

Board Meetings held in Common

Date: 27 June 2019

Agenda item: 13

Paper Title: New operating model: Memorandum of Understanding on co-operation between NHS England and NHS Improvement

Report by: Emily Lawson, National Director: Transformation & Corporate Development

Decision Making Responsibility:

| | |
|---------------------------------|-------------------------------------|
| NHS England | <input type="checkbox"/> |
| NHS Improvement | <input type="checkbox"/> |
| NHS England and NHS Improvement | <input checked="" type="checkbox"/> |
| N/A - joint discussion | <input type="checkbox"/> |

Introduction & Purpose

1. The purpose of this report is to seek approval from the Boards for the Memorandum of Understanding on Co-operation (Appendix A) in relation to the joint working between NHS England and NHS Improvement.
2. The Boards are invited to:
 - Approve the Memorandum of Understanding on Co-operation
 - Note that the Memorandum of Understanding will be kept under review, with the next review in 6 months and annually thereafter.

Context/Background

3. The Boards of NHS England and NHS Improvement agreed proposals to transform the way we work together to provide joined-up and effective system leadership to the NHS.
4. A formal merger between our organisations is not legally possible under the current legislation. Therefore, we have created a new operating model that best supports local health systems and the patients and public they serve.
5. The new operating model has been established to ensure that the centre of the NHS is able to best support the whole of the NHS in delivering healthcare to the populations of England and in delivering the Long Term Plan.
6. On 1 March 2019 we announced a series of changes to our single operating model, following decisions from our two Boards. These changes build on the integration

NHS England and NHS Improvement



we have put in place to date and include moving to a single leadership model under the Chief Executive of NHS England and a single Chief Operating Officer. The Chief Executive of NHS England provides the overall leadership to the two organisations and the Chief Operating Officer will also be the Chief Executive of NHS Improvement. We are also streamlining our non-executive board governance.

7. On 1 April 2019, we launched our new approach, moving to single leadership through the NHS Executive Group and launching our new regions and corporate directorates. In addition, we have been working to define a single purpose and the establishment of: shared governance, systems and processes; organisational structures; and capabilities, culture and behaviours.

Current position

8. The work to bring our two organisations together under a single operating model is being carried out within the current legal framework and reflects the duties placed on our constituent statutory bodies to cooperate with one another, while at the same time retaining a number of distinct responsibilities.
9. The Memorandum of Understanding sets out the basis of how we are working together to act as one organisation, whilst recognising the underlying basis of the individual statutory bodies – Monitor, the NHS Trust Development Authority and the NHS Commissioning Board. It does not create legal obligations between NHS England and NHS Improvement, but sets out our common understanding about key aspects of how we will work together.
10. The document would serve as a useful record of our common understanding of the arrangements, and our appreciation of the underlying legal position, which may be useful when explaining the arrangements to third parties such as the National Audit Office (who have indicated that they would expect to see us adopt a document on these lines).
11. It sets out at a high level what our new operating model will mean for our staff, policies and processes and how we have set up our governance arrangements and supports a range of other documents that provide further detail about our new operating model including previous board papers, governance documents and agreed common policies and procedures.

Next steps

12. The Memorandum of Understanding will be reviewed in 6 months to ensure it reflects the single operating model as it develops, and annually thereafter.

Recommendation

13. The Boards are invited to:
 - Approve the Memorandum of Understanding on Co-operation
 - Note that the Memorandum of Understanding will be kept under review, with the next review in 6 months and annually thereafter.