

**To:** The Board

**For meeting on:** 17 December 2015

**Agenda item:** 8

**Report by:** Executive Committee

**Report on:** Executive Report

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**Summary:**

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

**EXECUTIVE COMMITTEE BUSINESS UPDATE:**

2. At its meeting on 1 December 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 10 November 2015;
  - b. reviewing a summary of the organisation's year to date expenditure position as at 31 October 2015;
  - c. reviewing information about the status of current projects being undertaken by the Strategic Communications directorate;
  - d. considering an update on the processes of determining NHS Improvement's vision and purpose, and setting NHS Improvement's budget for 2016/17.
  - e. reviewing information about the information governance work undertaken from September to November 2015, and an overview of the work to be carried out in the next quarter;
  - f. considering an update on the outcome of the staff survey. It was agreed that these findings should inform the operating model of NHS Improvement, and that ExCo members individually would work with the Organisational Transformation team on individual changes which could be made

- g. considering the proposals relating to job families across Monitor, internal salary benchmarks as they related to recruitment decisions, resolution of equal pay related disparities and the current total employer proposition; and
- h. considering an update on vacancies across Monitor. It was noted that a prioritisation exercise was underway to identify those vacancies that were high priority, the outcome of which would be circulated to ExCo members.
- i. reviewing information about the impact of introducing a revalidation policy in Monitor, an estimate of the number of Monitor roles for which revalidation would be essential or desirable, and the requirements for successful revalidation clinically and suggestions with regard to how Monitor should support employees in reaching their revalidation requirements. The ExCo agreed with the recommendations set out in the report.

### **PROVIDER POLICY EXECUTIVE BUSINESS UPDATE:**

- 3. At its meeting on 4 December 2015, the Provider Policy Executive (PPE) conducted the following business:
  - a. agreeing the proposals for quality reports and assurance in 2015/16 and reviewing an update on joint working with other national bodies and plans for future developments in this area.
  - b. considering the proposals in relation to Greater Manchester devolution; this was announced in November 2014, and it was anticipated that it would take control of £6bn of health and social care spending by April 2016.

### **PROVIDER POLICY UPDATE**

#### **A. System efficiency**

##### **Agency controls**

- 4. The consultation on agency price caps generated unprecedented interest in content on the website with more than 61,000 page views. Most of this traffic came via third-party emails and Facebook sites, not, as is more typical, Monitor's own digital channels, highlighting the sector's interest. The consultation closed with over 3,000 responses, one of the largest the organisation has seen.
- 5. The Strategic Communications team held further meetings on agency price caps with the British Medical Association's Medical Managers Committee, Royal College of Nursing, Royal College of Midwives, Unite and Unison. The Policy team fully considered the points raised and it has now fed back to these stakeholders where their input shaped Monitor's final guidance: for example, trusts are to retain flexibility over bank rates.

## **Carter**

6. The Carter Review team at the Department of Health (DH) has notified all trusts of their 'efficiency opportunity'. They have been given the opportunity to confirm or challenge the size of the calculated opportunity and also an offer to meet and discuss the numbers.

## **Provider benchmarking**

7. Following the Economics team's assessment of benchmarking tools for the sector, the Provider Regulation directorate is completing an internal quality assurance on the NHS Trust Development Authority (NHS TDA) benchmarking tool before making it available to NHS foundation trusts (NHSFTs) and trusts. The tool can give providers information on their efficiency opportunities.

## **High value elderly non-elective pathway project**

8. The project team is interviewing expert stakeholders, including the British Geriatrics Society, the Acute Frailty Network and the national clinical directors from NHS England who are leading on frailty. Quantitative analysis of national datasets continues and will be used to test the logic of the model that is being developed with experts and based on a literature review. The next stage will take stock of existing evidence and views collected, map the existing support and guidance available to the service, and set out a value-adding proposal for Monitor's contribution, for instance raising the profile of the pathway – and potential productivity improvements – with trust chief executives.

## **Elective care project**

### *Elective care project phase 1*

9. The Strategic Communications directorate has raised the profile of *Helping NHS providers improve productivity in elective care*, issued in October 2015, by publishing an infographic with a visual summary of a patient's elective care pathway that proved popular on social media. The team worked closely with the Patient and Clinical Engagement directorate to make sure it resonated with clinicians. The infographic emphasised operational practices and highlighted case studies from the NHS and abroad.

### *Elective care project phase 2*

10. The Policy team is scoping how to support the realisation of the productivity gains identified in the above elective care report. Further discussion with colleagues from the Provider Sustainability and Patient and Clinical Engagement directorates has informed the development of a project outline setting out the key elements of the proposed approach, and suggested a business model across NHS Improvement for delivering this. The team's immediate focus is establishing the extent to which the eight trusts that participated in the original analysis have acted on the findings and to discuss barriers to implementation with them, which will inform the approach going forward.

11. The Policy team is working with DH's Clinical Productivity and Efficiency Programme (formerly GIRFT) team and the Carter Review team covering the Model Hospital to align the organisations' approaches. The Clinical Productivity and Efficiency Programme team see Monitor's work as highly complementary to its approach and, as it rolls out its national benchmarking programme, the team will discuss further how they might work together.

## **Spending Review**

12. On 25 November 2015, the Chancellor presented his Autumn Statement and Spending Review. This provides £8bn of additional NHS spending by 2020/21, in line with the Five Year Forward View (5YFV). A proportion of this funding is recycled from savings elsewhere in the DH budget. A number of policy commitments, including seven-day services, are to be funded from the spending settlement.
13. A briefing on the outcome of the 2015 Spending Review was circulated to Monitor's Board on 9 December 2015.

## **B. National improvement and leadership development strategy**

14. The key themes for the strategy have been developed and these now need to be tested and further developed with the National Improvement and Leadership Development Board. The team's continued development of links with the National Quality Board on the quality strategy will help to ensure a consistent narrative across both strategies and alignment of stakeholder engagement. Confirmation of the timeline for the completion of the strategy is expected early in the new year as stakeholder engagement requirements emerge. Alignment with the design of NHS Improvement is also being considered. The Policy team may need to reprioritise its workload to support the development of the strategy.

## **C. Success Regime**

15. The additional transformation funding requested by each Success Regime site for the remainder of 2015/16 was agreed by NHS England's Investment Committee. The team intends to return to the Investment Committee to discuss funding for 2016/17.
16. Diagnostic work is progressing as planned in West, North and East Cumbria Success Regime, and in North, East and West Devon Success Regime. A chair has been appointed to the Essex Success Regime and diagnostic work identified. Mid and South Essex will be the focus of future Success Regime work, with the national bodies continuing to support other work underway across the area.

## **D. Shared planning guidance**

17. The chief executives agreed the overall scope and timeframe for the shared

planning guidance at the October 2015 5YFV Board meeting. As much of the thinking as possible will be shared with the service and the main elements were announced at an NHS leaders' event on 4 December 2015. An outline of the shared planning guidance has since 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 are in place to ensure appropriate input from Monitor and NHS TDA staff, and an NHS Improvement Planning Steering Group has been set up.

18. Monitor, NHS TDA and NHS England have agreed a timetable for 2016/17 operational plans. A full draft plan will be submitted on 8 February 2016, followed by a final plan on 11 April 2016. The core regulatory reviews will take place on the draft plan submissions to allow for less movement in plans following the start of the financial year. This is consistent with the approach adopted by NHS TDA. Regional teams will review operational plans through a programme of site visits and desktop reviews using a risk-based approach. The planned risk stratification process will align where possible with that taken by NHS TDA.
19. The Policy team is leading on the development of the guidance for multi-year place-based strategic plans – sustainability and transformation plans – with colleagues from across the arm's length bodies. Together they are establishing a process that supports the development of the plans and then assures the plans through a series of challenge sessions between teams from national bodies and local system leaders. The specifics of both the support package and challenge sessions are still being developed.

#### **E. Regulating new care models**

20. Provider Policy has begun a project to identify changes that may need to be made to Monitor's regulatory approach to support the adoption of new care models. The team will scope this project by working closely with the New Care Models team at NHS England and gathering input from colleagues across Monitor, the Care Quality Commission (CQC) and NHS TDA. Monitor staff seconded to the New Care Models team will lead on looking at the issues being raised by vanguards in relation to accountability, governance and provider regulation. The team will highlight the new care models that the vanguards are proposing, and consider the extent of the changes that may need to be made to Monitor's regulatory framework to address the issues they are raising. The team expects this work to continue through Q4 2015/16.
21. The team will support the above work by setting up the Regulation of New Care Models Senior Steering Group comprising senior membership from Monitor; it intends to invite a select number of vanguard leads and senior colleagues from NHS TDA and CQC to participate in this group. It will test the emerging findings and recommendations prior to formal decision-making. Monitor's Executive Director of Provider Appraisal will be the senior responsible officer for this work and, as such, will act as the national expert for the Accountability, Governance and Provider Regulation workstream for the New Care Models programme. Emerging

findings and recommendations will be brought to the PPE and the Board before being finalised.

## **STRATEGIC COMMUNICATIONS UPDATE**

### **Drive and support provider operational improvement**

22. The major news story of the period was the launch of Monitor's investigation at South East Coast Ambulance Service on 29 October 2015, which attracted extensive coverage over three days, with a total of 41 items in national and sector media and over 200 reports in local press throughout the Sussex, Kent, Surrey and Hampshire region.
23. Other formal regulatory actions attracting high levels of media interest were the appointment of a new Chief Executive at Cambridge University Hospitals NHS Foundation Trust and the removal of Burton Hospitals NHS Foundation Trust from special measures. Proactive announcements on whistleblowing, potential industrial action by junior doctors as well as the award of the NHS Improvement integration contract to KPMG also generated coverage.
24. During the month the parliamentary team held briefing sessions for over 80 MPs representing constituencies in which regulatory action took place. Generally, the team notifies MPs by telephone in advance of any public announcement, followed by written briefing on the day, and the offer of face-to-face meetings.
25. The Monitor-NHS TDA shared stand at NHS Providers annual conference enabled the team to engage providers with aspects of the organisations' joint work, notably the agency price caps and the strategy development, and culture and leadership programmes. The Chief Executive's speech to the conference drew much favourable comment on social media, with the *HSJ* describing him as a "natural empathiser and cheerleader" for the NHS. Both Monitor and NHS TDA fielded senior spokespeople at plenary and breakout events.

### **Drive and support long-term sustainability**

26. The team is supporting the Essex Success Regime's second phase with stakeholder communications, advising over 30 local providers and commissioners on engaging local MPs, including a briefing session for all 18 Essex MPs.
27. The team has been helping the communications teams at Heart of England NHS Foundation Trust to ensure its staff and local stakeholders are kept up to date.
28. Action was taken to mitigate the risk of adverse reaction from stakeholders to Monitor's pricing announcement on specialised services top-up proposals. The messaging focused on Monitor's efforts to change the mechanism for reimbursing planned specialised care so that it achieves better value for patients. It also stressed that the proposals would mean more services are eligible for a top-up and that the total value of top-ups would increase.

## **Operate effectively**

29. A programme is under way to consult external stakeholders on the views and expectations they have for NHS Improvement, starting with a collation of feedback from the NHS Providers annual conference. A series of meetings with senior influencers and a number of regional 'round table' events with representatives from across the service and wider sector are being organised. A briefing for the Health Select Committee takes place on 8 December 2015.
30. On behalf of the tripartite, Monitor has published a consultation on a national whistleblowing policy aimed at normalising the raising of concerns in the NHS. The team is working with NHS TDA and NHS England on how to establish an employment support scheme for whistleblowers who experience difficulties finding jobs as a result of their action.
31. 102 complaints and 15 whistleblowing concerns have been received about healthcare services in September and October 2015. Twenty-three of these initially indicated potential governance concerns. The team is gathering further information on 16 and no further action is being taken on seven.
32. In November 2015, the team received a complaint from an NHSFT member whose trust is proposing to remove him. It is investigating the complaint that Monitor did not take action against the trust.

## **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 Provider Policy Executive 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:**

*None of this report is exempt from publication under the Freedom of Information Act 2000.*