

**BOARD PAPER - NHS ENGLAND**

**Title:** NHS Improving Quality (NHS IQ)

**Clearance:**

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**Purpose of paper:**

To update the Board on the development of NHS IQ and to seek approval to go to formal consultation about its final form and structure.

**Key issues and recommendations:**

This paper describes NHS IQ's development towards its final form and seeks Board approval for the commencement of a formal consultation process on 19 December 2013.

**Actions required by Board Members:**

The Board is asked to:

- note the development of NHS IQ; and
- agree to launch formal consultation with staff.

## **NHS Improving Quality (NHS IQ)**

### **Introduction**

1. NHS IQ was founded on 1 April 2013 under the auspices of a collaboration agreement between the Department of Health and NHS England. This agreement recognises the need for a system wide focus for improvement to be provided by establishing an improvement body within NHS England.
2. The purpose of NHS IQ is to improve health outcomes for patients across the NHS in England by:
  - Developing and implementing improvement programmes to deliver the NHS Outcomes Framework
  - Building improvement capability and capacity throughout the NHS commissioning system
  - Supporting improvement across the wider NHS
3. NHS IQ's way of working to deliver its purpose is significantly different to its predecessors, reflecting both the post reform NHS structure and the need to enable and provoke large scale change across the NHS. NHS IQ is a relatively small organisation, compared to its predecessors, that is fully aligned to the NHS's commissioning priorities, as expressed through the NHS Outcomes framework, with in-house capability to:-
  - Design and commission programmes of improvement and improvement capability linked to the five domain priorities.
  - Source, deploy, and manage a range of delivery partners from within the NHS and potentially social care organisations, voluntary sector, academic organisations and the independent sector.
  - Build knowledge and capacity for leading change and improvement across the NHS, particularly in NHS England teams and CCGs.
  - Work with the emerging Strategic Clinical Networks (SCNs) and Academic Health Science Networks (AHSNs), at a national level, to build a framework for local improvement and innovation.
  - Act as a source of expertise, research, development and ideas for change and improvement in healthcare.
  - Link with the NHS Leadership Academy to build leadership capability for change.
4. NHS IQ's development has happened in two phases.
5. The first phase, leading up to the launch on 1<sup>st</sup> April 2013, focused on the necessity of establishing a functioning entity in the time available. As a consequence, a business plan for NHS IQ is in place that focusses on ten improvement programmes across the five outcome framework domains, capability building for NHS England and a capability building programme for CCGs. £11.9m of administration funding is allocated to establish the core

functions of NHS IQ with £51m programme funds allocated against agreed priority areas of work.

6. From a starting point of over 500 NHS employees, just over 200 employees of five legacy improvement bodies (NHS Institute, NHS Improvement, NHS Cancer Action Team, NHS End of Life Care, NHS Diabetes and Kidney Care) transferred into NHS England as part of NHS IQ. At the same time, NHS IQ also took responsibility for hosting aspects of two Improving Access to Psychological Therapies (IAPT) programmes.
7. Using the allocated administration funds, three core functions – improvement programmes, improvement capability and corporate have been established with a separate delivery team funded from programme funds. Recognising that this arrangement was a pragmatic staging post to the final intended form of NHS IQ, the life of the delivery team was guaranteed until 31 March 2014. There are currently 73 established posts in the core functions of improvement programmes, improvement capability and corporate. The delivery team currently has 115 staff in post, a number that is falling over time as legacy work completes and staff find new job opportunities in a period of uncertainty about their future.
8. The second phase of NHS IQ's development is now in train, formulated and focussed in a formal programme of work – NHS IQ Transition Phase 2. The programme brings together three critical, interdependent elements:-
  - A review of NHS IQ's current portfolio of work and agreement about what is not congruent with NHS IQ's role and functions, what will be usefully finished and what will form part of future priorities, working within NHS England's business planning process. This is to ensure NHS IQ work is focused on leading and enabling large scale change to improve health outcomes. For example, NHS IQ has been instrumental in designing and establishing the Patient Safety Collaboratives, Seven Day Services and Integrated Care Pioneer Programmes.
  - The establishing of strategic investment partnerships with Academic Health Science Networks (AHSNs) to enable large scale change and improvement at faster pace through a range of potential delivery partners. The development of strategic investment partnerships with AHSNs is being led by NHS England Medical Directorate. The next stage will see expressions of interest followed by the development of a specification.
  - The design of a final form and structure for NHS IQ that not only fully reflects the intent set out for its role and functions in the collaboration agreement but also determines the future of NHS IQ staff, particularly the delivery team.

## **Formal Consultation with NHS IQ Workforce**

9. With regard to the future staffing and cost of NHS IQ, the transition programme is working to minimise redundancies, whilst achieving affordability within available administration funds. Consequently proposals have been based on a ten percent cash reduction in the allocated £11.9m administration funding, in line with assumptions provided by the NHS England Finance Department. This indicates that the number of future NHS England employees within NHS IQ will be significantly less than the current number (188). There will, however, be a significant number of new opportunities for current staff to work with strategic partners as part of programmes such as the Patient Safety Collaboratives.
10. We are mindful that many of the NHS IQ delivery team in particular have experienced a prolonged period of uncertainty that started well before their transfer to NHS England on 1 April 2013.
11. Union partners have been kept up to date with developments relating to NHS IQ, including through a local Staff Partnership Forum (SPF) and an update to the November meeting of the national Partnership Forum. The proposals for the final form and structure of NHS IQ are now ready for formal consultation and sharing with the NHS IQ workforce and union partners.
12. The proposals for consultation focus on the rationale for change and the proposed revised structures, as well as the wider strategic process of identifying external partners (e.g. Academic Health Science Networks) which could deliver programme based improvement work. Accordingly, the consultation will include a set of organisational changes that could include TUPE transfer to external providers, matching and slotting into new structures and posts, in addition to possible redundancies where the current skills of the workforce do not meet those required in the proposed new roles.
13. As part of the consultation process, staff and their representatives will receive the proposed structures, and will be given opportunities to provide feedback and comment on these. The planned consultation timelines provide sufficient time to take account of this feedback and adjust plans where appropriate. The underpinning strategic aim is to mitigate and minimise redundancies.
14. The change management process will be governed by the NHS Organisational Change procedure. There are a number of principles that will be explicitly set out in the consultation document, including:

- NHS IQ is committed to partnership working as outlined in the Organisational Change Policy and is thus committed to full and meaningful consultation with employees and their representatives;
- affected employees will be made aware of proposed changes at an early stage and their involvement will be supported and encouraged throughout the consultation and reorganisation;
- NHS IQ will consult and discuss the proposals with its recognised trade unions through the NHS England Partnership Forum in line with their agreed terms of reference and the national partnership forum terms of reference;
- Formal consultation will begin in December 2013 and will last for a minimum period of 45 days;
- The purpose of consultation is to provide an opportunity for staff and trade unions to influence decision-making processes and for all parties to give full consideration to the issues that arise; and,
- All staff in posts affected by change will be fully consulted at the earliest opportunity in order that the change process is as sensitively and openly managed as possible.

15. Statutory consultation requires employers to provide a minimum set of data to staff and trade unions. This will include information on the redundancies that might occur as a consequence of the proposals for reorganising and reducing costs; the precise number and configuration of displaced staff cannot be identified until consultation is completed.

### **Recommendation**

16. The Board is asked to:

- note progress on the development of NHS IQ; and
- agree to launch formal consultation with staff.

**Professor Sir Bruce Keogh,**

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**December 2013**