

To: The Board

For meeting on: 28 January 2016

Agenda item: 4

Report by: Executive Committee

Report on: Executive Report

Summary:

1. This report summarises key developments in the past month.

JOINT EXECUTIVE COMMITTEE BUSINESS UPDATE:

2. At its meeting on 5 January 2016 the joint Executive Committee (ExCo) conducted the following business:
 - a. considering a Winter update – review of the Christmas period;
 - b. considering an update on progress made on the integration and plans for roundtable discussion with NHS leaders over the coming weeks;
 - c. considering an update on business planning and budgeting process. It was agreed that recruitment activity would be paused across the two organisations until further notice, with any exceptions to be agreed with the Chief Executive.
 - d. reviewing information about NHS Improvement (NHSI) and the seven day services programme. It was agreed that work on seven day services should be progressed subject to available resources, with a particular focus on areas of overlap with NHSI's other priorities; and
 - e. considering an update on the planning guidance timelines, and key areas of risk.
3. At its meeting on 19 January 2016 the joint Executive Committee (ExCo) conducted the following business:

- a. reviewing information regarding progress on NHSI's Operating Model. The modelling of the options for the new system would continue over the coming weeks;
- b. reviewing information regarding the NHSI budget and business plan 2016/17 and beyond.
- c. discussing the work carried out to date and next steps with regard to NHSI culture and values baseline assessment;
- d. considering the draft Provider Roadmap setting out the vision and key messages for providers;
- e. considering an update on the strike of junior doctors;
- f. considering an update on the winter performance and discussing emerging winter plans for 2016/17;
- g. reviewing information about NHS trusts and NHS foundation trusts plans and discussing the proposed process for assuring operating plans for 2016/17.

PROVIDER POLICY UPDATE

A. System efficiency

Provider benchmarking

4. Following the work of the Economics Team and Provider Regulation to assess benchmarking tools for the sector, the NHS Trust Development Authority (NHS TDA) benchmarking tool has been quality assured internally and is now available to NHS foundation trusts (NHSFTs) as well as NHS trusts. The tool gives providers information on their efficiency opportunities, on a basis consistent with the Carter Review letters.

Elective Phase 2

5. The team is currently engaging with the eight co-development sites from the first phase. The aims of this engagement exercise are to establish:
 - the extent to which they have implemented our findings
 - what results (if any) they have achieved
 - what support they might need to address barriers/take things forward
6. The team is currently developing a range of options for the aims and design of Phase 2. This potentially includes designing a 'proof of concept' pilot to test the implementation of findings and evaluate results.

7. To ensure alignment across NHS Improvement, the team established a Steering Group, which is due to meet in February. In addition, the team is taking measures to ensure alignment with other national initiatives.

B. National improvement and leadership development strategy

8. A paper outlining the method for the development of the strategy, the engagement plan and overall timescales is being taken to the National Leadership Development and Improvement Board on the 29th January for the board's approval. The paper will also seek the board's agreement to the alignment of this work with the National Quality Board's (NQB) quality strategy and may go as far to suggest that the three areas (quality, leadership development and improvement) should be brought together as one strategy / strategic framework.
9. Desk research is continuing to ensure that the evidence base for the work is complete and intensive stakeholder engagement is being planned to gather ideas from across the ALBs, DH and other groups about the national priorities that the strategy should address.
10. One of the strategic themes under consideration is talent management across the NHS in England. An immediate focus is on the addressing the gaps in the executive roles across providers and commissioners. Papers to the National Leadership Development and Improvement Board will include the findings from a recent survey carried out with providers and commissioners to ascertain the size of the gap in executive level posts across their organisations now and in the immediate future.

C. Success regime

11. System leaders from across the health and care system in North, East and West Devon have been working together to support the diagnostic phase of work which has involved looking at the financial and clinical drivers of the challenges in the system and potential opportunities for improvement. This work will set out those opportunities that can be realised in 2016/17, as well as those opportunities for service redesign that will take longer to implement.
12. In Essex, the first phase of diagnostic work is complete and the scope of the regime has been refined to Mid and South Essex. The second phase of work has begun which focuses on implementation planning and solution development. A range of workstreams are underway, covering acute care, urgent and emergency care and primary and community care, with this phase due to be complete in February 2016.
13. West, North and East Cumbria are developing a direction of travel for the clinical strategy that is due to be agreed by April 2016, and are establishing the principles and parameters within which the strategy will be based.

14. As referenced in the Success Regime policy document published in June 2015, the Success Regime will mean different ways of working for the national bodies and local health economies in order to address the long-standing issues in these areas.

D. Shared planning guidance

15. The NHS Shared Planning Guidance was published on 22 December. The guidance requires NHS organisations to produce individual operational plans for 2016/17 (as in previous years) and for every health and care system (for the first time) to work together to produce a Sustainability and Transformation Plan (STP), a separate but connected strategic plan covering the period October 2016 to March 2021.
16. The guidance creates a new 'Sustainability and Transformation Fund' of £2.14bn for 2016/17. Of this, £1.8bn will be deployed on 'sustainability' to stabilise NHS operational performance, and £340m for 'transformation' to continue the Vanguard programme and invest in other key Five Year Forward View (FYFV) areas. The Sustainability and Transformation Fund will grow from £2.1bn in 2016/17 to £2.9bn in 2017/18, rising to £3.4bn in 2020/21, with an increasing share of the growing fund being deployed on transformation including the FYFV's New Care Models, and mental health parity of esteem. The guidance also outlines nine 'must dos' for every local area in England in 2016/17, which includes returning the system to aggregate financial balance.
17. As part of the STP, local leaders will be required to set out clear plans to pursue the 'triple aim' set out in the FYFV – improved health and wellbeing, transformed quality of care delivery, and sustainable finances. Areas will make proposals for their unit of planning by 29 Jan 2016 (for national agreement). The full plans will need to be submitted by end of June 2016, with assessment and review by the end of July 2016. Further guidance on the national support offer to areas and the assurance process are being developed and will be made available during January.

E. New Care Models

18. As outlined in the December support package for the Vanguards, a national senior steering group is being established to discuss issues relating to provider regulation, accountability and governance for the vanguards. Members include vanguard leads, Care Quality Commission and NHS Improvement representatives. The Executive Director of Provider Appraisal and Policy chairs this group and the first meeting took place on 15 January.

The first phase of a detailed analysis to consider the potential governance, accountability and provider regulation issues in more depth is now underway, and we are engaging with both internal and external stakeholders to facilitate this.

F. Devolution

19. Monitor is currently in contact with two areas – Greater Manchester and London – as they tackle issues related to devolution and we are advising them on an ad-hoc basis.
20. Going forward, Monitor's Policy team will be looking at how we should deal with devolution areas more generally and how else we might potentially flex our regulatory regime to encourage greater place-based approaches to system transformation.

G. Agency caps

21. It is now eight weeks since Monitor and NHS TDA introduced price caps for agency staff, to complement expenditure ceilings and mandatory use of frameworks for nursing agency staff. To date, the price caps have had a positive effect. The number of shifts exceeding the price caps is 40% lower than the first week of implementation. But there is further to go.
22. Monitor and NHS TDA are taking steps to further drive the implementation of the agency rules, to reduce spending further and ensure that workers move back in large numbers to substantive and bank roles. We have written to trusts to inform them that we will: proceed with 1 February ratchet down of prices as planned – highlighting the significance of this and the need for trusts and commissioners to ensure compliance, while ensuring patient safety; require all agency procurement for all staff to be via approved frameworks by 1 April; require fundamental changes to the way frameworks operate to ensure frameworks enable and control the NHSI capped rates; extend expenditure ceilings to all agency from 1 April; and make access to the S&T Fund conditional on sustained reduction in agency expenditure.

STRATEGIC COMMUNICATIONS UPDATE

Complaints and whistleblowing concerns received in December 2015

23. We received 34 complaints and four whistleblowing concerns about NHS foundation trusts. Three of these initially indicated potential governance concerns, two of which are ongoing and one of which we have decided to take no further action on.

Update on Freedom to Speak Up

24. We are considering about 150 responses to our consultation on a national whistleblowing policy, ahead of planned publication of a final policy by 1 April 2016.

25. With NHS England we are running a workshop in late February to be attended by whistleblowers, employers and regulators to help form proposals for an employment support scheme – to help whistleblowers who have lost their jobs return to work.
26. We are discussing this work with the newly appointed National Guardian, Dame Eileen Sills, and how NHS Improvement might work with her as she establishes her role.

Making a difference for patients:

Monitor's mission is to make the health sector work better for patients. This can be achieved by improving the way mental healthcare services are reimbursed and specifically by linking a proportion of payment to achievement of outcomes. We achieve this in part by supporting the sector to implement the proposed changes.

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 disclosure under the Freedom of Information Act 2000.

