

**DRAFT MINUTES OF A MEETING OF THE MONITOR BOARD HELD ON
THURSDAY 17 DECEMBER 2015 AT 10.00 AT WELLINGTON HOUSE, 133-155
WATERLOO ROAD, LONDON SE1 8UG – SUBJECT TO APPROVAL AT THE
MEETING OF THE BOARD ON 17 DECEMBER 2015**

Present:

Ed Smith, Chairman
Stephen Hay, Managing Director of Provider Regulation (until 11am)
Heather Lawrence, Non Executive Director
Jim Mackey, Chief Executive
Adrian Masters, Managing Director of Sector Development
Iain Osborne, Non Executive Director
Keith Palmer, Deputy Chairman, Non Executive Director
Sigurd Reinton, Non Executive Director

In attendance:

Helen Buckingham, Chief of Staff
Miranda Carter, Executive Director of Provider Appraisal
Jessica Dahlstrom, Head of Governance
Catherine Davies, Executive Director of Co-operation and Competition
Jason Dorsett, Finance, Reporting and Risk Director
Toby Lambert, Director of Pricing
Hugo Mascie-Taylor, Medical Director, Executive Director of Patient and Clinical
Engagement (until 11.30am)
Jeremy Mooney, Executive Director of Strategic Communications
Kate Moore, Executive Director of Legal Services
Peter Sinden, Chief Information Officer
Chris Walters, Chief Economist

Executive officers and NHS Trust Development Authority (TDA) colleagues attended the meeting as detailed under specific agenda items below.

1. Welcome and apologies (oral item)

Apologies for absence had been received from Baroness Joan Hanham (Non Executive Director), Lord Patrick Carter (Non Executive Director), Lord Ara Darzi (Non Executive Director), Dr Timothy Heymann, (Non Executive Director), Fiona Knight, (Executive Director of Organisational Transformation), and Adam Sewell-Jones (Executive Director of Provider Sustainability).

2. Declarations of interest (oral item)

2.1 No interests were declared.

3. Minutes and matters arising from the meeting held on Wednesday 25 November 2015 (BM/15/115)

3.1 The minutes of the Board meeting held on 25 November 2015 were approved and the matters arising noted. The action log was amended to reflect the fact that action BM/15/69(P) regarding the Annual Planning Review was no longer required.

3.2 The Chairman informed the Board that Lord Carter had been appointed as a Non Executive Director.

4. Chief Executive's update (oral item)

4.1 The Chief Executive provided an update on the outcome of the Spending Review. The Board noted that the outcome was positive for the NHS, and that negotiations were currently ongoing regarding the implications for the national tariff.

4.2 The Chief Executive provided an update on winter preparation, which was an immediate priority for Monitor. It was noted that good progress had been made, but that the weeks ahead would be challenging for the NHS.

5. Chairman's report (oral item)

5.1 On behalf of the Board, the Chair thanked NHS frontline staff for their dedication and hard work this year.

6. Executive report (BM/15/118)

6.1 The Board noted the report which summarised key developments at Monitor since the Board meeting held on 25 November 2015.

6.2 Lord Carter's review of efficiency in the NHS was discussed. The Board noted that the responsibility for implementing the findings of this review would transfer to NHS Improvement. Discussions with NHS trusts and NHS foundation trusts regarding potential savings would commence in January 2016.

6.3 The National Improvement and Leadership Development strategy was discussed. The importance of ensuring this strategy was aligned with the quality strategy was emphasised.

7. Report of the Technology Assurance Committee meeting on 10/12/15 (BM/15/19)

- 7.1 The Chair of the Technology Assurance Committee introduced the report. The importance of investing in hardware for hot desking, to enable the integration with the NHS Trust Development Authority (TDA) was emphasised.
- 7.2 The Board discussed the role of technology in enabling change and improved efficiency in the sector. The importance of technology supporting business needs was emphasised. It was noted that NHS Improvement could support providers in this area, for example by disseminating best practice across the sector.

8. Questions and comments from the public (oral item)

- 8.1 A member of the public requested more information on the timeline for finalising the national tariff. It was noted that the planning guidance would be published before Christmas 2015, and that the statutory consultation on the national tariff was currently planned for February 2016. More information on the outcome of Lord Carter's review would be made available to providers in January 2016.

9. Private session - resolution (oral item)

- 9.1 The Chair moved a resolution in order to move into private session to consider private items of business.

RESOLVED:

- 9.2 The Board resolved that representatives of the press and other members of the public should be excluded from the meeting, having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest.

10. Approval of Memorandum of Understanding between Monitor and the Competition and Markets Authority (BM/15/121(P))

- 10.1 Alexandra Olive (Senior Legal Adviser) and John Pigott (Competition Inquiries Director) joined the meeting for this item.
- 10.2 Board members noted the report which summarised the purpose of the Memorandum of Understanding (MOU) between Monitor and the Competition and Markets Authority (CMA), and outlined its content.
- 10.3 The Board noted that the MOU would need to be revisited in the context of NHS Improvement.

RESOLVED:

10.4 The Board delegated authority to the Chief Executive to make decisions in relation to the MOU and its publication.

11. North East London Treatment Centre (BM/15/122(P))

11.1 Alexandra Olive (Senior Legal Adviser) and John Piggott (Competition Inquiries Director) attended the meeting for this item.

11.2 The Executive Director of Cooperation and Competition introduced the report, which provided an overview of the investigation into the award of a contract by Barking and Dagenham Clinical Commissioning Group (CCG), Havering CCG, Redbridge CCG and Waltham Forest CCG to Barking, Havering, and Redbridge University Hospitals NHS Trust, and set out a recommended approach.

RESOLVED:

11.3 The Board resolved to accept the recommendations in the paper.

12. St George's lessons learned review (BM/15/123(P))

12.1 The Executive Director of Legal Services introduced the report. The Lessons Learned review was conducted by Monitor's internal auditors, PwC's Health Group Internal Audit, following NHS foundation trust status being granted to St George's Healthcare NHS Trust (the Trust) on 1 February 2015. Following authorisation, there was a sudden deterioration in the financial position of the Trust.

12.2 The Board considered the findings of the Lessons Learned review. The implications for Monitor's regulatory approach were discussed, and the importance of an increased focus on financial governance was emphasised.

12.3 The Board discussed the fact that a forensic review had been conducted for the Trust alongside this Lessons Learned review for Monitor. The benefits of publishing both documents together were noted.

RESOLVED:

12.4 The Board resolved to publish the Lessons Learned review as soon as the forensic review was also finalised for publication.

13. Chief Executive's update (oral item)

13.1 The Chief Executive updated the Board on progress made on the planning guidance for 2016/17.

13.2 The Chief Executive provided an overview of NHS trusts and NHS foundation trusts and their financial, clinical and operational performance. The implications for NHS Improvement's work programme were considered.

13.3 The Medical Director provided an update on agency price caps. It was noted that mechanisms were in place to measure the financial, clinical and operational impacts of the agency price caps which had been introduced on 23 November 2015.

14. Chairman's report (oral item)

14.1 The Chairman provided an update on relationships with key partners. The importance of collaboration with NHS England and the CQC was emphasised.

15. National Tariff 2016/17 update (BM/15/124(P))

15.1 The Director of Pricing introduced the report, which provided an overview of decisions outstanding on the efficiency deflator, the inflation assumption, the cost base, the currency design, the uplift for clinical negligence contributions and the approach to specialised services. The Director of Pricing highlighted the dependency of the decisions, in particular the cost base, on the operation of the proposed Sustainability and Transformation Fund. The Board discussed the implications of the overall efficiency requirement for providers.

RESOLVED:

15.2 The Board resolved to approve the recommendations set out in the paper.

16. NHS Improvement draft vision and purpose (BM/15/126(P))

16.1 The following colleagues from the TDA joined the meeting for this item: Sir Peter Carr (Chair, TDA, on the telephone), Sarah Harkness (Non Executive Director, TDA), Caroline Thomson (Non Executive Director, TDA), Crispin Simon (Non Executive Director, TDA) Bob Alexander (TDA) and Ralph Coulbeck (Director of Strategy, TDA)

16.2 The TDA Director of Strategy introduced the presentation, which provided an overview of the draft vision, purpose and operating model for NHS Improvement. The Board welcomed the report, and the progress that had been made on the transition to NHS Improvement.

16.3 The Board suggested a number of amendments to the draft vision, purpose and operating model, to reflect the environment in which NHS Improvement would be operating. The importance of finding a balance between support and regulation was emphasised.

16.4 The Board agreed to hold a workshop in January 2016 to discuss the vision, purpose and operating model in more detail.

ACTION: HB/RC

17. NHS Improvement Structure (BM/15/127(P))

17.1 The Chief Executive, the Chair and Non Executive Directors from Monitor and the TDA discussed the proposed NHS Improvement Structure.

18. Any other business

18.1 There was no other business.

Close

DRAFT