STRATEGIC POLICY UPDATE

CHAIRS & CHIEF EXECUTIVES NETWORK

Chris Hopson
Chief Executive

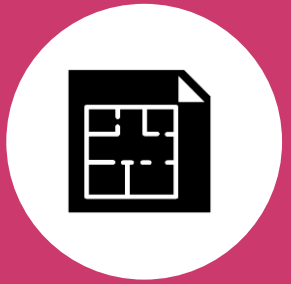
13 December 2016

What we will cover

What has changed since we last met in September 2016

NHSProviders

No money in Autumn Statement. Major performance and money pressures continue, instability rising



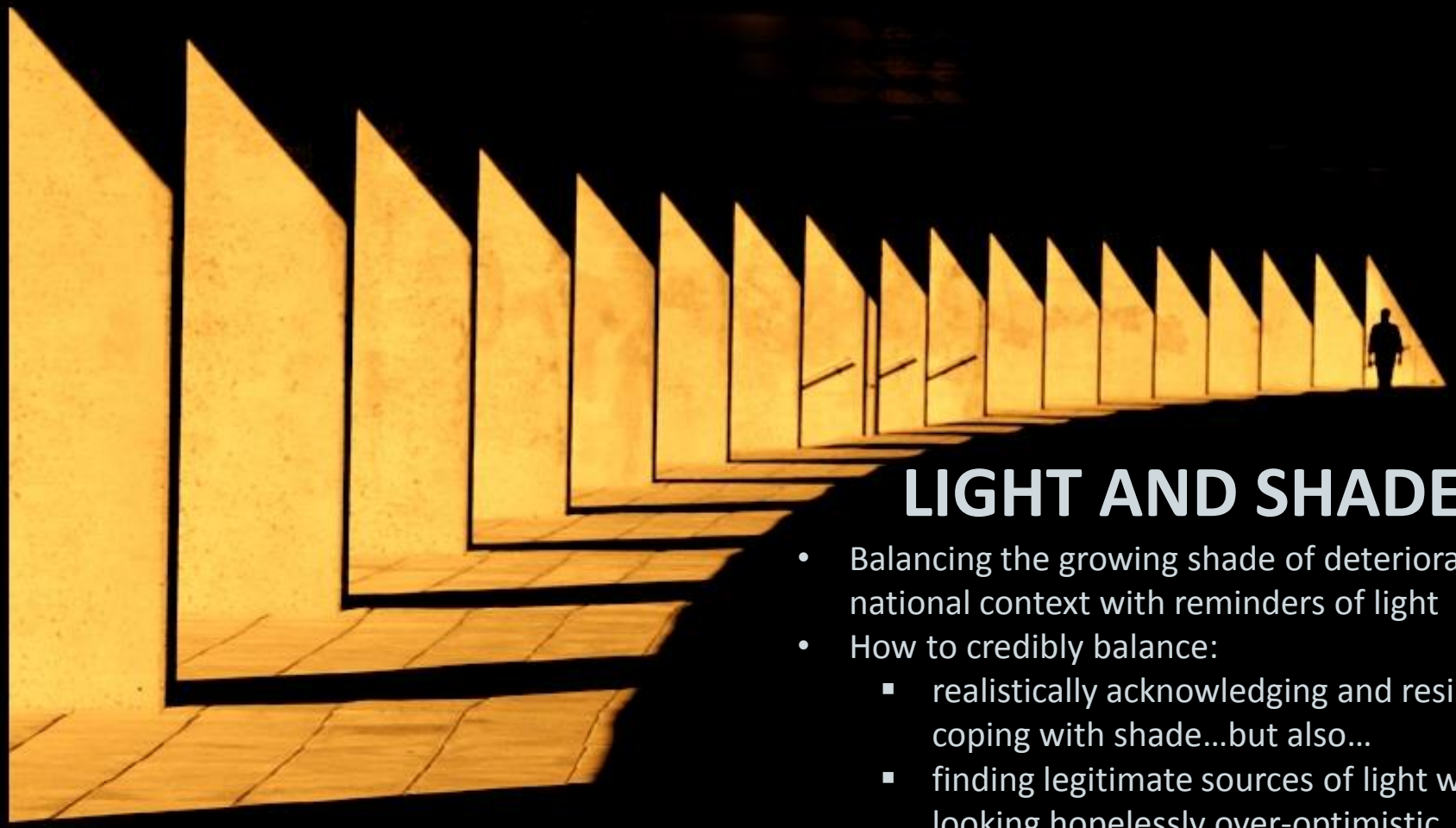
Final STPs submitted, process / plans under heavy media and campaigning fire, reboot imminent

Raft of new measures announced to respond to workfoce supply and leadership challenges

New care models at inflexion point with first MCP contract nearly to market

NHSI Standard Oversight Framework segmentation scores published

Tension between need for visible senior operational grip at home to manage growing instability & wider system level "take me away from operational grip" STP, planning, transformation & contracting processes



LIGHT AND SHADE

- Balancing the growing shade of deteriorating national context with reminders of light
- How to credibly balance:
  - realistically acknowledging and resiliently coping with shade…but also…
  - finding legitimate sources of light without looking hopelessly over-optimistic

What we will cover

01 The politics of the national system

02 Finances and performance

03 Regulation and STPs

04 NHS workforce

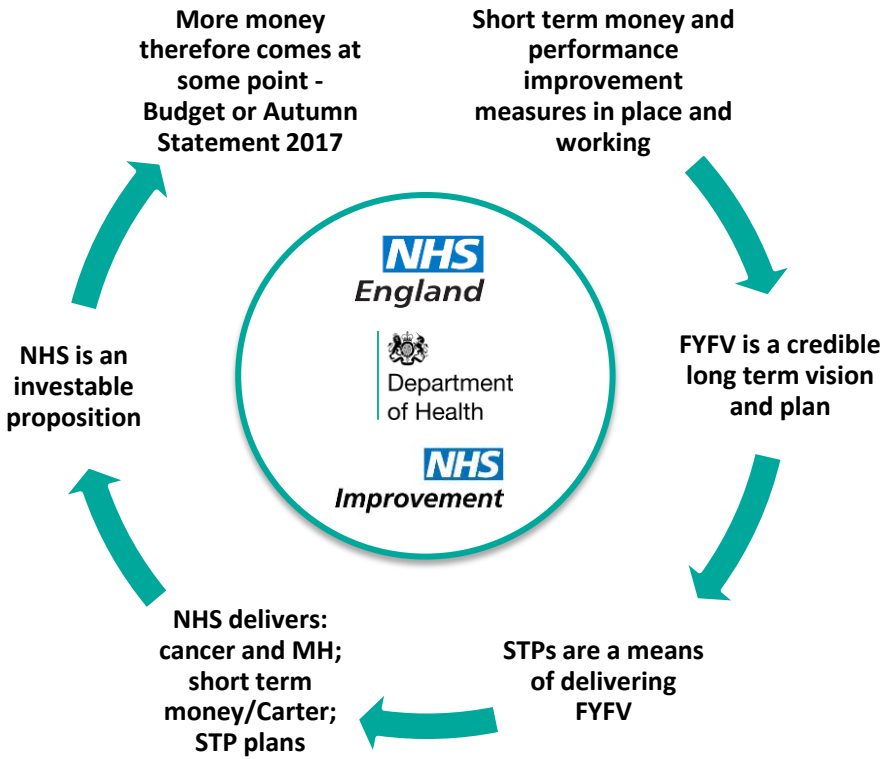
05 NHS Providers update

Deconstructing the new national political relationship

- Commitment to NHS as way to deliver key mission of detoxifying Tory brand
- Ring-fence and increase NHS spend to show NHS safe in Tory hands
- Spending Review settlement carried implicit promise of 'come back for more in the middle years / nearer election if needed'
- "Tony Blair explained his priorities in three words: education, education, education. I can do it in three letters: NHS" *David Cameron*

- No personal track record of strong NHS interest
- Lots of other priorities, not least Brexit
- Focus on the 'Just about managing' as route to reposition Tory brand
- Members of club of dry-er frustrated Departmental Ministers squeezed by NHS ring fence – we've been squeezed and had to reform, now it's NHS's turn?
- Rigour: you said you had a plan, more than funded, now deliver
- If have to give in to NHS then avoid giving in early, do it once & bare minimum?

The DH/ALB strategy in response?



Risks to the strategy

- 2016/17 money goes badly wrong:
  - Provider deficit
  - Winter pressure
  - CCG overspend
- 2017/19 money gap not credibly close-able through operational plans
- NHS performance doesn't recover / deliver in the way promised:
  - Over promising
  - Depth of performance problem
  - Overwhelm: demand, primary & social care
- STPs not a credible way to deliver FYFV?:
  - FYFV vision strong – underlying numbers less credible: £16-18bn deliverable, £22bn too stretching?
  - Too big an ask too quick: money, process, transformation, system working
- There simply is no more money:
  - Politicians say no, irrespective
  - Economy nosedives

Balancing light and shade – one example response

59%

Believe they won't have the right staff numbers, quality and mix in six months to deliver high quality care

49%

Believe their trust's finances are likely to deteriorate against plan over the next 6 months

68%

Thought performance against targets would stay the same or deteriorate, implying targets will still be missed

79%

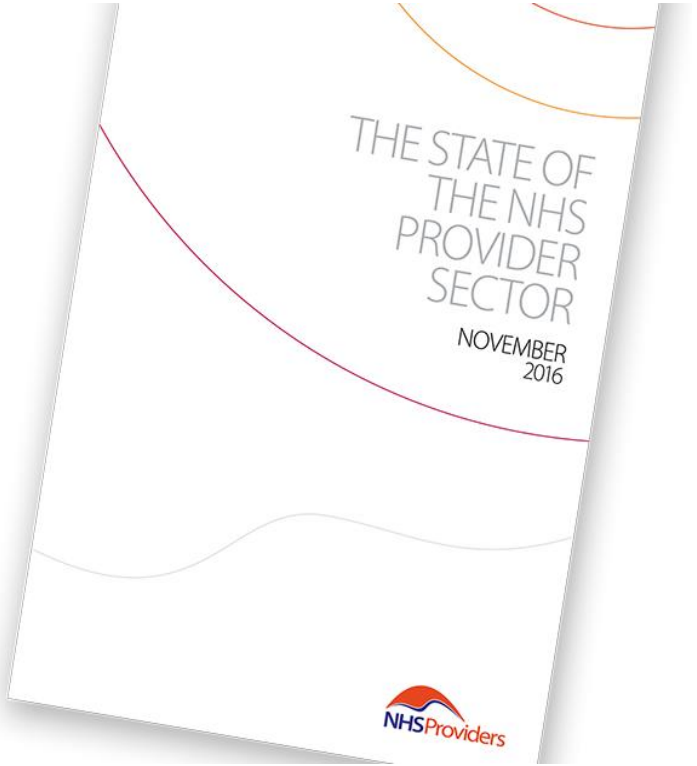
Worried or very worried that their local area is not transforming quickly and effectively enough

74%

Are concerned that the mismatch between money and need will mean poorer quality care

96%

Felt engaged or very engaged in the STP process



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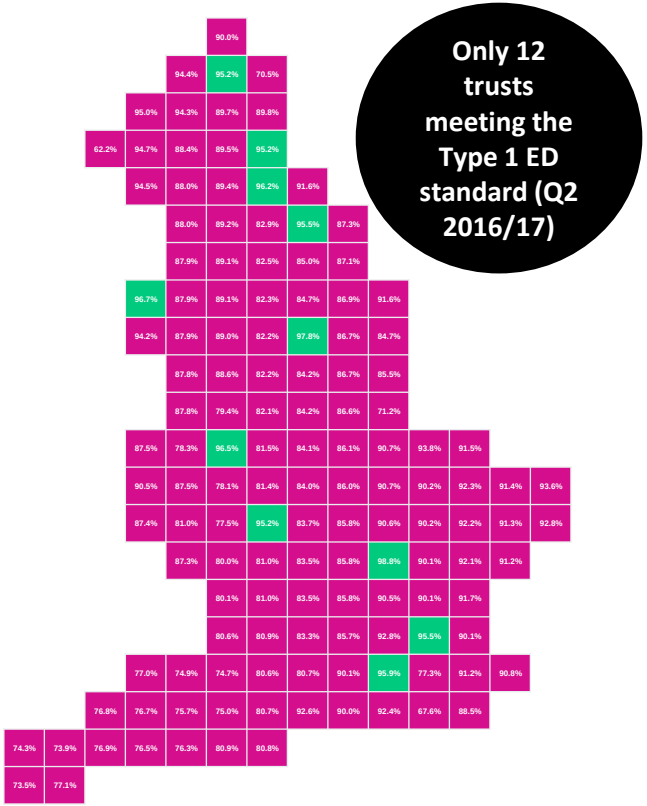
Performance story continues but growing ALB realism….



Only 12 trusts meeting the Type 1 ED standard (Q2 2016/17)

Combination of rapidly rising demand, problems in primary care and social care, financial squeeze and workforce shortages / issues putting pressure on performance across all targets and all providers

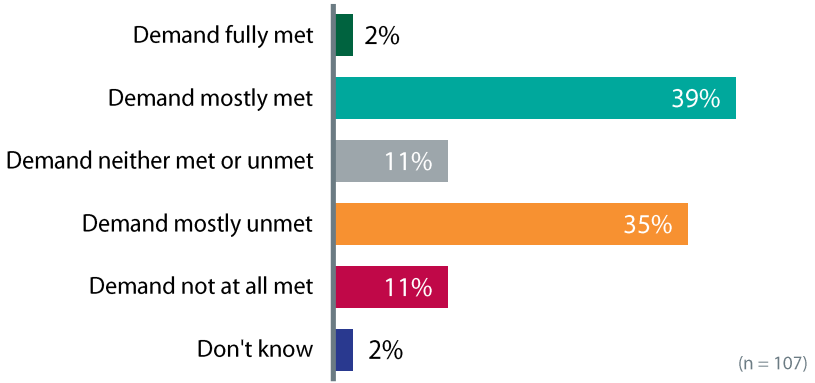
Massive effort on frontline, supported by increasing range of national initiatives, to try to cope with extra demand, maintain performance and recover standards

Despite great delivery, in most places scale of problem outstripping effort. Performance at best static, mostly continuing to decline. Recovery increasingly unlikely in current context / on current trajectory

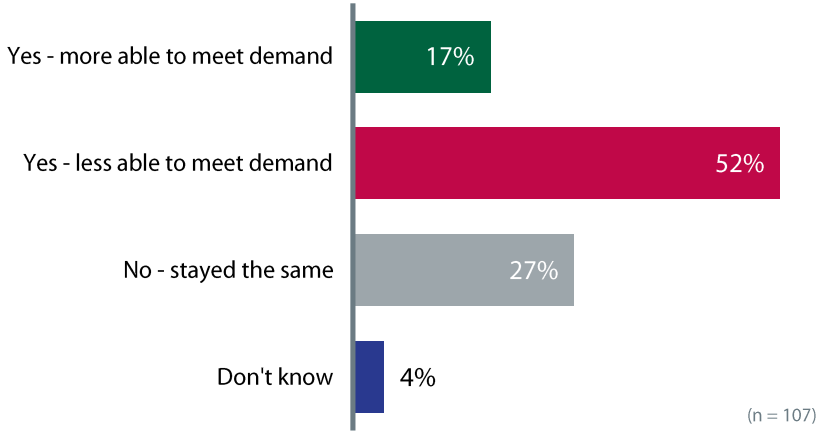
Growing acceptance among ALBs of reality. Issues are getting political leaders to accept and what to then do about it. Nervousness about wrong signals leading to precipitate performance drops.

Pressures on intermediate care illustrate problem

To what extent does the current intermediate care capacity in your area meet demand needs?



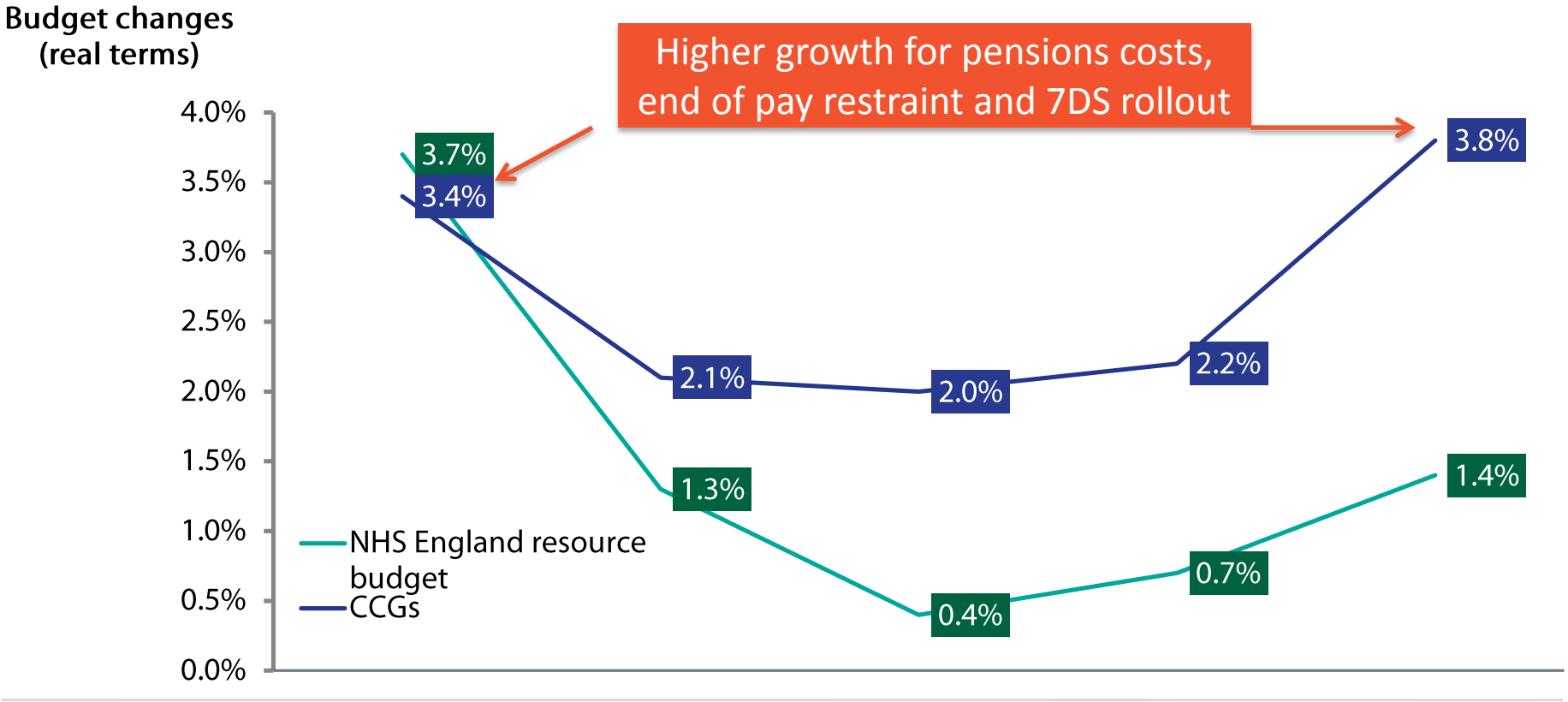
Over the last 24 months, has intermediate care capacity in your area changed?



Hypothesis proved: council and CCG financial pressures, operation of PBR, confusion of BCF, and loss of dedicated / ring fenced winter money has led to large loss of intermediate capacity in many systems. Therefore less resilience / greater pressure.

Thanks for great, rapid, survey responses

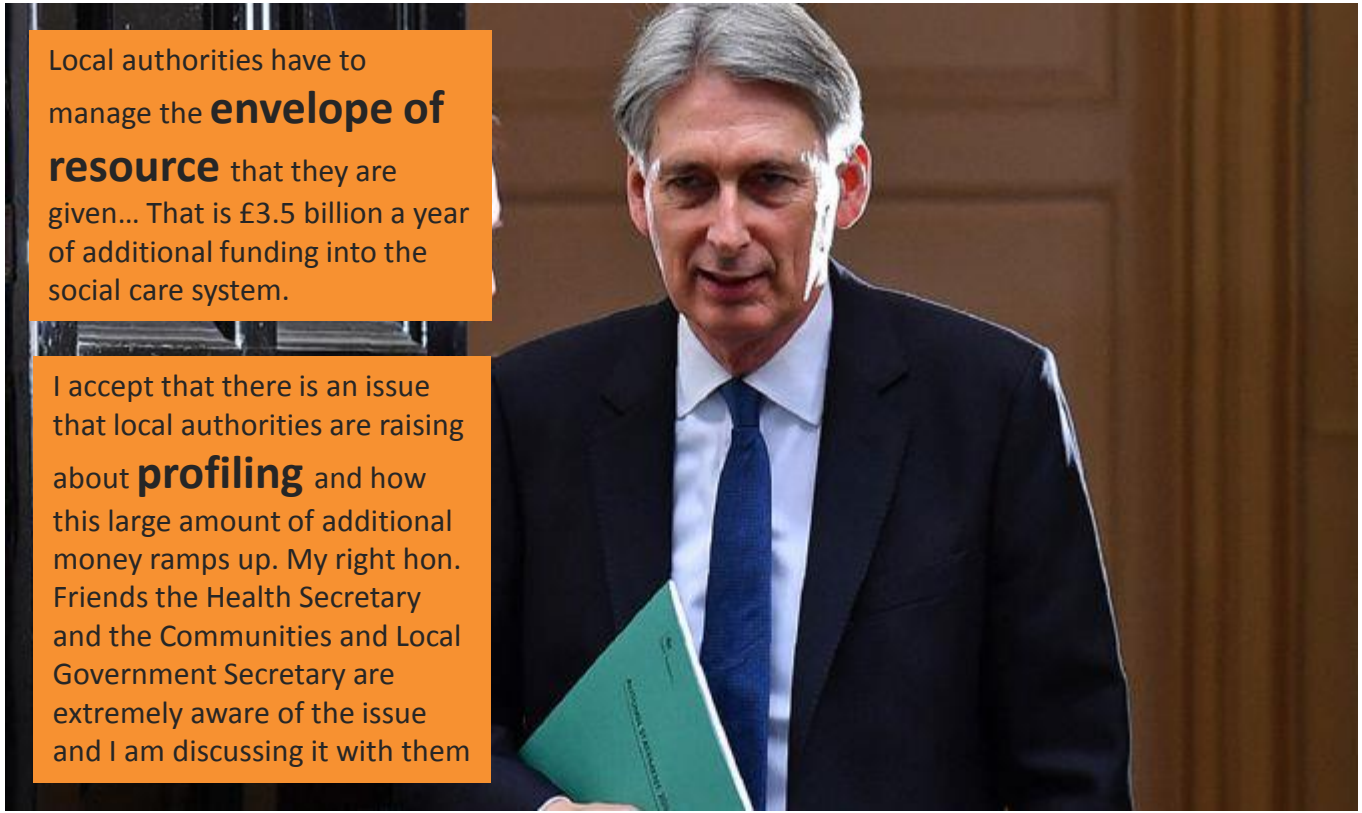
Money: now entering the U-Bend



Autumn Statement: NHS and social care

Local authorities have to manage the **envelope of resource** that they are given… That is £3.5 billion a year of additional funding into the social care system.

I accept that there is an issue that local authorities are raising about **profiling** and how this large amount of additional money ramps up. My right hon. Friends the Health Secretary and the Communities and Local Government Secretary are extremely aware of the issue and I am discussing it with them



Health Committee
House of Commons London SW1A 0AA
Tel 020 7219 6182 Fax 020 7219 5171 Email healthcom@parliament.uk www.parliament.uk/healthcom

From Dr Sarah Wollaston MP, Chair

Rt Hon Philip Hammond MP
Chancellor of the Exchequer

26 October 2016

Dear Chancellor,

We write, ahead of the Autumn Statement, following a brief inquiry by the Health Committee into the current state of NHS finances. Our inquiry follows the report of a more comprehensive look at the impact of the Spending Review on health and social care which we published in July.

Our most recent inquiry, in the course of which we took evidence from representatives of those responsible for managing NHS finances on a day-to-day basis, as well as from the Secretary of State and the Chief Executives of NHS England and NHS Improvement, clearly demonstrated the financial pressure facing the NHS. We write as members of the Health Committee to express our concern that the extent of this pressure is not sufficiently recognised by the Government.

Committee of Public Accounts
House of Commons London SW1A 0AA
Tel 020 7219 4089 Email pubacc@parliament.uk Website www.parliament.uk/pac

Rt Hon Theresa May MP
Prime Minister
10 Downing Street
London
SW1A 2AA

3 November 2016

Dear Prime Minister

In response to my Parliamentary Question to you on 12 October about the NHS's budget crisis you answered that the Government had given the NHS what it asked for.

As an answer is necessarily brief I am sure you are aware of some of the wider concerns. I thought it might be helpful to set out in detail the concerns that the Public Accounts Committee has uncovered about the sustainability of the NHS budget in this Parliament and beyond. In nine reports and multiple hearings we have had on the NHS this calendar year, concerns about the sustainability of the budget were very clear.

Series of money pressures and difficult Board decisions

2016/17	• -£648M 1H provider deficit • Swing of £716m needed in 2H to deliver -£580m • 2H: pressure to stay on forecast, use non recurrents to hit numbers and go further for unused STF
2017/19 operational plans	• Contracting round • Control totals: 70% agreed (most with caveats) and 30% haven't • CIP savings levels
STPs	• How far to go in pursuit of aggressive 2020/21 financial target • Realism of STP plans and assumptions: capital and political capital

2017-19 contracting round

- Message received that we need to stop knocking lumps out of each other and agree faster
- But financial pressures on CCGs greater…providers given stretching control totals… and some CCGs wanting to contract for first two years of an unrealistic STP…
- …So many initial offers miles off but growing evidence of places reaching agreement
- Zero sum game behaviours still evident on CQUIN attainment, specialised services & mental health. Flash survey on mental health following
- Few places going hard for STP control totals to move money around the patch
- The second year seems to be dropping off the agenda in many places
- Real pressure on deadline in places wanting to do something genuinely different

Let's do a quick show of hands

- Who thinks they will be able to agree an acceptable deal with their commissioners by 23 December … and who doesn't?
- Hands up if you are in or are intending to go to arbitration / mediation
- For those of you who have contracts with a CCG and NHS England has it been easier to agree the contract with the CCG … or NHS England?

Lord Carter – coming / returning to you soon…..

- Going up the priority list
- NHSI team of c150 preparing to support and monitor delivery – pace being stepped up
- Working with cohort from 57 mental health trusts, 18 community providers and integrated providers to define what good looks like by:
  - Understanding funding flows
  - Understanding services provided
  - Understanding costs of services provision, including relative costs across pathways
  - Identifying initial data on performance/variation
  - Identifying opportunities and good practice

Expect to report back in **Autumn 2017**

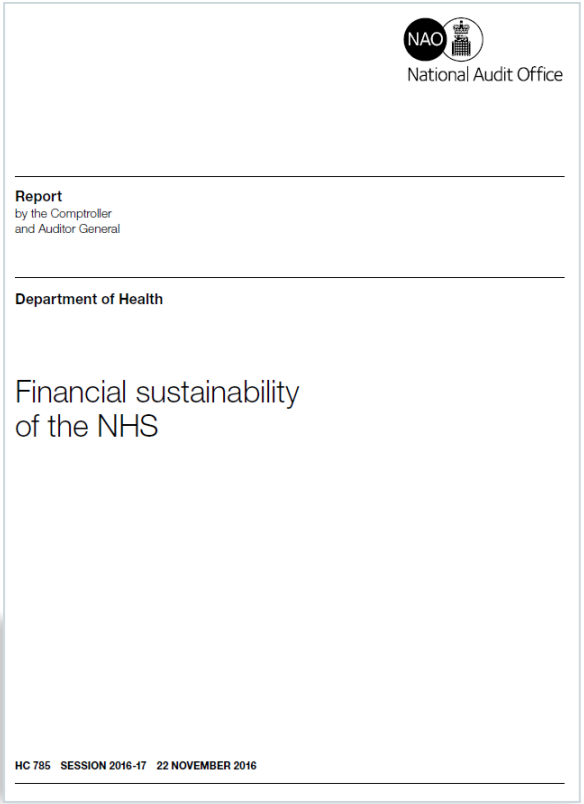
Latest NAO report….

“The Department, NHS England and NHS Improvement should test the assumptions in both national plans as well as local sustainability and transformation plans”

“NHS England and NHS Improvement should set realistic efficiency and savings targets for local bodies to achieve. Setting overly optimistic efficiency and savings targets for local bodies could result in short term and ineffective interventions”

“The Department should evaluate the impact and risks to future financial stability of the one-off measures used to manage the 2015-16 financial position, including the transfer of capital funding to resource”

“The Department, NHSE & NHSI took action to manage NHS financial position in 2015-16 and address the growing deficit of trusts. While their measures are technically justifiable, they should not form the basis of a credible plan to secure the financial sustainability of the NHS in England”



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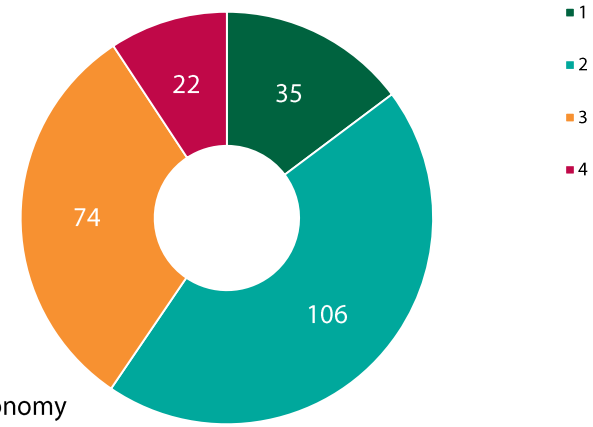
Regulation: NHSI single oversight framework

NHSI shadow segmentation published (Oct 2016)

59% with 'maximum autonomy' or 'targeted support'.



1 - maximum autonomy
2 - targeted support
3 - mandated support
4 - special measures

First live segmentation expected by end of 2017:

- Will be a rolling process, rather than updated at regular intervals
- Trusts that have moved segments will receive a phone call from NHSI to discuss
- NHSI is continuing to develop its support package for trusts in segments 2 and 3
- Expect to refresh the SOF in spring 2017 – so let us know if you think something is not working

Regulation: NHSI and CQC well-led & use of resources

Consultation on new approaches coming soon!

Use of resources assessment

Will build on and enhance the finance and use of resources theme in the Single Oversight Framework, which serves as the basis for identifying trusts' support needs

Will feed into a new combined CQC rating of quality and use of resources, initially for acute trusts only

Use of resources principles
Any new combined rating must be meaningful for patients and the public, as well as useful for providers and Care Quality Commission/NHS Improvement
Finance and quality considerations should not trump one another
Use of resources should carry appropriate weight in the new combined rating without significantly dragging down trusts' ratings, which would undermine incentives for providers to strive to improve
The use of resources assessment must be underpinned by a robust and transparent methodology to withstand possible challenge
It must minimise regulatory burden for providers and, as far as possible, build on business as usual in NHS Improvement
The use of resources assessment must give sufficient weight to the current finance and use of resources metrics in the Single Oversight Framework, but provide a more rounded view of how trusts are using their resources

Well-led framework

NHSI and CQC are working together to develop a joint approach for future leadership and governance reviews for NHS Trusts and Foundation Trusts – including update of the Well-Led framework

Moving from having two separate approaches to assessing well-led

CQC previously had 5 KLOEs and NHSI 10 key questions – will now have 8 KLOEs used by both organisations

NHSI and CQC will aim to develop a single mechanism for providers to submit the evidence needed both for CQC inspection and to help NHSI identify support needs under its Single Oversight Framework.

Regulation: further forthcoming developments

New CQC inspection and regulatory model - consultation expected to be launched tomorrow for implementation April 2017

CQC publishes their review into reviewing deaths today

Increased focus on reducing locum spend with NHSI expected to take a tougher approach

New NHSI foundation trust assessment process – consultation delayed, but new approach in development

CQC consultation on fee increases out now – deadline is 10 January

NHSI SOF refresh expected in April 2017

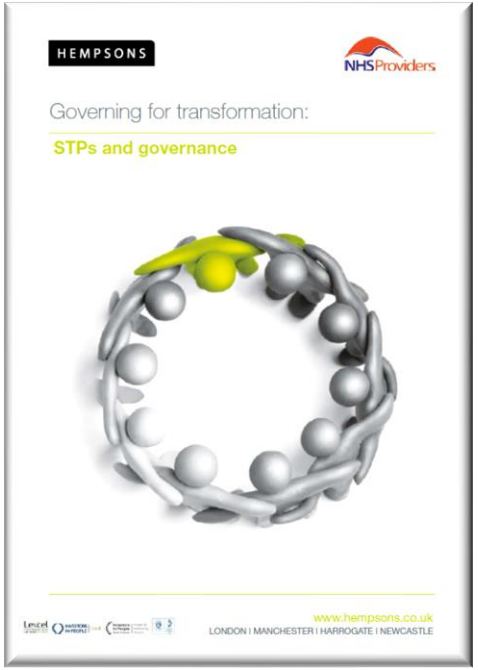
NHS Providers regulation survey – coming soon
We need your feedback!

Regulation: current tone

"We are trying to give the keys back to providers but they've got to want to take the keys back and run their own organisation"

STPs: where are we and where next?

- STPs submitted – lots of different accountable care models in different forms
- The centre is reviewing plans and assessing capital funding needs. Major worries about robustness and deliverability of most / many plans, unsurprisingly
- NHSI and NHSE letter yesterday re-clarifying STP purpose and next steps: proposals to plans to partnerships
- General approach will be: take 2017/19 operational plans as first two STP years and work onwards from there. Operation heavy; transformation light.
- The centre considering how to support the delivery phase of STPs and how it will hold local areas to account for delivering plans
- We have published an STPs and governance guidance publication with Hempsons to support local areas overcome governance challenges
- Most STPs now published – local areas moving into engagement and consultation with public – challenge to overcome the 'secret cuts' narrative. Brand coming under heavy fire.



New care models update

Frameworks & National guidance

- Frameworks now in place for three care models – MCPs, PACS, Care Homes and ACC framework in 2017
- NHSI and NHSE assurance of complex contracts process published (Integrated Support and Assurance Process)

Funding

- 17/18 funding announcements expected shortly
- Last year of funds flowing directly from new care models programme, rather than through STPs
- Separate funding for Devo Manc and UEC vanguards
- Overall funding expected to be just over £100m

Progress

- Lots of good and interesting things going on but at smaller scale and lower consistent take up of all features of new models
- Consultations out for MCP contracts – some running into difficulties due to primary care engagement
- Lots of new ways of working outside of vanguard programme: Tameside, Wolverhampton, Oxford

NHS Providers, Confed, LGA and NHSCC commissioned to deliver phase 2 of 'sharing the learning from the vanguards' programme

NHS Providers event on ACC models and reducing variation in March 2017

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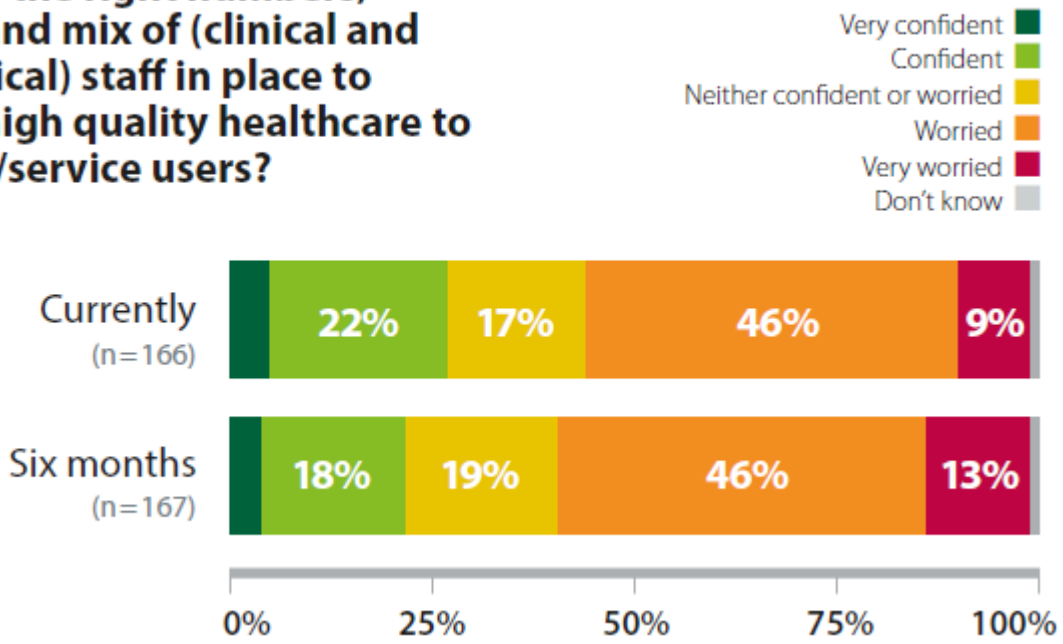
Workforce pressures on the system

How confident are you that your trust has the right numbers, quality and mix of (clinical and non-clinical) staff in place to deliver high quality healthcare to patients/service users?



"This concerns me more than the money".

Chair, Acute trust

Strong need to maintain compact with our staff

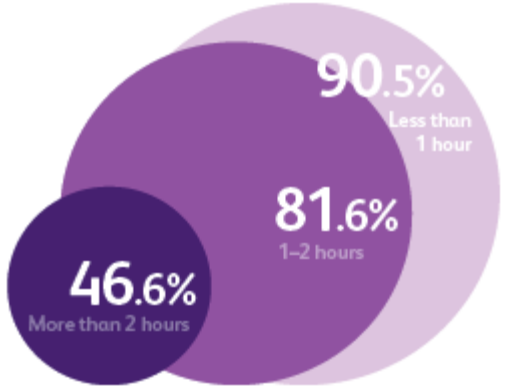
NHS Providers

Table 1 How valued by colleagues do junior doctors feel?

	Consultants	Chief executives	Non-clinical managers	Nursing staff	Trainees supervised	Patients
Not valued (not at all or rarely)	**24** (6.3%)	**225** (67.8%)	**275** (77.7%)	**14** (3.7%)	**3** (0.8%)	**15** (3.9%)
Valued (sometimes or often)	**266** (69.6%)	**104** (31.3%)	**77** (21.8%)	**301** (79%)	**253** (68.6%)	**295** (77.0%)
Extremely valued	**92** (24.0%)	**3** (0.9%)	**2** (0.6%)	**66** (17.3%)	**113** (30.6%)	**73** (19.1%)
TOTAL	**382** (100%)	**332** (100%)	**354** (100%)	**381** (100%)	**369** (100%)	**383** (100%)

'I have little contact with the chief executive or senior non-clinical managers so it is difficult to assess how valued I feel by them.'

Fig 2 Percentage of trainees working longer than their rostered hours*



*Number of trainees who, in the last month, have worked longer than their rostered hours and for how long.

' I am regularly having to cover gaps in the on-call rota meaning at times I am covering the work of two medical registrars, which is soul destroying.'

Source: Being a junior doctor (RCP, Dec 2016)

A raft of new measures

LEADERSHIP

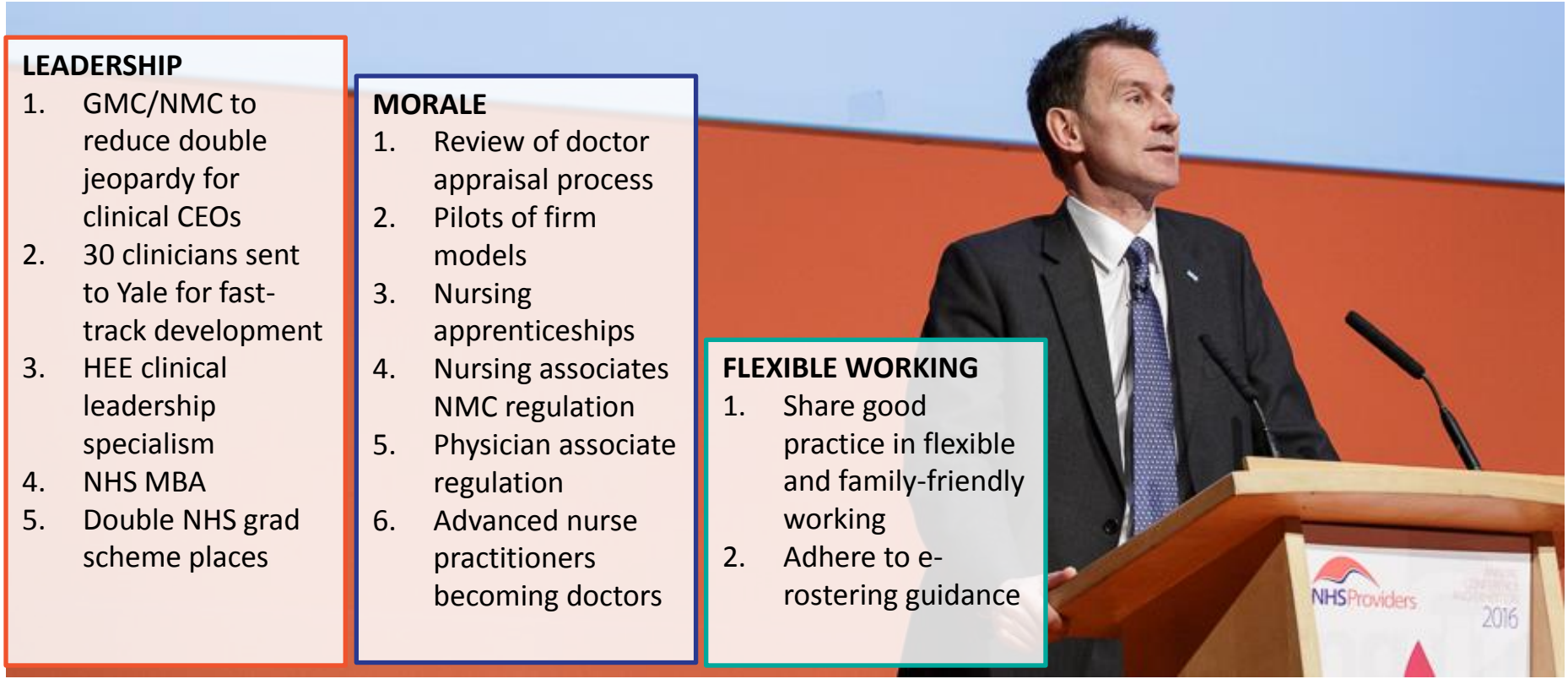
1. GMC/NMC to reduce double jeopardy for clinical CEOs
2. 30 clinicians sent to Yale for fast-track development
3. HEE clinical leadership specialism
4. NHS MBA
5. Double NHS grad scheme places

MORALE

1. Review of doctor appraisal process
2. Pilots of firm models
3. Nursing apprenticeships
4. Nursing associates NMC regulation
5. Physician associate regulation
6. Advanced nurse practitioners becoming doctors

FLEXIBLE WORKING

1. Share good practice in flexible and family-friendly working
2. Adhere to e-rostering guidance



A new leadership strategy

Developing People – Improving Care

A national framework for action on improvement and leadership development in NHS-funded services

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Increasing profile, voice and impact

From a Guardian sidebar on marginal tariff at our 2012 Annual conference...

Daily Mirror · The Telegraph · Mail Online · The Times · the guardian · BBC News

Reflected in another set of strong member survey results

288 responses from 155 trusts

93% very or fairly satisfied

96% think it's important to be a member

94% would speak positively of NHS Providers

"We agree with their analysis and depth of knowledge and their interpretation of that knowledge is very valuable to us."

"A morning spent with them means you can get your head around what's coming up on the horizon."

End on light: good work going on at all levels

Nationally have taken huge strides on agency spend and stopped the runaway deficit train

Regionally coming together in new care models, helping primary and social care, and place-based planning

Individual trusts balancing quality/finance, system/institution and staying resilient

Individual services innovating e.g. embracing technology

SEASON'S GREETINGS
FROM ALL AT
NHS PROVIDERS
With very best wishes for a Happy New Year
NHS Providers

Q&A

THANK YOU

Chris Hopson, CEO, NHS Providers
(chris.hopson@nhsproviders.org)

Images from Googleimages, the noun project , The Guardian & HSJ