



Partnership Agreement between:

**Monitor
and NHS England**

April 2013




Joint Statement

This agreement sets out the strategic intent and commitment of NHS England and Monitor to work together. We recognise our respective statutory responsibilities and Monitor's role as the independent regulator of the sector, but we will collaborate and cooperate to deliver common objectives for the benefits of patients and the taxpayer.

This agreement sets out our respective duties, roles and responsibilities and the strategic context, placing patients and improved services and outcomes at the heart of our shared vision. It sets out our partnership objectives, values and behaviours, and the priority areas in which we will work closely together.

Monitor's role as the sector regulator and NHS England's role as a system leader will be pivotal in helping commissioners and providers deliver improved services and outcomes for patients. The values and behaviours underpinning our joint working, and how we model these in everything we do, will therefore be instrumental in supporting the improvements and changes that the NHS is seeking to achieve.

This document is not legally binding and cannot constrain either organisation in exercising their respective roles and responsibilities as set out in the Health and Social Care Act 2012 and under direction from the Secretary of State.

Signature: Dr David Bennett (Chairman & Chief Executive, Monitor) 	Signature: Prof Malcolm Grant 
	Signature: Sir David Nicholson 

1. Context and Shared Purpose

Purpose:

This agreement sets out the nature of the partnership between Monitor and NHS England. It captures how we intend to work together at a strategic level in carrying out our respective functions for the benefit of patients and the public. It sets our partnership in the context of the reformed system as a whole, outlining our partnership objectives, values and associated behaviours. It also sets out our joint priorities and joint deliverables up to April 2014 and the way in which we will deliver them.

Roles and responsibilities of the two organisations:

NHS England

The NHS England is an autonomous non-departmental public body, which operates within the wider health and social care system. Its overarching role is to ensure that the NHS delivers continuous improvements in outcomes for patients within the resources available. NHS England will fulfil this role through its leadership of the reformed commissioning system. Working in partnership with clinical commissioning groups (CCGs) and a wide range of stakeholders, it will secure better outcomes, as defined by the NHS Outcomes Framework; it will actively promote the rights and standards guaranteed by the NHS Constitution; and will secure financial control and value for money across the commissioning system.

The new system of commissioning for the NHS requires NHS England to provide national consistency in areas like quality, safety, access and value for money, whilst promoting the autonomy of CCGs to make decisions that are in the best interests of their community.

Monitor

Monitor is the independent sector regulator for health. Monitor's main duty is to "*protect and promote the interests of people who use health care services by promoting provision of services which is economic, efficient and effective, and maintains or improves the quality of services*".

In carrying out the new role as sector regulator, Monitor will licence providers of NHS services in England and exercise functions in four areas: setting prices; enabling integrated care; preventing anti-competitive behaviour; and supporting commissioners to maintain service continuity.

Monitor will also have a continuing role in assessing NHS trusts for foundation trust status, and for ensuring that foundation trusts are financially viable and well-led, in terms of both quality and finances.

Shared vision and strategy:

The reform of the system and the quality and financial challenges faced by the NHS, provide the important strategic context within which this partnership agreement has been developed and will be implemented over the coming years.

The NHS faces many significant challenges, including rising demand for services as the population ages, the increasing prevalence of people with long-term conditions with multiple needs and huge variations in service quality and health outcomes. The NHS is faced with meeting these challenges in period of financial constraints in the wider economy and thus a squeeze on public spending for the foreseeable future.

In response, the government reforms (The Health & Social Care Act 2012) aim to put patients at the heart of the system through empowering clinical leadership, supporting providers to innovate and thus allowing scope for local and devolved decision making to improve patient care, patient experience and the efficiency of the NHS. Robert Francis QC's report of the public inquiry into failings in the quality of care at Mid Staffordshire Hospital has further emphasised the need to re-focus the NHS on improving quality and putting patients first in all circumstances.

Against this background, Monitor and NHS England share the vision of supporting and enabling the delivery of safe, sustainable and high quality care to improve patient outcomes. By working together we can achieve more in engaging with local commissioners and clinicians, with patients, their carers, the public and other stakeholders. Consistent with our respective roles, duties and powers, we will enable local health communities to meet the challenges ahead whilst holding the system to account for delivering maximum public value for patients, their families and the taxpayer.

Partnership Objectives:

Working within the legal framework set by the Health and Social Care Act 2012, we will work together to achieve the following partnership objectives:

- To improve the outcomes of patients and reduce health inequalities;
- To protect and promote the rights of patients, supporting them to be empowered in making decisions with better information regarding their care treatment;
- To support commissioning so it is efficient, effective and leads to the provision of high quality care for patients which is reflective of the fiscal climate
- To identify and address the barriers to, and strengthening the enablers of, effective system change & reform.

Partnership values and behaviours:

In delivering our partnership objectives and our joint priorities, we will work in consistent ways through an agreed set of values and associated behaviours at all levels of our organisations. Our values and behaviours should be adhered to but recognise the dual role of Monitor as NHS England's partner and regulator.

Values	Behaviours
Ambitious for patients	Actively engage with the system and patients to focus on improved services and outcomes for patients.
Constructive	Being open and honest in our conversations Actively seek solutions through consensus
Sharing a vision	Collaborate on the 'end state' for what we are trying to achieve with respective roles made clear from the start
Enduring and forward looking	Committed to future collaborative work through our respective business planning processes
Professional	Recognise the need to work collaboratively as well as individually and ensure we deliver to a high-standard of work
Respectful and supportive	Support of each other in our engagement and communications with the system
Transparent	Share work and information in a timely manner and where appropriate share work in advance of publication to the

Trusting	wider NHS. Providing challenge and being open to challenge
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2. Joint Priorities

NHS England and Monitor have a duty to collaborate under the Health and Social Care Act 2012. Moreover, this reflects the need for both organisations to work together on system wide improvements in order to meet the quality and financial challenges the NHS now faces.

The 2012 Act sets both organisations a statutory duty to work together on NHS pricing as well as establishing respective duties for Monitor and NHSCB in areas such as patient choice and integrated care. We have therefore based our joint priorities on each of these areas:

- a) Pricing
- b) Continuity of service
- c) Choice and competition and
- d) Promoting and Enabling Integrated Care

Given our shared statutory and respective duties, each priority work will develop a set of detailed working practices which describes how Monitor and NHS England will work together. The detailed descriptions of the joint priorities and their respective working practices will be added as Annexes to this document once they are completed.

A) *Pricing and payment systems:*

Monitor and NHS England are committed to working together, where appropriate, to deliver their respective statutory responsibilities on pricing. We will do this by putting in place and implementing a Pricing Joint Operating Model (PJOM). Before the end of the financial year 2013-14, we will work together on the following specific deliverables:

1. Future Strategy – a shared vision for what pricing and payment systems might look like in the future, and an overview of the key developmental steps that will be taken to achieve the required changes.

2. Establishing pricing functions – based on a review of ‘as is’ and ‘to be’ business processes, this will include approaches to: governance; clinical, patient and expert engagement; and human resourcing.
3. 2014-15 National Tariff – achieving a smooth and stable handover of tariff development, calculation, testing and publication from the Department of Health, in line with the responsibilities set out in the Health and Social Care Act 2012.
4. 2015-16 and beyond – designing new tariff processes to enable delivery of the changes in currencies, methodology and rules required to achieve the Future Strategy.

In addition to this Partnership Agreement, the PJOM will be agreed between NHS England and Monitor, including governance and advisory arrangements that reflect and deliver the organisations’ respective statutory responsibilities in respect of pricing. The PJOM will be kept under review and amended over time, as required, through agreed change control mechanisms.

B) Continuity of Service:

From April 2013, Monitor’s new continuity of service function will make sure that patients still have access to essential services in cases of provider failure. Commissioners will have the primary responsibility to ensure continuity of services (CoS) within their local areas. However, Monitor will have new powers to protect essential services and enable them to continue in the event of a provider becoming financially unstable. To ensure continuity of services, it is the responsibility of local commissioners to identify the services which will be protected for their local population. With this in mind, Monitor and NHS England will work together to ensure that the policy, regulations and guidance for commissioners on continuity of services are developed with robust engagement work and introduced in a way which is fair, balanced and appropriate for both commissioners and providers. Before the end of the financial year 2013-14 we will work together on the following specific deliverables:

1. Agree the policy of whether and how to implement commissioner charges.
2. Undertake joint engagement, starting with a series of joint workshops with providers and CCGs to help strengthen a common and consistent understanding and implementation of the continuity of services regime.

3. Agree with DH and the NHS Trust Development Authority (NHS TDA) the details of a more comprehensive failure regime for all providers, which will include the continuity of service requirements.

C) Choice and competition:

To help commissioners and providers improve patient outcomes and value for money by making more effective use of choice and competition, we will work with the healthcare sector to help them understand the choice and competition landscape and equip them with the resources they need to use these mechanisms to best effect. Monitor and NHS England are working in partnership to develop a Choice & Competition Framework, which we will continue to develop so that it is as effective as it can be in providing information to enable and support the system to improve patient outcomes. Between now and the end of the financial year 2013-14, we will work together on the following specific deliverables:

1. Launch the Choice & Competition Framework on the internet. The website will host or signpost all of the elements that make up the Choice and Competition Framework, providing users with a variety of resources to meet their needs.
2. Develop proposals for on going and project based work to monitor and evaluate the use of the Framework over the coming years. Once these proposals for monitoring and evaluation have been developed, we will work together where appropriate to implement any necessary changes to the Framework.
3. Develop a communication and engagement strategy setting out how we will engage together with the system on choice and competition where appropriate, through workshops, press releases, and other appropriate methods.
4. Monitor will publish its guidance on the application of the National Health Service (Procurement, Patient Choice and Competition) Regulations 2013 and NHS England will publish associated procurement best practice guidance to help commissioners understand and work within the new legal framework. We will develop the guidance in a joined up way so that the messaging and associated outputs are consistent and coherent for the system.

In addition to the partnership agreement, we will develop an agreement setting out how we will continue to maintain and support the Choice & Competition Framework.

D) *Promoting and Enabling Integrated Care:*

The policy context for the work on integrated care (person-centred co-ordinated care) is set out in three key places:

- The Health and Social Care Act 2012, which places duties on NHS England and Monitor respectively to 'promote' and 'enable' the delivery of integrated care.
- The Mandate for NHS England, which sets out objectives for the promotion of integrated care.
- The Governments proposed changes to the NHS Constitution, following its recent consultation, which includes the proposal to articulate in the Constitution that care should be coordinated around and tailored to the needs and preferences of patients.

Our ambition is to work together, with key partners and stakeholders in line with our respective duties, to remove the national barriers that commissioners and providers experience when seeking to develop and establish care and treatment that is better coordinated around the individual. We will co-develop with the health and social care system a common definition of '*person-centred co-ordinated care*' as the foundation for our work. We will respect the principles of autonomy and devolution for local health economies, whilst working together with health and social care partners to deliver our ambition above. Between now and the end of the financial year 2013-14, we will work together on the following specific deliverables:

1. The roll out of a definition of '*person-centred co-ordinated care*' that secures agreement and common ownership across the health and social care system and is amenable to measurement.
2. Agreeing a payment strategy for enabling the delivery of integrated care, as part of the Future Strategy for what pricing and payment systems might look like in the future.
3. Providing guidance on the delivery of integrated care in the context of the Choice & Competition Framework and the provider licence set by Monitor, ensuring clarity and consistency for commissioners and providers.

Other Projects:

In addition to these four joint priorities, we have a commitment to work together – when appropriate to do so - on other ‘special projects’ that arise from time to time. These projects will involve any urgent work that falls outside the scope of the four joint priorities. The decision on whether or not to carry out work on a special project will be made according to the joint working arrangements described below. A key early priority will be to work together to agree where joint action is required to respond to the recommendations of the Francis Report.

3. Governance of the Working Arrangements

The governance arrangements for how we will work together cover three broad areas.

1) Operational working arrangement on the joint priority areas

This covers the day-to-day relationships between the organisations. Each joint priority work area will work together to deliver their respective duties. In doing so, individuals involved will take due responsibility for ensuring high quality standards for their work, effective risk management and will hold each other account in the context of the values and behaviours set out in this document. In the context of good governance, the teams working on the joint priority areas in both Monitor and NHS England are responsible for reporting into their respective Executive Teams and Boards, who will ultimately be held account for decisions taken.

2) Partnership Workshops

To support the development of the joint priority work areas and to harness a stronger culture of partnership working, NHS England and Monitor will hold two partnership workshops throughout the year. It is envisaged that these workshops will include but not restricted to: a progress update from each joint priority work area, an update on respective corporate strategies and an opportunity to share future work plans. These updates will enable the participants to review performance, discuss next steps and set out risks & mitigations to delivery. The benefits of these workshops will be reviewed mid-year to decide whether to continue with the proposed format.

3) Executive Team Review Meetings

NHS England and Monitor will develop their working arrangements at Executive and Board level by holding a Board-to-Board workshop on an annual basis. These workshops are aimed at strengthening the working arrangements at the most senior levels of Monitor and

NHS England and will provide Board members with the opportunity to collectively discuss system wide issues along with the joint statutory and respective duties of each organisation.