To: The Board

For meeting on: 25 November 2015

Agenda item: 7

Report by: Executive Committee

Report on: Executive Report

Summary:

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

EXECUTIVE COMMITTEE BUSINESS UPDATE:

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

   a. considering information about the key issues considered by the Operations Committee at its meeting on 13 October 2015;

   b. reviewing a summary of the organisation's year to date expenditure position as at 30 September 2015 and agreeing that directorates should be asked to submit proposals for urgent and important projects to the Controls Committee;

   c. reviewing information about the status of current projects being undertaken by the Strategic Communications directorate; and

   d. considering a proposal for those Monitor employees who are clinically qualified to be registered and revalidated with their professional bodies. The ExCo agreed to the proposals in principle, but noted that revalidation would only be required for employees providing clinical advice.

PROVIDER POLICY EXECUTIVE BUSINESS UPDATE:

3. At its meeting on 12 November 2015, the Provider Policy Executive (PPE) conducted the following business:

a. considering the proposals and opportunities for NHS Improvement to be more active in promoting process improvement through technology and make significant statements to the sector regarding the importance of developing operational efficiencies within trusts through the use of technology. PPE members were content with the proposal to start informal discussions with the key proposed partners as set out in the report to develop a co-ordinated agenda for change to the sector through technology.

b. reviewing an update on Monitor's work to enable integrated care and providing a steer in relation to the recommendation that across Monitor the Integrated Care team continued its existing work to enable integrated care with additional focus on two areas including regulating providers in the context of new care models and different ways of delivering services.

c. approving the proposal that NHS Improvement took the lead role in supporting the sites that had recently been awarded vanguard status for new models of acute care collaboration (ACC).

d. considering information about the key issues regarding the ways in which procurement rules and regulations applied to vanguards.

4. At its meeting on 18 November 2015, the PPE conducted the following business:

a. considered the proposals in relation to the application of price caps across nursing, medical, and other staff groups, to the amount NHS foundation trusts (NHSFTs) can pay per hour for an agency worker.

5. Following the PPE meeting on the 18th of November the Chair used his emergency powers set out in rules of procedure paragraph 4.10 in connection with Agency Price Caps (see confidential annex a).

PROVIDER POLICY UPDATE

A. New Care Models

6. Paul Dinkin (Senior Director, Provider Sustainability) has been seconded part-time to act as national lead for the New Models of Acute Care Collaboration (ACC), and as Monitor's senior representative on the new care models programme. This was designed to exploit synergies between the programme and the work of Provider Sustainability.

7. The outline support package for the first wave of vanguards (Multi-speciality Community Providers (MCPs), Primary and Acute Care Systems (PACS) and Enhanced Health in Care Homes was published at the end of July 2015. It signalled the establishment of focused support in eight distinct areas, including Integrated Commissioning and Provision (covering contracting, pricing, procurement and transactions), Workforce, Information Technology and Governance, and Evaluation and Metrics.

8. Since then, work has been progressing to complete the selection of vanguard sites for the remaining new care models:
    - in July 2015, eight sites were awarded Urgent and Emergency Care vanguard status; and
    - on 25 September 2015, a further 13 sites were awarded vanguard status for New Models of Acute Care Collaboration, including chains, franchises and accountable clinical networks, all aimed at reducing avoidable variations in the cost and quality of care and/or supporting the clinical and financial viability of acute services. The launch event for the ACC vanguards was hosted by Paul Dinkin, and included a presentation from Simon Stevens (Chief Executive, NHS England) and a video message from Jim Mackey (Chief Executive Designate, NHS Improvement).

9. The team has recently completed workshops with each of these new vanguards to determine their support needs, with a view to publishing an updated support package at the end of November 2015. The updated support package will include a programme of support covering:
    - the development of standard operating models for chains and franchises;
    - the development of new organisational forms;
    - developing new licence conditions and accountability structures; and
    - tailoring the existing transactions assessment process to ensure it is appropriate for supporting the development of new care models.

Integrated Commissioning and Provision support

10. Two members of Monitor's staff have been seconded to the new care models team for 3.5 days a week to co-lead the coordination and development of support to vanguards on integrated commissioning and provision.

11. Webinars run by Monitor's Co-operation and Competition directorate are being arranged to discuss questions relating to competition rules with the ACC vanguards, likely to take place in early December 2015.

12. The Pricing team has begun to support the MCPs and PACS vanguards looking to shadow test capitation in 2016/17. This includes contributing to local finance and payment workstreams as subject matter experts. The Pricing team also runs the payment forum which works with selected vanguards to co-create methodology and prices for capitated payments for MCP and PACS vanguards. The latest payment forum addressed the question on scope of services to be covered by capitation, and practical considerations for the shadow testing.

13. Work has commenced within Monitor to understand what work needs to be undertaken to ensure that the regulatory framework is appropriate for the emerging new provider organisations and care models. A paper on this topic will be taken to the December 2015 PPE meeting.

B. System efficiency

Agency controls

14. Monitor and the NHS Trust Development Authority (NHS TDA) launched a consultation on agency price caps on 15 October 2015, announcing the possibility of introducing caps for agency nurses, doctors and other staff on or around 23 November. The Strategic Communications directorate's programme of stakeholder engagement, involving the British Medical Association (BMA), Royal College of Midwives, Royal College of Nursing and the unions Unison and Unite, continued right up until 15 October 2015 and was well received. In particular, the BMA and nursing unions welcomed the team's commitment to further face-to-face discussion during the consultation period.

15. The consultation closed on 13 November 2015. Provider engagement events have been well attended and Monitor continues to work with its partners on agency issues.

Provider benchmarking

16. Monitor's Economics team has been working with NHS TDA on the new version of their own benchmarking tool to trusts. Following review within Provider Regulation, the team anticipates making this available to NHSFTs in addition to NHS trusts.

Seven-day services

17. The government plans to implement standards supporting seven-day access to emergency specialities over the course of the current parliament. In the absence of any incremental funding this represents a considerable operational and financial challenge to the sector. Monitor and NHS TDA are considering what their approach will be to support this.

Workforce

18. Following discussion at October's ExCo, the Economics team has prepared the workforce report for publication. The report focusses on providing an evidence base for the sector and trails further work that the Development team will be providing to providers. At the time of writing, publication of this report has been delayed to allow for the project scope to be extended and further work completed.

High value elderly non-elective pathway

19. As reported to last month's PPE, the Policy team has started work on a project to encourage adoption of a high-value, non-elective older person care pathway within a hospital setting. Good practice pathways for non-elective older person hospital care seem to be known but actual adoption and performance remains highly variable across the system. The team will validate the best practice care pathways; quantify the productivity improvement possible from moving trusts to a better pathway of in-hospital care for older non-elective patients; co-develop a team within Provider Sustainability to help trusts adopt the pathway; and investigate making changes to the regulatory regime to encourage adoption. To

date, external stakeholder engagement and a short literature review has identified four key interventions along the pathway and the team is currently testing the impact of these interventions using performance metrics. This has helped identify a long list of potential high performing trusts and some initial insights into the barriers to adoption of the best practice pathways.

Elective Phase 2

20. The publication of the report on improving productivity in elective care on 12 October 2015 received substantial national and trade interest, with the release of a bespoke infographic also driving coverage on social media. Following this, the Policy team is scoping the approach to supporting the realisation of the productivity gains identified in the report. Three potential work-streams have been identified:
    - transparency: identify and benchmark good practice for more procedures across a wider range of specialties;
    - regulation: offer benchmarking of Orthopaedics and Ophthalmology procedures to trusts and NHSFTs with efficiency opportunities in elective care; and
    - support: develop support offer with possible mix of peer workshops, training and on-site support options

21. Progression of these workstreams will be dependent on resourcing priorities and feedback from the sector on what is useful. The nature and shape of any support offer needs further exploration and discussion with Provider Sustainability colleagues. The team also plan to work with the Carter teams covering the Model Hospital and Getting It Right First Time programme to align approaches and thinking. The Carter Model Hospital team appear to be using the benchmarks Monitor developed for orthopaedics and ophthalmology and hence elective Phase 2 may become embedded in the Model Hospital going forward.

C. National improvement and leadership development strategy

22. The first national governing board for leadership development and improvement was held on 23 October 2015 and jointly chaired by Ed Smith and Ian Cumming, Chief Executive Health Education England (HEE). Members of the board represent Monitor, NHS TDA, HEE, NHS England, CQC and DH. It was agreed that National Institute of Health and Clinical Excellence should be invited to join the board.

23. The Board agreed that two of its top priorities are the development of a single national strategy for leadership development and improvement for England, and the need to address the talent management and succession issue prevalent in provider organisations.

24. The single national strategy will need to align with the Five Year Forward View (5YFV) as well as other key policy and ministerial priorities. It was agreed that the

debate regarding priorities should be held after the Spending Review, but the strategy should be expected to include:

- developing leadership skills which equip leaders to lead in time of complexity, change and to make transformational change happen;
- how people are deployed across the healthcare system (not simply limited to developing skills);
- addressing behavioral and cultural aspects and not to take a structural/mechanical approach;
- how to develop leaders in delivering cultural change;
- mapping and responding to priorities across the system, addressing the quality and efficiency gap set out within the 5YFV;
- system and service-wide capability building, moving away from a single organisational focus; and
- modelling behaviors right from the top to accelerate cultural change and inspire excellent leadership.

25. The alignment of this strategy with the development of the National Quality Board's (NQB) new quality strategy is important. The Development Director presented the proposal to NQB on 28 October 2015 at which Professor Sir Mike Richards and Sir Bruce Keogh endorsed the proposal for a single strategy, emphasised the importance of this strategy for England and their support to develop it.

26. Adam Sewell-Jones, Executive Director of Provider Sustainability, Monitor and Nicki Latham, HEE, are the executive leads for the development of the strategy, which is initially proposed for publication in the first quarter of 2016/17. A joint project team is being formed with HEE and Monitor's Development team. There is an immediate need to ensure that the work is resourced appropriately from personnel from across Monitor/NHS TDA and the other arm's length bodies (ALBs).

D. Success regimes

27. Recent developments in the three Success Regime regions (Essex; North, East and West Devon (NEW Devon); and West, North and East Cumbria) include:
    - West, North and East Cumbria's diagnostic work is ongoing and they have been working on implementing the governance around the regime, including clarifying accountabilities across the area;
    - Essex will shortly complete the first phase of their diagnostic work, which has been around determining the scale and scope of the Success Regime in Essex. This has been shared with local stakeholders; and
    - NEW Devon's diagnostic work is ongoing. A meeting was recently held between the ALB Chief Executives, regional directors and chairs of the NEW Devon Success Regime organisations, on how to enable organisations to best work together systemically, to achieve collective ownership of the performance of the whole system.

28. A tripartite representative spoke at an NHS Providers, NHS Clinical Commissioners and NHS Confederation members' workshop about the Success Regime and addressing systemic challenges more generally.

E. Shared planning guidance

29. At the October 2015 5YFV Board meeting, the Chief Executives agreed the overall scope and timeframe for the Shared Planning Guidance. The plan is to share as much of our thinking as is possible with the service, and announce the main elements at two Chief Executive roadshows in the first week of December 2015. Since the 5YFV Board meeting, an outline of the shared planning guidance has been produced and work commissioned to populate it. This includes guidance on 2016/17 operational plans, multi-year place-based strategic plans, shared planning assumptions and national priorities. Working arrangements have been put in place to ensure that Monitor and NHS TDA staff provide appropriate input and an NHS Improvement Planning Steering Group has been set up.

30. Monitor and NHS TDA have been working closely together to align 2016/17 operational planning objectives for NHS trusts and NHSFTs. This will include alignment on core data collections for activity, workforce and key finance information and is likely to increase reporting requirements for NHSFTs who have historically been asked to provide less detailed information than NHS trusts. The overarching objective for 2016/17 operational plans will be that all NHS trusts and NHSFTs have in place robust, integrated plans that demonstrate delivery of safe, high quality services that meet NHS Constitution standards, as well as an improved financial position for providers that end 2015/16 in deficit.

31. To achieve this objective, Monitor will review whether NHSFTs' 2016/17 operational plans:
    - include a realistic level of activity;
    - demonstrate the capacity to meet planned activity;
    - are stretching, realistic and consistent with national planning assumptions;
    - meet any new requirements agreed in the shared planning guidance; and
    - are internally consistent between activity, workforce and finance plans.

32. To support timely signing of contracts for 2016/17 and encourage use of binding arbitration by NHSFTs, the planning guidance may also be used to signal that unsigned contracts will be considered a basis for investigation and possible regulatory action by Monitor. This approach was used by Monitor in a letter to NHSFTs with unsigned contracts in July this year and led to a number of outstanding contracts being signed.

33. Monitor's Policy team is leading on the development of the guidance for multi-year place-based strategic plans – 'Sustainability and Transformation Plans' (STPs). The team is working with colleagues from across the ALBS to create a process that supports the development of the plans and then assures the plans through a series of challenge sessions, which will be between teams from national bodies and local system leaders. The specifics of both the support package and challenge sessions are still being developed.

STRATEGIC COMMUNICATIONS UPDATE

Drive and support provider operational improvement

34. This has been another month of high media interest in Monitor's work. In addition to significant media and Parliamentary interest in the publication of Monitor's Q1 figures, the team also dealt with major regulatory action at Heart of England NHS Foundation Trust and Sherwood Forest Hospitals NHS Foundation Trust.
35. The team spoke to more than 40 stakeholders (commissioners, providers, local authorities and charities) at its exhibition stand at Commissioning in Healthcare. Topics frequently raised included: the development of NHS Improvement; how best to use the Procurement, Patient Choice and Competition Regulations; how Monitor will support integrated care (both between health and social care, and between providers). Monitor's recent research studies continue to be popular talking points, particularly *Improving GP services*, *Moving healthcare closer to home*, and the accident and emergency report and infographic.

Drive and support long-term sustainability

36. The team engaged 400 providers and commissioners on proposed changes to the 2016/17 National Tariff by holding five workshops in August and September 2015. Delegates gave very positive feedback on their usefulness: 97% considered the workshop had been worth attending. However, some delegates said they could not respond effectively until they had the full context, eg on prices, efficiency factor and cost uplift.

Operate effectively

37. As the NHS Improvement integration programme gathers pace, the team has kept staff at Monitor, NHS TDA and the three NHS England transferring functions abreast of progress. The team announced Jim Mackey's new role in early October 2015, alongside an interview with Ed Smith and an update on John Wilderspin, the Integration Director. Ed Smith spoke about the future at the recent all staff briefing and took questions from the floor. The team is now working with NHS TDA and NHS England to increase the levels of communications and engagement with staff from November.

38. In August 2015, the team received 49 complaints and six whistleblowing concerns about NHSFTs, 20 of which potentially indicated governance concerns.

39. Recent contact with whistleblowers indicates NHS staff remain unsure about how to raise concerns. On 16 November 2015 the team launched a consultation on behalf of the tripartite on a national whistleblowing policy for the NHS to normalise staff raising concerns at work.

40. The team has been actively building relationships in the new parliament to ensure new MPs are informed about Monitor's work in their constituencies, identify MPs

with an interest in health and provide key parliamentarians with detailed information on specific aspects of our responsibilities. The team will shortly brief the new Health Select Committee on Monitor's work.

Executive Committee

Making a difference for patients:

Monitor's mission is to make the health sector work better for patients. This paper provides an update to the Board on the activities of teams across Monitor to develop, influence and implement policy decisions, and how those activities are being performed in the interests of 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. The Act protects against discrimination on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, gender and sexual orientation. We have thought about how the issues dealt with in this paper might affect protected groups.
We believe the paper will not have any adverse impact upon these groups and that Monitor has fulfilled its duty under the Act.

Exempt information:

Some of the information in this report (the confidential annexes a and b) are exempt from publication under the Freedom of Information Act 2000.