To: The Board

For meeting on: 25 February 2015

Agenda item: 9

Report by: Executive Committee

Report on: Executive Report

Summary:

This report summarises key developments at Monitor since the Board meeting held on 28 January 2015.

EXECUTIVE COMMITTEE BUSINESS UPDATE:

1. At its meeting on 3 February 2015 the Executive Committee (ExCo) conducted the following business:

    a. Considering information about the enquiries and complaints received by Monitor in December 2014.

    b. Reviewing a summary of the organisation's year to date expenditure position as at 31 December 2014.

    c. Discussing the proposed approach to be taken to the drafting of Monitor's 2014/15 annual report and accounts. Further information about this can be found at agenda item 6 (ref: BM/15/18).

    d. Reviewing the findings of an internal audit of information governance within Monitor, which focussed specifically on leadership and governance, training, education and awareness and information risk management. The outcome of this audit review was also considered by the Technology Assurance Committee and Audit and Risk Committee at their meetings on 12 and 19 February 2015. Further information about these meetings can be found at agenda items 11 and 12 (ref: BM/15/23 and BM/15/24) respectively.

e. Considering the progress made on key actions and initiatives with regard to diversity and inclusion over the last seven months and reviewing the planned activity for 2015/16. Monitor's Equality and Diversity Policy has now been updated.

Proposed diversity and inclusion activity for 2015/16 comprises four elements:

i. **E-Learning training** – for all new starters from November 2014. Mandatory refresher training for all employees is not required until 2016/17;

ii. **Ongoing awareness raising** – through team sessions utilising Monitor's 'Equally Yours' interactive board game; celebrating diversity aligned to national events (such as disability awareness day, inter-faith week); establishing networking groups; external speakers and Inside Track (Monitor's people stories);

iii. **Improved data capture of applicants' diversity metrics** – as a public body the organisation is required annually to provide information on its workforce demographics. This includes diversity data on applicants and candidates for selection to posts. Some applicants' demographic data is already captured, but the internal recruitment processes will need to be improved to meet this requirement in full.

iv. **Functional training for regulators** – to develop low-cost, bite size learning to support employees in meeting their diversity and inclusion regulatory remit, in conjunction with the employers' network for equality and inclusion.

2. At its meeting on 10 February 2015 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 17(i) (ref: BM/15/26(i)(P)).

b. Reviewing the findings of an internal audit of Monitor's current risk management arrangements which focussed specifically on the policy and processes, corporate and directorate risk registers and the use of the revised risk management framework. The outcome of this audit review was also considered by the Audit and Risk Committee at its meeting on 19 February 2015. Further information about this meeting can be found at agenda item 12 (ref: BM/15/24).

c. Considering information about the internal audit reviews that have taken place, the actions arising from them and the progress made in completing these actions. These were also considered by the Audit and Risk Committee at its meeting on 19 February 2015.

d. Discussing the Macpherson Review, its recommendations and their implications for the quality assurance of Monitor's analytical models. The ExCo considered whether work done to date was sufficient actions to be taken to ensure that Monitor met the Macpherson recommendations on an ongoing basis. This was also considered by the Audit and Risk Committee at its meeting on 19 February 2015. Further information about this meeting can be found at agenda item 12 (ref: BM/15/24).

e. Discussing the volunteering initiatives currently being organised across Monitor. In August 2014 an informal group of Monitor employees organised and took part in a day of volunteering at Waterloo Millennium Green Park and Living Spaces Children's Centre. Joined by staff from Public Health England and the Department of Health, over 100 volunteers spent time tidying, sanding the bridge and gardening. The day was a great success that allowed Monitor staff to make a real difference in the local community and live some of the Monitor values such as 'working with partners' and working as 'one team'. This group now has several volunteering activities planned for the next six months (collecting clothes and food for people who are less well off; helping the unemployed with work skills such as CV writing and interview skills; another volunteering day in Waterloo Millennium Green Park). The intention is to formally set up a Corporate Social Responsibility group within Monitor in the next few months.

3. At its meeting on 13 February 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 proposed memoranda of understanding between Monitor and the Care Quality Commission (CQC) and Monitor and the General Medical Council. Further information about these proposed agreements can be found at agenda item 5 (ref: BM/15/17).

c. Discussing actions that had already been taken to improve cross-team working and further actions that might be taken in the future. The staff survey in February 2014 identified cross-team working as an issue where staff wanted to see improvement. This was explored further in a staff crowdsourcing exercise last summer. Further actions will focus on improving communication between teams and improving co-operation between teams.

d. Considering the findings of an internal review of the operation of Monitor's internal and external whistleblowing policies. This was also considered by the Audit and Risk Committee at its meeting on 19 February 2015.

e. Reviewing the high level action plan that Monitor is putting in place to ensure that it is able to deliver the key principles and actions arising from the

"Freedom to Speak Up Review", following its publication and the public consultation on it.

ECONOMICS UPDATE

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

4. The team has developing a 'fact pack' on **community services**, drawing primarily on publicly available information on service definition, service providers, spending, financial and quality performance, payment and commissioning, costs and activity, and potential future trends for the sector. The team will be seeking feedback on the contents from community providers as well as internal colleagues. It then plans to share the pack across Monitor teams through a series of team presentations.

5. The Economics team has started work looking at **operational performance,** working with the Monitoring team, Sector Reporting and the Executive Office**.** The team has developed the reporting on NHS foundation trust (NHSFT) operational performance and is now looking at the drivers of performance this year, focusing on Accident and Emergency.

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

6. The team's research on '**international acute comparisons**' was published on 4 December 2014. Alongside the report an online crowd-sourcing exercise was launched with clinicians, managers, commissioners and Monitor's policy partners at the same time to debate the ideas in an NHS context.

7. The project on '**financial impact of moving care out of hospital**' is progressing well. The team discussed its case study interventions and simulation modelling approach at the Strategy Development conferences in January and February 2015 and received strong interest from the sector. It hopes to build more relationships with providers who expressed an interest to test and improve the team's work. The aim is to develop guidance for Monitor and for the sector on the circumstances under which these moves might generate savings for the sector as a whole and which organisations may be most affected.

8. The team has begun to interview providers about challenges and responses to clinical workforce challenges as part of the '**workforce**' project. The focus of these interviews will be to provide evidence of provider responses to clinical workforce challenges (opportunities, barriers and impacts) and to identify potential resources that would support providers in their workforce planning.

STRATEGY & POLICY UPDATE

Making sure public providers are well-led

4. The Policy team worked with the NHS Trust Development Authority (NHS TDA) to deliver two one-day events as part of the ongoing strategy development programme. The first was held in London (28 January 2015) and the second in Leeds (4 February 2015), with around 110 executive directors at each event. Monitor, the NHS TDA and NHS England set out the implications of the Five Year Forward View for providers, and Sir David Dalton and Sir Andrew Cash presented on the Dalton Review of organisational forms. Teams from across Monitor, along with several NHSFTs, hosted working groups in the afternoon of the day focussing on sharing best practice and ideas across topics such as workforce planning, patient level costing and commercial approaches to strategy development. Initial feedback on the events from delegates was positive.

5. The Invitation to Tender has been issued to procure a supplier to work with Monitor to develop a 'toolkit' (practical tools, methods and good practice guidance) to support trusts to identify and diagnose cultural issues and develop effective leadership strategies to address these. Work has started to recruit the five pilot trusts who will be developing and testing the 'toolkit' across the three planned phases of work.

6. The team has started to plan out the scope of the review of the Risk Assessment Framework for Independent Providers which will commence in April 2015 (one year following its implementation).

7. Revisions to Monitor's Well-Led framework to include recent thinking and guidance on strategy development and culture and alignment with CQC's Well-Led domain have been drafted. This is now being tested with the NHSFTs who piloted the original framework, NHS Providers, CQC and the NHS TDA. Re-publication will be in early 2015. A fuller review of the effectiveness of Governance Reviews, their role as developmental and regulatory tools and the impact on the Well-Led framework will be completed in the Summer of 2015.

8. The team is awaiting feedback from DH on its proposed work to improve capital planning and capital management in NHSFTs before going to the market.

9. In January 2015, the team published, for consultation, the guidance to help licensees understand when we may take action under the integrated care licence condition and how to minimise the risk of breaching the licence condition and potentially incurring regulatory action. The consultation was open until 13 February 2015. Monitor intends to publish final guidance by the end of March 2015.

Making sure essential services are maintained

10. The team is providing input to the work the NHS TDA is leading on aligning interventions in the most challenged health economies and NHS England's

drafting of a front-end section of the planning guidance on the Forward View

11. Whole Systems Intervention/Success Regime proposals are being developed with NHS TDA and NHS England – and the team is working through the fundamental questions regarding the purpose and design of the new regime. A number of workshops will be taking place over the coming weeks leading to a clearer view of the regime by end of February 2015.

Promoting change through high quality analysis and debate

12. During January 2015 Monitor led the system-wide work on the design of the governance structures for the Forward View. These were agreed at a meeting of the FV Chief Executive Officers group on 26 January 2015 which David Bennett chaired. It also led the design of the New Care Models programme which was agreed at the same meeting. NHS England's Director of New Care Models, Sam Jones, has taken up post and is now starting to implement the approach.

13. Guidance for 'vanguard' applicants was developed jointly with NHS England and issued on 16 January 2015. Advice and guidance has also been provided internally and externally to local areas interested in submitting an expression of interest. The deadline for expressions of interest was 9 February 2015 and the selection process is being discussed with NHS England and the NHS TDA.

14. Monitor co-presented with NHS England and the NHS TDA on the Forward View and New Care Models to Monitor's conferences on Strategy development

15. The Policy team is also developing proposals for Monitor's role and contribution to the Forward View at business planning workshops and internal discussions with directorates in line with the report to the ExCo.

16. In terms of existing work to support the development of new care models in local areas (New Models of Care Learning Network, Integrated Care Pioneers) funding to support development has been agreed for South Somerset and more general work to support issues such as pricing, linked data and pooled budgets continues. The New Models of Care Learning Set has now been incorporated into the Wave 2 Pioneers programme and the team anticipates that some Pioneers will become vanguard sites as part of the New Care Models programme. Some initial thinking and scoping of work to identify new high value models of elective care has also been started

17. The Integrated Care Pioneers held a One Year on event on 27 January 2015,and published their first annual report alongside a report of the national partners' involvement in supporting the programme, including Monitor.

Making sure Monitor is a high performing organisation

18. Business planning roundtables have been taking place throughout January 2015 to develop Monitor's corporate priorities and critical actions for 2015/16. Following an

ExCo workshop on 5 February 2015, corporate priorities have been communicated and templates for directorate business planning have been shared. There will be a Board workshop on 25 February 2015 and ongoing engagement with the ExCo to ensure that the business plan is ready for Board sign off at the end of March 2015.

19. The Risk and Performance team is continuing to review performance measures across Monitor and will provide proposals to the relevant executive meetings in March 2015. Once agreed these measures will be included in the Business Plan for 2015/16.

20. A project on improving the way Monitor diagnoses problems in trusts will formally commence next week and is due to feed into the Provider Regulation directorate's Organisation Design (PR OD) programme in April 2015. The project is one of three that form part of the Intervention and Capability Programme that was formally launched in December 2014. The other projects include PR ODs and building long-term capability in the sector. The focus of the programme is to coordinate existing activities and to consider potential gaps and opportunities to improve the forward work programme.

STRATEGIC COMMUNICATIONS UPDATE

Making sure providers are well-led

21. The announcement of the Royal National Hospital for Rheumatic Diseases NHS Foundation Trust and Royal United Hospitals Bath NHS Foundation Trust merger led to positive local and regional media coverage using Monitor's key message about securing valuable specialist services for the future.

22. Over 200 NHSFT and NHS trust directors attended two events on 'the director's role in developing effective trust strategy'. Delegate highlights were sessions on strategy development, organisational forms and new care models. They requested more events, in particular webinars, around some of the themes discussed, e.g. simulation modelling, and they would like more support on workforce challenges and opportunities, public/stakeholder engagement and planning across the local health economy. Feedback from delegates included:

- "I attend lots of these events and it isn't often I'm still here now, let alone feeling this energised. Excellent day!"
- "The event provided an excellent environment for the development of individual and group thought capacity on strategic planning. Many ideas and concrete examples were shared and I came away energised and full of ideas for the future development of our strategy."

Making sure essential services are maintained

23. As part of Monitor's regulatory action at Heart of England NHS Foundation Trust, the Stakeholder Engagement team has liaised closely with West Midlands MPs

securing broad understanding about the need for health economy solutions to challenges in the area. This was reflected in public statements following the announcement of an Improvement Director at the Trust.

Making sure the NHS payment system promotes quality and efficiency

24. Following Monitor's [statement] on the analysis of responses to the statutory consultation for the 2015/16 National Tariff, Monitor had the busiest day on its website since it launched on GOV.UK last May. The average of 3,000 website visits a day was overtaken by the 5,683 visits when the statement was published, 2,662 to the statement alone. There were also a significant number of statements and social media comments from representative bodies. This included NHS Providers' reflection that the objection represented a last resort for providers concerned that they cannot guarantee safe and effective care unless they are "properly and fully paid for the patients they treat". The King's Fund Chief Executive Officer, Chris Ham, looking beyond the immediate objection and towards the National Tariff setting mechanism architecture itself, commented "If we can't keep cutting tariff we have to start thinking of better and sustainable ways of making ends meet".

25. The campaign group. Rethink Mental Illness, has challenged Monitor on how mental health data has been used to inform aspects of the proposed 2015/16 National Tariff and this has generated significant public interest in the issue.

26. A programme of costing workshops has been completed with attendance from 158 delegates and 108 individual organisations, including acute, mental health, specialist, community and independent providers, and clinical commissioning groups and commissioning support units. Feedback from delegates was very positive, particularly about being listened to and able to have their say (100% of delegate feedback). There is appetite for future events of this nature and more engagement in general. A dedicated event for ambulance trusts and NHSFTs was held in late January 2015, with all ten providers represented. This event also received very positive feedback.

27. Monitor's webinars continue to receive high levels of engagement after their live broadcast. The 'Costing direction of travel and PLICS 2013/14' [webinar] has received over 300 viewings since its live broadcast in December 2014.

Making sure procurement, choice and competition works in the interest of patients

28. The publication of the [Improving Community Services] report resulted in the following engagement:

- An email was sent to all commissioners to promote the report on the day it was published. So far the publication page has received 2,297 page views and 1,705 unique page views, and is the sixth most viewed piece of content on Monitor's website since it was published

- Monitor's tweets promoting the report and infographic were seen 3,508 times, generating 16 retweets
- The report was shown to LinkedIn members 5,175 times, was clicked on 51 times and received 14 likes.

29. The opening of an investigation into the commissioning of [community services in East Devon](#) achieved good local coverage. This is in line with previous announcements that show local regulation does produce good levels of local coverage. There has also been public and private reaction from local MPs on the decision.

Making sure Monitor is a high-performing organisation

30. A high level of proactive engagement with constituency MPs continues, specifically around Monitor's regulatory announcements and interventions. During January 2015 all 16 local MPs were invited (two attended and two sent representatives) to briefings regarding the on-going investigation at Norfolk and Suffolk NHS Foundation Trust. There is a further briefing scheduled for March 2015.

31. Monitor made a speaking appearance along with CQC at the NHS Providers communications forum to explain the joint communications approach towards the regulatory framework. It was emphasised that the common objectives are to show how Monitor and CQC's actions impact on care quality for patients, to encourage greater transparency in local services and to make sure the reasons for regulatory action are clear. Feedback from trust communications leads was focused on how the 'regulation culture' affects patient confidence in services.

32. Monitor has been working with Healthwatch England to expand its engagement with the local Healthwatch network. It has now attended three regional Healthwatch network meetings in London, Newcastle and York to explain Monitor's role in local regulation. Feedback has been positive and more invitations are being received. The local Healthwatch network wants clearer signposting to Monitor's regional teams and a better understanding of how it can be involved with the organisation's regulatory process.

33. Monitor is working with the Local Government Association to widen the Health and Wellbeing Boards' (HWBs') understanding of Monitor's role in local regulation. HWBs contacts have indicated they are most keen to learn about the organisation's role in enabling integration. Monitor has found in contact with the HWBs that their had existing stronger knowledge of Monitor's roles and regulatory functions is greater than anticipated.

34. Monitor will continue to engage with HWBs as they represent an excellent cross–section of operational stakeholders and they provide a valuable means of engaging across local health economies.

Complaints about Monitor

35. The Parliamentary and Health Service Ombudsman has notified Monitor that it will be investigating a complaint about the organisation.

PATIENT AND CLINICAL ENGAGEMENT UPDATE

36. The directorate continues to support a number of internal projects including clinical sustainability reviews, the clinical workforce challenges project and elements of the new care models programme. A programme of external engagement activities also continues to be progressed. Engaged organisations include national bodies including NHS England, the NHS TDA, Health Education England, Royal College of Physicians, Independent Reconfiguration Panel and the Medicines and Healthcare Products Regulatory Agency.

37. Recruitment is ongoing to a number of new posts in the team to help bring specialist clinical knowledge and expertise into the organisation. Successful candidates are expected to be in post from Summer 2015 onwards. Work is being progressed on a new multi-disciplinary advisory forum and mechanisms to allow Monitor to work more close with professional bodies such as the Medical Royal Colleges.

38. The directorate will be working with the Strategic Communications directorate over the coming weeks to scope and develop Monitor's approach to patient engagement prior to wider discussion across the organisation. This is likely to include a staff consultation exercise and external assessment.

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.