**Paper NHS071401**

**BOARD PAPER - NHS ENGLAND**

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| **Title:** Chief Executive's report |
| **By:** Simon Stevens, CEO |
| **Purpose of paper:**<br>• Update on the work of the Chief Executive over the last two months.<br>• Information on a number of NHS England priorities not covered elsewhere on the agenda.<br>• Record of urgent actions taken since the last Board meeting. |
| **Actions required by Board Members:**<br>• To note, and to discuss various items referred to herein. |

## Chief Executive's report

### Frontline engagement

1. Since the last meeting of the Board I've continued to spend time out and around the NHS, talking with patients, staff, GPs, CCG leaders, NHS England area teams, and a number of others.

2. Particular thanks go to the staff of Broadgreen hospital and Liverpool community health, of the mental health crisis team and the eating disorders service in Bristol, and the newly opened Southmead hospital. I've also enjoyed discussions with the 14 Integrated Care Pioneers, the Richmond Group of health charities, and the BME leaders' forum at the NHS Confederation. I met a group of longstanding NHS 'whistleblowers' with Jeremy Hunt, following which Sir Robert Francis has been asked to make recommendations on further action needed to create a safe climate for frontline staff to raise concerns and have them acted on as appropriate.

3. I gave oral evidence to the House of Commons Public Administration Select Committee on the relationship between NHS England, government and Parliament. We've held a board-to-board discussion with Public Health England to discuss shared priorities and closer working, including on health data and obesity reduction.

### NHS Performance

4. Papers being considered at this Board meeting describe the conclusion of the 2014/15 annual commissioning round negotiations, as well as current provider performance against the key goals established for the NHS through the Mandate.

5. Since the last Board meeting we have allocated an additional £400 million to support urgent and emergency whole-system performance. While the quantum is similar to last year, we have responded to feedback and made three key changes this year. First, we are distributing the money far earlier to allow better planning. Second, we are apportioning the bulk of the cash on a 'fair shares' basis geographically. Third, we are being explicit that the extra allocation can be used to fund acute, community health, primary care, mental health or social care services in whatever proportion will make greatest impact locally.

6. Unlike last year, we have also allocated an incremental £250 million to NHS England local area teams to fund additional elective activity over the balance of the year.

7. Both tranches of further funding from commissioners now needs to be matched by intensified provider focus on sustaining A&E and RTT performance and other key patient-facing metrics which the public rightly expect from the NHS.

**Integration and service redesign**

8. As reported in the separate Board paper for this meeting, we have had a very substantial response from CCGs wanting to take up our offer of enhanced powers for primary care commissioning. This represents a welcome move towards the more locally-adaptable, holistic, population-based approach to NHS commissioning and provision that I advocated in my recent speech to the NHS Confederation annual conference. I view it as just a first instalment in a series of further local options we will be making available over the coming months. I expect to set out a radical new 'step-change' option in my speech to the LGA conference next week.

9. Discussion continues with central and local government partners about the Better Care Fund (BCF), and the real-world impact of a £1.9 billion incremental hypothecation of NHS funding from next April. NHS England is supportive in principle of the direction of travel, but wants greater rigour about what the funding transfers will achieve locally in 2015/16, with transparent financial risk-sharing between the local partners for delivering planned results. Sir Bob Kerslake and I have agreed we will create a joint NHS England/DCLG/DH taskforce to oversee BCF planning and implementation. I have asked Andrew Ridley, chief executive of the North and East London CSU, to take on the role of project director for the BCF initiative.

**Outlook for 2015/16 and beyond**

10. We have begun work to frame a set of new approaches to the 2015/16 commissioning round, supportive of some of the key changes we want to see in service delivery and redesign. These will be consulted on as appropriate in various formats through this balance of this year.

11. It is crystal clear that the NHS' financial position for 2015/16 leaves no scope whatsoever for major unfunded new NHS delivery mandates - a position which seems to be understood and quite widely accepted by our key national partners.

12. Work is also now under way –drawing on NHS England's 'Call to Action' consultation responses, and CCGs' and providers' 5 year plans – to distil and articulate our point of view on prospects and options for the NHS through a 'Five Year Forward View' which we will publish in the Autumn.

**NHS England itself**

13. As discussed at the last Board meeting, we have initiated a quick review of the functioning of NHS England 'one year in'. The aim is to ensure the

organisation *focuses* on its distinctive roles, that there is strong internal and external *alignment* in our structure and work processes, and that we build *capabilities* in our mission-critical functions.

*14.* There are three phases to this work. Phase one – now essentially complete – undertook a review of our national directorate structure. As a result we have merged three directorates into two: the old operations directorate, commissioning development directorate, and policy directorate are instead being streamlined into a commissioning operations and commissioning *strategy directorate. Appointments to various vacant posts are in train.*

15. *Phase two is examining wider areas of inter-directorate overlap or role ambiguity, and the transfer of various non-core NHS England activities to other better* placed organisations. Phase three entails incremental changes to the work of our area and regional teams to make better use of the senior expertise available and streamline decision-making. We expect the direction of travel for phases two and three to be resolved by the summer.

**Urgent actions taken since last meeting of the Board**

16. As discussed in the separate Board paper on primary care co-commissioning, we approved the request from Somerset CCG for a pilot local variation to their GMS Quality and Outcomes incentives during 2014/15.

17. We have agreed with NHS Employers and the Department of Health that NHS Employers will continue to undertake work in 2014/15 on our behalf in respect of family health services contracts, with an additional £1.4 million of funding to support this (further details are included in annex A).

**Simon Stevens**
**CEO**
**July 2014**

**Annex A: NHS England urgent action**

| Name of urgent action | Lead National Director(s) | Overview | Details | Board members approved | Date to be reported to Board |
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| Approval of MOU | Rosamond Roughton | Approval for a Memorandum of between NHS England and the Department of Health thereby allowing NHS England access to the main contract that exists between DH and NHS Employers. | Approval for a Memorandum of Understanding (MOU) between NHS England and the Department of Health totalling £1.44 million to secure the services of NHS Employers in relation to negotiation of primary care contracts.<br><br>The work is provided under a contract held between the Department of Health (who hold the main contract) and NHS Employers. The value of the services provided by NHS Employers to NHS England as a contract variation is £1.44 million. | Finance & Investment Committee (2 June 2014)<br><br>Malcolm Grant<br><br>Simon Stevens | 3 July 2014 |