

To: Board

For meeting on: 24 January 2019

Agenda item: 5

Report by: Ian Dalton, Chief Executive

Report on: Chief Executive's public report to the Board

Introduction

1. A lot has been accomplished in the three weeks since the beginning of the year. Since my report to the board in December, NHS Improvement and NHS England have published a Long Term Plan for the NHS. This plan sets our vision for the NHS over the next 10 years, with a set of concrete actions for the next five years, aligned to the £20.5bn settlement announced by the Prime Minister on the occasion of the NHS's 70th birthday. The next step is to support the sector to implement the plan, which I discuss in further detail later in this report.
2. NHS Improvement and NHS England have also published joint Planning Guidance for 2019/20. The Planning Guidance provides the sector with further detail how we expect both systems and individual organisations to plan for next year, with a significant focus on the new financial architecture.
3. The CEO of NHS England and I chaired the first meeting of the NHS Executive Group in the first full week of January and we have recruited to the majority of executive posts in the new structure. We have been in collective consultation with our staff regarding the proposed ESM structures for the new joint venture; this closed on the 30 December. We received a large volume of detailed feedback from staff in both organisations and will shortly be respond to this feedback.
4. There is a lot to do in the coming weeks. NHS Improvement and NHS England will be working closely on the following: supporting the NHS to continue delivering performance over the winter; embarking on a programme of work to manage delivery of the Long Term Plan; continued execution of the joint working programme; and fourth, Brexit planning. In the meanwhile, the focus on business as usual continues, including delivery of 2018/19 finances, and work with challenged providers.

Performance in the NHS

5. We are now in the winter period where we continue to see an increase in demand with more people attending Accident and Emergency departments across the country and higher numbers of ambulance arrivals and high bed occupancy. Despite this challenging context, we saw an improvement the number of patients admitted, transferred or discharged within 4 hours compared to December 2017.
6. We have also seen a reduction in the number of patients waiting for planned treatment, in particular patients waiting over 52 weeks. However, these numbers still remain too high and NHS Improvement and NHS England teams are working with trusts to look at what support we can provide for those facing the greatest challenges.

Implementation Framework

7. The Long-Term Plan sets out over 500 commitments. We now have to turn the plan into reality. Many of the commitments represent substantive, complex changes to clinical models, and will require NHS organisations to work collaboratively and with support to deliver. The NHS has constraints around bed capacity, workforce and finance, as well as capability and capacity to deliver transformation. What we now need is a detailed implementation plan that responds to this context.
8. NHS Improvement and NHS England have been asked by government to develop and publish an Implementation Framework by spring, which sets out in detail the actions and outcomes anticipated from local systems, NHS organisations, as well as ALBs. To give the Long Term Plan the greatest change of success, we will need a fundamentally new model of change. Over the next fortnight, I will work with the CEO of NHS England to identify an SRO and set up a programme architecture to detail the expectations around each of the commitments in the plan. This will culminate in the publication of an implementation framework in the spring, which will support local systems to build their own plans, over the summer, in response to the Long Term Plan.
9. Alongside this Implementation Framework, the NHS will also publish an interim workforce plan to the same timetable. NHS Improvement's Chair has been asked by government to lead this work and to develop an interim workforce plan by the end of March 2019. The work that Dido will lead is a key workstream in the wider programme to implement the Long Term Plan. It will bring together professional representatives and other bodies to build an implementation plan to deliver the vision set out in the Long Term Plan.
10. Local systems will need to develop their strategic plans, in response, over the summer; these plans will be brought together into a full national implementation plan in the autumn which incorporates the outcome of the Spending Review.

Planning guidance

11. 2019/20 will be the foundation year of the Long Term Plan and we will have to implement major elements of the new financial architecture. In the planning guidance, we announced a new Financial Recovery Fund, worth £1.05bn. The fund will be part of a package to support deficit providers, with a clear

accountability framework associated with access. Combining this step with other significant modifications to the financial architecture means that we expect providers reporting deficits to be reduced by more than half in 19/20, and by 2023/24 for *no provider to be reporting a deficit*. The Financial Recovery Fund signals the end to the control total regime.

12. S118 guidance is ready for publication at the time of writing this report. Publication of the final National Tariff Document continues to be anticipated on March 11, 2019.

EU Exit

13. NHS Improvement is continuing to work jointly with NHS England to support the Department of Health and Social Care in preparations, planning and communications for the EU exit. In December we input into and circulated, on behalf of the Department, the EU operational readiness guidance for the health and care system in England for providers and commissioners, which listed the actions that providers and commissioners of health and social care services should take to prepare for, and manage, the risks of a no-deal exit scenario.

Joint Working Programme

14. The CEO of NHS England and I chaired the first meeting of the NHS Executive Group in the first full week of January and I was pleased that nearly all of our new appointments were able to attend. Formal accountabilities do not transfer to the new team until 1 April; nonetheless these individuals will increasingly need to be involved in the business of NHS Improvement and NHS England.
15. We have now recruited to the majority of executive posts in the new structure. I was very pleased that last week to announce the appointment of Hugh McCaughey as the National Director of Improvement. Hugh has been the Chief Executive of South Eastern Health and Social Care Trust in Northern Ireland since 2009, where he has made quality improvement a key component of his strategy. He brings a huge amount of technical expertise in the application of improvement science in healthcare settings, and he also understands the challenges of leading change in complex and ever-changing environments. He will act as an effective national champion for improvement across the NHS.
16. We have been in collective consultation with our staff regarding the proposed ESM structures for the new joint venture; this closed on the 30 December. We received a large volume of thoughtful and detailed feedback from staff in both organisations and will shortly be respond to this feedback.