

**MINUTES OF A MEETING OF THE OPERATIONAL PRODUCTIVITY PROGRAMME
DELIVERY GROUP HELD ON WEDNESDAY 4 OCTOBER 2017 AT 10.00am AT
WELLINGTON HOUSE, 133-155 WATERLOO ROAD, LONDON, SE1 8UG**

Present:

Lord Carter, Non-Executive Director (Chair)
Tony Baldasera, Regional Chief Operating Officer (North) (deputising for Lyn Simpson, Executive Regional Managing Director (North))
Professor Tim Briggs, National Director of Clinical Quality and Efficiency
██████████, National Clinical Lead (deputising for Kathy McLean, Executive Medical Director)
Dawn Chamberlain, Regional Productivity Director (London) (deputising for Steve Russell (Executive Regional Managing Director (London))
██████████, Professional Lead for Hospital Pharmacy (deputising for Andrew Howlett, Clinical Productivity Operations Director) (until item 8)
Jeremy Marlow, Executive Director of Operational Productivity
██████████, Policy Lead (Model Hospital) (deputising for ██████████, Director of Model Hospital and Metrics)
Mark Radford, Director of Nursing Improvement (deputising for Ruth May, Executive Director of Nursing)
Mark Ward, Director of Implementation and Engagement
Paul West, Director of Procurement and Corporate Services

In attendance:

██████████, Programme Manager
██████████, Head of Corporate Services Programme
██████████, Senior Governance Officer
██████████, Head of Strategic Communications and Engagement (Operational Productivity)

Executive officers attended the meeting as detailed under specific agenda items below.

1. Welcome and apologies

- 1.1 Apologies were received from Bob Alexander (Executive Director of Resources/Deputy CEO), Dale Bywater (Executive Regional Managing Director (Midlands and East), Simon Corben (Director and Head of Profession for NHS Estates and Facilities), Anne Eden (Executive Regional Managing Director (South)), Luke Edwards (Director of Sector Development), Tim Evans (National Director of Clinical Productivity), Stephen Hay (Executive Director of Regulation/Deputy CEO), Andrew Howlett (Clinical Productivity Operations Director), Ruth May (Executive Director of Nursing), Kathy McLean (Executive Medical Director), Steve Russell (Executive Regional Managing Director (London)), Adam Sewell-Jones (Executive Director of Improvement) and Lyn Simpson (Executive Regional Managing Director (North)).

2. Declarations of Interest

2.1 No interests were declared.

3. Minutes and matters arising from the meetings held on 13 July 2017 (OPPDG/17/34)

- 3.1 The minutes of the Operational Productivity Programme Delivery Group (OPPDG) meeting held on 13 July 2017 were approved.
- 3.2 The Group considered the work that was being undertaken by the Operational Productivity Senior Management Team (the SMT) on potential options for staff recognition (OPPDG/17/27, para 6.6). OPPDG members were content that this action should be closed and the development of recognition proposals taken forward by the SMT.
- 3.3 With regard to the potential for the Energy Transformation Fund to be self-funded (OPPDG/17/29, para 3.5), OPPDG members noted that discussions continued between NHS Improvement and Department of Health in the context of Autumn budgets but that no confirmation had been received. The Group was content that this action should be closed and workstream progress monitored through the Estates and Facilities programme.
- 3.4 OPPDG noted that work was underway, led by the Getting It Right First Time team, on the comparison of Barts Health NHS Trust's pay costs for trauma and orthopaedic services against its Hospital Episode Statistics billing data (OPPDG/17/33, para 5.5). The Group considered that updates on this work should continue to be reported to OPPDG.
- 3.5 Consideration was given to the work that had been undertaken by the Model Hospital team on the weighting of each headline measure on the trust Checkerboard (OPPDG/17/32, para 7.3). It was noted that the work was ongoing to review the overall composition of the opportunity scanner, including the design of the checkerboard, taking into account OPPDG's comments. In light of this, the Group was content that this action should be closed and work carried forward by the Model Hospital team.

4. Corporate Services Programme Update (OPPDG/17/35)

- 4.1 The Head of Corporate Services Programme introduced the report which provided an update on the progress of the Corporate Services Programme.
- 4.2 Consideration was given to the overall programme objectives and OPPDG noted that delivery was slightly ahead of plan with £52m savings reported against a plan of £50m. The reliability of this data was discussed and the Group considered that whilst there was some fragility in this position, it was a broadly accurate report on progress. There was a discussion on the next steps in relation to consolidation of corporate services. The key barriers to progressing this work with regard to encouraging trusts' management teams to focus on the system-wide benefits that

could be delivered through consolidation and in increasing trusts' appetite to invest in consolidation, particularly given the current financial pressures across the sector, were highlighted.

- 4.3 The potential transition costs that could be incurred through consolidation to facilitate any required reduction in headcount were considered. The models that were available to support this process and the anticipated return on investment (RoI) associated with their use were discussed. The Group noted that the NHS Shared Business Services (NHS SBS) model was currently the strongest on the market, and represented a RoI of approximately 25% after three to four years. [REDACTED]

[REDACTED]

ACTION: MH

- 4.4 The short term actions that could be taken by trusts to reduce back office costs were considered. The plan to provide trusts with a target operating model for corporate services to enable them to develop individual plans that would deliver savings beyond those identified in the target operating model was discussed. OPPDG considered the further work that was required to increase engagement with the provider sector to drive delivery of the programme. The comparative costs for back office functions between providers and clinical commissioning groups were discussed. The Chair requested an update on the three worst performing trusts in relation to corporate services.

ACTION: MH

- 4.5 Consideration was given to the short term interventions that had been developed and would be implemented by four trusts to support consolidation. The potential for a national contract template and standardised procurement route to be established to streamline implementation was considered.

5. Communications Update (OPPDG/17/37)

- 5.1 OPPDG considered the report which provided an update on the key communications activities and achievements across the Operational Productivity Programme.
- 5.2 The coverage that had been received on the Getting It Right First Time (GIRFT) general surgery report was discussed. The work that was being undertaken to refine the communications approach for the GIRFT programme and coordinate the release of future GIRFT reports in sets, supported by clear messaging to ensure maximum impact with stakeholders was discussed. It was highlighted that the profile of this

work was strong and stakeholders were broadly engaged and supportive of the programme and implementation.

- 5.3 The positive feedback that had been received from stakeholders and trusts on the pathology networks announcement was discussed. It was noted that 90 trusts had responded and engaged with the establishment of the proposed networks. The potential issues that had been identified in relation to anticipated headcount reductions and funding availability were considered. The work that was being undertaken to address a specific issue that had been raised by Unite with regard to staff redundancies in Lancashire was discussed. The value that was placed by providers on job availability against the benefits that could be delivered through pathology networks was considered.
- 5.4 An update was provided on the work that was being undertaken with the Operational Productivity programme management office to build a library of case studies to be shared across the sector via NHS Improvement and its partners' channels to help cascade information and best practice.
- 5.5 There was a discussion on The Health Foundation's work on the Carter Review two years on. It was noted that this work would be undertaken in conjunction with NHS Improvement and would focus on identifying the further actions that would be required to drive the implementation of all of the Carter programmes and recommendations.

6. Procurement sub-programme (OPPDG/17/36)

██████████, Acting Head of Procurement, was in attendance for the consideration of this item.

- 6.1 The Acting Head of Procurement introduced the report which set out the objectives, scope and targets for the six key workstreams that had been established following a review of the Procurement sub-programme. The report also provided an update on the progress and key risks to delivery for each of these workstreams.
- 6.2 With regard to the Purchase Price Index Benchmarking (PPIB) tool, OPPDG noted that usage of the tool had increased over the last three months and that trusts had identified £200m of savings that could be delivered through cost improvement plans in 2017/18. Trusts now paid a licence fee to access and use the PPIB tool and the Group noted that 80 trusts had purchased the licence, only 50 of which were acute trusts. The areas where the maximum savings opportunity had been identified were discussed. It was requested that further work should be undertaken to review the 12 trusts that had delivered the most savings to date to identify the actions that had been taken to realise these savings. It was noted that the outcome of this review should form a key part of the communications plan for this workstream, alongside the publication of trust performance comparisons to identify both good and poor performance.

ACTION: EBY, PW

- 6.3 The reliability of the Month 5 data that had been submitted by trusts in relation to forecast CIP delivery, which reflected an anticipated increase in delivery in Q4

7.5 There was a discussion on an issue that had been raised in relation to the conflicting advice that had been issued by NHS Improvement and NHS England on the continuation of elective services during the winter period. The potential risks associated with stopping elective care with regard to the retention of trauma and orthopaedic surgeons were discussed.

8. Any other business

8.1 OPPDG was provided with an update on the work that was being undertaken to improve operational productivity at Barts Health NHS Trust. The co-ordination of NHS Improvement's support package for the Trust, which was in Special Measures for both quality and finance and was a target trust for the Operational Productivity programme, was discussed. It was noted that an internal director-led programme board, chaired by the Trust's Delivery and Improvement Director, had been established to strengthen the alignment of the support package and monitor the Trust's progress. The proposed process for escalating the findings of this programme board to the relevant NHS Improvement Executive Director, who would engage with the Trust on any key risks identified, was discussed.

8.2 The lack of progress made by the Trust, particularly in relation to delivery of the GIRFT recommendations, was considered. While the Trust's senior managers, below executive level, were supportive of the programme, it was considered that further work was required to strengthen the level of executive engagement and support for delivery. The necessity for a single individual to be identified within NHS Improvement to lead the relationship and engagement with the Trust was emphasised. The Group requested that a meeting should be arranged between the Chair of OPPDG, Executive Director of Regulation/Deputy CEO, Executive Medical Director and Executive Regional Managing Director (London) to identify the relationship lead and clarify NHS Improvement's priority areas and requirements for the Trust. It was noted that the Regional Productivity Director (London) would collate briefing notes on the Trust to support this discussion.

ACTION: MW, DC

8.3 The Director of Nursing Improvement provided an update on the nursing workforce at Barts Health NHS Trust. The ongoing issues in relation to staff turnover across all of the Trust's sites and the pace of the Trust's recruitment processes were considered. The impact of these issues on the Trust's agency usage was discussed.

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