

BOARD PAPER - NHS ENGLAND

Title: Chief Executive's Report

By: Simon Stevens, Chief Executive Officer

Purpose of paper:

- Update on the work of the Chief Executive over the last two months
- Information on a number of NHS England priorities not covered elsewhere on the agenda.

The board is invited to:

- Note, and to discuss various items referred to herein.

NHS England Chief Executive's Board Report May 2015

Overview

1. In the two months since our last Board meeting my time has mostly been divided between NHS and public-facing commitments on the one hand, and joint work with other NHS leadership bodies on the other to finalise the NHS' operational and financial plans for 2015/16 and begin implementation of the first phase of the Five Year Forward View.
2. Together with the Department of Health, effort also went in to confidential planning for different post-election scenarios - a task made substantially easier by the explicit support of every major political party for the strategic direction in the NHS' Forward View. If anything, the general election campaign served to remind us of the fundamental consensus that exists in this country on the importance of the NHS to citizens across the political spectrum.
3. During April and May I've also been able to visit: primary care services in Birmingham, speaking alongside the Prime Minister at one of our new 'vanguard' sites; a carers support programme for people with dementia in Oldham, to mark dementia awareness week; Dartford & Gravesham Hospitals trust in Kent; the Manchester Health Academy which is a health-promoting secondary school sponsored by the NHS; and the Royal Marsden, to open a new cancer imaging centre.
4. My meetings have included discussions on partnership working with the Commissioner of the Metropolitan Police, leaders of the NHS and local government in Greater Manchester, the Mayor of London, the board of Public Health England, and a number of chief execs and clinical leaders of NHS trusts, CCGs and voluntary sector organisations.
5. I gave speeches to ADASS; at the IHI international forum on quality and safety; to the first 29 new vanguard sites; at the Nye Bevan awards and NHS National Leadership Recognition Awards; and at the Kings Fund annual leadership summit, where together with Monitor and TDA we launched a new vanguard programme to help reinvent sustainable acute hospitals.

NHS England's 2014/15 outturn

6. In my oral report I will mention some of the key achievements of the past year, which will formally be reflected in our forthcoming Annual Report. Paul Baumann's report at Item 7 on the Board agenda describes our year-end financial position. In what was our second year of operation, and despite very tough demand pressures and funding constraints, our more disciplined approach to commissioning oversight, efficiency realisation and internal cost control meant that we were able to deliver a balanced budget across the commissioning system. Specifically, we have cut the running costs of the commissioning system by over a third in just two years; improved the fairness of CCG allocations; inserted programme discipline in specialised

commissioning; and delivered £1.8 billion of commissioner-led efficiencies in 2014/15 on top of the £1.7 billion achieved in 2013/14.

2015/16 planning

7. The annual commissioning round is nearing its conclusion. As we will discuss at agenda Item 8, this year NHS England is working with CCGs to ensure that they commission realistic levels of activity growth, up front. We are also scrutinising investment in mental health services to ensure they grow as intended.
8. As a result we are now expecting to see CCG-funded elective and emergency activity growth in the 2-3% range compared with 2013/14 outturn, which is considerably north of the figures in initial commissioner plans. These national aggregates of course mask legitimate local variation, but in the round commissioners will be seeking to strike a pragmatic balance between assuming a continuation of current demand trends versus factoring in the expected impact of CCGs' ambitious new programmes to moderate demand growth.
9. These higher levels of commissioned activity are yet to be fully reflected in providers' plans locally, the effect of which should be to help improve their forecast financial position somewhat for the year. In addition, Monitor TDA and DH are with our support developing a package of measures to reduce cost pressures on individual providers and reassert financial disciplines on provider overspends. Notably, the entire net NHS provider deficit of £822m in 2014/15 can be accounted for by the run-up in temporary staffing costs, so there is now a clear case for seeking to convert temporary staff into permanent jobs while clamping down on the egregious prices being charged by some staffing agencies.

NHS England's 2015/16 business plan and priorities

10. Shortly after the last meeting of the board we published our business plan for 2015/16. This sets out very clearly our 10 priorities for the year ahead, grouped under the headings of improving health, redesigning care, and driving the financial sustainability of the NHS. Our 10 priorities for 2015/16 are:

Our Priorities for 2015/16



11. As we advance this agenda, our business plan commits us to engage with our diverse communities and citizens in new ways, continuing to involve them directly in decisions about the future of health and care services.

Simon Stevens
May 2015