

**To:** The Board

**For meeting on:** 17 December 2014

**Agenda item:** 6

**Report by:** Executive Committee

**Report on:** Executive Report

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### **Summary:**

This report summarises key developments at Monitor since the Board meeting held on 26 November 2014.

### **EXECUTIVE COMMITTEE BUSINESS UPDATE:**

1. At its meeting on 4 December 2014 the Executive Committee (ExCo) conducted the following business:
  - a. Considering information about the complaints Monitor had received in October 2014.
  - b. Discussing Monitor's achievements through its integrated care work programme. These are listed below:

<b>Theme</b>	<b>Work undertaken</b>
<b>Ensuring that the sector doesn't block efforts to integrate care</b>	<ul style="list-style-type: none"><li>• The Policy team has drafted guidance to help the sector understand how to satisfy the Integrated Care licence condition, shortly to be out for public consultation.</li><li>• The Co-operation and Competition directorate continues to provide informal advice to the sector on competition concerns related to integrated care, including through roadshows and teleconferences.</li><li>• Active myth-busting, for example reassuring NHS trusts that pursuing integrated care models will not harm their</li></ul>

	aspirations for NHS foundation trust (NHSFT) status.
<b>Providing flexibility for new models to emerge</b>	<ul style="list-style-type: none"> <li>The Provider Appraisal directorate is reviewing a number of transactions that aim to create integrated care models, such as in Torbay and Cambridgeshire.</li> <li>The Pricing team has produced examples of new payment models that encourage shifts to more integrated service delivery, e.g. capitated budgets. Additional research and modelling of how providers and commissioners can share financial risk, whether part of capitated payments or across networks of care, is under way.</li> <li>The Pricing team has used research on linked datasets in three local areas to produce: a tool to help commissioners estimate person-level health and social care spend across their locality; and a user guide for creating linked patient level datasets.</li> <li>The Policy team is supporting Enforcement teams working with challenged local health economies (LHEs) to test the scope for integrated care as part of a sustainable care model, e.g. Tameside Hospital NHS Foundation Trust.</li> <li>The Policy and Pricing teams have contributed to national programmes that aim to build momentum around designing new models of integrated care, such as the Better Care Fund, the <i>Five Year Forward View</i> (and associated New Models of Care and Integrated Personal Commissioning programmes), and the Dalton Review .</li> <li>The Strategic Communication directorate has arranged publication of an article setting out Monitor's flexibility in respect of new care models.</li> </ul>
<b>Supporting local areas in their plans to make integrated care the norm</b>	<ul style="list-style-type: none"> <li>Toby Lambert and Catherine Pollard continue to provide senior sponsorship for the Cornwall and Worcestershire pioneers.</li> <li>The Policy team is supporting the New Models of Care Learning Network, the first six pilots of which are promoting extensivist integrated care models. Nick Ville and Patrick Fraher provide senior sponsorship for Somerset and Airedale.</li> <li>The Pricing team has undertaken a number of 'deep dive' locality sessions for pioneers (Leeds, and Waltham Forest, East London and the City) on e.g. population segmentation, patient level data sharing and payment options. Bespoke sessions are planned for Somerset, Liverpool, Greenwich and Manchester.</li> <li>The Pricing team has set up a payment forum for 13 local areas keen to test new payment models to enable learning to be shared effectively. A further workshop brought together</li> </ul>

	<p>information governance experts to address local areas' concerns.</p> <ul style="list-style-type: none"> <li>The Policy team has led a co-ordinated response to enquiries from local areas for informal advice (from at least 50 areas), informing updates to Monitor's <a href="#"><u>information to help support you in complying with Monitor's requirements</u></a> (FAQs).</li> </ul>
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- c. Considering a summary of the Better Care Fund policy, the issues faced by the programme at national and local levels, as well as the potential implications for Monitor's work and the sector that it regulates.
- d. Agreeing employees' responsibilities to manage any remaining 2014 annual leave and their annual right to buy/sell up to three days of their 2015 holiday entitlement.
- e. Agreeing, as part of Monitor's strategy for ensuring a high performing organisation, the implementation of a gym membership benefit for employees. This will consist of reduced membership fees, initially paid by Monitor as a loan and recouped through monthly instalments over the course of a year (similar to a season ticket loan arrangement).
- f. Discussing the accommodation available to Monitor within Wellington House.
- g. Reviewing Monitor's proposed pay protection policy, ahead of its submission for final approval to the Remuneration Committee.
- h. Considering a comprehensive compilation of Monitor's various statutory powers and duties, including its publication duties.
- i. Reviewing a summary of the organisation's year to date expenditure position as at 31 October 2014.
- j. Agreeing the approach to be taken with regard to Monitor's 2015/16 business planning round and associated budgeting process, in order to ensure that the organisation's proposed 2015/16 business plan can be submitted to the Board for consideration at its meeting on 25 March 2015.

2. At its meeting on 9 December 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. Scrutinising the proposed procurement of the new Strategic Information Programme analytical platform. Further information can be found about this at agenda item 14 (ref: BM/14/144(P)).
  - c. Agreeing the principle that research should be undertaken to understand the views of Monitor's stakeholders, in order to ensure that Monitor continues to operate as effectively as possible in the best interests of patients.
  - d. Discussing the cross system plans for implementing the NHS Five Year Forward View. Thinking is at an early stage and discussions are currently focussed on the design of the governance arrangements and the proposed approach to implementation. Consideration was also given to the nature and extent of Monitor's contribution to this work.

## ECONOMICS UPDATE

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

3. The "**NHS FT sustainability**" project has developed a methodology to test the clinical and financial sustainability of a trust at a high level.
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. Further information about this work can be found at agenda item 13 (ref: BM/14/143(P)).
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 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 has published the paper on "**international acute comparisons**" 4<sup>th</sup> December 2014. At the same time, we launched a crowd-sourcing exercise with clinicians, managers, commissioners and Monitor's policy partners to debate the ideas in an NHS context. Anyone wishing to join the crowd-sourcing can email [jointhedebate@monitor.gov.uk](mailto:jointhedebate@monitor.gov.uk). The feedback from this exercise will feed into the development events being organised by the Policy team in the New Year.
9. Work is progressing on our project to examine the "**financial impact of moving care out of hospital**". The team are working towards sharing case studies and discussing the initial outputs of the modelling at the development events being organised by the Policy team in the New Year.
10. The team is progressing work on the "**workforce**" project. There are signs that providers are facing workforce problems, one example being a significant increase in their spending on locum and agency staff. We are trying to understand how we can help providers meet their key staffing requirements effectively.

## **STRATEGY & POLICY UPDATE**

### **Making sure public providers are well-led**

11. The team fed into the Dalton Review and preparations for implementation of recommendations and the dissemination of information to the sector.
12. The team has been successful in ensuring that Monitor's strategy development events to be held in early 2015 incorporate appropriate information on both the Dalton Review and the Forward View.
13. The review of the Risk Assessment Framework (RAF) is drawing to a close. The Provider Regulation Executive agreed to the proposed changes to the RAF in November 2014 and the team plans to consult with the sector on the proposed changes in mid December 2014 for a period of ten weeks. The changes are not significant and do not affect the principles of the RAF or its basic operation. However, some of the changes will require processes and ways of working in the Provider Regulation directorate to be updated. It is proposed that this will be addressed by the Provider Regulation directorate organisational design project.

14. 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 TBC and dependent on the timing of when the effectiveness of Governance Reviews will be reviewed)
15. The publication of the Government's One Year On Report for the system response to the findings of the Mid Staffordshire NHS Foundation Trust Public Inquiry has been delayed.

#### **Making sure essential services are maintained**

16. Work with external partners on the financial issues in 2015/16 has seen renewed vigour, with a set of workstreams agreed and underway. These workstreams will be programme managed by the 2015/16 joint programme board.
17. The consultation on Trust Special Administration guidance closed on 14 November 2014. The team is presently analysing responses and updating the guidance where necessary.

#### **Promoting change through high quality analysis and debate**

18. Work on implementation planning for the Forward View has started with partners and an initial discussion between Arm's Length Bodies' Chief Executives on the way forward was held on 17 November 2014. Monitor is leading the design and governance of the New Models of Care work programme element. The internal group co-ordinating the work on Objective 5 of Monitor's strategy is helping shape this work to help ensure a coherent cross-Monitor view. The team is also providing input to the work NHS TDA is scoping on aligning interventions in the most challenged health economies and NHS England's drafting of a front-end section of the planning guidance related to the Forward View
19. Initial support plans have now been developed for all the new models of care learning network (previously NHS Accelerate) sites and initial support requests are now being processed. The evaluation work has also started working with Blackpool and South Somerset in the first instance. Most sites have completed the initiate stage of the product lifecycle and are moving into the design phase.

#### **Making sure Monitor is a high performing organisation**

20. Work has commenced on Monitor's Business Plan for 2015/16 with the goal of having a view of priorities and critical actions by the end of December 2014. The detailed business plan will be produced in the New Year. The Executive Committee (ExCo) is asked to note that this timeframe is earlier than previous years (to ensure alignment with budget preparation) and to provide support to the process. The ExCo has requested a brief update on the process which will be presented to the ExCo on 4 December 2014.

21. The team held a risk workshop with the Board on 3 December 2014.

## **STRATEGIC COMMUNICATIONS UPDATE**

### **Making sure public providers are well-led**

22. Monitor's Strategic Communications team worked closely with colleagues at the Care Quality Commission to finalise a joint report, [issue a joint press release](#) and hold a briefing for local MPs in Westminster on the review of organisational culture at The Christie. The co-ordinated engagement ensured that key stakeholders understood the purpose of the report and its findings, and mitigated against the risk that the document might be misinterpreted.

23. A member of the Strategic Communications team went to Colchester Hospital University NHS Foundation Trust to explore the origins of the recent national media coverage and to work with the Chief Executive, Chair and communications team on how they might avoid such incidences in the future.

24. Three more webinars have been held in the urgent and emergency care operational resilience series. The speakers were chosen for their clinical expertise and have all been well received. Some of the comments include: 'Informative session which could influence decision making', and 'Very interesting and innovative use of resources.' Clinicians across a range of roles continue to be targeted, and examples of those joining these webinars include a community matron, consultant haematologist and a therapy manager.

25. In all [five webinars in this series](#), there has been an increase in the number of views after the live recording, most likely because the audience that is being targeted does not work conventional hours. The most recent three webinars scored highly: 3.6/5, 4.5/5, and 4.6/5.

### **Making sure the NHS payment system promotes quality and efficiency**

26. Stakeholder engagement around the [2015/16 National Tariff Payment System: A consultation notice](#) set out that NHS Providers appreciated the efforts the Monitor has taken to make the process of setting the National Tariff more transparent, and the British Medical Association (BMA) noted a welcome reduction in the length of documents and the use of technical terminology. However, both organisations raised concerns in their submissions to the Health Select Committee, which was disappointing.

27. The Corporate Communications team compiled a list of the nominated individuals from the 'relevant' providers and Clinical Commissioning Groups who can formally object to the method for determining national prices. This was very detailed and time-consuming work to ensure Monitor reached the right people. They all received tailored emails with a unique link, which will help the team to calculate the overall number of objections. In addition, 6,000 emails were sent to the healthcare sector

publicising the launch of the consultation notice; of these around 1200 stakeholders had opened these emails in the first five days.

28. In the first two days following publication of the [consultation webpage](#), the team saw over 7,000 page views from around 3,600 unique users making it the second most viewed piece of content in the whole of November 2014.
29. Early engagement on the '[Reforming the payment system for NHS services: supporting the Five Year Forward View](#)' document with patient representatives (National Voices, Patients Association) and think tanks (Health Foundation, King's Fund) suggests clarity about the future vision will be welcomed by a wide range of stakeholders.

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

30. Monitor was well represented at the Foundation Trust Network annual conference in a series of sessions and on its exhibition stand. General feedback suggested that the messaging and appearances had landed well with the mood of the conference, with the organisation's relevance to the challenges of the sector, and the opportunities for change within the context of the Forward View, well articulated. Conversations led to: offers of help with future work, either as a potential case study or to input into research; invitations to visit trusts; and potential speakers for future webinars. The event also helped the team to gather views on Monitor's new 'Strategy development toolkit', and awareness of it was high among visitors to the stand, with positive feedback from chairs and chief executives who are using it.
31. The Stakeholder Engagement team held meetings with the Patients Association and National Voices as part of its ongoing stakeholder contact programme. An area of interest identified for continued engagement was how Monitor could provide help for smaller voluntary groups in navigating procurement rules.

### **Making sure Monitor is a high-performing organisation**

32. The Strategic Communications directorate briefed the Public Accounts Committee (PAC) and Health Select Committee in advance of Monitor's hearings on the timing and high level content of the Q2 financial results and National Tariff consultation documents. It made sure MPs on the committees didn't feel any important information was not available to them. This was well received and ensured that the hearings were not distracted by questions about lack of the most up to date information.
33. Near record levels of media coverage were achieved during the second quarter of the year, averaging ten mentions of Monitor in print, online or broadcast every day. However, the table shows this translated into a fall in the organisation's normally high ratings on tone, messaging and press release influence. These are still relatively high, but were adversely affected by one story at the beginning of the

period – the Public Accounts Committee’s criticism of its regulatory role. The MPs’ report generated 89 separate items, one tenth of all stories over the period. In particular there was a lot of local BBC coverage. The PAC’s verdict differed from the National Audit Office’s evidence that Monitor provided value for money. This illustrated how easily the cumulative impact of the positive proactive work the organisation does can be affected by influential external comment.

<b>Metrics of media coverage</b>	<i>April-Jun</i>	<i>Jul-Sept</i>
Positive tone	86%	71%
Contains a key message	73%	54%
Influenced by a press release	76%	66%
Average potential reach per news item	222,502	336,228

34. Readership of the weekly staff newsletter, [Inside Track](#), continues to rise with on average 65% of staff engaging with the content (compared with 40% this time last year). The directorate has many more articles and ideas coming from across the organisation compared to this time last year, which is helping to raise the profile of what teams are working on, supporting the ‘one team’ value in particular.
35. In the last all staff briefing of the calendar year, David Bennett gave an update on his priorities and answered questions from staff; members of the Executive team presented the results of the recent pulse survey; and the Development team explained its role in supporting the front line by building capability and leadership to enable the continuous improvement of the NHS. The team stressed the need to work together with all teams across Monitor to achieve this.
36. In October 2014, Monitor took part, for the first time, in a reputation study, which is carried out by the Reputation Institute and uses a methodology developed jointly with the Cabinet Office.
37. The study is carried out among the general public, and only those who are ‘generally informed’ about Monitor’s role take part. The study measures the overall reputation of an organisation, looking at the emotional connection people feel towards it and their reaction to 7 ‘rational’ dimensions, eg performance. Monitor scores well with a reputation score of 68.3.

## **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.*