NHS Improvement

To: The Board

For meeting on: 24 May 2018

Agenda item: 5

Report by: Ian Dalton, Chief Executive Officer

Report on: CEO's report

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1. Since our last Board, efforts to improve how we work continue to move at pace and McKinsey have concluded their nine week project to review our purpose and operating model. The work has helped us build a clearer sense of where we and our system partners can add most value, and what we all need to do to better support those who are delivering services for patients and the public. It has also provided valuable insight into how we can organise ourselves for closer, more collaborative working with NHS England and our other NHS partners and the distinctive skills and behaviours we will need.

2. The findings coming out from McKinsey's review and our work with NHS England support two key ambitions: firstly, a move away from NHS Improvement as a pure regulator towards more emphasis on our role as an improvement agency; and secondly, the need to move from a fragmented system to a coherent leadership of the NHS. At a more granular level this means that we will:
   - be more proactive in supporting provider organisations in ways that best support long-term improvements in clinical and financial sustainability
   - streamline the way we support providers and local health systems
   - support trusts in producing credible but realistic plans
   - find ways to simplify and rationalise financial flows and incentives
   - play a stronger role in recruiting, retaining and developing today's workforce, working alongside NHS England, Health Education England (HEE), NHS Employers and other organisations, as well as increasing our support of leadership development, talent management and succession planning, working alongside HEE's Leadership Academy
   - with the Department of Health and Social Care and NHS Digital improve the way the NHS uses digital information and technology to improve quality of care, health outcomes and efficiency
   - strengthen our role in helping the NHS use its estates, equipment, consumables and clinical support services more efficiently and effectively.

3. In the last two months I have met with staff in the Manchester and Leeds offices and the Midlands and East regional team and visited several providers across the country. I have also had the chance to speak at the Elective Care Conference organised by our Improvement team, which focused on the vital issue of managing and improving elective care services when faced with growing waiting lists. I also gave evidence at the Public Accounts Committee on reducing emergency admissions. These engagements gave me the opportunity to share my thoughts on the importance of a continued focus on driving improvement in both elective and non-elective care.

Urgent and emergency care

4. The NHS has experienced a very challenging winter period this year. NHS staff worked hard throughout the winter in the face of significant excess pressure caused by the highest levels of flu this decade, several significant outbreaks of norovirus and severe weather conditions. At the peak, the NHS had up to 4,000 beds with confirmed flu patients and over 1,000 beds a day closed due to norovirus. Despite these challenges, national A&E performance for the year was only 0.8 percentage points lower than the previous year. The NHS treated 77,000 more A&E patients within four hours this winter compared to the previous year.

5. After the strain of winter, the NHS is now in recovery mode. The challenges continue, but I am pleased that there has been good improvement in the latter half of April, such that, as I am writing this paper, national performance on the 4-hour standard has been above 90% for around half of the days so far in May. However, the NHS is still behind where it was this time last year and we cannot allow long waiting times to be the norm. Too many patients are still waiting too long in A&E and for planned surgery.

6. We are undertaking a review to learn the lessons from this winter and to set our priorities in preparation for next winter. A summary of this review is being considered by the Board in its private session today ahead of its publication in the coming weeks.

7. We are increasingly working in a joined up way nationally and regionally to drive forward urgent and emergency care programmes to reduce demand growth. Successes include:
   - The number of beds filled by a patient whose transfer of care is delayed ("DTOC beds") have steadily fallen since February 2017 which has released the equivalent of 1,700 beds.
   - Record call volumes have been managed through NHS 111. The service is also providing the highest ever clinical input into calls (48.4% in March 2018).
   - More patients are being treated using a Hear and Treat or See and Treat model, leading to a reduction in incidents per day receiving a response from an Ambulance Service, including where a patient was transported to an Emergency Department.
8. In supporting local systems to develop credible plans this year, we will have a major focus on reducing the length of stay at hospital of the longest stay

patients, as we know a significant number of these patients do not need to be in hospital and are at risk of being harmed by not being in the most appropriate environment. Furthermore, while only 10% of patients stay in hospital over 7 days, they use 65% of beds.

Challenged Trusts

9. There are currently 20 providers in special measures:
   a. six providers are in special measures for both quality and finance;
   b. eight providers are in special measures for quality reasons only; and
   c. six providers are in special measures for financial reasons only.

10. Since the Board last met, Princess Alexandra Hospital NHS Trust officially exited special measures for quality reasons on 21 March 2018 following a CQC inspection. CQC found real improvements at the trust, particularly surrounding its leadership and culture, with its rating in the well-led domain jumping from inadequate to good. Inspectors also witnessed significant improvements in services including the children and young people's service, end of life care, critical care and urgent and emergency services. No providers have entered special measures.

11. NHS Improvement teams continue to work closely with the providers in special measures and we believe that a number of trusts have the potential to exit the regime within the next 12 months.

12. NHS Improvement has begun to hold Board to Board meetings with a small number of the most challenged providers. The meetings that we have already held have proven to be very valuable to get clarity on the issues facing the trusts, define objectives for the coming year and agree how NHS Improvement and others can support these trusts to deliver the objectives.

Annual planning

13. The planning guidance for 2018/19, Refreshing Plans for 2018/19, was published jointly with NHS England on 2 February 2018. Given that two-year plans and contracts are in place, the planning process for 2018/19 was characterised as a refresh of existing plans.

14. Final plans were submitted on 30 April. In reviewing plans, we are paying particular attention to ensuring that operational plans for each trust provide a reasonable and realistic level of patient activity, aligned with commissioner planned referrals and volumes of care, and that trusts demonstrate the capacity to meet this. Our review process also focuses on trust finance and workforce plans ensuring that provider cost improvement programmes take up the appropriate local opportunities for improved operational productivity. This is considered alongside the impact of the plans on the quality of patient care including the quality impact assessment of cost improvement programmes.