NHS Improvement

To: The Board

For meeting on: 29 September 2016

Agenda item: 9

Report by: Jeremy Marlow, Executive Dirtector of Operational Productivity

Report on: Operational Productivity Directorate: Implementing the Carter Review

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Introduction

1. The Operational Productivity Directorate is being established in NHS Improvement to drive the implementation of the recommendations from Lord Carter's report on unwarranted variation in acute trusts.

2. This paper contains an update on i) the establishment of the directorate ii) progress to date of key projects, and iii) the support offering that the directorate can provide both now and in the future.

Establishment of the directorate

3. A number of workstreams are under way to establish the directorate and these report into both the Executive Director of Operational Productivity and the Strategic Change Implementation Group. The table below summarises achievements to date and next steps.

Workstream	Key achievements	Next steps
Finance	• Funding envelope of £18-20m agreed for 2017/18 • Initial funding of £6.2m agreed for 2016/17	• Conclude negotiations with DH on Q2 funding, full 2016/17 budget and Getting It Right First Time funding • Establish detailed budgets and financial controls
HR	• Offers made to first five recruits • c.20 jobs out to advert internally and further 6 with BSA for banding • 20+ JDs under development	• Secure HR support to continue recruitment • Transfer of key secondees and contractors to NHS Improvement in October
Set up of accommodation	• London team now based at Wellington House	• Secure further accommodation for growing team

and IT	• IT hardware and email accounts organised	
Establishing operating model	• Clarification of relationships with other Directorates through participation in business planning process • 1:1 meetings between Exec Director of Op Prod and other Exec Team members • Senior Leadership Team meeting with regions	• Further Senior Leadership Team meeting with regions • Trial operating model with regions through coordinated work on Back Office and Pathology consolidation

Progress updates from projects

4. While the directorate fills a critical mass of posts in the central and regional teams over the Autumn, the linkages to other NHS Improvement directorates continue and progress with priority projects is being made. The table below highlights progress within key projects to date:

Project	Progress update
Pathology consolidation	• All STPs have provided 2-pagers but detail is variable and few include financial benefits and timescales • Cashable savings mainly in 17/18 and 18/19 with minimal in next 6 months owing to lead in time taken for staff turnover/redundancy and capital investment needs • Now scrutinising STP plans with nationally available data and regional NHS Improvement input to identify STPs/trusts who: a) have good plans and deliverables in 16/17 and 17/18 b) need support/brokering partnerships to improve ambition, scale and timelines c) have no plans and need intensive challenge/support • Focus will be on achieving maximum efficiencies and service improvements in short/medium term without prejudicing further larger scale consolidation in the longer-term
Back office consolidation	• All STPs have provided 2-pagers but detail and scope are variable and few include financial benefits and timescales • STP level has meant that consolidation across CCGs and local government boundaries has been considered hence the need to re-scrutinise STP plans with nationally available data and regional NHS Improvement input to identify STPs/trusts in A-C categories as with pathology to assess where biggest and quickest gains to be made (focussing on HR and finance)
Procurement	• Purchase Price Index Benchmarking data request had 100% return rate, with full transparency of prices and analysis to all trusts in October • 12 mandated items for purchase across the NHS have been identified and communication to trusts will follow • Procurement transformation plan templates distributed for October return

Nursing productivity	• Three months of ward level Care Hour Per Patient Day data has been collected, with analysis under way to baseline the position for publication on the Model Hospital, alongside Cost per Care Hour data which has been collected at Trust level since May and Ward level since July • Trust level Nursing & Midwifery Dashboard was released in June and Rostering Good Practice Guide was published, supported by a webinar which has now been viewed by over 400 people • The report on the Nursing Improvement Collaborative was published
Doctor productivity	• Medical Directors from more than 120 acute trusts attended launch event in June to be told about requirements for collecting medical productivity data by September • Pilot work indicates that 20% of trusts are unable to provide meaningful data on consultant job planning and a further 50% have suboptimal data
AHP productivity	• A standardised activity classification framework being developed • AHP job planning to be developed to understand therapy hours delivered per speciality/per day • Exploring the viability of using existing available software for AHP job plans and e-rostering
Getting it Right First Time	• Large scale clinically led programme (~£60m over 4 years) with unprecedented clinical support to analyse data and engage with clinicians across all the major acute surgical and medical specialties to reduce unwarranted quality and cost variation • Work underway in 12 surgical specialties with plans developed to expand into 11 medical specialties and accelerate current work • Outputs to be published on the Model Hospital portal • Work hosted by the Royal National Orthopaedic Hospital and contract managed by the Operational Productivity Directorate • Coordinated with NHSE and CQC through the specifically established National Clinical Governance Council
Hospital Pharmacy and Medicines	• Savings of £53m in 2016/17 on Infliximab, a biosimilar drug recommended for use in Lord Carter's report • Design and distribution of Hospital Pharmacy Transformation plan template and action planning & assessment tool to NHS acute trust Chief Pharmacists • Phase 1 Model Hospital dashboard and metrics published
Estates and facilities	• E&F Model Hospital dashboard ready for go-live • 27 priority trusts with largest efficiency opportunities have been identified, 1:1 visits underway with support process agreed internally with the current E&F team • E&F shared information portal in place with all trusts registered (250 senior estates users)
Model Hospital	• Available to all 136 acute trusts, over 1,400 users registered with 40% active in the past month • Five compartments are live and eight more under development using Agile approach to release information early, gather feedback from users and develop content over time

Support offering

5. The directorate’s capacity to directly support trusts will be constrained until it is closer to being fully staffed (centrally and in regions) and the operating model and working relationships (especially with the regions) are established. Good progress has been made in August and the directorate can support other central directorates and regional teams for example by:
    - Providing access and hands-on guidance to the Model Hospital to view metrics, benchmarks as they become available
    - Sharing good practice guidance, local intelligence, data/analysis and specialist advice on the professional and subject specific areas covered by the projects listed in the previous section
    - Highlighting the opportunities in specific trusts that are identified through the Purchasing Price Index benchmarking tool, once available

6. It is anticipated that in approximately six months’ time, when sufficiently resourced and able operate effectively, the directorate would be able to provide analysis and advice to all regional teams in their interactions with trusts as well as direct specialist support to approximately six trusts at any one time in each of the project areas listed above.

7. This support would be jointly agreed with the regional teams and coordinated with central NHS Improvement teams and tailored to the needs of each trust, but focused upon assisting trusts to make practical improvements that will increase operational productivity.

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. We have thought about how the issues dealt with in this paper might affect protected groups.

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