

31 July 2009

Dear Colleagues,

In-year monitoring process and revised Commissioning and Provider Regimes

The Commissioning and Provider Regimes have been updated in light of the pan-London work to implement *Healthcare for London* and to strengthen commissioning. I have attached copies of the new Regimes.

Background

The Regimes have been updated to reflect the changing role of NHS London and the planned delegation of the SHA's service performance management functions to the sector Chief Executives. The new Provider Regime also sets out the process for fully aligning the risk rating and monitoring of Trust performance with the DH Performance Framework.

NHS London will retain responsibility for the performance management of finance and governance for NHS Trusts however performance management of an agreed set of acute targets will be delegated to commissioners using the new sector arrangements outlined in the revised PCT Commissioning Regime. For 2010-11, Trusts will be required to produce finance and activity plans that will be reviewed by NHS London and complete a governance self-assessment. NHS London will use these documents to rate the risk of a Trust not meeting its financial performance or governance duties in the coming year. Commissioners will seek assurance through the contracting process that Trusts can deliver the required level of performance against all targets.

Approach to in-year monitoring

There will be three elements of the new approach; quarterly reviews, escalation meetings and informal contact.

1. Quarterly reviews will be held to assess the financial and governance aspects of each Trust against delivery plans. The process will be as follows:
 - Each Trust will be required to complete the financial and governance templates on a quarterly basis and return them to NHS London.
 - The financial and governance templates will be analysed and any issues will be shared with Trusts.

- Trusts have an opportunity to respond to any comments raised by NHS London.
 - NHS London may wish to hold a formal review meeting with Trusts to discuss any issue raised.
2. Escalation meetings may be used between quarterly review meetings where sufficient progress is not being made.
- Underperformance against financial plans or governance concerns may trigger escalation meetings with NHS London, depending on the severity of the problems identified. The frequency of these meetings will depend on the nature of the issue. Escalation meetings on key indicators will continue with NHS London until responsibility is transferred to the sectors.
3. Informal day to day contact with Trusts will continue on a range of indicators until the transfer of responsibility to the sectors takes place. Following the transfer, the day to day contact will continue with the Trust's finance departments in order to support the delivery of control totals and to build and maintain relationships.

Timetable

The formal quarterly review timetable is set out below:

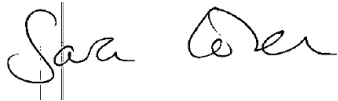
Quarter	Period Covered	Deadline for finance and governance returns (midday)	Feedback from SHA to be sent to Trusts	Responses from Trusts to SHA	Formal review meeting (if required)
1	Apr - Jun	Governance only 14 Aug	21 Aug	4 Sep	n/a
2	Jul - Sep	15 Oct	23 Oct	27 Oct	w/c 2 and 9 Nov
3	Oct - Dec	15 Jan	22 Jan	26 Jan	w/c 1 and 8 Feb
4	Jan - Mar	22 Apr	27 Apr	30 Apr	w/c 10 and 17 May

The quarter 2, 3 and 4 dates for finance returns are provisional and will be confirmed by the Department of Health.

Quarter 1 in year monitoring requirements

The new Commissioning and Provider Regimes will be implemented on 1 August 2009. By 14 August, each provider will be expected to complete the attached governance self-assessment.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sara Coles', with a vertical line drawn through the 'S'.

Sara Coles
Director of Performance

Encs.

The Commissioning Regime
The Provider Regime
Governance template