

To: The Board

For meeting on: 26 February 2014

Agenda item: 6

Report by: Miranda Carter, Executive Director of Assessment

Report for: Discussion

TITLE: Assessment Update

Summary:

During January the Assessment team commenced the Phase 1 assessment on Royal Liverpool and Broadgreen NHS Trust and the Papworth private finance initiative review.

A project has been initiated to ensure that the recently published planning assumptions are appropriately implemented.

Monitor published a consultation document on 20 January 2014 setting out its proposals to update its approach to assessing the risks of transactions undertaken by NHS foundation trusts (NHS FTs). The consultation remains open until 28 February 2014 with updated guidance to be implemented Q1 2014/15.

Recommendations:

The Board is asked to note the report.

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).

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:

Some of this report is exempt under the Freedom of Information Act 2000.

Some of the information in this report (the confidential annex) is exempt from publication as it falls under section 36 of the Freedom of Information Act 2000. The information is exempt because disclosure of that information would, or would be likely to, inhibit the free and frank provision of advice, or exchange of views for the purposes of deliberation. In applying these exemptions, we have considered the public interest test; disclosure of this information will not enhance the accountability or transparency of Monitor as its disclosure would inhibit the free frank disclosure of information.

A. Developments

CQC

1. A meeting was held between Monitor, the NHS Trust Development Authority (NHS TDA) and the Care Quality Commission (CQC) to discuss progress on the 'Well Led' alignment project. The aim is to have one aligned framework which the NHS TDA can use as a development tool for aspirants, which the Assessment team can test on authorisation and which NHS foundation trusts (NHS FTs) can use for their governance reviews.

NHS TDA

2. The Assessment team continues to engage with the NHS TDA to streamline the end-to-end assessment process.
3. Both of the pilot quality governance reviews in the NHS TDA phase have now commenced and are scheduled to be completed by the end of March 2014.
4. We will have a discussion with the NHS TDA to identify a potential next set of trusts for review and undertake an evaluation of the pilot process in early April 2014 to determine learnings.

Assessment strategic objectives

5. The Executive Director of Assessment and the Assessment Directors continued to develop Assessment's strategic objectives during January 2014. A road map was shared with other departments during late January and early February, including individual engagement sessions with the Provider Regulation directorate, the Economics and the Policy teams. Further enhancements arising from these meetings will be incorporated within the plan to be presented to the Executive Committee later this month.

Assessment Assumptions project

6. Following the release of the planning assumptions in December 2013, the Assessment team has initiated a project to ensure that the assumptions are appropriately implemented for assessments and transactions going forward. A key part of this project will be to develop a consistent approach to how Monitor assesses the risks of the remaining affordability challenge (ie the gap after efficiency assumptions). This work is being coordinated with development of an approach to assessing strategic planning and the 'Well Led' project (ie covering as a minimum, the good practice guidance released in December).

External Engagement

7. On 29 January 2014 Marianne Loynes and David Hoppe attended a Foundation Trust Network sponsored event for community trust NHS FT applicants. The event included a presentation of themes from the six assessments of community trusts undertaken so far and a joint panel with representatives from CQC and the NHS TDA. Some debate centred on CQC's inspection and ratings regime, and the trusts highlighted the uncertainties surrounding commissioning intentions in the sector, and costs and the potential burden associated with external quality governance reviews.

High secure services (HSS)

8. A summary of the discussion about authorising and regulating HSS providers at last month's AE was provided to the Board at its meeting on 19 January 2014. The Board was supportive of the proposals but asked for further work in the following areas:
 - a. a pros and cons analysis to support the initial conclusion that more frequent governance reviews were not required.
 - b. to seek the views of the medical director on whether independent clinical advice would be required before taking an authorisation decision.
 - c. to provide case studies on the governance around high risk decisions in a HSS environment.
9. In addition the Board requested a seminar to discuss HSS and general mental health in more detail. This is likely to be held in April 2014.

B. Update on assessments

10. A full list of the 15 NHS trusts currently with Monitor and the reasons for any delay, deferral, postponement or withdrawal is provided in Annex 1.

Referrals

11. There have been no referrals this month.

Active assessments (exception reporting)

12. One application was reactivated in January 2014:
 - a. Royal Liverpool and Broadgreen NHS Trust. The Trust reached its PFI financial close in December 2013. The Trust was inspected by CQC on 25-27 November 2013 and the associated quality risk summit scheduled for 5 February 2014. An assessment team has been resourced from January 2014 to initially undertake a phase 1 review which may roll into a full assessment if we receive satisfactory assurance from CQC in February 2014.

Delayed, deferred and postponed trusts (exception reporting)

13. Following the oral update provided to the previous meeting of the AE, the reactivation of the Royal Wolverhampton NHS Trust's assessment has been delayed.

Pipeline

14. An overview of the overall pipeline is provided in Annex 2. This reflects the NHS TDA's latest available public forecast (January 2014). This indicated that 12 NHS trusts "are not considered sustainable in their current form and are therefore pursuing an organisational transaction". This leaves a total of 72 NHS trusts to be referred to Monitor.
15. The Assessment team do not expect to receive any further referrals from the NHS TDA until CQC inspections have been completed.

C. Update on transactions

16. Monitor published a consultation document on 20 January 2014 setting out proposals to update its approach to assessing the risks of transactions undertaken by NHS FTs. The consultation remains open until 28 February 2014. Work is also being undertaken on updating a guidance document for trusts considering a transaction, consolidating existing information and updating our approach for recent developments, for example the Health and Social Care Act 2012. We expect that the new approach to transactions and the updated guidance documentation will be implemented in Q1 2014/15.

D. Assessment team performance

Exception reporting – assessments and transactions

17. The Q2 data was reported to the December 2013 Assessment Executive.

Staffing reporting

18. At the end of January 2014 the Assessment team's analysis by role of posts filled is as follows:

Role	Establishment	In post*
SAM	12	7
AM	20	16.6
AA	20	10

* Includes interim/acting up roles. Excluding maternity and long term secondments (1.6 Senior Assessment Managers and 2 Assessment Managers)

19. Based on current accepted offers and known departures, in post position in March 2014 is forecast to be seven Senior Assessment Managers, 17.6 Assessment Managers and 14 Analysts: this is before allowing for any secondment in relation to accident & emergency (A&E) work.

Miranda Carter
Executive Director of Assessment

Annex 1: Current status of trusts with Monitor for assessment

Active assessments					
Trust name	Status	Start	Exec meeting*	Decision	Indicative CQC inspection date
Royal Liverpool and Broadgreen*	Active	Jan 14	tbc	tbc	CQC inspection completed.

* Trust was previously deferred. Assessment has been reactivated.

QG review of TGDA pipeline trusts					
Trust name	Status	Start	Exec meeting*	Decision	Indicative CQC inspection date
Bradford District Care Trust	Active	Jan 14	Mar 14	n/a	n/a
Liverpool Community Health NHS Trust	Active	Feb 14	Mar 14	n/a	n/a

Annex 2: Pipeline information

(i) Monitor pipeline

	As at 29 January 2014	As at 14 January 2014
Total Foundation Trusts (FTs)	147	147
<i>Monitor pipeline</i>		
Assessment decisions this month	-	-
Assessments in progress	1	2
Assessments paused post phase one assessments	6	6
Deferrals /postponements	8	7
Assessments awaiting start	-	-
<i>Total Monitor pipeline</i>	15	15
NHS TDA pipeline *		
NHS Trusts being reviewed for referral to Monitor **	13	13
Other NHS Trusts	59	59
Not in current organisational form ***	12	12
<i>Total NHS TDA pipeline</i>	84	84
Total number of trusts	246	246

* Based on NHS TDA estimates

** Based on NHS TDA January 2014 Board paper

*** South London Healthcare was dissolved in October 2013. Includes NHS Direct.

(ii) Analysis of pipeline

	Acute	MH	Ambulance	Community	Other	Total
NHS FTs	101	41	5	-	-	147
With Monitor	3	5	1	6	-	15
With NHS TDA – being reviewed for referral	7	3	-	3	-	13
With NHS TDA – pre referral review	38	7	4	10	-	59
Not as standalone NHS FTs	9***	1	-	1	1	12
Total	158	57	10	20	1	246