

To: The Board

For meeting on: 28 July 2016

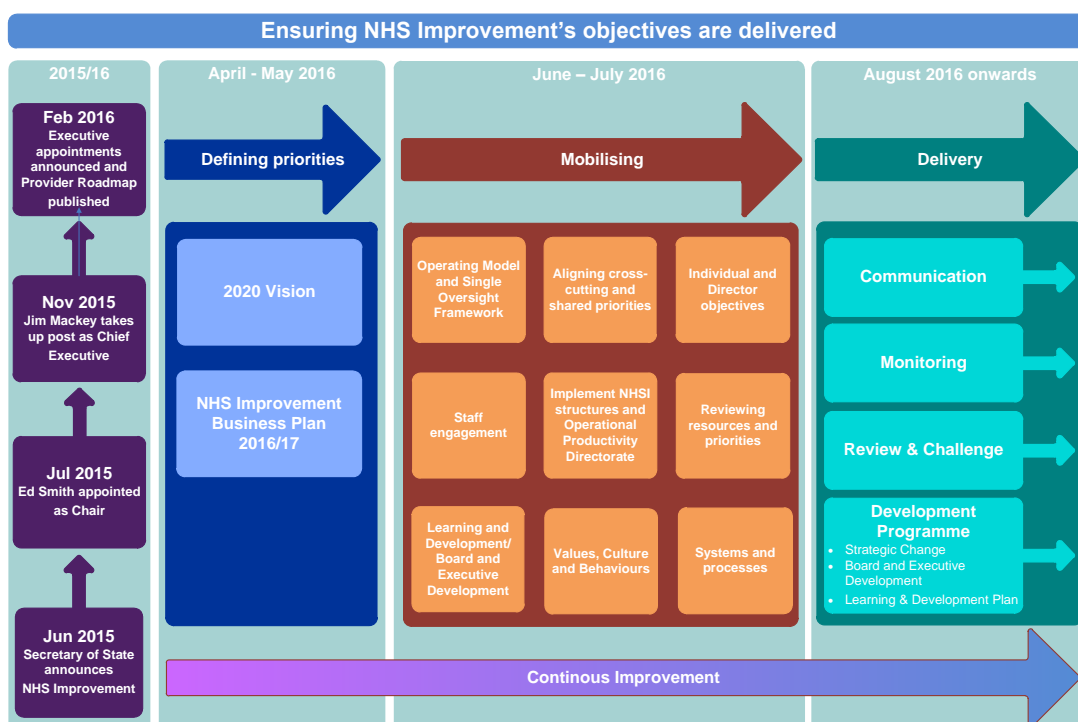
Agenda item: 8

Report by: Miles Scott, Improvement Director
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Report on: Ensuring NHS Improvement's Objectives are delivered

Summary

1. This paper describes the work that has been done to define priorities for NHS Improvement and set up the new organisation so that these are brought to life. While the development work is ongoing (in NHS Improvement's quest for continuous improvement) the organisation is now properly 'up and running', making progress in delivering the ambitious vision and objectives set out by the board.
2. The diagram at Appendix 1 summarises this progress:



- Appointment of Chairman, CEO and executive team during 2015/16
- Defining NHS Improvement's 2020 Objectives and Business Plan priorities for 2016/17, signed off by the board in April
- Development activity in June and July to bring these objectives to life and establish ways of working within NHS Improvement
- Full implementation of the Vision and Business Plan from this point, supported by:
 - Communication & engagement within NHS Improvement and with stakeholders
 - Continuous monitoring of progress against objectives
 - Periodic review of priorities and resourcing
 - Ongoing organisational development, including: a strategic change programme; board and executive development activity; a learning & development programme for all staff

How NHS Improvement defined NHS Improvement 2020 objectives and 2016/17 priorities

3. NHS Improvement was announced by the Secretary of State in June 2015, with the appointment of Ed Smith as Chairman of NHS Improvement in July 2015. Jim Mackey took up his role as Chief Executive in November 2015, with most Executive appointments announced in February 2016. Since the creation of NHS Improvement, a range of work has been undertaken to develop strategic plans and objectives for the organisation. This work was underway before the formal commencement of NHS Improvement in April 2016. At the February launch of NHS Improvement, Ed Smith and Jim Mackey launched the Provider Roadmap which set out their vision for NHS Improvement: working alongside trusts; supporting them to address the challenges set out in the NHS Forward View; while taking responsibility for the sector as a whole and providing oversight of individual organisations.
4. NHS Improvement then developed its 2020 Objectives under 5 themes: Quality; Finance and Use of Resources; Operational Performance; Strategic Change; and Leadership and Improvement Capability. These are also reflected in NHS Improvement's business plan for 2016/17, which includes a sixth area of work, setting out how NHS Improvement will build itself as an organisation.
5. On 26 May 2016, the Board approved NHS Improvement's Business Plan for 2016/17. NHS Improvement then published the 2020 Objectives and 2016/17 Business Plan on 13 July 2016.

How NHS Improvement has mobilised itself to deliver

6. NHS Improvement has carried out a range of activities to operationalise its objectives, and to enable teams to develop operational plans and to commence work. The diagram at Appendix A summarises the flow of work that is enabling NHS Improvement to move from vision-setting and planning to delivery.

Operating Model and Single Oversight Framework

7. A range of work is now establishing how NHS Improvement operates as an organisation and with providers. NHS Improvement's proposed Single Oversight Framework for 2016/17 was published for consultation on 28 June 2016. The Single Operating Framework and Operating model set out an approach which will:
 - Segment providers so that NHS Improvement can target resources and tailor support for providers according to risk/challenge
 - Enable NHS Improvement to support trusts in Special Measures, in partnership with the CQC
 - Facilitate a proportionate approach to oversight of trusts, and will offer earned autonomy to trusts
 - Ensure that NHS Improvement's regional structure is the principal delivery vehicle for its work with trusts, allied to improvement models. Regions and trusts will draw in support from corporate departments, other trusts, and both regional and national stakeholders
8. The Framework and Operating Model bring more certainty to providers and, once agreed, our plans will need continuing work to embed this new approach. This includes work in the following areas:
 - Improvement methods
 - Analytical capability
 - Workforce issues
 - System relationships
 - Organisation Development
 - Continuous improvement
 - Seeking feedback from the sector and partners

Aligning cross-cutting and shared priorities

9. The Executive Team spent dedicated time together to ensure that NHS Improvement's cross-cutting and shared activities are aligned e.g. Workforce and 7 Day services. Where necessary, task and finish groups are being established to ensure that all NHS Improvement's current activity in priority areas is understood and that all relevant NHS Improvement activity is focussed and joined up for each priority. NHS Improvement also needs to ensure that it is working effectively with its key partners against each of its priorities, to avoid duplication and unnecessary burdens on providers.

Individual and Director Objectives

10. Each key priority has now been assigned to an Executive Director lead. The Executive Team has also spent time together to ensure that individuals understand their respective roles in delivering against these priorities. All Executive Directors have shared personal objectives with the Chief Executive as part of the personal appraisal process. At the same time, Executive Directors are working with their teams to develop their directorate objectives, which set out in

more detail the work required, key milestones for achieving the 2016/17 objectives, and how these will link to team and individual employee objectives. NHS Improvement is also defining a set of KPIs against each priority which will be tracked as part of the business plan performance monitoring process.

Staff Engagement

11. There has been significant staff engagement activity on the priorities and operating model for NHS Improvement, both through consultation on the structures and through staff briefing, which included a session on the business plan in June. A briefing pack was then circulated to all staff which set out the 2020 Objectives and 2016/17 Business Plan priorities. NHS Improvement's Organisational Development plans for 2016/17 also include activity on how it will measure and improve NHS Improvement staff engagement. This work will continue through opportunities such as the monthly Wider Leadership Team meetings the Chief Executive's focus groups, and other initiatives which will be developed as part of the culture development programme referenced below.

Implementing NHS Improvement structures and integrating the Operational Productivity Directorate

12. Work has continued to implement the structures for NHS Improvement, and following the end of consultation in June 2016, the structure has been confirmed and every member of staff has been notified of the post to which they have been slotted or ringfenced. There are a small number of staff who are currently not assigned to roles, and a number of unfilled vacancies, for which those staff will have priority in the recruitment process.
13. We are in the process of mapping in detail the way in which Directorate Resources are focussed on NHS Improvement key priority areas. This activity will continue during 2016/17 and resources will be redistributed as and when necessary to ensure that we deploy our resources proportionately. In addition, work is under way to establish the new Operational Productivity Directorate.

Learning and Development – core skills

14. The ongoing development of staff across the organisation was identified early on as a crucial component of successful integration. A core skills development programme open to all staff has continued, providing workshop activity monthly covering a selection of skills. An electronic platform for all development activity is now in place for all staff. A management development programme, in which 132 line managers from across the organisations are current or past participants, continues to build line management capability. Key areas of focus for the remainder of the year will be improvement awareness for all staff, specialist improvement training for relevant staff and line management capability.

Development of Values, Culture and Behaviours including Board and Executive Development

15. Initial work was carried out by KPMG as part of the Integration Programme, and was discussed with the board in April 2016. NHS Improvement has built on this through:

- the February 2016 launch of the Provider Roadmap, which set out the vision for NHS Improvement and establish the tone for work with providers
- a stocktake exercise, reviewing the progress of integration and the work of NHS Improvement in May 2016
- an Executive time out in June 2016
- Board development sessions

16. NHS Improvement is now taking the early staff engagement outputs and analysis which was carried out on values, culture and behaviours during integration and planning the next steps of this critical activity which will need to be at the heart of NHS Improvement's new ways of working. Our intention is to adopt as far as possible the tools and techniques which we are developing with NHS providers, taking on board learning from, for example, the Virginia Mason programme and our work on culture led by the King's Fund and Michael West. NHS Improvement will also soon be starting the NHS Improvement Board and Executive Development Programme.

Systems and Processes

17. NHS Improvement has reviewed its systems and processes to ensure that these will support new ways of working. For example, NHS Improvement is reviewing the way it collects and uses data, and how NHS Improvement manages its interactions with providers, to ensure that NHS Improvement has the right infrastructure and corporate service functionality in place to deliver against its priorities. There is now a programme of work to ensure that the necessary changes to NHS Improvement systems and processes are implemented during 2016/17.

Delivering NHS Improvement's Vision and 2016/17 Business Plan

18. NHS Improvement has been established and is now focussed on delivering the 2016/17 Business Plan. Teams are operational, and the primary focus is ensuring NHS Improvement's objectives are delivered. Mobilisation and development work continues alongside this. To ensure objectives are delivered we have established:

- Communications and engagement, so that staff know what they are doing and external stakeholders understand the role of NHS Improvement.
- Ongoing monitoring to track progress in real time. NHS Improvement has identified a key business lead in each Directorate who will ensure that Directorate progress is tracked. Progress reports will be provided to the

Operations Committee (chaired by the Executive Director of Resources), to the Executive Committee and to the Board.

- Periodic review of priorities and resourcing
- A programme of ongoing development including: the Strategic Change Programme; board and executive development plans; and the NHS Improvement learning & development plan

19. NHS Improvement has also taken some key deliverables from the business plan, which are critical to the delivery of NHS Improvement's new ways of working, and these now form the Strategic Change Programme. These specific projects will be managed through a central Programme reporting to the Executive Committee to ensure that each project has detailed project plans in place, that interdependencies are identified and managed, and that these critical projects are delivered. This additional governance will be reviewed in September 2016 At which point the Executive Committee will consider whether and how the Programme should be subsumed into 'business as usual' activity
20. As noted above, the Executive Team and directorates will continue to keep priorities and resources under review, and will routinely consider whether it is necessary to allocate different resources to key areas as we progress through 2016/17. The Executive Team will also continue to review the priorities to ensure that these remain appropriate as NHS Improvement's work evolves and system risks change.
21. The Board will receive their first update on the progress of the business plan at their September meeting and at every meeting thereafter. NHS Improvement is also building communication plans so that all NHS Improvement staff and other key stakeholders are updated on progress.

Public Sector Equality Duty:

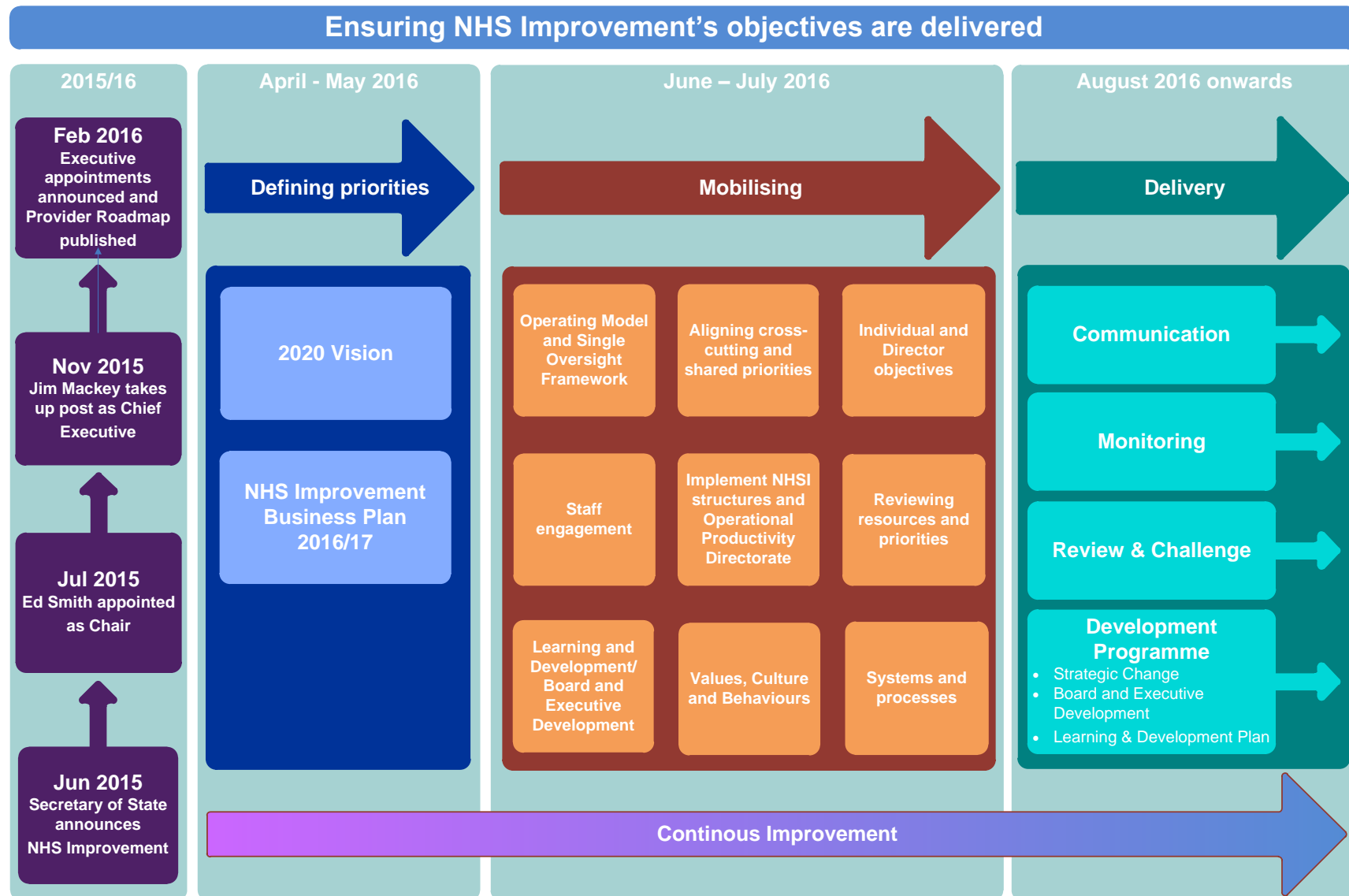
NHS Improvement has a duty under the Equality Act 2010 to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people from different groups. The Act protects against discrimination on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, gender and sexual orientation. NHS Improvement has thought about how the issues dealt with in this paper might affect protected groups.

NHS Improvement believe the paper will not have any adverse impact upon these groups and that NHS Improvement has fulfilled its duty under the Act.

Exempt information:

None of this report is exempt from publication under the Freedom of Information Act 2000.

Appendix A



Appendix B – NHS Improvement’s 2020 Objectives

Quality	Finance & use of resources	Operational performance	Strategic change	Leadership & improvement capability
<i>Continuously improving care quality, helping to create the safest, highest quality health and care service</i>	<i>Balancing the provider sector finances and improving provider productivity</i>	<i>Maintaining and improving performance against core standards</i>	<i>Ensuring every area has a clinically, operationally and financially sustainable pattern of care</i>	<i>Building provider leadership and improvement capability to deliver sustainable services</i>
1) Reduce to zero the number of providers in special measures 2) Two thirds of inspected providers will be operating at CQC good or outstanding levels of quality 3) Support providers in the roll out of seven-day hospital services, working with NHS England 4) Implement patient safety initiatives in priority areas 5) Deliver guidance and tools for providers to make safe staffing decisions	6) Achieve and maintain sustainable financial balance for the provider sector from 2017/18 7) Deliver with providers a 2% efficiency improvement year on year, including through implementation of the Carter Review recommendations	8) Consistently meet NHS Constitution standards over the period, with a particular focus on the aggregate A&E standard, while improving quality and efficiency 9) Deliver mental health waiting standards in aggregate every year	10) Implement new care models, including chains 11) Change to a sustainable pattern of care in the most challenged health economies	12) Develop, maintain and enhance effective boards: both people and ways of working 13) Expect every provider board to reflect the diversity of the people it serves, including gender-balanced boards 14) Expect every provider to implement effectively a recognised continuous improvement approach 15) Decision-makers in providers have access to high quality information, (including on income and expenditure and benchmarks such as from the Carter Review recommendations) 16) Focus on high value interactions with providers, minimising any low value or disproportionate regulatory burden