

To: The Board

For meeting on: 30 September 2015

Agenda item: 4

Report by: Miranda Carter, Executive Director of Provider Appraisal

Report on: Provider Appraisal Update

A. Introduction:

1. The Provider Appraisal directorate currently has three active assessments, and two decisions to be taken this month (Oxford University Hospitals NHS Trust and Royal Liverpool and Broadgreen University Hospitals NHS Trust). There are two ongoing transaction reviews.
2. There are no policy determining or strategic issues to report within this paper.

B. Update on assessments

3. A list of the NHS trusts currently with Monitor for assessment is provided in Annex 1. Any changes from the last report are highlighted in red.

Active assessments (exception reporting)

4. The Royal Liverpool and Broadgreen University Hospitals' application for NHS foundation trust status was deferred for a period of 12 months. The Oxford application is to be considered by the Board on 30 September 2015.
5. The assessment of Lincolnshire Community Healthcare NHS Trust commenced on 1 September 2015.
6. The assessments of Wirral Community NHS Trust and Norfolk Community Health and Care NHS Trust are ongoing, with the teams currently undertaking initial meetings with the trusts.

Assessment Pipeline

7. An overview of the assessment pipeline is provided in Annex 2.

C. Update on transactions

8. The proposed merger between Ashford and St Peter's Hospital NHS Foundation Trust and Royal Surrey County Hospital NHS Foundation Trust has been given provisional clearance by the Competition and Markets Authority, with the final report expected in October 2015.

Miranda Carter
Executive Director of Provider Appraisal

Making a difference for patients:

Monitor's mission is to make the health sector work better for patients. This report provides an update on the Provider Appraisal team. The key focus of this team is to assess if providers are well led and can therefore deliver sustainable high quality services to patients.

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 drafting this report consideration has been given to the impact that the issues dealt with might have on these requirements and on the nine protected groups identified by this Act. It is anticipated that the issues dealt with in this paper are not likely to have any particular impact upon the requirements of or the protected groups identified by the Act.

This report considers the activity of the Provider Appraisal team, whose key focus is to authorise NHS Trusts as Foundation Trusts. The assessment process considers how representative of the population that it serves the membership of an applicant NHS FT actually is, and therefore has had regard to the duties required by the Equality Act. It is not considered that there are any decisions within this paper which would impact on protected groups Identified by the Act.

Exempt information:

Some of the information in this report is exempt from publication under the Freedom of Information Act 2000.

The information is exempt as it falls under section 36 of the Freedom of Information Act 2000. Disclosure of that information would, or would be likely to, inhibit the free and frank provision of advice, or exchange of views for the purposes of deliberation. In applying these exemptions, we have considered the public interest test; disclosure of this information will not enhance the accountability or transparency of Monitor as its disclosure would inhibit the free frank disclosure of information.

Annex 1: Current status of NHS trusts with Monitor for assessment

Active assessments				
Trust name	Status detail	Start	Target Board to Board	Decision
Royal Liverpool & Broadgreen University Hospitals	Reactivated	Mar 2015	10 June 2015	September 2015
Oxford University Hospitals	Assessment	May 2015	15 July 2015	September 2015
Wirral Community	Referral	August 2015	13 November 2015	December 2015
Norfolk Community Health and Care	Reactivated	August 2015	December 2015	TBC
Lincolnshire Community Health Services	Referral	September 2015	December 2015	TBC
<i>Paused in short-term</i>				
Surrey and Sussex Healthcare NHST	Assessment (postponed)	2016		
South West London and St George's Mental Health	Referral	Delayed due to CQC findings		

Non-active assessments							
Trust name	Assessment Director	Status	Deferral end date*	Primary financial reason	Primary governance reason	Comment	Indicative CQC inspection date
Devon Partnership	David Hoppe	Paused	n/a		CQC	Assessment was paused in July 2013. CQC inspection Feb-14 resulted in warning notice. CQC positive about Trust response. The Trust is to be re-inspected Summer 2015, and hope to reactivate their assessment in November/December 2015.	July 2015
Solent	David Hoppe	Paused	n/a	n/a -phase 1 review	CQC & some phase 1 issues	Phase 1 completed in November 2013. Some issues noted on QG, and some financial issues to be followed up in Phase 2. CQC inspection completed. CQC has written to Monitor indicating the assessment process can progress. Trust has been experiencing financial performance issues which the TDA is still investigating. TDA remain concerned; no decision yet on future of application. Awaiting TDA update.	17 Mar 14
North West Ambulance	David Hoppe	Deferred	29 July 2014 (extended while awaiting CQC)		Quality Governance	Deferred July 2013 due to Quality Governance and Board capability issues. An external governance review completed in November 2013 and a number of NED changes have been made. The Trust was a pilot for CQC inspection in August 2014. CQC outcome was satisfactory; although formal confirmation has yet to be received. Some delay anticipated to reactivation given current target performance and TDA concerns, but possible reactivation in January 2016 following upcoming meeting with TDA/Monitor and the Trust.	Aug 2014
Birmingham Community	Martin Smith	Deferred	25 March 2016		Quality Governance (NEDs)	Deferred in March 2015 due to Quality Governance (4.0), Issues largely centred on the level of challenge and assurance provided by the non-executive directors.	July 2014
Dudley and Walsall NHST	Martin Smith	Deferred	24 June 2016	Limited operational and strategic planning	Quality governance	Trust deferred in June 2015 for up to 12 months. In the deferral period, the Trust is required to do further work to demonstrate that it can meet both the financial and quality governance requirements for authorisation.	TBC

Withdrawn trusts in last 12 months					
Trust name	Status	Primary financial reason	Primary governance reason	Comment	Withdrawal Date
Royal Wolverhampton	Withdrawn		Not applicable	Risk summit Nov12 raised some staffing issues. In 2014 chair resigned unexpectedly and some services transferred from mid-Staffordshire. Trust asked TDA withdrew support	Mar 2015
Royal Cornwall	Withdrawn		QG issues, CQC concerns, NED turnover	QG issues raised at B2B, Several NED resignations. CQC inspection rated trust 'requires improvement' overall	Mar 2015
Coventry and Warwickshire	Withdrawn		Address the requirements of Well Led Framework	Trust was originally deferred in November 2012, and subsequent CQC inspection confirmed CQC not content for application to progress therefore further delayed. New Chair appointed, and CEO of Wirral Community has been appointed as CEO in early 2015.	July 2015

Annex 2: Pipeline information

(i) Monitor pipeline

	At 1 August 2015	Pipeline progress			At 9 September 2015
Total Foundation Trusts (FTs)	152				152
Monitor pipeline					
Active Assessments - decisions due this month	1	1			2
Active Assessments - in progress	3	(1)	1		3
Assessments paused in the short-term	1			1	2
Referrals waiting to start	2		(1)	(1)	0
Assessments paused post phase 1	2				2
Deferrals	3				3
Withdrawal	-				-
Total Monitor pipeline	12				12
NHS TDA pipeline	77				77
TOTAL NUMBER OF TRUSTS	241				241

(ii) Pipeline analysis

	Acute	Mental Health	Community	Ambulance	Total
Foundation Trusts	101	43	3	5	152
Monitor pipeline	3	3	5	1	12
With TDA	52	10	11	4	77
Total trusts	156	56	19	10	241

(iii) QG reviews in TDA phase

Ongoing	Timing
-	
Completed	
South West London and St George's Mental Health	Jan – Mar 2015
Worcestershire Health and Care NHS Trust	Oct - Dec 2014
Oxford University Hospitals NHS Trust	Aug - Oct 2014
Wirral Community NHS Trust	July - Sept 2014
Liverpool Community Health (PILOT)	Jan - June 2014
Bradford District Care (PILOT)	Jan - April 2014