

To: The Board

For meeting on: 25 March 2015

Agenda item: 6

Report by: Executive Committee

Report on: Executive Report

Summary:

This report summarises key developments at Monitor since the Board meeting held on 25 February 2015.

EXECUTIVE COMMITTEE BUSINESS UPDATE:

1. At its meeting on 10 March 2015 the Executive Committee (ExCo) conducted the following business:
 - a. Considering information about the enquiries and complaints received by Monitor in January 2015.
 - b. Reviewing a summary of the organisation's year to date expenditure position as at 31 January 2015.
 - c. Discussing the proposed timetable for finalising Monitor's 2015/16 business plan. Further information about this can be found at agenda item 16 (ref: BM/15/41(P)).
 - d. Considering the Organisational Transformation directorate's summary Business Priority highlights for Q3 2014/15, in particular challenges with regard to office space and recruitment.
 - e. Discussing draft guidance that had been produced to provide a framework for Monitor employees and their line managers in relation to the processes and procedures to be followed for internal moves.

- f. Considering the draft Pay Principles framework and the constraints and sensitivities surrounding the work programme.
2. At its meeting on 17 March 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. Considering information about the progress of the 2014/15 Business Plan actions as at mid-March 2015. Further information about this can be found at agenda item 15 (ref: BM/15/40(P)).
 - c. Discussing Monitor's draft 2015/16 Business Plan. Further information about this can be found at agenda item 16 (ref: BM/15/41(P)).
 - d. Considering the budget allocation for 2015/16 proposals ahead of their submission to the Board. Further information about this can be found at agenda item 17 (ref: BM/15/42(P)).

ECONOMICS UPDATE

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

3. The team has further refined the Community Services 'fact pack' and is sharing with key contacts in the sector. The pack sets out service definition, service providers, spending, financial and quality performance, payment and commissioning, costs and activity and potential future trends for the sector. Once finalised, the team aims to share the pack across Monitor through a series of team presentations.

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

4. The team's research on 'international acute comparisons' is now concluded with the summary of insights from the crowdsourcing published 11 March 2015.
5. The team has progressed according to plan on the project to understand the 'financial impact of moving care out of hospital'. Deloitte will be completing the project to understand the costs of a small number of case study interventions by the end of March 2015. The team has a first draft simulation model which we will be testing with providers who have expressed interest in this work through March and April 2015. We are working with policy to bring this together with their work on integrated care case studies for the sector. There is strong appetite from the sector for this work. Next steps will be decided in April 2015 depending on the results of the initial phase of work.

6. The team has tested emerging findings from the 'workforce' project with external partners, the Economics Advisory Group and the Managing Director of Provider Regulation. It anticipates concluding the substantive work in March / April 2015 and then pulling together the outputs for Monitor and the sector in June 2015.

STRATEGY & POLICY UPDATE

Making sure public providers are well-led

7. The Strategy and Policy team tested the efficacy of the strategy practice toolkit to Boards via delivery to Milton Keynes NHS Foundation Trust (12 February 2015) and Burton Hospitals NHS Foundation Trust (18 February 2015). Both presentations were very well received.
8. The team's consultation on updates to the Risk Assessment Framework (RAF) closed in mid-February 2015. Most of the proposals were supported by the majority of respondents although following new information the team has revised some of its proposals and will be communicating this in a short response document to be published alongside the updated RAF document.
9. The team is providing project support to the development of the recommendations for the Ed Smith review into NHS Improving Quality, NHS Leadership Academy and local improvement networks including Academic Health Science Networks, strategic clinical networks and clinical senates. The review's report is due at the end of March 2015. A guide for governors on member and public engagement is due to be published jointly alongside Govern Well in mid-March 2015.
10. Following a decision by the Department of Health (DH) not to allow Monitor to proceed with the toolkit on cultural development, the development team is considering other options to support the sector
11. Revisions to Monitor's 'Well-Led' framework will be published in April 2015.
12. The team has started to plan out the scope of the review of the RAF for Independent Providers which will commence in April/May 2015 (approximately one year following its introduction).
13. Feedback is still awaited from the DH on the proposed work to improve capital planning and management in NHS foundation trusts (NHSFTs) before going to the market. The team is also exploring the option of utilising the NHS Project Appraisal Unit, a team of capital management experts based in NHS England.
14. The team intends to publish guidance on the integrated care licence condition by the end of March 2015.
15. A Networking and Knowledge Sharing Day for experienced Chairs and Chief Executives was held on 24 February 2015 to update attendees on Monitor policy

and project updates, and to hear from them about their local challenges.

16. Monitor partnered with NHS Providers to deliver a two-day (on 19 and 20 February 2015) Non Executive Director (NED) induction day for 33 new in-post NEDs.
17. The Strategy and Policy team led on Monitor's response to the recent round of Jimmy Savile investigation reports and the overall 'lessons learnt' document prepared by Kate Lampard QC. At the Secretary of State's request, a letter has been sent to NHSFTs asking them to review their systems of governance and safeguarding in light of these findings and report back on any actions arising.

Making sure essential services are maintained

18. The Joint Review on Agency Spend (Monitor/Cabinet Office) has been finalised and the findings presented to the Provider Regulation Executive. Monitor's actions include delivering training and support to the sector in collaboration with the NHS Trust Development Authority (NHS TDA) and setting up a Workforce and Agency Intensive Support Team with the Provider Sustainability directorate.
19. The Trust Special Administration guidance was published on 12 February 2015.
20. Monitor is working with the NHS TDA and NHS England to develop proposals for the Whole Systems Intervention/Success Regime. Specifically, it is leading on the design of the package of support, resourcing options and likely costings. This will be discussed at the sextet Chief Executive Officer's meeting on 16 March 2015, along with proposals for programme management and governance arrangements.

Promoting change through high quality analysis and debate

21. 29 Vanguard sites were announced on 10 March 2015, further work is being undertaken on smaller hospital sites.
22. Monitor co-presented with NHS England and the NHS TDA on the Forward View and the Dalton Review at NHS Confederation events in Birmingham and London chaired by Suzie Bailey, Development Director.
23. Existing work to support the development of new models of care in local areas continues (New Models of Care Learning Network, Integrated Care Pioneers) and a conference on international care models is planned for April.
24. Rachel Burnham, Development Adviser, and Charlotte Goldman, Senior Policy Adviser, held a webinar to kick-start the potential for the Strategy Development Toolkit to be used on a local health and care economy wide basis.
25. NHS provider landscape for elective surgery project has begun. The project aims to identify what the high value care models look like; to generate insights into the future delivery models/configuration and finally what the subsequent implications would be of the new models on existing providers.

Making sure Monitor is a high performing organisation

26. We have begun work to support provider regulation in ensuring that we diagnose all of an FT's problems first time. The project is due to present its initial findings in April 2015.
27. The revised Memorandum of Understanding (MoU) between Monitor and the Care Quality Commission was published on 27 February 2015. The MoU between Monitor and the General Medical Council will be published in March 2015.

STRATEGIC COMMUNICATIONS UPDATE

Making sure providers are well led

28. Satisfaction levels were high among the 169 delegates at Strategy Director, Chief Executive Officer and Finance Director levels who attended the two recent Monitor and NHS TDA strategy development workshops in London and Leeds. Attendees requested specific support on a range of issues including overcoming inherent barriers such as culture, workforce and leadership issues within trusts and more details on how to develop and implement new models of care. There was significant interest and demand for webinars on simulation modelling. The Strategic Communications directorate will work with the Development team to provide support on the themes identified.
29. NHS Providers has said in its election manifesto that "NHS providers must be responsible for their own improvement" with an emphasis on longer term sustainability and co-ordinated action. Separately, the Health Foundation called for a programme to boost basic management skills in the NHS and said that national bodies were too skewed towards 'prodding' organisations to do better rather than supporting staff to improve. Monitor needs to be especially aware of these views with the creation of its Provider Sustainability directorate.

Making sure essential services are maintained

30. Following the release of some details relating to Trust Special Administration costs at Mid Staffordshire NHS Foundation Trust under the Freedom of Information Act, and the subsequent decision by the local MP, Jeremy Lefroy, to table a Parliamentary Question on the subject, Monitor issued a statement setting out the costs in full. As planned, a comprehensive report on 'lessons learned' will be published in due course. There was some negative reaction to the level of costs by local commentators and media, but little national coverage.
31. Monitor was involved in drafting the joint system response, published by the DH, to the Kirkup Review into maternity and neonatal deaths at University Hospitals of Morecambe Bay NHS Foundation Trust. The main review had no criticisms specific

to Monitor, although it was criticised alongside the Care Quality Commission for the broader failure of regulation.

32. On 6 March 2015, Monitor announced it was opening financial investigations at four NHSFTs in the North of England. Local and regional print and broadcast media covered the story.

Making sure the NHS payment system promotes quality and efficiency

33. Monitor briefed selected stakeholders ahead of Monitor and NHS England's [announcement](#) that 210 out of 241 NHS trusts and NHSFTs would move to the new [voluntary tariff](#) option for 2015/16.
34. NHS Providers and the NHS Confederation have focused on the case for structural reform of the pricing mechanism. This reflects the views of their members, including the large teaching hospitals of the Shelford Group, which had rejected the voluntary option.
35. Chris Hopson, Chief Executive of NHS Providers, said: "This is a temporary solution to an increasingly difficult problem that genuinely threatens the structural integrity of the NHS. It's crucial that we use the opportunity of a new government to work together to find a long-term sustainable solution to this problem". Rob Webster, Chief Executive of the NHS Confederation, said: "We will need to take time to review the process for agreeing the 2015/16 National Tariff and see what lessons should be learned for agreeing prices next time."

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

36. The Competition and Markets Authority (CMA) is to subject the planned merger of Ashford and St Peter's NHS Foundation Trust and the Royal Surrey County Hospital NHS Foundation Trust to a second phase review. This generated local and Health Service Journal (HSJ) coverage. Monitor plans to publish its advice on patient benefits when the CMA announces its final decision.
37. Monitor published its report on patient choice in adult hearing services. The British Society of Audiology Association welcomed the findings and commissioners have been positive. Although the story did not run in the HSJ, 'Pulse' magazine covered it, as did Healthwatch and the King's Fund online.
38. In the election run-up, the King's Fund reflected on health policy over the last five years. The think-tank said "history won't be kind" to the coalition government, as the Health and Social Care Act 2012 (the 2012 Act) failed to create clear system management at a time when it was needed most. It added that privatisation claims about the extent of privatisation had been exaggerated. Subsequently, NHS Clinical Commissioners (NHSCC) argued for competition "in the NHS in the best interest of patients" and NHSCC spokespeople defended the principles behind the 2012 Act in the media.

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

39. A leaked draft MoU between NHS England and the Greater Manchester Authority revealed plans to devolve powers and funding to local decision-makers. There was very extensive national and regional media coverage. Some commentators inferred from the draft that the local health and social care board would lead regulation of providers. Monitor countered that its role in the region would be unaffected. The final text of the MoU confirmed this. Only the HSJ reported this update, although a Guardian leader column raised questions about the impact “Devo Manc” would have on regulators.
40. Monitor held two meetings with the NHS Confederation on how it can contribute to a system-wide narrative on patient voice and engagement. The hope is that the organisation’s interest can be used to share patient engagement resources and spread understanding across the system leadership.

Making sure Monitor is a high-performing organisation

41. Sir Robert Francis’ review ‘Freedom to Speak Up’ resulted in 20 principles and associated actions. These have been accepted in principle by the DH and its arm’s length bodies (including Monitor), and are now subject to consultation by the DH. Monitor’s Head of Enquiries, Complaints and Whistleblowing will oversee the organisation’s plan to implement the relevant principles and actions. This is expected to be reported to the Board in July 2015 following the outcome of the DH’s consultation.

Complaints about Monitor

42. A complaint has been received that Monitor failed to follow it’s own internal process in looking into concerns raised about a clinical commissioning group’s tendering process and unreasonably delayed reaching a conclusion. The investigation is underway.

PATIENT AND CLINICAL ENGAGEMENT UPDATE

43. Monitor has recently announced the appointment of Ruth May, currently Regional Chief Nurse and Nurse Director for the Midlands and East region of NHS England, as Nursing Director, and Stan Silverman, currently Deputy Medical Director at the NHS TDA, as Deputy Medical Director. In addition Monitor anticipates appointing four part-time associate medical directors with subject matter expertise in Urgent & Emergency Care, Medicine, Surgery and Mental Health by the end of April. These new appointments will allow the team to enhance the support it is currently providing to the rest of the organisation and wider health sector.

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.