

To: The Board

For meeting on: 26 November 2014

Agenda item: 9

Report by: Executive Committee

Report on: Executive Report

Summary:

This report summarises key developments at Monitor since the Board meeting held on 29 October 2014.

EXECUTIVE COMMITTEE BUSINESS UPDATE:

1. At its meeting on 11 November 2014 the Executive Committee (ExCo) conducted the following business:
 - a. Considering information about the complaints Monitor had received in September 2014.
 - b. Reviewing a summary of the organisation's year to date expenditure position and reforecast position as at 30 September 2014.
 - c. Scrutinising Monitor's top risks, risk movements, emerging risks and risk mitigations. Further information about this can be found at agenda item 15(i) (ref: BM/14/132(i)(P)).
 - d. Reviewing the status of Monitor's 2014/15 Business Plan actions. Further information about this can be found at agenda item 15(ii) (ref: BM/14/132(ii)(P)).
 - e. Considering the draft Annual Governance Statement (AGS) that Monitor is required to include in its 2014/15 Annual Report and Accounts. The structure of the AGS, the key changes from previous years and the

highlights of the AGS findings, ahead of its submission to the Audit and Risk Committee.

- f. Discussing the outcome of a short review of the Monitor licence. Further information about this can be found at agenda item 5 (ref: BM/14/125).
- g. Reviewing the headlines from the Economics team's work on lessons from other regulators. The team applied a World Bank framework, which sets out 15 Critical Standards against which regulatory systems can be evaluated, to derive potential lessons for Monitor from other regulators. Further information about this can be found at agenda item 19 (ref: BM/14/136(P)).
- h. Considering the Planning Assumptions developed as part of a wider work programme to arrive at a "Shared Financial Model" with the Department of Health (DH), NHS England and the NHS Trust Development Authority (NHS TDA).

2. At its meeting on 14 November 2014 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 the preliminary results of the employee engagement 'Pulse' survey that was run for a three week period last month.
 - i. **Engagement score** – Monitor's employee engagement index improved by 1% to 72%. This compares favourably with the public sector benchmark norm of 66% and is in line with the private sector. The 2014 Civil Service (CS) engagement score is 59%; DH is 58%¹
 - ii. **Response rate** – the response rate improved by 15% to 86% (404 responders). The UK private sector benchmark is 77%; the UK public sector benchmark is 70%. The median response rate for 2014 CS was 77%.
 - iii. **Key headlines** - Following significant efforts from all teams acting on the results of our last, we've made noticeable improvements in understanding our corporate strategy and the respective parts we all play in delivering it, and seeking ways to make a difference for patients. We have also improved how we deal with inappropriate behaviour and how we support those experiencing stress or pressure in the workplace. We have made some modest improvements around performance and development but we lag behind the benchmark norm in this category and this needs to remain a priority area of focus for us. We recognise

¹ Civil Service people survey (CSPS) 2014: 101 participating organisations, including DH with some 275,000 participants. DH response rate was 69%

more work is needed to improve greater co-operation and communication between teams and we must explore the underlying reasons behind our leadership scores, which are below benchmark norms, so that we can respond in an appropriate and timely manner.

- iv. **Next Steps:** results were shared with all staff on 20 November 2014 by email and at the all staff briefing. Directorates will receive their results from 21 November 2014 with a toolkit, providing guidance on how best to share their results and involve employees in action planning. The next full survey is planned for February/March 2015.
- c. Reviewing the key points of the National Information Board (NIB) information framework and its implications for Monitor. Further information about this can be found at agenda item 19 (ref: BM/14/136(i)(P)).
- d. Scrutinising the outcomes of reviews undertaken as part of the internal audit work programme of Monitor's key financial controls and procurement.
- e. Discussing the high level initial findings of Monitor's whistleblowing review, initial recommendations and other issues ahead of its consideration by the Audit and Risk Committee at its meeting on 24 November 2014. It is proposed that the finalisation of the review is undertaken in light of the findings of the Freedom to Speak Up Review.

ECONOMICS UPDATE

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

3. The "**NHS Foundation Trust (NHSFT) sustainability**" project has developed a methodology to test the clinical and financial sustainability of a trust at a high level. Building on the "**Local Health Economy (LHE) diagnostic**" project, the team is also looking to spread learnings from that project and test whether the analytical tools could be usefully developed further.
4. The "**Planning Assumptions**" work is setting the economic assumptions that NHS providers will use when planning for 2015/16 and beyond – and that Monitor will use in assessing plans. These assumptions have been built out of the team's close working with NHS England.
5. The "**Lessons from major service changes in the NHS**" project is focussed on learning lessons from past service reconfigurations (primarily at the LHE level) to develop a practical guide for Monitor and/or the sector.

Making sure the NHS payments system promotes quality and efficiency

6. The team has progressed the work on ‘additional actions taken by providers in addition to efficiency improvement’ – formerly known as “**leakage**”. Alongside internal work, the team commissioned an externally led project engaging with the sector, specifically through Directors of Finance and others at providers and commissioners to better understand these issues.
7. The team’s policy recommendations fed into this year’s National Tariff decision-making. More widely, the project will conclude on what (if any) interventions should be made to address these additional actions.

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

8. The Economics team presented a paper on the “**international acute comparisons**” project at the Executive Committee meeting on 7 October 2014. Following feedback from the sector (including the Royal Colleges and NHS England), the team has now finalised the report on lessons for the NHS. The report has taken account of the context set by the Forward View.
9. Work is now underway to understand the “**financial impact of moving care out of hospital**”. As a first step in the team’s research, it held a conference with the Nuffield Trust on 14 October 2014 to discuss the ways in which acute providers can reduce their length of stay as well as to discuss its proposed modelling work on admissions avoidance and earlier discharge.
10. For the above projects, the team is working with the Strategic Communications directorate and the Development team to maximise the impact of the work.
11. The team has now scoped the “**workforce**” project, action 5.4 on the business plan. There are signs that providers are facing workforce problems, one example being a significant increase in their spending on locum and agency staff. It wants to answer the question “how do we help providers meet their key staffing requirements effectively?”.

STRATEGY & POLICY UPDATE

Making sure public providers are well-led

12. The Strategy and Policy team launched the strategy development toolkit on 16 October 2014 with a one-day event for NHSFTs and NHS trust chairs and chief executives, which approximately 130 delegates attended. The event also covered transactions.
13. The team ran two further webinars to help support A&E activities
14. The Provider Regulation Intervention Review reported on 15 October 2014. The team is, alongside the Provider Regulation directorate, translating the results of the

review into a work programme alongside the organisational design work.

15. It continues to feed into the Dalton review and preparations for implementation of the recommendations. This is due for publication in December 2014.
16. The review of the Risk Assessment Framework is drawing to a close. The proposals are due to be consulted on with the sector for ten weeks.
17. On training governors, the team attended a meeting of the Governwell Advisory Board and fed into improvements to the national governor training scheme
18. The team is working with the Provider Appraisal directorate to refresh and update the Well-Led Framework for the most recent thinking and guidance on strategic planning and culture. Re-publication will be in early 2015 (specific date to be confirmed)

Making sure essential services are maintained

19. Work continues with external partners on the financial issues expected to face the NHS in 2015/16.
20. The guidance on Trust Special Administration is out for consultation. Further work will be carried out on more strategic questions.

Promoting change through high quality analysis and debate

21. The Forward View was published on 23 October 2014 and was well received by stakeholders. Initial proposals for implementation have been developed and will be discussed at a meeting of Chief Executives on 17 November 2014. Work is also in hand to consider the implications for Monitor's work programme
22. The new models of care learning network (previously NHS Accelerate) was launched at an event on 5 November 2014 and over 60 people attended from the six sites the team is supporting. Detailed support plans for each of the sites are now being developed.

Making sure Monitor is a high performing organisation

23. Work has commenced on Monitor's Business Plan for 2015/16. The aim is to produce a draft plan by Christmas, aligned to Monitor's budget planning. A refreshed business plan will be produced in the New Year. This timeframe is earlier than previous years (to ensure alignment with budget preparation).
24. The Strategy and Policy team will be holding a risk workshop with Monitor's Board on 3 December 2014.

STRATEGIC COMMUNICATIONS UPDATE

Making sure public providers are well-led

25. On 16 October 2014 the Strategic Communications directorate worked with the Development team to run an event for over 100 chairs and chief executives from NHSFTs and NHS trusts on strategy development and transactions. Feedback received both at the event and after it was very positive. At the event the team also filmed representatives from the five trusts who tested the toolkit for a short video hosted on Monitor's YouTube channel which has so far been viewed 259 times. Additionally it arranged for the publication of three blogs by Suzie Bailey on strategic planning with the Health Foundation, Guardian Online and HSJ.
26. The Strategy Development toolkit was published in full on 22 October 2014 and its webpage has been viewed over 3,000 times since then – making it the third most popular piece of content on the website in October (after the NHSFT Directory and National Tariff). The guide for boards webpage has been viewed 1,828 times since its publication.
27. Monitor sent its first monthly email bulletin to licensed independent providers in October, following research indicating they would value this type of communication. It was sent to 173 contacts. 54 of these opened the bulletin and 38 clicked a link (similar rates to other bulletins that are sent and above average for the health sector as a whole). Readers were most interested in the upcoming National Tariff consultation and a link to Monitor's publications for independent providers.
28. The directorate continues to work closely with the engagement team at the Care Quality Commission (CQC) on a joint programme which demonstrates to the sector how the two organisations are working together. Jointly produced slides and messages are being used at stakeholder events and speaking engagements. A joint speaking opportunity was organised at the Westminster Health Forum for Monitor's Executive Director of Provider Appraisal and CQC's deputy chief inspector of hospitals Ellen Armistead which was well received, with constructive and challenging questions. The directorate is continuing reach key sector stakeholders.

Making sure essential services are maintained

29. As a result of the press release and advance briefing of journalists about the order laid in Parliament for the future dissolution of Mid Staffordshire NHS Foundation Trust, the trade press concentrated on the transfer of services rather than the dissolution, although there was some local coverage of this aspect.
30. The recent announcement that PwC has been chosen as the supplier of the Contingency Planning Team (CPT) at Tameside Hospital NHS Foundation Trust was covered positively by the Manchester Evening News, the main local paper, which has followed developments at Tameside for some time.

Making sure the NHS payment system promotes quality and efficiency

31. Monitor's first blog site launched in October 2014. So far it has been viewed 1,184 times, and has covered topics that help the health sector and the public better understand the NHS payment system.

Making sure procurement, choice and competition operate in the best interests of patients

32. On 21 October 2014, the directorate worked with the Co-operation and Competition directorate to hold a webinar in partnership with NHS Clinical Commissioners. The purpose was to engage with commissioners on the choice and competition regulations. The session was viewed 162 times, including by 34 clinical commissioning group (CCG) staff and 14 clinical support unit staff. The panel answered 11 questions, and the webinar received an excellent rating (4.1/5). Comments included: 'Extremely informative on current regulations'; 'Very informative and interesting.'

33. Three further choice and competition workshops have taken place with 64 attendees to date. 11 CCGs have been engaged that haven't been reached through workshops before and a further 34 are registered for future events. Although it is only part way through the current programme of workshops, feedback continues to be excellent with a 95% satisfaction rate, and a positive change in commissioners' perception of whether their role is understood, from 58% between March and April, to 75% between September and November. Over 90% now also believe they have a clear understanding of Monitor's role.

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

34. In response to a request from the Royal College of Physicians for a contribution to its new Future Hospital Journal, an article by David Bennett titled "How Monitor's strategy supports new models of care" was placed in the October edition. This appeared alongside articles by the General Medical Council and others in an issue devoted to the role of regulators in health. Offering a succinct statement on Monitor's strategy and how it contributes to much-needed change in the NHS, the article is also being circulated internally to Monitor staff.

Making sure Monitor is a high-performing organisation

35. The stakeholder engagement team is working with directorates across Monitor to bring together stakeholder insights in order to inform how best to engage with each stakeholder group.

36. Over a six week period between 1 October and 7 November 2014 the directorate has supported Monitor speakers at 26 events reaching approximately 2000 senior decision makers and influencers. Through these interactions it has engaged providers, commissioners, clinicians and the third sector on the full spectrum of

Monitor's work, including integration, co-operation and competition, transformation and strategic planning.

37. The directorate has conducted a review following Monitor's first four months on GOV.UK. Key indicators - including search traffic, bounce rates, qualitative feedback, and enquiries received - indicate that Monitor's new web presence is, on the whole, delivering the content its audiences need, and that most users are not experiencing problems. Benefits of the new site include more space to highlight Monitor's publications and news, a higher profile in Google search results, and more print-friendly pages. However, the directorate has found that a minority of users still need more help to adjust to the new site. It is providing this in the form of a short video on how to navigate GOV.UK and regular reminders of important links, which are distributed by email. The directorate is also working with the Government Digital Service to add functionality (e.g. events listings and on-page surveys).

Complaints about Monitor

38. A complaint has been received about Monitor's management of the Trust Special Administration (TSA) at Mid Staffordshire NHS Foundation Trust and its alleged failure to ensure that the TSAs followed the various professional principles and legal requirements for insolvency practitioners. As an example, the complainant has cited the paediatric data discrepancy that occurred in late February 2014 in the handover work with University Hospital of North Staffordshire (that followed the Secretary of State's decision to approve the TSAs' proposals). This complaint is in the process of being investigated.

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.