



*Improvement*

# Business plan 2016/17

**July 2016**



## About NHS Improvement

NHS Improvement is responsible for overseeing NHS foundation trusts, NHS trusts and independent providers. We offer the support these providers need to give patients consistently safe, high quality, compassionate care within local health systems that are financially sustainable. By holding providers to account and, where necessary, intervening, we help the NHS to meet its short-term challenges and secure its future.

NHS Improvement is the operational name for the organisation that brings together Monitor, NHS Trust Development Authority, Patient Safety, the National Reporting and Learning System, the Advancing Change team and the Intensive Support Teams.

## Contents

1. Introduction .....	4
2. Context .....	5
2.1. Provider task to 2020 .....	5
2.2. How we will support providers .....	5
2.3. Our business plan for 2016/17.....	6
3. Quality.....	8
3.1. Priorities for 2016/17 .....	8
3.2. Improving quality .....	8
3.3. Patient safety .....	9
3.4. Workforce and safe staffing.....	10
3.5. Professional leadership of clinicians .....	11
4. Finance and use of resources .....	12
4.1. Priorities for 2016/17 .....	12
4.2. Restoring the provider sector to aggregate financial balance .....	12
4.3. Delivering a minimum 2% efficiency and tackling the unwarranted variations in efficiency and productivity identified in the Carter Review .....	13
4.4. Develop and deploy metrics to assess providers' use of resources .....	14
4.5. Supporting the finance profession .....	14
5. Operational performance.....	15
5.1. Priorities for 2016/17 .....	15
5.2. NHS Constitution standards .....	16
5.3. Sustaining performance over the longer term .....	19
6. Strategic change .....	20
6.1. Priorities for 2016/17 .....	20
6.2. Transforming local health and care systems for the longer term.....	20
6.3. New care models.....	21
6.4. Exploring and facilitating partnerships .....	22
7. Leadership and improvement capability .....	23
7.1. Priorities for 2016/17 .....	23
7.2. National Strategy for Leadership Development and Improvement .....	23
7.3. Developing leadership capacity and capability .....	24
7.4. Building capability and capacity for improvement .....	25
8. Building NHS Improvement.....	27
8.1. Priorities for 2016/17 .....	27
8.2. People and culture strategy .....	27
8.3. Communication and stakeholder engagement.....	28
8.4. Organisational design/effectiveness .....	28

## 1. Introduction

I was very pleased to take on the role of Chief Executive of NHS Improvement in autumn 2015. The move to bring together Monitor and the NHS Trust Development Authority (TDA), and provider-facing teams previously based in NHS England, represents a significant opportunity to think afresh about how national bodies can best support providers. I look forward to building on the best of our constituent organisations and creating something new with a greater focus on improvement and mobilising the sector to improve.

Our 2016/17 business plan focuses on NHS Improvement's role to provide the national leadership, oversight and practical support that providers will need to deliver urgent improvements at the frontline and work towards long-term sustainability. The task facing providers is extremely stretching and ambitious. All NHS providers have been under increasing pressure in recent years. Slowing growth in the NHS budget means that, unless we transform local health and care services, there will be a widening gap between the resources we have and the ever-increasing demand placed on the service.

In 2016/17, we will support providers to reduce unwarranted variation, improve the quality of care, deliver financial efficiencies and get on a path to aggregate financial balance, and improve performance against NHS Constitution standards (in particular, recovering performance against the four-hour A&E waiting standard and supporting providers in implementing the priority standards for seven-day hospital services for 25% of the population).

While the challenges facing the sector are great, I believe our purpose is greater. Over the years, I have worked with so many caring and dedicated members of staff and have been humbled to see them all go above and beyond the call of duty to provide excellent care to patients. I am confident that with this drive, passion and vision we will be able to deliver a more sustainable and safe service for patients.

**Jim Mackey**  
**Chief Executive**

## 2. Context

### 2.1. Provider task to 2020

Over the last few years, the NHS has achieved improvements in care and delivered efficiencies during a time of increasing financial pressure caused by slowing growth in the NHS budget combined with rising demand. The need to respond effectively to this continuing increase in demand during a period of limited funding growth was the key impetus for the Five Year Forward View (5YFV).

In response to the 5YFV, the government pledged an additional £8.4 billion of real-term investment in the NHS by 2020. The profile of this investment is uneven. It is heavily weighted to the earlier years of the spending period for a reason: this is the time for the NHS to invest in making lasting improvements in the quality and efficiency of care so that standards can be sustained as funding growth slows later in the period. This is an opportunity – and an obligation – that the NHS cannot afford to miss. Quality must be maintained or improved, performance against access standards recovered, financial performance stabilised, and the transformation of local health and care services begun.

As we said in *Implementing the Forward View: Supporting providers to deliver*,<sup>1</sup> this is an extremely stretching and ambitious task, and needs to be matched by a realistic view of how quickly improvement can be delivered. As a national body, we recognise that individual providers find themselves facing similar challenges but are at different starting positions on their journey to 2020 and we need to tailor our support accordingly.

### 2.2. How we will support providers

Part of the national response to the stretching and ambitious tasks highlighted in the 5YFV was to create NHS Improvement, reflecting that NHS foundation trusts and NHS trusts face similar challenges. On 1 April 2016, NHS Improvement became the operational name that brings together Monitor, TDA, Patient Safety, the Advancing Change Team and Intensive Support Teams. As a new organisation, we will build on the best of what these organisations did but with a greater focus on helping providers to improve. We will provide strategic leadership, oversight and practical support to the provider sector to support it to meet current challenges and transform for the future.

We will support NHS foundation trusts and NHS trusts to give patients consistently safe, high quality, compassionate care within local health systems that are financially sustainable. We are currently consulting on our approach to oversight, which will

---

<sup>1</sup>[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/458764/AE\\_delay\\_main\\_report\\_final.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/458764/AE_delay_main_report_final.pdf)

segment the provider sector to identify the level of support required by different trusts. We will work alongside providers, building deep and lasting relationships, harnessing and spreading good practice, connecting people, and enabling sector-led improvement and innovation. In what is undoubtedly a challenging time, we will stimulate an improvement movement in the provider sector, helping providers build improvement capability, so they are equipped and empowered to help themselves and, crucially, each other.

The challenges facing the system require a truly joined-up approach and increased partnership between national bodies. We will continue to enhance our collaboration with partners such as NHS England and the Care Quality Commission (CQC) to create the environment in which providers and local health systems can succeed. We will ensure that collectively we give consistent messages to the sector, at national, regional and local levels, and will align our approaches and resources where it makes sense to do so. Our aim is to work with partners to move towards a seamless approach to system leadership across national bodies.

We are a new organisation establishing new ways of working. We know that we need to learn and adapt over the next few years to play our role most effectively. We will ensure that this change is not disruptive to providers, and will continue to support providers to deliver improvements at pace and scale.

### **2.3. Our business plan for 2016/17**

In *Implementing the Forward View* we set out the task for providers across five themes:

**Quality:** Providers need to continuously improve care quality, helping to create the safest, highest quality health and care service. People deserve consistently high quality healthcare that is personal, effective and safe, that respects their dignity and that is delivered with compassion.

**Finance and use of resources:** Providers need to achieve financial balance and deliver efficiency and productivity improvements to support financial sustainability.

**Operational performance:** Providers need to maintain and improve performance against core standards. People deserve access to services wherever and whenever they need them.

**Strategic change:** Every area will need to have a clinically, operationally and financially sustainable pattern of care. This will require providers to transform services in line with the 5YFV and will include making use of new care models and innovative organisational forms.

**Leadership and improvement capability:** Providers need strong leadership and the ability to continuously improve, foresee and tackle issues, and make well-informed decisions.

We have developed NHS Improvement's 2020 objectives<sup>2</sup> across these five themes. Accordingly, our business plan sets out what we will do in 2016/17 to support providers in meeting the challenges across these five areas. It contains a section for each of these five areas in which we set out our priorities for 2016/17 and describe the critical work that we will deliver. In addition, we set out a sixth area focused on building NHS Improvement as an organisation to ensure that we most effectively and efficiently deliver strategic leadership, oversight and practical support.

As is usual during business planning and detailed operational planning, we will further develop our plans throughout the year and may adjust them in response to external factors, feedback from providers and partners, and our own view of the effectiveness of our activities. Further development is particularly likely this year as we are a new organisation. In our annual report for 2016/17, we will report on what has been achieved and set out the implications for our future plans.

---

<sup>2</sup> <https://improvement.nhs.uk/about-us/corporate-publications/business-plan-and-objectives>

## 3. Quality

### 3.1. Priorities for 2016/17

We will support providers in delivering care that is consistently safe, compassionate and effective. We work with CQC to ensure that we take a patient-centred approach in everything we do and focus on improving the quality of services.

Our 2016/17 priorities are to:

- **ensure 12 providers rated ‘requires improvement’ or ‘inadequate’ at Quarter 1 of 2016/17 achieve a ‘good’ or ‘outstanding’ rating when re-inspected by CQC**
- **support a quarter of providers currently in special measures at Quarter 1 to exit by the end of Quarter 4 of 2016/17 and develop a robust plan to support the remainder to exit by 2020**
- **increase support to challenged providers to avoid entry into special measures**
- **support providers in implementing the priority standards for seven-day hospital services for 25% of the population**
- **develop and publish our approach to patient safety, and start to implement patient safety initiatives in priority areas**
- **develop a clear approach to safe staffing for all professional disciplines and deliver priority activities, including a refreshed National Quality Board (NQB) framework for safe, sustainable staffing.**

### 3.2. Improving quality

A priority for NHS Improvement from now to 2020 is for two-thirds of inspected providers to operate at CQC ‘good’ or ‘outstanding’ levels of quality. To meet this priority, we will support the delivery of provider improvement plans by providing quality improvement expertise. We will offer targeted support on a number of critical themes, including governance, promoting a safety culture, clinical engagement and leadership, maternity, urgent care, staffing, outpatients, medication management and end-of-life care. We will track data over time, including quality information that could be an early indicator of worsening performance, to monitor improvement and proactively identify where we can intervene early. This will also be informed by our ongoing conversations with providers.

We will ensure that a quarter of providers currently in special measures come out by the end of the year, and work to prevent further providers from being placed in the regime. To achieve this, we will work even more closely with our national partners (CQC and NHS England) to diagnose and address the underlying problems at

providers at risk of entering special measures. We will set up formal mechanisms to ensure stronger alignment with CQC. Prevention will be key and we will offer a wider improvement package to help providers avoid being placed in special measures.

Where a provider does enter special measures, our focus will be both immediate improvement of care quality (stabilisation) and developing a longer-term sustainable solution. This will include making sure an improvement plan sets out clear timescales for actions and support, with oversight and milestones agreed by national partners.

We recognise that supporting and developing provider leaders will be critical throughout this process, and we will continue to provide nursing and medical directors with professional leadership support. We will also continue our work to strengthen the skills and abilities of provider boards to improve quality governance, and help them to embed strategies and practices to provide the right care.

We will work to support the government's commitment to ensure that people can access high quality hospital services seven days a week and that this should apply to 25% of the population in 2016/17, rising to 100% by 2020. We will support NHS England in the delivery of the work programme for 2016/17 through specific improvement activities, such as helping to identify the next wave of early adopters, connecting providers to help share best practice and supporting NHS England on the measurement of progress.

### **3.3. Patient safety**

On 1 April 2016, Patient Safety transferred from NHS England to NHS Improvement. We lead on patient safety across the NHS, helping to identify, understand and manage risks to the safety of patients. As part of the transfer of the patient safety function from NHS England to NHS Improvement, we will review our overall approach to patient safety, with a particular focus on how our patient safety, regional and improvement teams can work together to implement safety initiatives. As part of this, we will identify our priorities for improving safety and reducing harm from now to 2020, and develop and publicise our approach. Our approach to 2020 will focus on reducing unexpected deaths and avoidable harm in a way that integrates physical and mental health.

Falls and pressure ulcers will be priority areas for 2016/17 as the first part of our programme on patient safety initiatives. As NHS Improvement, we are ideally placed to identify where interventions have been successful and scale these up across the provider sector to reduce unacceptable variation and deliver significant benefit to patients. As part of this, we will work directly with providers to carry out diagnostic work and support the development of individual provider improvement plans. We are hopeful that in addition to falls and pressure ulcers we will also be able to deliver targeted work in other areas this year, and we will carry out further work to identify potential priorities.

Our patient safety function will also continue to support providers to increase their capability and capacity for patient safety. Our work this year will include developing and publishing a revised Serious Incident Framework, as well as rolling out a standardised retrospective case record review (RCRR) methodology for acute hospital inpatient deaths, as part of our wider mortality review programme. We will begin work on an RCRR methodology for mental health. We will also continue to support the Patient Safety Collaboratives led by Academic Health Science Networks (AHSNs) and we will further expand the membership of the Q initiative community. Through our work, we aim to strengthen the culture of learning from clinical mistakes. In 2016/17, the independent Healthcare Safety Investigations Branch will be set up, headed by the Chief Investigator.

### 3.4. Workforce and safe staffing

We understand that providers will want to take a strategic and holistic approach to safe staffing, with overarching principles that support the ability to determine this based on the needs of their local population. We will make sure providers have appropriate improvement resources to support them to make strategic staffing decisions that ensure care is both safe and efficient. We will develop a clear multi-professional approach to safe staffing from now to 2020, and consider what needs to be done across all clinical staff groups, including both doctors and nurses.

This will include using quality improvement methodologies and clinical engagement to help providers reconcile financial, workforce and quality expectations. We will seek to identify key performance indicators (KPIs) to measure the relationship between efficiency and safety. We will also provide updated safe staffing improvement resources, including the refreshed National Quality Board (NQB) framework for sustainable staffing and safe staffing improvement resources for specific care settings. Our activities in the areas of workforce and safe staffing will respond to the recommendations in the Committee of Public Accounts publication in May 2016, *Managing the supply of NHS clinical staff in England*.<sup>3</sup>

Lord Carter's review, *Operational productivity and performance in NHS acute hospitals*,<sup>4</sup> recommends introducing the care hours per patient day (CHPPD) metric. CHPPD is intended to provide a new single consistent way of recording staffing, and enable providers to review deployment based on patient need. This is the first step in developing the methodology as a tool amongst other resources and guidance to support safe staffing decisions, helping providers ensure they have an appropriate staff mix. In May 2016, CHPPD data collection commenced for nursing, midwifery and healthcare support staff in acute inpatient wards/units. In 2016/17, we will

---

<sup>3</sup> [www.nao.org.uk/report/managing-the-supply-of-nhs-clinical-staff-in-england/](http://www.nao.org.uk/report/managing-the-supply-of-nhs-clinical-staff-in-england/)

<sup>4</sup> [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/499229/Operational\\_productivity\\_A.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/499229/Operational_productivity_A.pdf)

explore how CHPPD could be applied to other acute care staff (allied health professions (AHPs) and medical staff) to measure staff productivity and deployment. We will also undertake further work to identify its application in care settings beyond the acute sector.

### **3.5. Professional leadership of clinicians**

We recognise that a skilled multi-disciplinary clinical workforce, including medical and nursing directors, is crucial to improving quality. We will work with partners, including the General Medical Council, Nursing and Midwifery Council, Health Education England, Faculty of Medical Leadership and Management and the Royal Colleges, to continue to support the training and development of nursing and medical directors. As part of this programme, we will facilitate professional networks and development events, provide direct mentoring or coaching, as well as share best practice. We will work directly with providers to support talent management and succession planning.

As part of designing and developing our approach to quality and setting up our Nursing Directorate, we will develop an approach from now to 2020 for working with AHPs in the interests of improving quality and access to services, and making care more person-centred.

## 4. Finance and use of resources

### 4.1. Priorities for 2016/17

We are committed to restoring the provider sector to aggregate financial balance from 2017/18 so that it is able to improve patient care, and to secure its long-term sustainability. Our financial approach has therefore been designed to support recovery and financial discipline, and reward ambition and success.

Our 2016/17 priorities are to:

- **ensure the provider sector is on a trajectory to aggregate financial balance, through joint working with our national partners**
- **ensure the provider sector achieves a minimum 2% efficiency by the end of 2016/17**
- **highlight and tackle unwarranted variation in hospital efficiency and productivity by implementing key recommendations in the Carter Review, including focusing on workforce productivity, improvements in procurement and reducing agency spend**
- **develop and deploy metrics to assess providers' use of resources, together with CQC.**

### 4.2. Restoring the provider sector to aggregate financial balance

We will focus on ensuring the provider sector is on a clear track to aggregate financial balance from 2017/18; but providers and our national partners will need to play their part too.

We will work with providers to agree stretching control totals that reflect their financial circumstances, and hold them to account against these. This will include capital control totals designed to ensure that all NHS providers operate within the capital resources available, which will form part of a new capital framework.

We will co-develop a programme of work with providers to identify solutions to support the delivery of aggregate financial balance from 2017/18; for example reducing non-pay spending and providers' reliance on agency staffing. We will also continue to implement the national Financial Improvement Programme, initially with 20 providers, with a view to enabling them to more rapidly deliver recurrent savings to materially improve their 2016/17 financial position.

Working with NHS England and other national partners, we will continue to agree the conditions for access to the Sustainability and Transformation Fund that supports organisations to improve their overall financial position, address structural and long-standing financial challenges, and enable them to provide financially sustainable and

transformed services for patients. This will include highlighting opportunities to change how care models are delivered.

We will continue to assist providers in accessing cash financing where they are in financial distress and such finance is demonstrably necessary. We will produce guidance for providers that deepens their understanding of the cost structures of their services to inform their decisions regarding the quality and sustainability of their services.

#### **4.3. Delivering a minimum 2% efficiency and tackling the unwarranted variations in efficiency and productivity identified in the Carter Review**

We will support and challenge providers to deliver the minimum 2% efficiency requirement built into the national tariff assumptions for 2016/17 and to be on track to deliver the £5 billion of efficiencies needed by 2020/21.

We have established a new directorate within NHS Improvement – Operational Productivity – which will take forward the implementation of Lord Carter’s recommendations to tackle unwarranted variation and improve hospital efficiency and productivity.

We will also be looking at how the principles and methodology of this work can be expanded into different care settings including mental health and community.

We will be supporting providers within our central and regional teams to identify where they can achieve savings and how they can deliver improvements in these four areas of the hospital: workforce productivity, hospital pharmacy and medicines optimisation, procurement, and estates and facilities.

We will continue our work with providers and professional organisations to develop the Model Hospital, which will give providers information on key performance and productivity metrics encompassing quality metrics, patient outcomes, people productivity and financial sustainability from board to ward and enable performance to be compared to internal plans, peer benchmarks and best practice. We will also publish a series of ‘how to’ guides to drive improvement action; and support providers to collaborate by understanding what good looks like and learning from their peers.

We will continue to roll out patient-level costing in line with the Carter recommendations. This will include working with providers on the standards supporting patient-level costing, expanding the current patient-level cost collection and feeding back benchmark data to providers.

We will continue to set the efficiency requirement in the national tariff at a level that is achievable for providers, and revisit the underlying cost base. We intend to progress the implementation of the updated tariff currency design, HRG 4+, which would further support providers in identifying efficiencies as it better aligns prices and

cost data. To minimise significant swings in payment, we will assess options and their impact with commissioners and providers to ensure services are not destabilised. In this context, we will examine the case for multi-year pricing guidance. We will also consider the development of further best practice tariffs to incentivise efficiency and good clinical practice.

#### **4.4. Develop and deploy metrics to assess providers' use of resources**

We will continue to work with CQC to develop a method of assessing providers' use of resources. This will recognise that high quality services must be equally efficient and financially sustainable, and will be fed into CQC's quality ratings of providers from April 2017.

This will draw on the assessment of the financial standing of providers and their relative efficiency, as well as supporting providers in their work to improve their financial positions.

#### **4.5. Supporting the finance profession**

The NHS finance profession is critical to ensuring the service is providing efficient and sustainable care. We are committed to making sure it is staffed by people with the necessary skills, knowledge and information to succeed. We will continue to ensure the profession is connected through peer networks, has access to training on advanced technical skills and higher quality analytics, and has opportunities to influence decision-making and drive improvement. We will work collaboratively with the Future Focused Finance programme that operates under the leadership of the NHS Finance Leadership Council. This will reinforce our commitment to support improvements in financial management skills and capabilities necessary for a culture that values financial discipline and control as an essential part of delivering best possible value and standards of care to patients and taxpayers.

## 5. Operational performance

### 5.1. Priorities for 2016/17

In 2016/17, a critical priority for providers will be to recover and maintain performance against NHS Constitution access standards, including delivering against the new mental health access and waiting-time standards.

Our ambition is for all patients to receive care in line with each of the access standards in the NHS Constitution and for NHS providers to have sustainable strategies to maintain this performance. Improvements in meeting access standards will need to be accompanied by improvements in the quality of patient care in a way that is financially sustainable.

We will develop an approach to operational improvement that can be adopted across a range of operational areas including A&E, elective and mental health in acute settings as well as specialist mental health providers. Our intention is that this approach will use sector leads/champions to set the level of ambition, drive improvement and provide practical support. We will help to broker 'improvement relationships' between providers and we will ensure that improvement expertise within central bodies and provider organisations is integrated in a way that maximises our improvement offering.

As part of establishing our ways of working we will develop high-performing regional teams for the North, South, Midlands and East, and London regions that can work effectively across business areas to ensure that the principle of continuous improvement drives how we work. We will make sure that we enhance collaboration with our partners such as NHS England so that our approaches are fully aligned regionally and locally.

Our 2016/17 priorities are to:

- **deliver A&E performance during 2016/17 that, in aggregate, is significantly better than that during 2015/16 and by Quarter 4 of 2016/17 recover the 95% threshold for performance against the NHS Constitution standard for four-hour waits**
- **deliver significantly improved winter A&E performance in 2016/17 compared with 2015/16**
- **together with NHS England, support providers to improve performance against NHS Constitution standards, including the referral to treatment (RTT) standard, eight cancer waiting time standards, diagnostic test waiting time standard and ambulance response time standards**

- **together with NHS England, support providers to deliver the current mental health access and waiting time standards by the end of Quarter 4 of 2016/17 and embed these in our approach to oversight.**

## 5.2. NHS Constitution standards

In 2016/17 we will prioritise overall improvement in performance against the A&E standard and work with NHS England in supporting providers to achieve the mental health access and waiting time standards. With NHS England we will work with providers to support delivery of overall improvement in performance against those waiting time standards that are not being met and to sustain delivery of performance against all other standards.

### 5.2.1. Improving A&E performance

Poor performance against the A&E four-hour waiting standard reflects many factors, including national systemic challenges, challenged local health and care systems (including primary, community and social care), and individual organisational performance.<sup>5</sup> Strong A&E performance is very important to patients and will provide the basis for improving hospital performance in other areas.

Our ambition for 2016/17 is that in aggregate providers will perform significantly better than during 2015/16 and by Quarter 4 recover the 95% threshold for performance against the NHS Constitution standard for four-hour waits.

Restoring and maintaining A&E performance will require co-ordinated effort across health and social care systems to resolve the drivers of poor A&E performance originating from three sources: (1) the 'front door' (streaming of patients from primary care); (2) 'hospital flows' (patient flows within hospitals); (3) the 'back door' (discharge processes and transfer of patients to other care settings).

In 2016/17, we will deliver improvement in A&E performance by focusing on 'hospital flows' and developing leadership to tackle and resolve challenges at the front door and back door. We will work with providers and local health systems to set and monitor clear recovery trajectories. Our Emergency Care Improvement Programme (ECIP) will deliver tailored support to 40 providers. We recognise how deeply challenging it will be for some areas to improve their performance. Our experience shows that strong and visible leadership is vital in empowering staff to focus relentlessly on improving performance while working in circumstances that are often exceptionally challenging. Boards, chief executives and executive teams need to set out a compelling ambition for A&E performance, to be visible in A&E departments and to empathise with and empower staff. We will support providers in setting the

---

<sup>5</sup>[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/458764/AE\\_delay\\_main\\_report\\_final.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/458764/AE_delay_main_report_final.pdf)

right tone and creating a more positive and collaborative culture for improvement both within and across organisations.

Our work this year will also consider whether there is any scope for new schemes to relieve pressures; for example, early implementation schemes to help with winter pressures. We will also work with providers and local health and care systems to understand the barriers and challenges to sustained improvement in the longer term and where future investment may be required.

### **5.2.2. Supporting delivery of waiting time standards**

We will support providers to improve and sustain their performance against waiting time standards, including by working with them on their 2016/17 operational plans.

Specifically, we will drive improvements in elective care by providing practical resources and support to providers and local health systems, aimed at managing demand, capacity and operational management at important steps in the elective care pathway, including through improving patient choice and the uptake of the e-Referral service.

We will start a multi-year programme to support acute providers to meet the mental health needs of their patients. We will support NHS England in expanding liaison mental health services in acute hospitals and ensure that maximum benefit is delivered from the skills of liaison mental health services in A&E and inpatient settings.

### **5.2.3. Supporting delivery of mental health access and waiting time standards**

In 2014, the government announced the introduction of access and waiting time standards for Early Intervention in Psychosis (EIP) and Improving Access to Psychological Therapies (IAPT) services or ‘talking therapies’, heralding a new approach to access to mental health services and embedding standards akin to those for physical health. The measures will support the 5YFV commitment to improve access to evidence-based interventions across mental health services. The two standards for EIP and IAPT came into effect from 1 April 2016 and state that:

- >50% of people with a first episode of psychosis should commence treatment with a National Institute for Health and Care Excellence (NICE)-recommended package of care within two weeks of referral
- 75% of patients with depression or anxiety disorders needing access to psychological therapies should commence treatment within six weeks of referral, and 95% within 18 weeks.

NHS England guidance in 2015 stressed the positive impact of these standards on people living with mental health conditions, and therefore supporting providers to

achieve these standards by the end of Quarter 4 is an important priority for us. We will embed these standards within our new approach to oversight and are consulting on this over the summer. To support implementation, we will work with NHS England to understand and improve data quality issues relating to EIP and to understand variation in providers' preparedness to deliver care in line with NICE recommendations. In developing our new approach to oversight we will consider how we can support improvements in data quality. We will need to carefully consider as to our role, and that of our partners, in supporting providers to improve the physical health of people with severe mental health illness (SMI).

We will also support NHS England in helping mental health providers to ensure that patients potentially due to be admitted to an inpatient bed will be assessed by a Crisis Home Resolution Team (CHRT) to ensure that all attempts to support patients in the community have been explored. We will also support NHS England in helping providers to ensure that intensive home treatment is delivered in line with best practice guidelines.

In addition to our focus on EIP and IAPT/talking therapies, we will work with NHS England and other organisations to support the development and roll out of new standards for mental health as set out in the [Five Year Forward View for mental health](#)<sup>6</sup> (Children and Young People (CYP), eating disorders, mental healthcare, access and wait time standard for urgent mental healthcare, and managing demand in acute mental healthcare).

In developing our new approach to oversight across NHS foundation trusts and NHS trusts, we will give specific consideration to how we oversee providers of mental health services and learning disability services. This will include looking at how we can use multiple sources of information intelligently (particularly given that the new standards will take time to develop and embed) and how we work with CQC to identify early warning signs and develop early intervention approaches.

#### **5.2.4. Supporting NHS England and other national partners to close the health and wellbeing gap**

This year we will help NHS England achieve several of its priorities,<sup>7</sup> including:

- improving waiting times and diagnostic capacity for cancer services
- increasing early intervention and shorter waits for mental health treatment, and expanding crisis services (as above).

---

<sup>6</sup> [www.england.nhs.uk/wp-content/uploads/2016/02/Mental-Health-Taskforce-FYFV-final.pdf](http://www.england.nhs.uk/wp-content/uploads/2016/02/Mental-Health-Taskforce-FYFV-final.pdf)

<sup>7</sup> [www.england.nhs.uk/wp-content/uploads/2016/03/bus-plan-16.pdf](http://www.england.nhs.uk/wp-content/uploads/2016/03/bus-plan-16.pdf)

### **5.3. Sustaining performance over the longer term**

With our national partners we will support providers and systems to plan how to sustain improved operational performance in the longer term. We will develop one national approach to support providers and local health systems, including communicating with providers and partners in a way that fosters joint working and innovation.

Specifically this year, alongside our national partners we will challenge and support providers on the achievability of both their operational plans and Sustainability and Transformation Plans (STPs), and connect people, providers and areas to share what works best.

## 6. Strategic change

### 6.1. Priorities for 2016/17

Our aim is to make sure that every health and care system provides clinically, operationally and financially sustainable care in a way that best meets the needs of patients. In parallel with continuously improving quality, finance and operational performance, providers of mental, physical and community care must transform to ensure their long-term sustainability to reduce the three 5YFV gaps: health and wellbeing, care and quality, and funding and efficiency.

We will work with and support providers and local health and care systems to plan and implement service changes and resolve complex problems, prioritising the most challenged systems. We are strongly committed to helping develop new care models, including breaking down barriers between GPs and hospitals, physical and mental health, health and social care. We will support providers in working across boundaries, including developing stronger relationships between providers and clinical commissioning groups (CCGs), primary and secondary care, and health and social care, and with local authorities.

In delivering the 5YFV, we will build on ongoing efforts to create a more co-ordinated national policy environment, as well as a more seamless approach locally. Alongside system partners we will scale up and communicate what we learn from providers and systems more systematically so that patient benefits are realised across the system.

Our 2016/17 priorities are to:

- **work closely with NHS England to support providers and local health systems, particularly the most challenged, to develop credible long-term solutions**
- **support the implementation of new care models, including issuing guidance on regulatory issues and developing an accreditation approach for foundation groups/hospital chains**
- **explore and, where appropriate, facilitate independent sector providers to form NHS partnerships that deliver improvement across the sector.**

### 6.2. Transforming local health and care systems for the longer term

As the 5YFV set out, better outcomes for patients will be delivered by sustainable organisations operating as part of successful health and care economies. The transformation envisaged in the 5YFV requires a fundamental shift to focus on the success of whole systems, recognising that organisational success will still have a role to play. Closer working across health and care systems results in better co-ordinated care for people, improved health outcomes and increased patient satisfaction levels, and can help to release efficiencies.

Many providers are already leading on long-term transformation within their area and, where appropriate, we will support providers and systems to develop solutions. This year with our partners we will:

- support providers and systems on STPs, including by setting local expectations on where to focus and what detail to provide, and reviewing plans to identify where areas may need additional support
- support areas with devolution deals in agreement to make the most of the new arrangements to drive transformation, including publishing guidance on how we expect providers to work with local partners to improve health outcomes and efficiencies in the best interests of patients
- work intensively with three local systems to facilitate the development of a flexible, agile workforce, focusing on removing barriers to collaboration between providers on workforce issues.

In reviewing STPs, we will work closely with our partners to identify and support the most challenged systems and providers to help them develop and prepare to implement solutions that secure long-term provider sustainability in the context of their local population's needs.

In 2016/17 the focus of our regulatory directorate will be supporting providers and local systems where our regional teams, alongside NHS England, have identified a local capability gap which has meant that long-standing problems have not been resolved and where there is sufficiently stable local leadership to ensure the solutions will be embedded. We will offer a flexible model of on-the-ground support that can be tailored to local areas' needs and that works alongside local leaders to diagnose underlying drivers of problems, develop the most suitable solutions and drive locally owned implementation plans. As we build our knowledge of what works, we intend to develop tools and methodologies and share these widely, which may enable more pre-emptive local action where local systems are struggling.

### **6.3. New care models**

New care models offer opportunities for providers and local health and care systems to address the medium to long-term challenges facing them. This includes improving people's experience of care and clinical outcomes, as well as driving productivity. The 5YFV describes new care models that integrate primary care, community care, ambulance services, mental health, acute care and social care, and there are now 50 5YFV vanguards in addition to other local initiatives to deliver more co-ordinated and person-centred care for patients.

Supporting the development of new care models, including the 5YFV vanguards, is a critical priority for us and this year we will develop an approach to accredit foundation groups/hospital chains to enable strong providers to extend their successful operating models more widely.

We are working with providers to develop practical guidance to help providers and areas that are either considering, or already implementing, new care models, and this will include:

- options for organisational form
- appropriate governance arrangements
- the transactions and transitioning process
- procurement, choice and competition considerations.

We will continue to work with providers and commissioners to develop new payment approaches that will support new care models, including whole-population budgets for Primary and Acute Care Systems (PACS) and multi-specialty community providers (MCPs), and changes to the rules governing mental health payments to move away from block contracts that do not support changes in services.

In 2016/17, we will develop a revised assessment process and review our transaction approval processes so that our processes are tailored to the new types of transactions that we expect to see going forward. We will focus on ensuring that the strategic thinking behind the transaction is robust, that key risks are known and being managed, and that the transaction will be beneficial for patients.

#### **6.4. Exploring and facilitating partnerships**

There are many good examples of NHS organisations partnering with the independent sector to the benefit of patients; for example, to provide additional elective care capacity and thereby reduce waiting times, as well as improving access to community services such as hearing services. However, there are also examples of independent sector capacity being underutilised and intended benefits for patients not being delivered.

We intend to bring together the most promising potential areas for formal collaboration between NHS Improvement, providers, independent sector partners, NHS England and other key stakeholders into a new work programme. The key elements of this programme in the first instance will examine the opportunities in the areas of:

- mainstreaming clinical capacity for elective, outpatient and diagnostic care
- joint ventures and/or outsourcing of new, novel or restructured clinical services
- joint ventures and novel financing for facilities and/or technology
- independent sector management models to support capability and leadership challenges
- sector studies to advance our understanding of issues affecting NHS and independent sector capacity.

## 7. Leadership and improvement capability

### 7.1. Priorities for 2016/17

Our aim is to build provider capability to deliver sustainable services, to improve the working environment for NHS leaders and to revitalise the systems of talent management and leadership development. By 2020, our goal is an increased supply of capable leaders, along with improved leadership and management capability.

We will adopt a variety of approaches to support providers and health systems to improve, including sharing knowledge, building provider capability and capacity, and supporting operational improvement. We are committed to supporting providers to become learning organisations so that they can continually improve standards.

As part of our aim to embed continuous improvement approaches we will model the behaviours that we believe the sector needs and embed the principle of continuous improvement in the way we work, including monitoring and evaluating the effectiveness of our support and continually refining our methods.

Our 2016/17 priorities are to:

- **with national partners, publish the National Strategy for Leadership Development and Improvement and start to deliver priority actions**
- **develop leadership capacity and capability with our priorities being to implement a talent management scheme to address the most difficult-to-fill executive positions and publishing a baseline assessment of diversity in NHS provider boards**
- **build capacity and capability for continuous improvement with our priorities being to develop board training programmes and publish a baseline assessment of providers' current approaches to improvement**
- **drive improvement in urgent and emergency care, including developing the Emergency Care Improvement Programme (ECIP) to provide hands-on support to providers and health and care systems.**

### 7.2. National Strategy for Leadership Development and Improvement

We are working with system partners on the first National Strategy for Leadership Development and Improvement. This strategy intends to set the national direction for capacity and capability building in improvement and leadership development, including talent management from graduate to board level, for the NHS in England. It will provide the first unified vision of an NHS committed to continual learning and improvement, with an engaged workforce and capable and compassionate leaders at all levels. It will inform and guide local leadership development and improvement approaches.

In 2016/17, together with Health Education England, we will lead the development and publication of the National Strategy for Leadership Development and Improvement and join up with system partners to develop a practical plan to implement it.

### 7.3. Developing leadership capacity and capability

Effective provider boards are essential to address the immediate and longer-term challenges facing providers and health systems. Providing high quality care requires capable and compassionate leaders across the system to work together: the need for this type of leadership will be greater than ever as areas seek to become more integrated. Increasingly leaders face complex problems in their local health systems that no individual organisation can solve on its own. More 'place-based' leaders are needed, who are comfortable with cross-organisational working and are able to manage a multitude of shared and individual organisational goals.

The scale of the challenges facing the sector means that provider boards need to give sufficient focus to developing and investing in leadership. The high turnover of provider chief executives and other executive positions is a concern, with the supply of potential executives not meeting demand. To help providers embed effective talent management, so that there are sufficient numbers of good leaders at all levels, we will join up with system partners to:

- develop a programme of work on talent management for new chief executives, aspiring chief executives and directors to improve the supply of applicants qualified for senior leadership roles
- develop an approach for professional leadership of medical directors and directors of nursing.

Alongside this we will continue to build on existing governance tools like the [well-led framework](#)<sup>8</sup> to set out a shared system view of what good leadership looks like.

A supportive organisational culture where the role and importance of provider leadership and management are both recognised and valued is essential. We plan to produce resources to support providers to develop and implement collective leadership strategies, resulting in cultures that deliver high quality, continuously improving, compassionate care. This includes publishing a guide on leadership strategies, following co-production and piloting of these with three providers.

Provider boards should reflect the diversity of the people they serve and there is evidence that organisations tend to be more successful where the board has more diverse representation. We expect a greater focus on equality and diversity will be an

---

<sup>8</sup> [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/422057/Well-led\\_framework\\_April\\_2015.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/422057/Well-led_framework_April_2015.pdf)

important contributor to the delivery of high quality healthcare. This year we intend to publish a baseline assessment of diversity in NHS provider boards, as well as establish diversity as a central theme of talent management.

#### **7.4. Building capability and capacity for improvement**

Improvement capability and capacity needs to be successfully embedded, valued and supported by all providers. Those that have embedded continuous improvement approaches are better placed to deliver improved health outcomes, better care and sustainable costs.

We are committed to working with providers to develop leaders, invest in improvement and develop improvement capabilities. We have already established an Improvement Faculty with representatives from providers, think tanks, central bodies, AHSNs and independent experts. This senior advisory group will support and challenge our work on improvement, share what works and set the tone for improvement at a national level.

To support more providers to embed continuous improvement, an important priority for us this year will be to develop quality improvement training so that all provider boards are aware of quality improvement approaches and the role they can play in enabling improvement. We will be undertaking a baseline assessment of all providers' current approaches to quality improvement to establish current capability within providers. We will work with improvement organisations to understand the gap in quality improvement knowledge in the service and, where appropriate, develop and make available quality improvement training.

As well as building the capacity and capability for improvement, we will be delivering targeted improvement work in 2016/17. This will include driving improvement in urgent and emergency care by developing the ECIP to provide hands-on support to providers and health and care systems. We will also continue to develop the improvement directory to connect people in the service with the tools they need to do improvement work and communicate improvement stories.

Developing the work of the Virginia Mason Institute with five NHS providers will continue to be a priority for us. This work focuses on long-term capability building, use of proven improvement techniques and deep-rooted cultural change to unlock improvement, even in very challenged providers.

In developing the capabilities for improvement, better information and IT will be an important enabler. Providers will need to exploit the benefits of technology to enable efficient, patient-centred ways of working within and across care settings. We are appointing a Chief Information and Technology Officer (CITO), jointly with NHS England, to help play a leadership role in transforming care delivery through improved use of technology and information. The CITO will work with providers to develop and deliver national strategies on information and technology to help drive service

improvement and enhance patient outcomes and experience. We will, in particular, focus on:

- helping to ensure investment in IT at a local level supports efficient and effective ways of working, including implementation of new care models
- providing the informatics and analysis required to better understand issues, for use within NHS Improvement and by the service
- enhancing leadership skills to improve awareness of technology and its implications.

## 8. Building NHS Improvement

### 8.1. Priorities for 2016/17

This section of our business plan focuses on how we will combine the skills and expertise of our constituent organisations to build a cohesive and effective organisation providing strategic leadership and practical support to the service. We have three critical strands of work for 2016/17 – people and culture strategy, communication and stakeholder engagement, and organisational effectiveness. At a high level, this means recruiting, retaining and developing high quality staff, strengthening our relationships with partners, providers and local health systems, and shaping NHS Improvement internally to achieve our purpose.

Our 2016/17 priorities are to:

- **complete the transition to NHS Improvement and, as part of this, consult the service on its opinions and impressions of our new organisation**
- **design and implement our internal improvement plan which includes developing our staff, estate and IT strategies**
- **implement a new governance framework for NHS Improvement**
- **consult on and publish a new approach to communication and stakeholder engagement that mobilises the service to improve through effective networks**
- **develop more effective cross-functional working externally with national partners and other arm's length bodies.**

### 8.2. People and culture strategy

A targeted and effective people strategy is critical to executing our business strategy, especially as we are a new organisation. At the heart of our people strategy is the need to recruit, retain and develop high quality people with the range of skills and experience that will enable us to deliver our commitment to the service to provide leadership and practical support. We will ensure that we:

- shape a diverse, flexible workforce
- bring together staff from the constituent organisations to create a cohesive workforce
- have the right people with the right skills in the right place at the right time
- promote a culture of flexible working and equip staff accordingly when working remotely at provider sites

- build a positive, supportive working environment.

We are developing our culture and organisational values – these will embody the principles underpinning how we work together and deliver positive outcomes to providers. We will embed a focus on transparent ways of working, as well as working effectively across directorate boundaries. In doing so, we plan to model the behaviours we want to see adopted across the service to encourage openness, joint working and innovation.

### **8.3. Communication and stakeholder engagement**

The foundation of our work will be our relationships with providers and local health systems. We will consult on a new communication and stakeholder engagement approach which facilitates more joined-up working and mobilises providers through effective networks.

We are also committed to working closely with partners, including other arm's length bodies and professional regulators, at national, regional and local levels to ensure a unified approach and to avoid duplication and burden. We recognise that providers have been frustrated in the past by the fragmentation of the national landscape. Over time, we intend to develop ways of working with our partners which will result in a seamless approach to oversight and improvement.

### **8.4. Organisational design/effectiveness**

To deliver our purpose, an early priority in 2016/17 will be to develop and embed a number of operational frameworks and pieces of guidance, most notably our new [Single Oversight Framework](#)<sup>9</sup> for providers. We are currently consulting on our approach to oversight, which will segment the provider sector to identify the level of support required by different providers.

To ensure we are building a high value, efficient organisation, we will develop key internal management processes. These will include our processes for annual business planning, detailed operational planning and performance, and risk management. As part of this, we will ensure there are internal accountabilities for the delivery of our objectives.

We will also need to develop principles, processes and enablers to facilitate effective working between our regional teams and central teams such that:

- teams are multi-disciplinary, ensuring in particular that quality and finance are considered hand in hand
- professional respect between disciplines is encouraged

---

<sup>9</sup> <https://improvement.nhs.uk/resources/have-your-say-single-oversight-framework-consultation/>

- regional teams are sighted on national policy development and central teams are knowledgeable about regional performance and challenges
- technology enables regional and central teams to collaborate with each other and with providers
- modern digital technologies will be used to scale up our capability to deliver improvement support to providers.

In developing our detailed processes, we will consider the impact on providers, weigh the costs versus the benefits and minimise burden, particularly with regards to data collected from providers. Once our new processes are embedded, we will review their effectiveness.



# *Improvement*

## Contact us

NHS Improvement  
Wellington House  
133-155 Waterloo Road  
London  
SE1 8UG

T: 020 3747 0000

E: [enquiries@improvement.nhs.uk](mailto:enquiries@improvement.nhs.uk)

W: [improvement.nhs.uk](http://improvement.nhs.uk)

NHS Improvement is the operational name for the organisation that brings together Monitor, NHS Trust Development Authority, Patient Safety, the National Reporting and Learning System, the Advancing Change team and the Intensive Support Teams.

This publication can be made available in a number of other formats on request.

© NHS Improvement (July 2016)    Publication code: P 03/16