The Health Foundation

SHAPING THE FUTURE

A strategic framework for a successful NHS

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Introduction

Health and care services across the UK face a set of profound challenges. Their task, to improve the health and care of the population, remains unchanged. However, the current context makes that task particularly challenging.

The first challenge the NHS faces is improving the quality of care, which varies significantly, resulting in avoidable ill health and death. In some areas of care (particularly out of hospital) we have yet to develop the information to understand quality, let alone begun to address its levels and variation.

The second challenge is to maintain quality of care, let alone improve it, within the funding available. To avoid quality deteriorating, major efficiencies are needed. Productivity of NHS services varies between organisations, and progress to date in boosting productivity levels and narrowing the gap between the best and worst performers has been slower than needed.

"Improving quality and improving efficiency should not be framed as two opposing goals."

Improving quality and improving efficiency should not be framed as two opposing goals. While there are trade-offs, efficiency is part of high quality care and increasing efficiency can improve quality. Inefficient care uses funding that could be used to treat others – and so, with a finite budget, reduces the quality of care patients receive overall. This is true from the micro level, such as decisions about how clinical teams operate, to macro level decisions on national policy.

In the medium to long term, the third challenge is placing the NHS on a more sustainable footing, better able to meet the needs of people now and in the future within the likely resources available. Making the NHS sustainable cannot be left to the next parliament: action is required now to see the benefit later.

The fourth and final challenge is to find better ways of integrating care provided to people by the NHS and other sectors, in particular social care, to maximise health and wellbeing of people using services.

"Plans will require a strong focus on practical implementation, constantly evaluating progress and adapting over time."

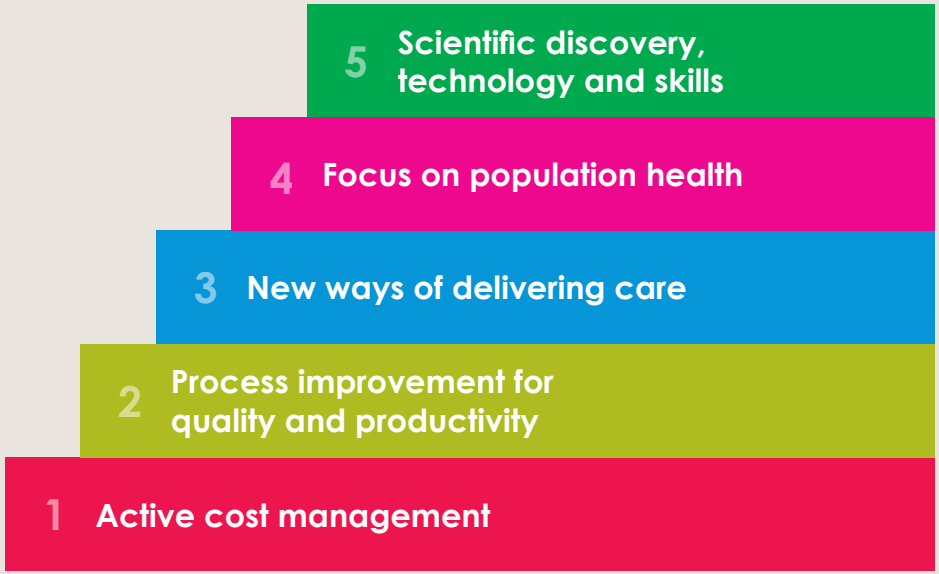
A successful NHS strategy cannot be lifted from another country or calculated using a special formula; no 'silver bullet' exists which will solve the complex challenges. The *NHS five year forward view* (Forward View)[1] has set out where the NHS in England needs to get to; however, an intelligent strategy is needed to implement it. This strategy will need to be made up of a carefully crafted set of layered and interlinked plans. The plans will require a strong focus on practical implementation, constantly evaluating progress and adapting over time.

The relevant evidence base to guide policymakers will be small relative to the complex decisions to be made, and some elements of any strategy will necessarily be emergent. Finding a way forward will also depend on experience, consensus and the ability of leaders to take calculated risks. In short, the right kind of leadership is needed to be both bold and strategic enough to develop a way forward with the front line, yet also detailed enough to track progress and sufficiently flexible to allow appropriate 'course correction' as evidence emerges.

[1] NHS England. *The NHS five year forward view*. NHS England, 2014. www.england.nhs.uk/wp-content/uploads/2014/10/5yfv-web.pdf

The devolution to Manchester of public health budgets with greater local freedoms[2] is an example of such boldness.

This document explores the potential components of a strategy for the NHS in England over the next five years and beyond – however, the high level thinking will be relevant across the UK. We propose a strategic framework to guide national action, consisting of five interlinked layers:



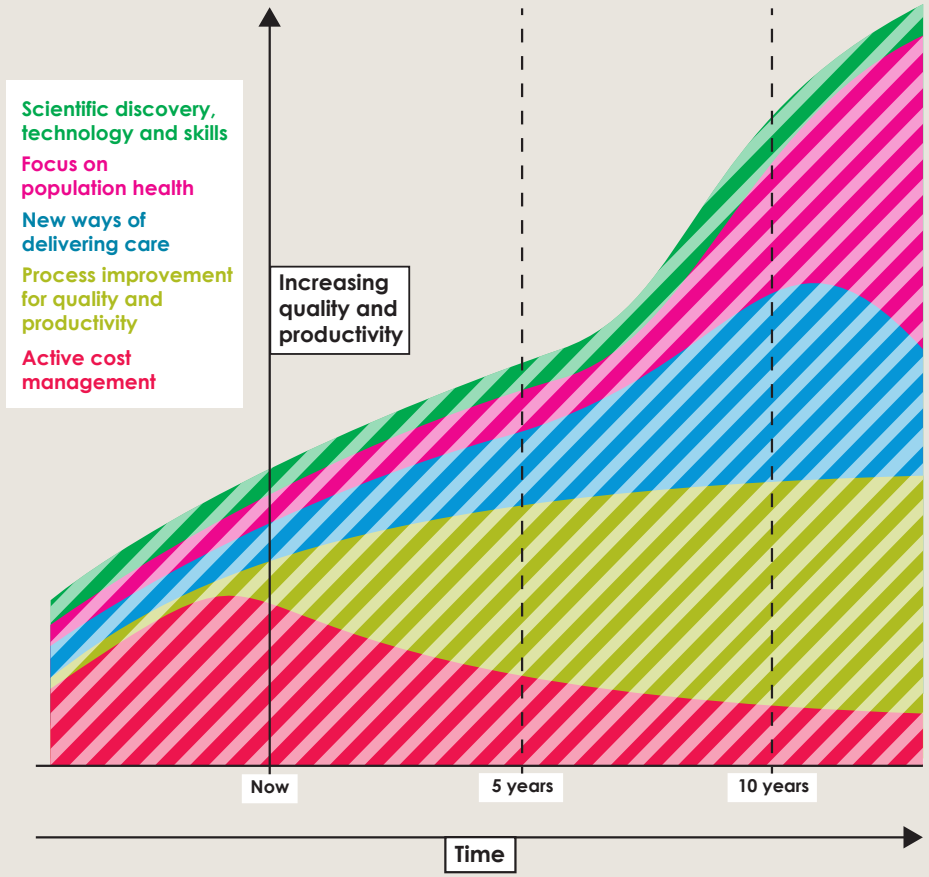
The focus of action will need to evolve over time, and each layer will have a different time horizon to show benefits. Straightforward cost management measures can produce short-term savings, while efforts in population health need sustained effort to reap improvements in the medium to long term.

[2] *Greater Manchester Health and Social Care Devolution: memorandum of understanding.* AGMA, NHS England and Greater Manchester Association of Clinical Commissioning Groups. 2015. www.agma.gov.uk/cms_media/files/mou.pdf

"Action is needed in each of the five layers to maximise the chances of success."

Figure 1 gives an illustration of the potential contribution each layer might have on increasing quality and efficiency over time. For instance, it suggests that the benefits of changes to deliver care in new ways are not likely to be realised until after this parliament. In practice, it is hard to be certain about the scale and timing of the efforts needed and the impact that will be achieved. However, it is clear that action is needed in each of the five layers to maximise the chances of success.

Figure 1: Potential impact of the five layers of the strategic framework



Developing a long-term strategy for the NHS

The foundation of a strategy must be a realistic assessment of the NHS' starting point with respect to health, quality of care and finances and productivity. While the Health Foundation and others have made a start[3] there needs to be a wider and comprehensive consensus view as to the 'state we are in' (particularly with respect to the quality of care) and the priorities for action. This could be a role for current national bodies working together (eg National Quality Board, Monitor, Trust Development Authority, Care Quality Commission, NHS England and Public Health England). Lord Carter and his team have begun assessing and supporting providers on how to increase productivity. This should be developed further and involve other relevant national bodies.

"It is clear that additional funding will be required to meet the rising demand for health and social care."

Whatever the overall assessment, it is clear that additional funding will be required to meet the rising demand for health and social care if the quality and range of services is to be maintained. Our analysis for the NHS is broadly consistent with the financial picture outlined in the Forward View, showing that pressures from an ageing and growing population, rising chronic disease and increasing input costs are projected to outstrip both inflation and economic growth.[4] Even if the NHS delivers sustained and unprecedented rates of efficiency improvement, it will need increased funding year on year above inflation. The annual £8bn of additional resources for the English NHS is widely recognised as the absolute minimum that will be needed to maintain quality and access to services, and will not be sufficient if substantial growth in productivity is not achieved.

Beyond the NHS there are clear pressures on social care.[5] The Office for Budget Responsibility recently found that to meet future demand at current levels of service, public spending on social care would need to rise by over 4% a year above inflation, which is above the rate estimated for NHS spending.[6]

"Improving the quality of care is what unites all staff working in the NHS, from front line to back office."

A strategy for change should be developed in which 'quality drives the bus'. Quality should be the primary consideration for change, not finance. Improving the quality of care is what unites all staff working in the NHS, from front line to support functions. The strategy should include an inventory of current initiatives to improve quality, to identify duplication, gaps, synergies and misalignments. The strategy's priorities for improving health and health care should be based on current data and evidence on interventions, and updated as these evolve.

The way in which the strategy for change is developed is likely to make the difference between its success or failure. Given that so much change will be in front-line clinical care, national leaders of arm's length bodies ('system stewards') will need to co-produce any strategy with local providers and commissioners. This will require a very different process for developing a strategy than is usual.

3 See, for example: QualityWatch (www.qualitywatch.org.uk); Care Quality Commission. *State of Care 2013/14* (www.cqc.org.uk/content/state-care-201314); Health Foundation publications (all available from www.health.org.uk/publications), including *Swimming against the tide? The quality of NHS services during the current parliament*, *Hospital finances and productivity: in a critical condition?*

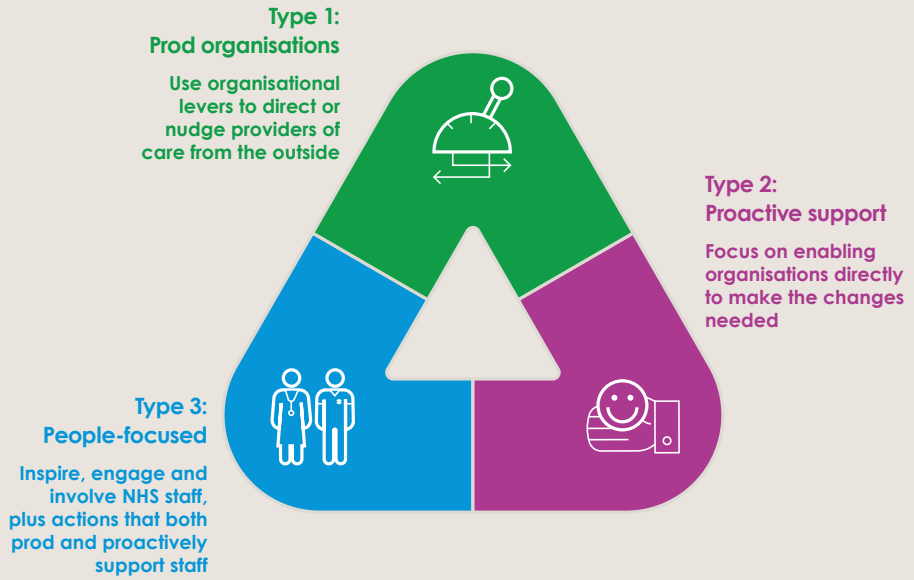
4 Charlesworth A. *NHS finances: the challenge all political parties need to face*. Health Foundation, 2015. www.health.org.uk/publication/nhs-finances-challenge-all-political-parties-need-face

5 Ismail S, Thorlby R, Holder H. *Social care for older people*. QualityWatch, 2014. www.qualitywatch.org.uk/focus-on/social-care-older-people

6 Office of Budget Responsibility. *Fiscal sustainability report*. Office of Budget Responsibility, 2015. http://budgetresponsibility.org.uk/fiscal-sustainability-report-june-2015

A key aspect of the strategy must be not just **what** to change but **how**. On that, there appears to be as yet no shared view of substance. Our recent report, *Constructive comfort: accelerating change in the NHS,* categorised approaches to drive change as type 1: 'prod' organisations, type 2: proactive support of organisations, and type 3: people-focused (see figure 2).[7]

Figure 2: The three different types of approach to bringing about change in the NHS



[7] Allcock C, Dormon F, Taunt R, Dixon J. *Constructive comfort: accelerating change in the NHS.* Health Foundation, 2015. www.health.org.uk/publication/constructive-comfort-accelerating-change-nhs

The report suggests that, in national policymaking, there has been a lot of focus on 'type 1' approaches, using prods including performance management and regulation to achieve change. A better balance between the types is now needed to support organisations and staff. There are many opportunities to help support and motivate change to organisations from within – if implemented appropriately. These include:

- the ongoing Smith review of the resources available nationally to help the NHS improve quality
- the current rethinking of the role of Monitor and the Trust Development Authority to support trusts in making changes
- the development of better data, ratings and public 'scorecards' to allow comparisons of performance of providers and commissioners.

National organisations need to think through how 'type 3' approaches (engaging individual staff) can synergise with their organisationally focused actions.

"As much priority must be given to the alignment of actions within the strategy as designing the individual components."

The OECD has found that alignment between policies is one of the key determinants of health system performance.[8] Therefore, as much priority must be given to the alignment of actions within the strategy as designing the individual components.

Next we examine the individual layers. On pages 22–23, we give some examples of the Health Foundation's work across the layers of action needed to create a sustainable NHS.

[8] Journard I, Andre C, Nicq C. *Health care systems: efficiency and institutions.* OECD Economics Department working paper no 769, OECD Publishing 2010.

A layered strategy made up of interlinked plans

1 Active cost management

The past five years have seen many of the 'quick wins' in cost manamement achieved. Yet more can be done. In his review of operational productivity in NHS hospitals, Lord Carter has identified four promising areas for immediate changes:[9] procurement; estates management; hospital pharmacy and medicines management; and workforce. He also highlighted major areas of opportunity in improving hospital workflow and developing services to facilitate discharge – actions to support these changes are discussed on pages 12–15, 'Process improvement for quality and productivity'.

"Even relatively simple changes mean a different way of working for staff in the NHS."

Lord Carter made it clear that there are no easy wins, and coordinated action across a number of areas will be needed to make gains. Even relatively simple changes (eg changing prescribing habits) mean a different way of working for staff in the NHS, and will need the backing and engagement of staff to succeed. Realising these gains in the short term will require coordinated national and local action, including support for organisations to make changes.

[9] Carter P. *Review of operational productivity in NHS providers.* Department of Health, 2015. www.gov.uk/government/publications/productivity-in-nhs-hospitals

"Wherever possible, short-term action should support long-term transformation, rather than reducing the ability of the system to change."

Wherever possible, short-term action should support long-term transformation, rather than reducing the ability of the system to change. For instance, seeking to protect front-line clinical care by reducing management capacity may seem a practical short-term move, but it substantially reduces the ability of organisations to plan, consult on and execute the transformative changes required to improve quality for the future. Other countries have found this challenging, emphasising 'quick fixes' and risking trade offs between short-term cost saving measures and service quality and provision.[10]

With short-term action, national bodies should lay the foundation for longer-term efficiency improvement. For example, currently the annual funding cycle results in a focus on this year's finances. Shifting finances towards a multi-year settlement for both providers and commissioners would enable a longer-term strategic focus – and may be the most effective change national bodies could make to support local efforts to improve efficiency.

[10] Ellins J, et al. *International responses to austerity.* The Health Foundation, 2014. www.health.org.uk/publication/international-responses-austerity

2 Process improvement for quality and productivity

The second layer of the NHS strategy must be improving the quality and efficiency of existing services. This will mean redesign of clinical pathways of care and whole services, alongside engaging staff, service users and the public in the changes needed.

"There is an urgent task to build skills in these 'quality improvement' techniques."

Projects funded by the Health Foundation over the last 10 years show the detailed work that needs to be done to improve clinical pathways of care, whether to improve safety[11] or to improve the flow of patients through the hospital.[12] The work involves careful mapping out of care pathways, working out what interventions are needed for improvement, developing metrics to assess change, making small tests of change, evaluating the results, and redesigning further small changes. This 'cycle' can go on multiple times and is the cornerstone of quality improvement.[13] Yet few clinicians have the necessary skills – there is an urgent task to build skills in these 'quality improvement' techniques. The 'Q' initiative, co-funded by NHS England and the Health Foundation, is a start,[14] as well as the increasing number of training opportunities on the subject.

11 Dixon-Woods M, et al. *Safer Clinical Systems: evaluation findings*. Health Foundation, 2014. www.health.org.uk/publication/safer-clinical-systems-evaluation-findings

12 Health Foundation. *Improving patient flow*. Health Foundation, 2013. www.health.org.uk/publications/improving-patient-flow

13 Health Foundation. *Quality improvement made simple*. Health Foundation, 2013. www.health.org.uk/publication/quality-improvement-made-simple

14 Health Foundation. Q Initiative. www.health.org.uk/areas-of-work/programmes/q-initiative

"In some areas of care there are too few useful measures to assess progress in improving quality and efficiency."

In some areas of care there are too few useful measures to assess progress in improving quality and efficiency, such as in primary care, community services or children and young people's mental health. A strategic approach is needed to correcting this: collecting or collating more data in some areas, reducing the burden on staff and organisations by stopping data collection that isn't useful, developing much more meaningful measures of person-centred outcomes, and developing a process for agreeing metrics in future as new data become available.

As well as the information itself, the skills and capacity to analyse and interpret it are also needed, giving the NHS the ability to 'manage by data'. Successful organisations both within and outside health care have this skill, but NHS organisations can struggle to embed capacity. NHS data analysis is not recognised as a profession, and so lacks status, development and credibility. There are some fledgling analytical professional bodies, which provide a starting point for the widespread building of the skills and knowledge needed.

Improving information and capacity for analysing it should be a priority over this new parliament and shape the work of national agencies such as the National Information Board, while influencing national action in all spheres.

"The root causes of inefficiency or poor quality clinical processes in some organisations are more fundamental than processes alone."

The root causes of inefficiency or poor quality clinical processes in some organisations are more fundamental than processes alone. Unstable senior leadership teams, difficult geographies, difficulty retaining frontline staff, an unsustainable configuration of services or deep-rooted organisational cultural problems may all contribute. For these organisations a focus on process improvement will not be enough; instead the underlying issues need to be identified and addressed. The recently announced success regime[15] is a good opportunity to develop this type of support.

To make improvements in front-line clinical care systematically across the NHS, two elements are needed: a greater level of national and local commitment to quality improvement (as outlined above), and resolution of the underlying issues limiting 'poorly' performing organisations.

National action to support local change will need to address both of these elements. Such action should prioritise:

- **Organising practical and technical support** for organisations commissioning or providing care, both in improvement and in addressing underlying problems making improvement more difficult. This support will need to be accessible to all NHS organisations and health economies, and be flexible to local context. Current arrangements are fragmented – a coordinated approach to support and capability building is needed.

[15] NHS England. *Devon to benefit from success regime*. www.england.nhs.uk/2015/06/03/devon-success-regime

- **Making the local context more conducive to improvement**, through aligning central expectations, removing central asks that make improving more difficult, and giving local areas the permission and space to create solutions and drive change.

- **Funding improvement.** A transformation fund[16] is needed to support change in the NHS, part of which will be needed to support quality and efficiency improvements through capability building and creating time and headspace for change.

[16] A forthcoming report from the Health Foundation and The King's Fund will address the purpose, size and scale of a transformation fund for the NHS in more detail.

3 New ways of delivering care

The Forward View has set out a vision for health care that is delivered differently – shifting the balance of funds away from acute services towards primary and community care and preventative services. Vanguards, Integrated Care Pioneers, Integrated Personal Commissioning programmes and local efforts across the country are experimenting and learning what works.

"The current approach of national bodies supporting and enabling change and evaluating impact could be developed much further."

In the short term, this local experimentation needs to continue. The current approach of national bodies supporting and enabling change and evaluating impact could be developed much further into a rapid cycle evaluation, combining ongoing and real-time formative qualitative and quantitative evaluation with technical quality improvement support. This type of evaluation is promising when complex service delivery interventions (such as integrated care across providers) are emergent and must be adapted over time rather than implemented rigidly. Rapid cycle evaluation is currently being used in the assessment by the Centers for Medicare and Medicaid Services Innovation Center in the US to assess and support Pioneer Accountable Care Organisations.[17]

[17] See, for instance http://innovation.cms.gov/Files/reports/RTC-12-2014.pdf

"Only transformation across the whole NHS will deliver efficient services that meet the needs of the people they serve."

In the medium term, only transformation across the whole NHS will deliver efficient services that meet the needs of the people they serve. This will require transmission of learning from successful areas across the NHS (not traditionally an NHS strength). A promising approach is to use networks of providers to learn from each other concurrently to accelerate change. This could take several forms, for example collaboratives[18] (as used in the past – formal 'breakthrough series' or other), or twinning or chains in various forms as suggested in the Dalton Review.[19]

Change will take time and resource – including funding to double run services where necessary, and providing the management capacity and headspace required to drive large-scale change.

Earmarked funds will be needed to support both the experimentation and widespread redesign phases of the NHS's journey – a transformation fund. As with changes to improve the quality and efficiency of individual services, funding to effect different models of care will need to be complemented by central practical and moral support for change, engaged staff and a workforce plan.

[18] For more information see: de Silva D. *Improvement collaboratives in health care.* Health Foundation, 2014. www.health.org.uk/publications/improvement-collaboratives-in-health-care

[19] Dalton D. *Dalton review: options for providers of NHS care.* Department of Health, 2014. www.gov.uk/government/publications/dalton-review-options-for-providers-of-nhs-care

4 Focus on population health

Transforming population health so that people live longer, healthier lives is the ultimate aim of health policy. Poor population health clearly has consequences for the NHS, and the outline in the Forward View as to how new models of care might provide a greater focus on population health is welcome, as are new developments such as outcomes-based commissioning focusing on health. But the aim to improve population health goes well beyond what the NHS can provide – it's about every aspect of people's lives: their job, their environment, their relationships and their aspirations.

"The NHS itself has yet to maximise the potential that a population health approach can offer."

The public sector has struggled to prioritise interventions to maintain and improve population health. This is partly because of their long-term nature. However, it is also because the focus of efforts has often been located within the NHS, whose dominant treatment paradigm, overall strategy and budgetary arrangements are not compatible with the more holistic and longer-term approach needed for population health. The NHS itself has yet to maximise the potential that a population health approach can offer, although exceptions such as national screening and vaccination programmes exist.

The relatively recent move of public health to local government, and moves to devolve public services and budgets to local areas, starting in Manchester, are important opportunities to build partnerships between the NHS and other parts of the public sector. Their impact will need to be carefully assessed. To grasp these opportunities, funding for public health will need to be safeguarded, which the system does not have a strong track record in achieving.

5 Scientific discovery, technology and skills

Scientific discovery and innovation is ongoing and plays a major role in the quality and cost of services. There is a range of current national initiatives and funding sources to develop future innovations, however most research and development is still heavily skewed to improving treatments for individuals rather than improving the quality of service delivery for populations or specific cohorts. This imbalance should be rethought.

"Beyond research funding, the culture and climate of the NHS needs to be hospitable to new ways of doing things."

Beyond research funding, the culture and climate of the NHS needs to be hospitable to new ways of doing things. The NHS Innovation Accelerator programme is just one initiative focusing on cultural change to enable adoption of innovation – and should provide lessons for national bodies and the NHS on how the environment can be modified to be more hospitable.

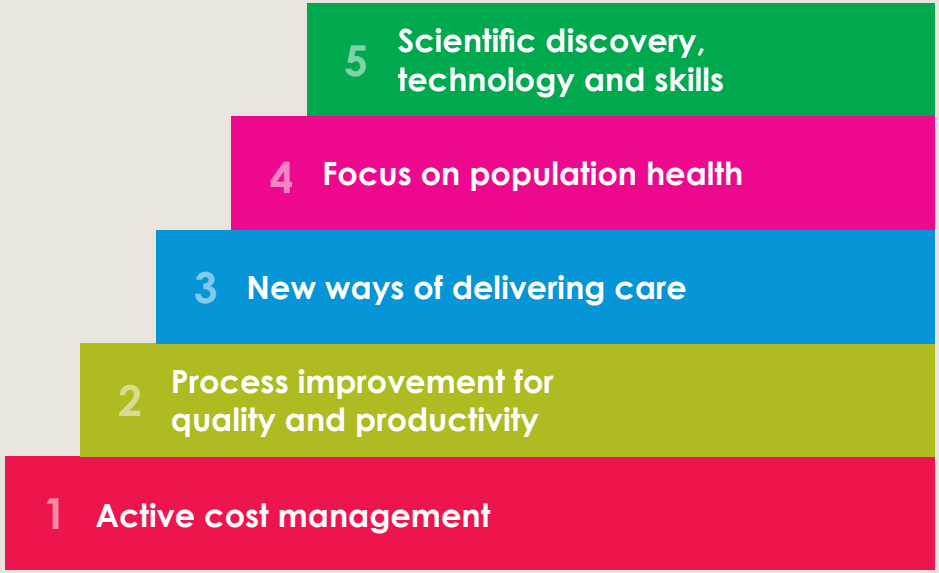
Clearly, a major long-term contribution to a sustainable NHS will be the capability of the people who work in it. To provide current services excellently and to transform them, skills in leadership, improvement, operational management, analytics and technology are needed. Building this capability is a long-term goal, which will require thought, investment and prioritisation.

Over time the skills required may shift – for instance a greater proportion of the workforce may need advanced information technology skills, or the ability to interpret genomic information. Adapting to future developments means the NHS will need to build more flexibility into workforce planning and training. Work to address this is ongoing, but how it fits into the wider picture outlined above is not obvious.

Conclusion

The challenges faced by the NHS will require action on several fronts in order to deliver the vision set out in the Forward View and beyond. Transformation tomorrow cannot be sacrificed for efficiency today; neither can much-needed action to improve people's health and wellbeing.

A long-term strategy is needed to articulate and align what needs to be done. We have suggested a framework to support it, consisting of five interlinked layers:



"Developing and implementing such an emergent strategy will need many things, but most importantly leadership, collaboration and consensus building."

Developing and implementing such an emergent strategy will need many things, but most importantly leadership, collaboration and consensus building to develop a shared view of the challenges, the calculated risks and the means and ends. This should involve politicians, system stewards, chief executives, front-line staff, service users and the public.

Implementing a strategy will need a relentless focus on the priority areas that can provide biggest quality and efficiency gains, constant assessment of progress and course correction.

This document provides a strategic framework for national leaders working to create a sustainable NHS over the current parliament and beyond.

The Health Foundation's support for implementing change

The Health Foundation works across the layers of action needed to create a sustainable NHS. We will use this to organise our future work, and will continue to adapt what we do to best support the challenges health and care services are facing.

The table below highlights some of our work in each of the layers of action. For more information see our website, **www.health.org.uk**

1 Active cost management

Our April 2015 report ***Hospital finances and productivity: in a critical condition?*** assessed the productivity of NHS trusts, which we will continue to monitor. We will also assess the policy barriers and enablers to productivity in the NHS, and how the required changes might be implemented.

Our September 2014 report ***More than money: closing the NHS quality gap*** explored what the NHS funding gap means for quality of care, and included a scan of available evidence about how other countries have dealt with austerity.

2 Process improvement for quality and productivity

Our **efficiency research programme** aims to address how new approaches can support long-term transformational change in health and social care in the UK. We will also be launching a **behavioural insights research programme** focused on behavioural interventions or 'nudges' that have potential to increase efficiency and reduce waste in UK health care services.

Our **Flow, Cost, Quality** programme supported trusts to assess and improve their patient flow. We will be supporting others to use these techniques at scale in 2016.

We also fund a wide range of **quality improvement programmes** in the NHS – enabling front-line professionals to improve their services locally. Our **Scaling Up** programme supports innovators to spread successful approaches beyond their organisations.

We work in partnership with the Nuffield Trust on **QualityWatch** – monitoring quality in the NHS. We will also develop further our ideas on the priorities for quality improvement in the NHS.

We are supporting the emerging development of the **UK Improvement Alliance** – bringing together organisations working to support providers in quality improvement across the UK.

3 New ways of delivering care

Through **our programmes** we are supporting organisations to change the way they deliver care, for instance **transforming end-of-life care** for Airedale NHS Foundation Trust patients**.**

We are also part of a coalition working on **Realising the Value** – collaborating to improve the spread and implementation of person-centred care.

4 Focus on population health

Having previously focused on health care, over the next three years we will be **broadening our focus** to include improving population health. This will include analysis, research, policy recommendations and supporting frontline professionals.

5 Scientific discovery, technology and skills

We are working with NHS England to develop a network of people engaged in improving services through our **Q initiative**.

We complement this work with a range of other **fellowships** – building capability in leadership and improvement science.

Our **Informatics research programme** aims to identify how new technologies and data can best be used in practice to increase the safety, efficiency and overall quality of health and care services in the UK.