

To: The Board

For meeting on: 24 June 2015

Agenda item: 4

Report by: Miranda Carter, Executive Director of Provider Appraisal

Report on: Provider Appraisal Update

Introduction:

1. The Provider Appraisal directorate currently has four active assessments, including one decision to be made this month. One assessment (Oxford University Hospitals NHS Trust) has been re-activated following a pause since the last report. In addition there are four ongoing transaction reviews.
2. The Board is asked to note the following key policy determining point:
 - An amendment to how Monitor defines marginal authorisation decisions which are to be referred to the Board (paragraphs 3-4) has been agreed. This involves removing prescriptive criteria and replacing this with a case by case discussion on the amount of headroom in the case and feedback from the Non Executive Director who attended the assessment Board to Board meeting.

A. Developments

Marginal decisions

3. Following discussion at the Provider Appraisal Executive (PAE) meeting in March 2015, the team has adopted the changes to the marginal criteria which result in an authorisation decision or transaction risk rating being recommended to the Board.
4. The key change was to remove the prescriptive criteria for the definition for sufficient headroom in the financial viability tests and governance tests (eg a quality governance score of 3.5 does not automatically require referral to the Board). The PAE agreed that a discussion should be held around the headroom in the financial viability and governance tests in order to consider the marginality of a positive authorisation decision and this, in conjunction with feedback from

the Non-Executive Director at the Board to Board meeting, will inform whether the case is sufficiently marginal to be referred to the Board.

B. Update on assessments

5. A full list of the twelve NHS trusts currently with Monitor for assessment is provided in Annex 3.

Authorised trusts

6. The assessment of Bradford District Care NHS Trust has concluded since the last report, with the authorisation decision taken at the Board meeting on 29 April 2015. The Board approved the authorisation effective 1 May 2015, with a side letter requiring the Trust to undertake an effectiveness review of the recent changes to the Quality and Safety Committee.
7. In addition, the Provider Appraisal team met with the Chief Executive and Chair of the Trust to ensure they fully understood the requirements of the side letter and key areas of marginality in the decision.

Active assessments (exception reporting)

8. The Royal Liverpool and Broadgreen NHS Trust Board to Board takes place on 10 June 2015.

Referrals

9. No new referrals have been received since the last report.

Assessment Pipeline

10. An overview of the assessment pipeline is provided in Annex 4.

C. Update on transactions

Proposed acquisition of West Middlesex University Hospital NHS Trust (WMUH) by Chelsea and Westminster Hospital NHS Foundation Trust

11. The directorate's risk rating review work is currently being finalised, with a Board to Board on 25 June 2015.

South Devon Healthcare NHS Foundation Trust (SDH) full business case review

12. The majority of the Provider Appraisal directorate's Stage 3 review of SDH's acquisition of Torbay and Southern Devon Health and Care NHS Trust has been completed, and a Board to Board meeting took place on 29 May 2015.

Cambridgeshire integrated and older persons care joint venture

13. As part of the formal investigation and continuation of the transaction review, an executive challenge took place on 4 June 2015.

Taunton and Somerset NHS Foundation Trust acquisition of Weston Area Health Trust

14. The Stage 2 review of the acquisition of Weston Area Health has begun, with an Executive to Executive challenge session expected in the middle of July 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 3: Current status of NHS trusts with Monitor for assessment

Active assessments					
Trust name	Status detail	Start	Exec meeting	Target Board to Board	Decision
Dudley and Walsall Mental Health Partnership	Reactivated (deferral)	Feb 2015		28 April	June 15
Royal Liverpool & Broadgreen University Hospitals	Reactivated (paused)	Mar 2015		10 June	July 15
Surrey and Sussex Healthcare	Referral	Mar 2015		1 June	July 15
Oxford University Hospitals	Referral	May 2015		15 July	August 15
Paused in short-term					
Norfolk Community Health and Care	Reactivated (paused)	July 2015			
Referred, awaiting start					
Wirral Community	Referral	TBC 2015			
South West London and St George's Mental Health	Referral	TBC 2015			

Annex 4: Pipeline information

(i) Monitor pipeline

	At 8 April 2015	Pipeline progress			At 8 June 2015
Total Foundation Trusts (FTs)	151	1	-	-	152
Monitor pipeline					
Active Assessments - decisions due this month	1	(1)			0
Active Assessments - in progress	4		(1)	1	4
Assessments paused in the short-term	1		1	(1)	1
Referrals waiting to start	2				2
Assessments paused post phase 1	2				2
Deferrals	3				3
Total Monitor pipeline	13	(1)	-	-	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	4	4	1	12
With TDA	52	9	12	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