

To: The Board

For meeting on: 30 November 2017

Agenda item: 5

Report by: Jim Mackey, Chief Executive

Report on: Chief Executive's report

1. I am now sharing my time between NHS Improvement and my substantive role as CEO back at Northumbria Healthcare whilst the transition to the new leadership team is completed at NHS Improvement. I have committed to this working arrangement until Christmas but I understand good progress has been made to secure my successor before my commitment ends.
2. Q2 financial and operational results have recently been published showing that NHS providers have succeeded in treating more patients within key operating standards, and sustaining efficiency levels, despite an extremely challenging operating environment that placed considerable pressure on NHS staff. I would like to highlight in particular that the sector is on track to live within the agency ceiling of £2.5 billion in 2017/18 and has maintained efficiency levels of previous years which is a remarkable achievement. However, we are only as good as our most recent set of results, and therefore the full efforts of the Organisation to lock these into future quarters, is well under way. Operationally, there are still real concerns about capacity and demand on the system coming into winter. Our co-ordinated effort across the NHS to get as on top of this continues and we have committed more resources regionally to this effort.
3. The Chancellor announced in his Autumn Budget additional capital and revenue funding for the NHS starting in this financial year. This is welcome news but it will be important for NHS leaders to now work out the best way to deploy this funding to the areas where it is needed most and where it will have the most impact. The Chancellor also announced his support for additionally funding pay rise recommendations of the NHS Pay Review Body when it next reports. Again this is welcome and something that we have pushed hard to ensure is funded with new money.
4. Our annual staff survey has just closed and we expect to see the initial results from this shortly. Given the issues identified in our first survey I am hopeful that the efforts individually and collectively of the Executive team over the last twelve months to address these are starting to be reflected in the opinions of

staff. Whilst visiting our offices recently to hold my “AGMs” and thank staff for their efforts during my time at NHS Improvement I have sensed a more positive mood and generally better levels of morale. There is clearly much work still to be done in this area but we should acknowledge that NHS Improvement is a very young organisation and the ‘people’ work will take time to get right.

5. Over the last two months, I have attended various speaking events including NHS Providers Annual Conference. Through these events I have spoken to clinical leaders, provider CEOs, finance directors, and clinical staff. I have covered many topics such as the role of clinicians in leadership, local improvement efforts, accountable care organisation development, winter and the financial challenges. I have also started the discussion with the sector around how NHS Improvement starts to move away from the grip it has exerted over NHS providers over the last 18 months and into a more sustainable phase of “earned autonomy”. This will clearly be a job for my successor to see through however it is important to signal that this must happen at some point soon but implemented in a structured way that does not unwind the credibility we have rebuilt in the sector. This messaging has been received very positively across providers and I would urge the Board to ensure this change is high on NHS Improvement’s agenda going into the New Year.
6. We are now working hard to engage constructively with Health Education England (HEE) on the NHS workforce strategy. This is an essential piece of work that should provide the roadmap to ensuring that the NHS is supplied with enough people with the right kind of skills to be able to deliver what it needs to in the future. I am confident that our input and joint working with HEE, led by our Strategy team, will significantly enhance the end product.
7. NHS Improvement and NHS England continue to work on the regional changes that have resulted in a single regional director for the South West and another for the South East of England. This approach has been live for some weeks although it is too early to determine whether the impact of the changes has yet been positive. I am pleased to report that we have agreed a joint approach to evaluating the new approach. As requested by this Board, evaluation and course correction (where required) must take place before any permanent arrangements are agreed with NHS England. I expect the first set of substantive evaluation findings to be brought to Board in February 2018.
8. We continue to work closely with Care Quality Commission (CQC) around use of resources. The CQC has now launched its consultation on the proposed approach which will close in January. Although this is a very complex issue and there are many implementation challenges (whatever the outcome of the consultation), we are confident that our joint commitment to this will ensure the end product is workable for both the sector and operationally within NHS Improvement.
9. Finally, I wanted to welcome Dido Harding as our substantive Chair and thank her for her support, efforts and impact in such a short time in the role.

Jim