an update on key actions and initiatives over the last three months in response to the findings of the employee survey and the plan to benchmark progress:
 - i. **Strategy alignment.** All directorates have initiated more frequent team meetings to cascade strategic objectives and priorities, provide visibility of key projects or portfolios of work and share future plans and developments; the 'Monitor Talks' programme provides clear insights from the front line; and ExCo members have improved their visibility by holding regular open 'surgeries' targeted at all role levels. There has also been a sharper focus on goal-setting and aligning strategic priorities with team and individual objectives. The monthly all-staff briefings continue to provide an important vehicle for the leadership to communicate corporate themes, values and key challenges.
 - ii. **Cross-team working.** Closer internal collaboration is evidenced in a number of ways. A successful buddying programme is in place between colleagues in the Co-operation and Competition, Provider Appraisal and Provider Regulation directorates, as well as the Pricing and Economics teams; Monitor economists and lawyers have also formed their own communities to share professional knowledge and learnings. Improved visibility of directorate projects has created internal secondment opportunities and enabled greater interaction and joint working on key activities such as the well-led framework and Annual Plan Review work. A recent crowd-sourcing initiative demonstrated a huge appetite for more cross-team working and it is planned to implement many employees' ideas over the next few months.

- iii. **Performance management and development.** There has been a much sharper focus on line managers' responsibilities, goal-setting, personal development and activities to build high performing teams. Attendance levels on core learning courses has improved (92% take-up) and more business-critical training courses have been developed, such as networking and analytical thinking and problem-solving. Some directorates have focused on providing greater clarity on how individuals are assigned to particular projects; a comprehensive diversity and inclusion training programme is underway; and executive coaching and leadership team coaching has been introduced in a number of business areas. Performance and personal development remains a priority area of focus for Q3/Q4.
 - e. Discussing a number of proposed changes to the organisation's Standing Financial Instructions (SFIs) ahead of their consideration by the Audit and Risk Committee and the Board. Further information can be found at agenda item 9 (ref: BM/14/97).
 - f. Receiving a brief overview, key learning points and proposed next steps with regard to the Local Health Economy (LHE) diagnostic and High-level sustainability review projects. Further information can be found later in this report.
3. At its meeting on 17 September 2014 the ExCo conducted the following business:
- a. Agreeing the appropriate level of IT security to balance accessibility to systems and data with the security required to protect Monitor, and to approve the policies required to support it.
 - b. Reviewing the outcome of an internal audit review of Monitor's SFIs and the proposed management responses.
 - c. 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.

ECONOMICS UPDATE

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

- 4. The "**NHSFT sustainability**" project has developed a methodology to test the clinical and financial sustainability of a trust at a high level.
- 5. The "**LHE diagnostic**" project has developed a methodology and prototype benchmarking tool for testing a set of supply and demand-side hypotheses on potential sources of LHE risks to provider sustainability.

6. The “**Planning Assumptions**” work is setting the economic assumptions that NHSFTs will use when planning for 2015/16 and beyond – and that Monitor will use in assessing plans. They will be published by the end of the year alongside the annual planning guidance and particular scrutiny can be expected this year given interest in the NHS financial position.

Making sure the NHS payments system promotes quality and efficiency

7. The team has progressed the work on ‘additional actions taken by providers in addition to efficiency improvement’ – formerly known as “**leakage**”.
8. Alongside internal work, the team has commissioned an externally led project engaging with the sector, specifically through Directors of Finance and others at providers and commissioners to better understand these issues.
9. The team’s policy recommendations have fed into this year’s tariff decision-making. More widely, the project will conclude on what (if any) interventions might be needed to address these additional actions.

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

10. The Economics team has now finished its programme of feedback to each of Monitor’s functional teams on the meaning of the “**smaller acutes**” project for their work. This project is now finished and the team is focusing on the follow-up work arising from it.
11. It is currently making final changes to the information gathering phase of work on the “**international acute comparisons**” project. This project has investigated the standards set and delivered for six core acute services in six other countries around the world and has identified some case studies of models of care which we think could provide lessons for the NHS. The team is currently drafting a short report on these models to issue to the sector, but is also feeding its work in to NHS England’s Forward View and is planning to discuss it at a Small Hospitals conference at the Nuffield Trust on 1 October 2014.
12. The team is now scoping out its work to understand the “**financial impact of moving care out of hospital**”, another issue raised by the smaller acutes project. This is likely to include developing a financial model to bring together an understanding of the cost impact of moving care out of hospital on different settings of care.
13. The Economics team continues to lead a range of work on the **challenges for 2015/16**, supporting Policy team’s leadership of this issue.

STRATEGY & POLICY UPDATE

Making sure public providers are well-led

14. The Strategy and Policy team has launched a review of the Risk Assessment Framework for 2015/16 in order to identify ways to optimise Monitor's oversight of NHSFTs.
15. Work continues on the review of the Provider Regulation directorate's interventions, with the project team examining past interventions at case study trusts.
16. The team continues to develop tools to improve strategic planning at NHSFTs. Five NHSFTs have signed up to be test sites.

Making sure essential services are maintained

17. The Strategy and Policy team is continuing its work with external partners on the financial issues in 2015/16, including further work on identifying measures that could help close the gap.
18. 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 later this year.
19. The team continues to work on updating the Trust Special Administration guidance in order to bring it in line with the Care Act. A draft version of the updated guidance was debated by a cross-party parliamentary committee set up by Paul Burstow, MP, on 10 September 2014.

Promoting change through high quality analysis and debate

20. Work is currently being undertaken with NHS England on the development of the NHS Five Year Forward View.
21. The team is working with partners at the NHS Trust Development Authority and NHS England to identify opportunities to roll-out innovative care models with significant upside for the rest of the NHS.

Making sure Monitor is a high performing organisation

22. Policy's risk and performance teams are now in place and are monitoring performance across the organisation.

23. The risk and performance framework has developed high level success measures and will now move on to focus on more detailed metrics/Key Performance Indicators.

STRATEGIC COMMUNICATIONS UPDATE

Making sure public providers are well-led

24. Monitor's investigation into York Teaching Hospital NHS Foundation Trust to tackle Accident and Emergency and cancer diagnosis waiting times was covered by the HSJ, Yorkshire Post and local broadcasters. Julian Sturdy MP was given a briefing ahead of Monitor's announcement which enabled him to deliver some important messages on BBC Radio Yorkshire including this supportive quote:

"The current delays are frankly not good enough as I have made clear to the hospital trust. I have already been in contact with representatives at Monitor and I will be fully supporting their efforts to get to the bottom of why these delays are occurring."

25. Monitor has received positive feedback on the level of service received by MPs from members of its Parliamentary Affairs team.

Making sure the NHS payment system promotes quality and efficiency

26. Following publication of the Tariff Engagement Document (TED), four workshops and three webinars were held, including the first webinar specifically aimed at clinicians, which were attended or watched by 1143 individuals during July, August and September 2014. Individuals from NHSFTs, NHS trusts, independent providers (commercial and third sector) as well as patient representative groups and think tanks took part.

27. Key statistics:

- i) 99% of respondents felt the workshops were worth attending.
- ii) Webinars received a 3.5 plus (out of 5) satisfaction rating and 114 questions were asked by participants.
- iii) Tweets and retweets during the workshops had a reach of 74,112 people.
- iv) 83% of respondents at the acute workshops supported the proposals and 89% at the mental health workshops.

28. Key suggestions from respondents about how Monitor engages with them:

- i) more workshops and engagement on mental health
- ii) more localised events

These findings will be incorporated into planning for future events.

29. The targeted TED stakeholder engagement made sure that the document was well understood and fairly received. For example, the TED's references to service

development and Marginal Rate Rule were explained to key national stakeholders. The Foundation Trust Network's response demonstrated their welcome for Monitor's "evidence-based and consultative approach to determining how NHS services should be paid". Some stakeholder concerns have been received about the accuracy of re-modelled prices, including the National Kidney Federation. The Pricing team has met with concerned groups to reinforce the point that the draft prices are intended to illustrate the change in prices relative to one another, rather than their final levels.

30. A stakeholder engagement plan for policy proposals for fundamental change in the longer term approach to payment for urgent and emergency care led to similarly informed public responses, with the Health Foundation's Anita Charlesworth commenting publicly that the reforms "provide a vehicle to drive up quality, depending on how they are implemented". However, the HSJ reported the College of Emergency Medicine's (CEM's) President's concerns about the proposals. The team has responded to HSJ, and will be talking directly to CEM after it submits its response.

Making sure procurement, choice and competition operate in the best interests of patients

31. Monitor published the results of a joint survey with NHS England into patient choice, which achieved coverage by BBC Radio "You and Yours", HSJ and local press.
32. A survey of patients, commissioners and providers in relation to choice in adult hearing services generated coverage in the trade and third sector publications including HSJ and Commissioning Review. Monitor has had around 1,000 responses to the survey following a mini communications campaign with a focus on corporate and digital communications.

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

33. Monitor announced the project on international comparisons of how acute services are delivered by stressing that patients in England could benefit if the NHS learns from successful models of care that are being used in other countries. The project was covered by the Daily Telegraph, which wrote a supportive piece focusing on the use of technology to drive innovation and efficiency.

Making sure Monitor is a high-performing organisation

34. Corporate Communications recently ran an internal online discussion on cross team working - using an innovative 'crowdsourcing' tool - to hear what works and doesn't work for staff across Monitor and their ideas for improvement. 41% of staff participated and 62 ideas were submitted, 91 comments made and 925 votes cast. The findings and recommendations will be summarised in a paper to the Executive

Committee in the next few weeks.

35. Monitor's accountability to Parliament will be an important focus during the autumn. Monitor's accountability report is due to be submitted to the Health Select Committee in Mid November and a hearing will take place at some point thereafter. In addition, the Committee has broadened the scope of its annual Public Expenditure in the NHS inquiry. The call for evidence includes areas where Monitor has a contribution to make so we will be submitting evidence in due course.
36. Three complaints about Monitor have been received during the last four months:
- i) In June 2014, a complaint that Monitor failed to:
 - a) effectively monitor the NHS providers to which it has issued a provider licence - not upheld, because no specific evidence was provided to substantiate such a broad complaint.
effectively inform the public of the organisation's role in relation to integrated care - not upheld, because the complainant had misunderstood that our role is to enable integrated care rather than promote it. Nonetheless the complaint raised some useful points about how Monitor explains its role in integrated care, which we are following up on.
 - ii) In July 2014, a complaint about Monitor's refusal to intervene in the suspension of a governor at an NHSFT - not upheld because we do not have a role in resolving such disputes and the Code of Governance (which NHSFTs have to have regard to) only refers to the process for removing a governor, not suspension.
 - iii) In August 2014, a complaint about Monitor's alleged failure to properly investigate issues raised by a whistleblower at a foundation trust - partially upheld due to delays in acknowledging the concerns and making enquiries to the trust, and failing to explain at an early stage which matters we did not intend to pursue.

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:

None of this report is exempt under the Freedom of Information Act 2000.