

## BOARD PAPER - NHS ENGLAND

**Title:** Update for the Board on the Organisational Alignment & Capability programme.

**Clearance:** Karen Wheeler, National Director; Transformation & Corporate Operations

**Purpose of paper:**

This paper provides an update for the Board on progress with NHS England's Organisational Alignment and Capability (OAC) programme, since the last briefing on 3 July 2014. It alerts the Board to progress, risks and to consultation which begins in September.

**Action for Board members:**

- To be aware of the timetable and progress.

## Organisational alignment and capability (OAC) programme

### Purpose of the programme

1. Like all parts of the commissioning system, NHS England is required to make further reductions in its operating costs from next April. The OAC programme was established in May 2014 to take forward the recommendations from initial “stocktake” work carried out by Karen Wheeler and Rosamond Roughton, and from steers from Simon Stevens.
2. The main scope is to address the following:
  - a) To **build new capabilities for the organisation**, which are critical for it to carry out its role as a commissioning organisation. These include building our specialised commissioning function, a commissioning strategy function, and commissioning expertise including for procurement, pricing and incentives, and analytics.
  - b) To **streamline and align the functions and structures** which support the organisation to work more effectively across the national support centre, regions and area teams to minimise duplication and make more effective use of our resources.
  - c) To ensure the **organisation is clearer and focused on its core purpose and priority tasks**. It includes the work to take forward transferring three functions: medical revalidation; aspects of patient safety and some informatics delivery roles.
  - d) To **revise the structures to deliver the necessary administrative cost savings** by April 2015, so NHS England can live within its budget for 2015/2016.

### Progress and key changes

3. **Structures and efficiencies.** During the summer we have worked through directorate designs and plans needed to deliver the cost savings. Most directorates have now largely confirmed their new structures and savings, with further detailed work to take place for the regions and area teams.

### The main changes in structures which will be in place from April 2015 are:

4. A **new field force structure, with:**
  - a. Reduced senior management in three regions outside London, including reductions in area directors and their direct reports. The aim

has been to minimise reductions of more junior staff. London already has a single tier structure, so has looked instead at different ways of securing transformation and focussed delivery.

- b. An integrated regional and area structure in which area resource is shaped and sized according to need, and more of the resource is consolidated at regional level.
5. A more sophisticated **specialised commissioning function**, which consolidates all current specialised commissioning staff from other directorates, and adds significant additional resource;
  6. The closure of the commissioning development (CD) directorate and functions associated with clinical commissioning group (CCG) development. Remaining CD functions are moving partly into commissioning strategy and partly to commissioning operations.
  7. The commissioning strategy director is building a **new strategy team**, and redesigning use of analysts and policy teams.

#### **Impact on people**

8. The consultation process starts with VSMs on 8 September following discussion with trade unions, and continues for all staff on 16 September. It will last for 45 days, completing in November, when implementation will then start.

#### **Functional improvements.**

9. The stocktake identified a number of areas which needed to be improved to provide better support for the rest of the organisation. Work is underway to improve the following:
  - a) **Procurement** – a formal project is established to simplify and streamline the process, and to improve compliance.
  - b) **Board Governance** – to streamline decision making and ensure the Board can focus on strategic issues.
  - c) **Reporting and risk management** – to simplify and reduce reporting burden and ensure reporting supports Executive and Board decision making.
  - d) **Change programme delivery assurance** – we will be setting up a Major Programmes Assurance Board, and reviewing our major programmes, ensuring they use best practice guidance, provide sufficient assurance and report effectively.

## **Risks**

10. As with all such change programmes, there are risks to manage. These risks are being actively managed, through the programme and executive team, and we have specifically reviewed our plans with the Audit and Risk Assurance committee.

## **Communications**

11. We are underway with a communications plan to communicate with key stakeholders, including DH, CCGs, other national and local stakeholders. This will be largely on an informal briefing basis, and will continue through September.

**Karen Wheeler**

**National Director Transformation & Corporate Operations**