

FT Bulletin

22 February 2013

Issue 66

Monitor

Welcome to the February edition of Monitor's FT Bulletin.

This bulletin is sent to foundation trust chief executives, chairs, trust secretaries, finance, medical and nursing directors and the Foundation Trust Network. Click on the links below to jump straight to the relevant sections of the bulletin.

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The new NHS provider licence

In advance of Monitor making licences available to all foundation trusts, we need to confirm a number of details for each organisation. Foundation trust chief executives should by now have received an email asking them to confirm these details. Please send a signed, scanned copy of this [email](#) back to Monitor's [licensing team](#) by Friday 1 March. If you have any queries relating to the licence, please get in touch with your Monitor relationship manager.

Nominations for 2014 UK honours round

Una O'Brien, Permanent Secretary, recently wrote to all NHS trusts and NHS foundation trusts inviting nominations for candidates from within the health and care sector for the 2014 UK honours round. We encourage foundation trusts to take this opportunity to recognise outstanding contributions within the sector.

The deadline for submitting all nominations is **Wednesday 20 March**. Please send your fully completed nomination forms to mb-honours@dh.gsi.gov.uk.

Schedule 6 has been updated

The latest Schedule 6, which sets out information reporting requirements for foundation trusts, is now available [here](#) on our website.



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Accounts process update

Thank you to NHS foundation trusts for submitting month 9 FTC files on 22 January. We have completed our consolidation of these returns and passed these to the Department of Health. The agreement of balances process for month 9 continues, with files due to be resubmitted on Monday 25 February. Our email on Monday 18 February to all 'FTC contacts' gives full details of how this submission should be made.

It is very important that NHS foundation trusts follow our guidance on how files should be uploaded, in particular choosing the correct process type and activity name on the Portal system. This ensures that we are able to locate files when they are uploaded. Failure to follow these instructions runs the risk that a submission may be regarded as late.

Monitor will confirm the year end agreement of balances timetable within the next two weeks. This will mirror the timetable in place for other NHS bodies. NHS foundation trusts are reminded that the key accounts submissions are Monday 22 April (9am) for unaudited accounts, and Thursday 30 May (9am) for audited accounts. Our timetable letter is available [here](#).

The FT Annual Reporting Manual for 2012/13 will be published shortly, once we have obtained Secretary of State approval, along with a summary of consultation responses on chapters 1-6 of the Manual. We have not consulted on changes to chapter 7 this year as they are minimal and relate principally to changes in legislation. An email alert will be sent when the FT Annual Reporting Manual for 2012/13 is published to all subscribers. If you are not already signed up, you can subscribe to receive these alerts [here](#).



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[Annual plan review 2013/14](#)

We intend to publish the 2013/14 Strategic Plan template on Friday 1 March 2013 and the Financial Plan template on Tuesday 2 April 2013. These two documents, due for submission to Monitor on 3 June 2013, taken together comprise the trust's Annual Plan.

The Annual Plan should set out how the trust's Board intends to deliver appropriate, high quality and cost-effective services for its patients on a sustainable basis. It should therefore lay out the trust's assessment of the challenges it faces (both within the organisation and more broadly within its local health economy), its strategy to address those challenges and its implementation plans over the 3 years from 13/14 to 15/16.

Trusts are reminded that the Annual Plan is not a simple budgetary exercise but it is a key governance document which explains how high quality services will be delivered into the future. This involves analysis of a broad range of issues, which may, for example, include: demographics and health trends; clinical sustainability and the implications of 24x7 consultant rotas; opportunities and threats from reconfiguration; cultural factors and their impact on delivering services which are safe, clinically effective and result in high patient satisfaction; cost benchmarking and the opportunity for transformational CIPs. This is not an exhaustive list and different trusts will have differing starting positions and face differing challenges.

For many years we have emphasised the importance of robust planning over a multi-year period to maintain a healthy and sustainable FT sector. Our experience with prior Annual Plan Reviews however has shown that, on the whole, trusts tend to focus on a one-year planning cycle. Trusts are reminded of the need to take a longer term planning outlook, taking due consideration of their local health economy and the sustainability of service delivery models.

A trust's Annual Plan is a key document in its own right, and also an important indicator of the quality of governance at a trust. The Annual Plan Review will assess how well trusts understand the risks and challenges they face and whether the Annual Plan presents a credible and robust response. This assessment will inform our regulatory



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approach. Where weaknesses are identified, we will write to trusts setting out our concerns. Where appropriate, we may seek further external assurance through a “stage 2 review” or through enhanced monitoring or other regulatory action.

Further information on the Annual Plan Review will be made available in next month’s bulletin and the plan templates, along with guidance on this year’s annual plan review process, will be made available on our website in March.

Changes to PDC Dividend Calculations for 2013/14 – effective from 1 April 2013

The calculation of Public Dividend Capital (PDC) payable is based on average net assets excluding the net cash balances on deposit with the Government Banking Service (GBS).

The typical methodology currently used for calculating the average GBS balance has been based on opening and closing balances, which ignores fluctuations within year. This has resulted in large fluctuations in NHS foundation trusts’ GBS deposits around the year end as foundation trusts transfer funds into their GBS account to reduce their relevant net assets for the calculation. Fluctuations as a result of this were £1.8bn at the end of 2011/12, which makes it difficult for HM Treasury to manage debt requirements.

The Department of Health (DH) has informed us that from 2013/14 the average cash deposits with the GBS will continue to be deducted from the calculation of average net assets for the purposes of the PDC dividend calculation.

To avoid large fluctuations around period ends, the DH will be stipulating the methodology that should be used to calculate the average GBS cash deposit balance. The DH is considering the use of average daily cleared balances in GBS as an appropriate methodology. It is currently consulting with the NHS Trust Development Authority and will communicate the change in calculation methodology when it has been finalised.



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New guidance and report looking at quality across the NHS

Monitor staff and other parties with an interest in ensuring quality across the NHS have helped to shape the National Quality Board's guidance, [How to establish a Quality Surveillance Group](#), which has just been published.

The guidance is published alongside the NQB's report [Quality in the new health system - maintaining and improving quality from April 2013](#).

The NQB is a multi-stakeholder board established to champion quality and ensure alignment in quality throughout the NHS. Find out more on the Department of Health's website [here](#).

Merav Dover – new role at Lambeth and Southwark Health and Social care

Merav Dover, who has been the Compliance Director at Monitor for over three years, is leaving on 22 February to take up the position of Chief Officer of Integrated Care across the health and social care organisations in Lambeth and Southwark (South East London).

Merav has made a long-term and significant contribution to the regulation of the foundation trust sector. During her time at Monitor she helped create and implement a more rigorous and transparent approach to our compliance and intervention work and this has had a considerable impact, ensuring swift action is always taken to improve patient care.

Merav leaves with our warm congratulations on her new appointment, very best wishes for the future and our sincere thanks for her hard work and outstanding contribution.



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Our latest statements and news releases

Our statement in response to the Francis Public Inquiry

We issued a statement following the publication of Sir Robert Francis' Inquiry report earlier this month in which we expressed our profound and sincere regret for the events that took place at Mid Staffordshire NHS Foundation Trust during the period covered by the Inquiry.

We acknowledge that the standard of care that patients received was unacceptable and accept without hesitation our share of responsibility for failures in regulation during the period in question. We authorised a trust which in retrospect should not have been authorised and could have used our formal intervention powers sooner once problems had been uncovered. We have learnt from the mistakes we made and have already made significant changes to the way we work as a result of what happened at Mid Staffordshire.

In preparing for our expanded role as sector regulator we are continuing to place a strong emphasis on quality governance in foundation trusts and continue to work very closely with the Care Quality Commission. You can read more of our statement [here](#).

To help the NHS discuss and learn from the report, Health Secretary, Jeremy Hunt and NHS Chief Executive, Sir David Nicholson have asked NHS leaders around the country to hold staff listening events. The letter to all trusts is available [here](#).

Wirral University Teaching Hospital NHS Foundation Trust makes improvements to services

Wirral University NHS Foundation Trust has made significant improvements in reducing waiting times for patients needing routine surgery.

The Board has made important improvements in the way it runs the trust and, as a result, we decided the trust is no longer in significant breach of its terms of authorisation. Read more on this story [here](#).



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Trust told to take urgent action to improve its finances

This month we have taken regulatory action at The Rotherham NHS Foundation Trust to improve its management of finances and make sure that patient services remain sustainable.

We found the trust in significant breach of its terms of authorisation due to its failure to address financial problems promptly and effectively.

The trust has significantly underperformed on its financial plans leading to concerns about the way the trust is governed. Key concerns cited by us included the trust's failure to deliver on its savings plans and failure to successfully implement a new electronic patient records system, which led to problems booking patient appointments and loss of income for the trust. Find out more [here](#).

Trust told to make urgent improvements in its management of A&E services

We have recently taken regulatory action at Stockport NHS Foundation Trust to improve performance within the A&E department for the benefit of patients.

We found the trust in significant breach of its terms of authorisation due to successive failure to meet its A&E health care target for four out of the last six financial quarters.

The trust's failure to make sufficient progress in addressing the issues has also led to concerns that there are weaknesses in the Board's governance processes. Find out more about this [here](#).



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House of Commons Public Accounts Committee Report

On 7 February we published our response to the House of Commons Public Accounts Committee Report which raised some important lessons about the handling of the PFI proposal from Peterborough and Stamford NHS Foundation Trust.

Within our response we highlighted that we had commissioned an independent review to learn from this experience and are implementing the recommendations to strengthen our oversight of long-term investments made by foundation trusts.

Read more on this story [here](#).

Our latest job opportunities

We have posted a range of job opportunities on our recruitment site [JoinMonitor.com](https://www.joinmonitor.com) this month, which you can view and apply for online now.



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Standard licence conditions published

Our provider licence is the new main tool with which we will regulate providers of NHS services. We have agreed with ministers that we will license foundation trusts from April 2013, and other eligible NHS providers from April 2014.

We published the standard licence conditions earlier this month, along with a summary of responses to our consultation and engagement on the licence. You can view both documents [here](#).

Monitor sets out its guidance on costing

Monitor has moved a step closer to improving the pricing of NHS-funded services by issuing its [Approved Costing Guidance](#) about how to allocate the cost of services to individual patients.

As part of our new role as sector regulator, we will have joint responsibility for setting prices for NHS services from 2014-15 onwards. The new guidance consolidates and streamlines existing guidance and details requirements that providers of NHS-funded services will need to comply with when the NHS provider licence first comes into force on 1 April.

The guidance has been developed following extensive stakeholder engagement last year. Thank you to everyone who contributed; we have made changes to our proposals based on this important feedback, reflected in our [summary of stakeholder responses](#) also published this week.

We strongly encourage trusts to take part in our [pilot PLICS collection](#) which will take place between June and mid September 2013 this year, and will cover 2012/13 data. This collection will help us to decide how PLICS data can best be used to inform prices as well as help to identify areas which may need further attention so that data quality can be improved.



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Consultation and engagement

Reminder: Consultation on the *Risk Assessment Framework*

Remember, you still time to have your say on the [Risk Assessment Framework](#) that we are currently consulting on. This sets out our proposed approach to assessing the risk of NHS providers failing financially and describes how we will continue to oversee the governance of foundation trusts. **Please send your responses to us by 5pm on 4 April 2013.**

Missed our webinar? Learn more about the [Risk Assessment Framework](#) by watching our webcast [here](#). The online session also covers the [draft Enforcement Guidance](#), which we recently consulted on, and the new NHS provider licence that we recently published.

A common definition for Integrated Care – opportunity to comment ends soon

Under the Health and Social Care Act 2012, we have a duty to enable care to be delivered in an integrated way. Research has shown that there is a need for a compelling definition for integrated care to help the public and professionals share a common and meaningful understanding of what good person-centred, co-ordinated care looks like for an individual, using language with which everyone can identify.

The NHS Commissioning Board has commissioned *National Voices*, the national coalition of health and social care charities and its members, to develop this definition from the perspective of the patient and service user. This has been done in partnership with the Local Government Association, Department of Health, Monitor and ADASS (the Association of Directors of Adult Social Services).

The opportunity to comment on the draft description ends on 28 February 2013.

Please [visit our website here](#) for further explanation of this work, a link to the stakeholder engagement document and details on how to provide comments and suggestions.



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Consultation on sustainable development

The NHS Sustainable Development Unit is running a consultation and engagement programme to produce a new Sustainable Development Strategy for the health, public health and social care system.

Building on the [Carbon Reduction Strategy](#), the new strategy will be launched in January 2014, covering 2014 to 2020. It will define where we need to be on the path to sustainable health care by 2020 and the measures and targets against which progress will be measured.

The consultation can be found at www.sdu.nhs.uk/sds and closes on **31 May 2013**.



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Regional events for NHS health care providers

As we head towards 1 April we want to ensure that NHS providers, especially foundation trusts, are prepared for the new regulatory system.

We are holding [four regional events](#) during February and March 2013 for chief executives or nominated representatives.

Each event will be hosted by the relevant Regional Director and will offer an:

- overview of Monitor's new role and the timeline for the introduction of the new elements of the system;
- overview of the new licence conditions and our approach to their enforcement;
- opportunity to have your say on the proposed [Risk Assessment Framework](#) currently out for consultation until 4 April 2013;
- overview of the competition framework and;
- opportunity to ask any questions you may have on the implementation of the NHS provider licence on 1 April 2013.
- For dates, regional locations and to register, please [click here](#).

Robust Quality Governance Conference - Thursday 7 March 2013

Register for this event today for your chance to learn more about the quality governance framework.

The conference is being run by Monitor in partnership with the Foundation Trust Network and will include plenary sessions as well as workshops.

The conference is aimed at board members of aspirant trusts and will take place on 7 March in central London.

Find out more and register for the conference [here](#).



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FREE webinar on monitoring, reporting and evaluating CIPS - 11 March 2013

[Register your place](#)

Sign up to watch our latest live webinar on 11 March.

This free online session will look specifically at monitoring, reporting and evaluating cost improvement programmes.

Missed our previous CIPs webinars? Watch these in your own time on our website [here](#).



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