Department of Health

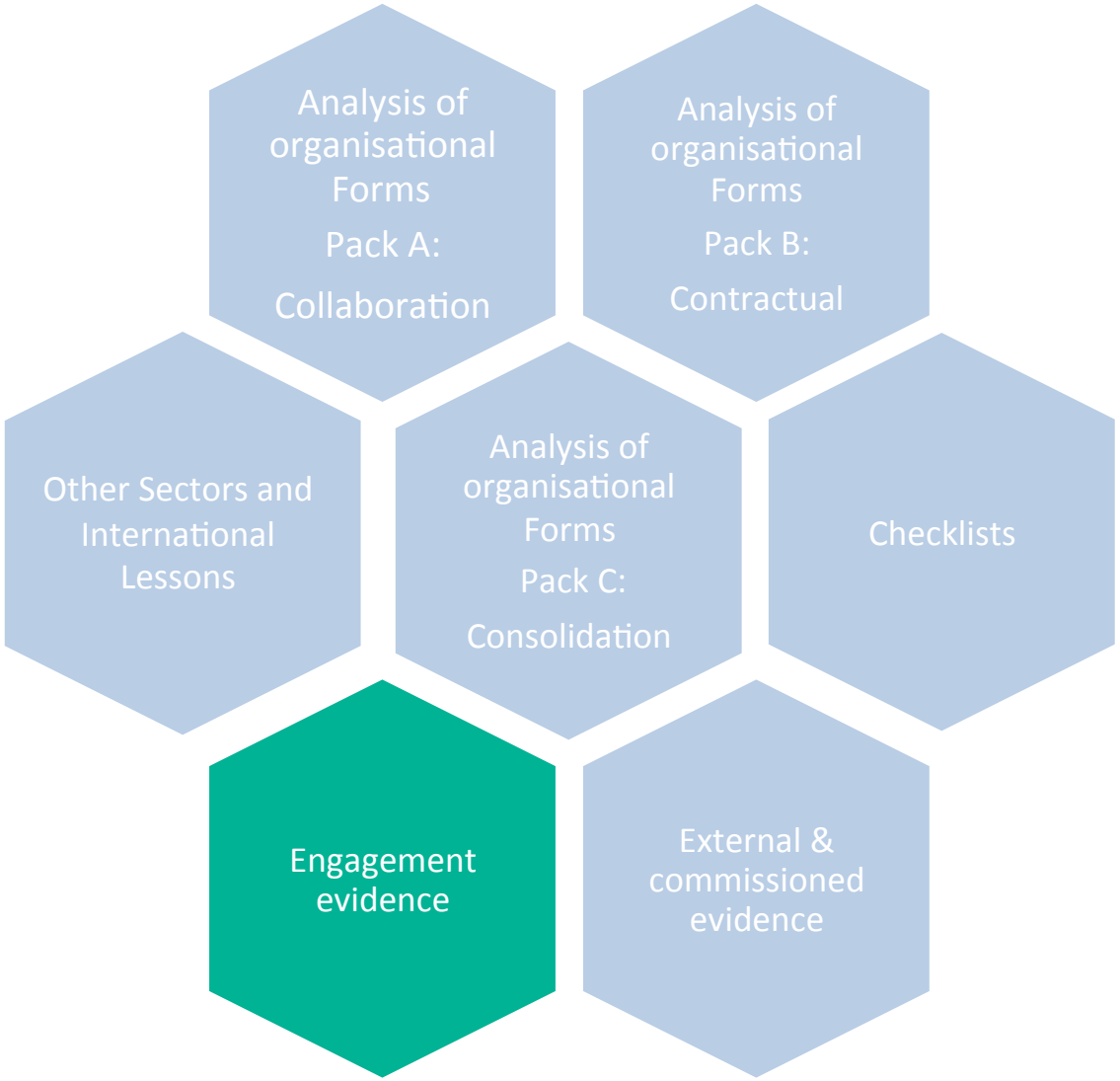
Dalton Review: Examining new options and opportunities for providers of NHS care

Methodology and Engagement Evidence Findings

December 2014

Contents

The key below outlines the supporting evidence to the Dalton Review: each pack is self-contained and can be read as a stand-alone document. This blend of evidence gathering, commissioned research and engagement feedback supports the recommendations of the Review.



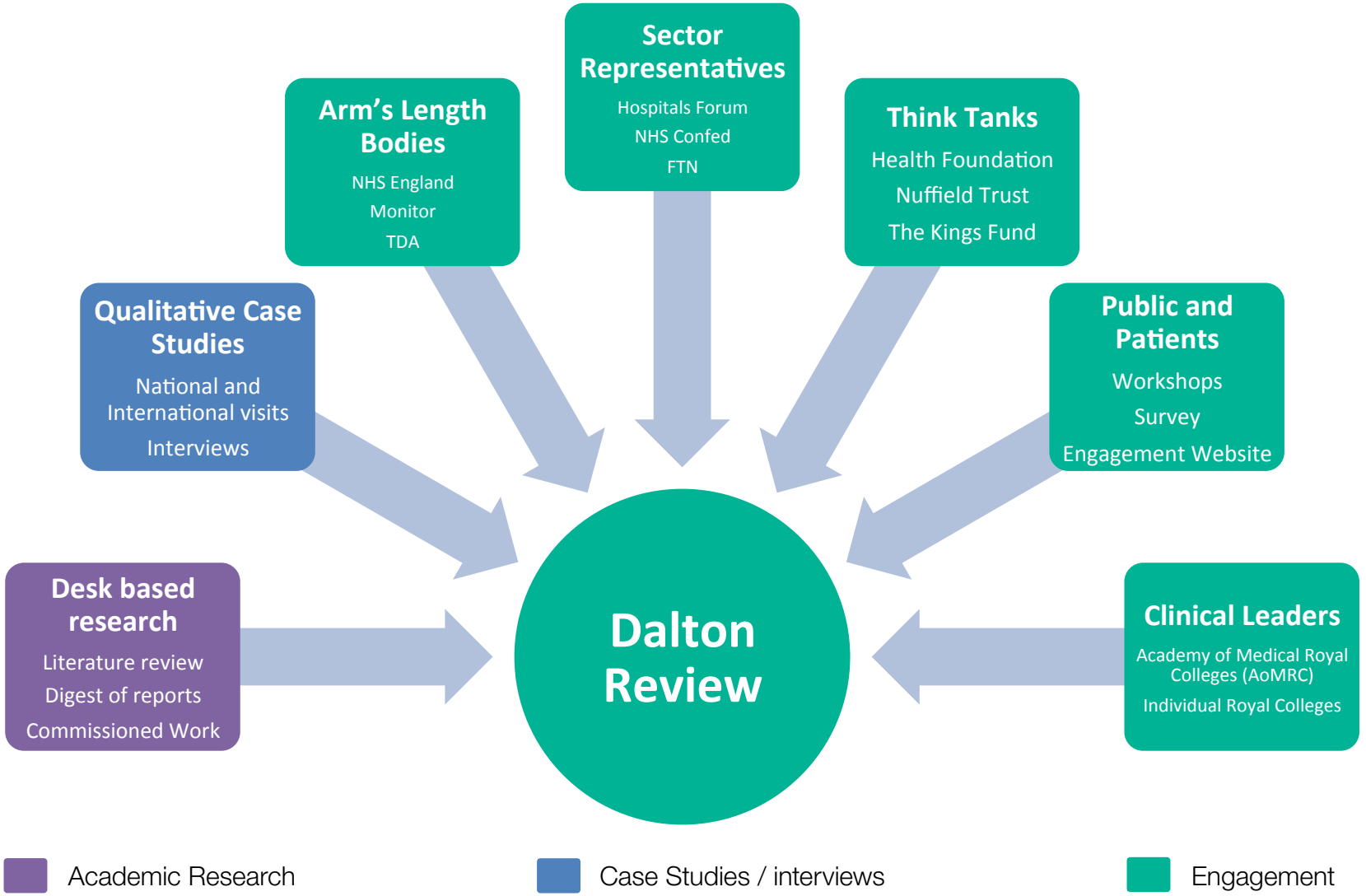
Contents

Methodology and Engagement Evidence Findings

	Page No.
1. Methodology	**4–7**
2. Engagement Findings	8–18

Methodology

The Review has made use of a variety of evidence types from academic research, case studies and interviews, through to a range of engagement activities



Methodology

A robust methodology tested hypotheses on the nature of organisational forms and used exploratory analysis to gather evidence

Desk Research

- We conducted a review of published papers, grey literature and other articles relating to organisational forms in the NHS. There is little existing research into healthcare provider organisational forms in the UK. The international evidence on the benefits and barriers surrounding certain organisational forms in healthcare providers is also limited.
- We therefore investigated the nature of organisational forms and the extent to which these may be associated with greater efficiency and improved quality of services by means of exploratory qualitative research design. Case study examples were used to illustrate how different organisational forms may be expected to benefit and improve current provision.
- To inform gaps in the evidence base, we commissioned research which included an exploration of international experiences, lessons from provider chains in other sectors, a review of buddying and analysis of credentialing providers to take on additional responsibilities.

Qualitative case studies

- We designed an extensive programme of visits and workshops to interview system leaders in the NHS sector and international providers to explore the seven organisational forms associated with the Review. These case studies demonstrate the potential benefits and barriers of each of the different forms.
- The interviews conducted explored the policy, legal, regulatory and cultural barriers faced by providers that have pursued organisation change. The interviews also highlighted the motivations; expected and realised benefits; and impact of organisational forms.

Methodology

An open call for evidence initiated a broad approach to engagement with the sector to inform the Review

Website

- An engagement website hosted on Citizen Space ran for 57 days to enable the public to submit their views and share evidence.
- The site received a positive response to the consultation, with over 70 organisations & individuals submitting detailed, open-text responses on what mattered to them around organisational form.

Events

- Over the course of 6 months, a series of sector focused stakeholder engagement events, workshops and roundtables were held to test the emerging policy of the Dalton Review. These events reached out to over 700 people across 50 events, supported by the Dalton Review Expert Panel members and the Review Team.
- A focus on providers of NHS care and lessons learnt from other sectors allowed for detailed discussions on organisational structures of the NHS.

Online Survey

- Membership Engagement Services (MES) designed an online survey which was sent to 82,638 members representing 28 aspirant or authorised NHS Foundation Trusts.
- The data collection and field work was conducted for 19 days, with 5,377 FT members from all 28 Trusts responding to the survey.
- The findings from the survey are published in full alongside this Review.

Methodology

Engagement with patients and the public was considered a crucial factor in ensuring that the recommendations were robust and would lead to practical change within the Sector

Social Media

- Social media interaction, primarily through twitter, allowed the Dalton Review Team to spread awareness of the Review, as well as involve people in the development of the work. This provided an important source of insight and enabled the Review team to engage in conversations with stakeholders and share learning.
- Over 200,000 accounts and organisations were exposed to the hashtag #daltonreview2014 over the duration of the Review, with over 5,000 comments related to the work of the Dalton Review in this period.
- Sir David Dalton conducted a live Q&A session on the Health Service Journal website.

Patient Workshops

- Monmouth Partners were commissioned to establish and facilitate patient workshops. These brought together 17 patients and carers to explore issues relating to the Dalton Review through two half-day workshops held on 26th August and 8th September 2014 in Leeds Town Hall.
- Patients and carers represented a variety of views and were encouraged to illustrate their perspective, where appropriate, with their experiences, insights and ideas. The full analysis is published alongside the Review.

Contents

Methodology and Engagement Evidence Findings

	Page No.
1. Methodology	4–7
2. Engagement Findings	**8–18**

Findings

The wide variation in clinical quality amongst providers provoked much debate, with the effectiveness of organisational forms dependent upon a number of interrelated factors

Critical Factors	Our engagement, informed by academic research, highlighted that the impact of different organisation forms on ensuring sustainable improvements in provider performance will depend on a number of critical factors, including: • strong leadership and management skills; • the ability to change culture and empower staff; • good governance and performance structures.
Testing	We explored these issues with a number of stakeholders through a series of engagement events held with: • Sector representative groups including staff from across the NHS, voluntary, independent and social enterprise sectors and membership bodies such as the Foundation Trust Network and NHS Confederation; • Professional bodies such as Royal Colleges; • Patients and the public. The next section outlines the findings based on each of these groups comments and the research conducted.
Key Themes	Through our engagement events we listened to the sector and have collated the feedback into the following themes: • Quality and patient care • Leadership and management • Culture and values • Infrastructure and assets • Political, legal and regulatory barriers • Efficiency and standardisation • Ownership, governance and accountability Our findings on these themes are set out in the following slides. Additionally, these themes formed the key lines of enquiry for the case study research.

Quality and patient care

The quality of patient care should be the central motivating factor for any service transformation and organisational form

Sector Representative Groups

- New organisational forms should be used to spread innovation quickly and embed in clinical and corporate practice. Academic Health Science Networks offer opportunity and some have progressed more quickly in driving transformational clinical change.
- Patients and the Royal Colleges have a central role to play in the definition of quality services.
- The role of the commissioner is important in enforcing patient choice.

Professional Bodies

- Clinical networks have championed and driven improvements in the delivery of care and clinical pathways. This should be built upon.
- Networks should be created to diffuse knowledge, learning and best practice.
- Start with the patient – looking from a patient/service user perspective helps to identify the transformation required.

Patients and the Public

- Organisational change should be steered by the priority of offering the best care to patients.
- Quality patient care should be paramount to any decision made about organisational forms. Patients are clear on what quality care looks like and how it should be defined.*
- Patients want seamless care. Models of care need to better support patients with chronic complex care needs.
- All providers of NHS care must meet NHS principles and comply with Equality Act duties.
- Access is an important factor for patients. Services must not be seen in isolation from transportation issues.

* For a breakdown of patient defined quality care , defined as part of the Dalton Review: see Monmouth Partners September Report 2014

Research

- The evidence on hospital organisation and quality improvement is not unequivocal.
- Helios, a German hospital chain, has been able to demonstrate reductions in in-hospital mortality in hospitals they acquired and embedded into their chain (Nimptsch and Mansky, 2013).
- The research results suggest that a quality management approach can increase favourable outcomes in hospitals with sub-optimal performance. Application of inpatient quality indicators within a quality management system that combines outcome measurement with targeted peer review can identify treatment processes that require improvement.
- Nimptsch and Mansky suggest that disease specific measures of mortality are more valuable triggers for management activity than overall hospital mortality.

Leadership and management

Good leadership, effective management practices and clinical engagement are crucial for high performance and efficiency

Sector Representative Groups

- There is a lack of awareness of how to implement different organisational forms in the NHS.
- There needs to be clarity regarding the rules.
- There is a need to build leadership capacity and capability to develop the skills required to lead new organisational forms, particularly for the implementation of the Foundation Group (chain) form.
- Moving from single to multi-site organisations is challenging and requires different leadership skills.

Professional Bodies

- The NHS should encourage clinical, collective and distributed leadership models.
- Smaller, rural and isolated trusts have problems attracting and recruiting good managers and leaders.
- Clinical leadership tends to gravitate towards larger organisations where there are more opportunities for research and development.
- Provider failures are often due to a variety of reasons broader than just the leadership.

Patients and the Public

- Systems require a clear and common sense of purpose, effectively communicated and planned, with the benefits and implications of change clearly articulated.
- Good leaders require a breadth of skills to draw on in a complex system, including a willingness to engage and empower staff at local levels.
- Clinical engagement is vital to ensure clinical viably and sustainability in terms of the safety, effectiveness and impact on patient experience.
- Engaging patients in decision making can lead to improved patient experience and safety.

Research

- Management quality is correlated favourably with indicators of hospital performance such as mortality rates, waiting times, financial performance and staff satisfaction (Bloom and van Reenen, 2010).
- According to McKinsey research, hospitals with clinically qualified managers are associated with much better management scores (Dorgan et al 2010).
- Different units or locations in organisations often have their own approaches to leadership development. Competency models customised for organisations or even the NHS more generally are often overly generic, backward looking or only loosely tied to learning (West et al, 2014).

Culture and values

The ability to drive and implement change through positive staff engagement can lead to significant improvements in service delivery and patient outcomes

Sector Representative Groups

- It is difficult for organisations to self-identify weak practices and therefore determine when to seek help.
- NHS organisations are risk averse.
- There is a need to inform the public about the benefits of service and organisational change; and find ways for them to support local change.
- Staff are motivated to provide great care, organisational form is not the main driver.

Professional Bodies

- Standardisation and protocol-driven treatment increases clinical quality, but aligning all the professions to the drive to improve clinical quality is crucial.
- Internal performance standards need to be set higher than externally imposed standards to ensure the latter are met.
- Culture can be a significant issue when two or more differing organisations are brought together.
- Performance management should focus on the value people bring to an organisation and ensure staff health and well-being is prioritised.

Patients and the Public

- Organisations have their own local identity, outlook and vision. The single greatest barrier to new ways of working is resistance to change. Challenges of culture and beliefs can take years to address.
- Success requires a desire to work together and trust at all levels of each organisation.
- Staff should be listened to and valued. Early engagement and good communication with staff is vital.
- One way to drive the spread of clinical best practice is to provide clinical staff with the data to identify variation, benchmark and challenge their own practices.

Research

- Communicating an inspiring vision is a priority during periods of change. It is important to translate the vision into clear aligned objectives for the organisation, departments and teams (West, 2014).
- Research shows that levels of staff engagement predict the overall performance of NHS bodies and a command and control culture adversely affects high-quality care (West, 2014).
- In NHS organisations where staff are engaged and valued, better care is delivered with lower mortality rates and better patient experience evident (The Kings Fund, 2014).

Infrastructure and assets

Managing NHS infrastructure and assets differently offers scope for major efficiencies

Sector Representative Groups

- Providers can change more rapidly and be more imaginative about the models of delivery if they are not tied to a location or estate.
- Separating ownership and operation from clinical service provision could deliver estate rationalisation quicker and more effectively.
- There should be greater incentives for trusts to manage their estates and sell land.
- A more strategic approach to estates planning and management across multiple trusts is required.

Professional Bodies

- Managing NHS estates differently would help to generate more efficient and innovative clinical services delivery models.
- Greater levels of estate management capability, skills and capacity within trusts is required.
- There is benefit in the re-purposing of sites. For example community campuses which bring together specialists in the care of older people and children in multi-professional teams could be built on sites of struggling trusts.

Patients and the Public

- Priority needs to be given to the adoption of electronic health records to facilitate data sharing across care settings.
- The limitations of existing information technology, such as hospital patient administration systems, can be a significant block to change.
- Many existing systems limit hospitals' abilities to generate useful, meaningful business intelligence to inform decision making.

Research

- Consolidating hospital estates and making better use of assets could cut hospital running costs significantly. Where complex services have been consolidated, such as the reconfigured stroke service in London, they enable significant reductions in capital and running costs as well as delivering better clinical outcomes (Monitor, 2013).
- The evidence indicates that selling underused estate across the acute and mental health sector could yield a one-off cash gain of £7.5bn. However, this figure will be difficult to realise in practice due to long-term PFI contracts , practical difficulties and costs of modernising estates (Monitor, 2013).

Political, legal and regulatory barriers

There are a number of political, legal and regulatory barriers that prevent organisations from enacting change

Sector Representative Groups

- There is a risk aversion within the NHS, particularly when considering new organisational options and structures for providers. Risk aversion is caused by worry about potential damage to individual reputations if performance is affected, fear of loss of autonomy for Trust Boards and leaders, as well as insufficient incentives for success.
- There is a lack of clarity in the system over what is and is not legal and possible within the current framework.
- The requirement for competition in the commissioning process has led to neighbouring Trusts competing to 'attract work' thereby hampering efforts to spread best practice.

Professional Bodies

- Capacity for implementing new organisational forms may be lacking. Organisations are too busy fighting operational and performance fires to allow for space to think strategically. Significant time and resource requirements to start new initiatives can make organisations reluctant.
- Clinical Commissioning Groups are relatively new and many are still finding their way in the new systems. There is a need to encourage and support CCGs to be being braver and more innovative when it comes to service transformation.

Patients and the Public

- A lack of co-terminosity between commissioning, Local Authority and provider organisations is a challenge to the delivery of patient-centred services.
- There needs to be more incentives for providers to focus on prevention, well-being, patient education and effective support for out of hospital care.
- Short term views on service delivery are a real challenge to transformational change. Investment in physical facilities requires a long term commitment to service provision. Press, politicians, the general public and patient groups can have a significant impact on the ability to implement change.

Research

- Evidence shows that healthcare professionals are often unaware of, and lack familiarity with, the latest evidence-based guidance (NICE, 2007).
- Supervisory and regulatory systems should be simple and clear. The current NHS regulatory system can be "bewildering in its complexity and prone to both overlaps of remit and gaps between different agencies" (National Advisory Group on the Safety of Patients in England, 2013).
- Local procurement processes can acts as a barrier to organisational change and interventions.

Efficiency and standardisation

Organisational change can release efficiency gains through standardisation in practices and processes

Sector Representative Groups

- Digital technology is a key enabler for many efficiencies.
- Although it may feel slower, processes and ways of working should ideally be standardised before organisations are brought together. If not, early benefits that should be experienced are damaged by the initial months and years of the working as the new merged organisation.
- When standardising between sites, there are benefits to starting with non-controversial elements that do not impact on clinical practice.

Professional Bodies

- Further efficiency savings can be made through standardising procurement.
- Inflation, the current economic climate and increasing demand for expensive technologies pose significant challenges to further efficiency gains in this area.
- The Royal Colleges and professional groups can play an important role in spreading best practice.

Patients and the Public

- Staff flexibility in larger units can enable seven day working and other benefits. This can be created through mechanisms such as coming together as part of a joint venture.
- Community mental health trusts already cite examples of working in partnership & integration and of well developed care pathways between hospital and community.
- Engagement responses suggested that the best care is provided by confident, well trained teams who are happy working together. Such teams tend to require competence, skills, expertise, experience and support.

Research

- Costs for the same goods currently vary by as much as 50% across the hospital system. This huge variation suggests significant scope for the sector to improve its procurement and contracting capability. Monitor estimates that 10% to 15% of spending on clinical and non-clinical supplies could be reduced through methods such as pooled procurement (Monitor, 2013).
- Introducing new ways of working in hospitals, redesigning job roles and applying “lean” thinking to regular processes could allow hospitals to reduce their cost base (Monitor 2013).

Ownership, governance and accountability

Good governance and accountability has a significant role in the sustainability of organisational forms

Sector Representative Groups

- Hostile takeovers are difficult: invitation gives better prospects.
- New organisational forms still require robust governance and local accountability approaches, as well as clear and strong corporate and clinical governance.
- The role of governors is important, particularly when undertaking significant transactions. However, they are frequently under-used, and not provided with adequate training and support. There are few examples of hospitals going beyond minimum legal requirements in terms of a formal place for patients and the public within governance structures.

Professional Bodies

- Historical organisational change has been led by the centre and based on financial viability. This is less effective than locally driven initiatives with support from clinicians, and a case for change centred on improving care for patients.
- Form follows function and therefore the focus should be on outcomes and patients.
- Membership does not automatically equate to effective involvement in an organisation's activities, and communication and genuine engagement can be lacking.

Patients and the Public

- Patients often expect providers of NHS services to be transparent and engage openly through different forums, including having lay membership on governing bodies.
- Effective patient engagement can help support clinical models to be patient-centred. There are more examples of patients engaged on discrete aspects of patient experience and safety, rather than on more complex, structural and strategic issues.
- The public perceive that providers often struggle to enable an active role for patients in service development, and therefore feel a lack of genuine power to effect change.
- LINks and now Healthwatch are reported to have had a positive impact to some providers, although this is not universal.

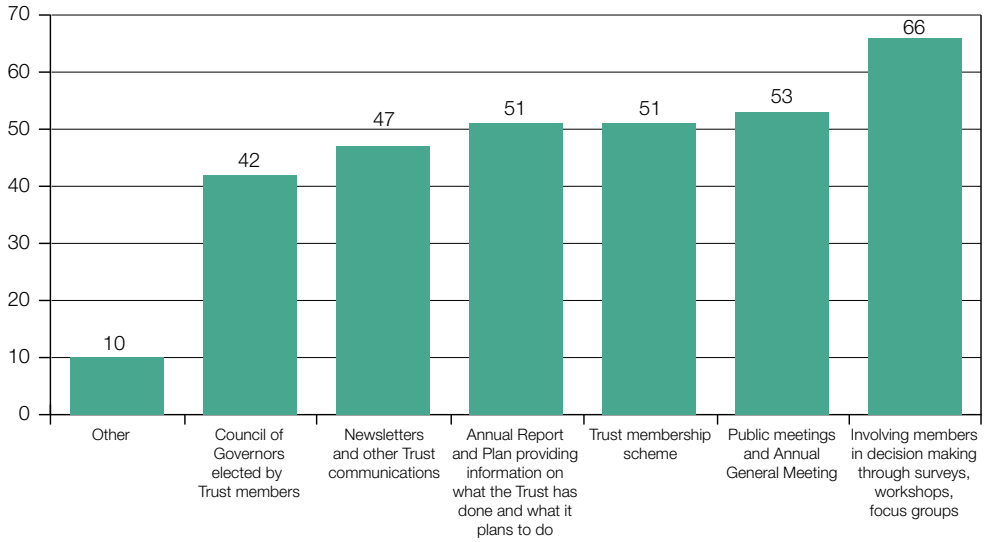
Research

- There is clear and growing evidence supporting the hypothesis that there is a direct relationship between medical engagement and clinical performance (The King's Fund, 2014).
- The Keogh Review highlighted that trusts need to review their quality performance reporting to ensure they are measuring the right things, triangulating effectively to identify risk areas and testing through systematic assurance programmes.
- The Keogh Review highlights governance of quality as an area of improvement (NHS England, 2013).
- The UK is unusual in its FT structure incorporating lay people into the formal governance structures.

Ownership, governance and accountability

Member survey feedback on ways of ensuring the local service accountability told us…

Thinking about your local NHS Trust, what do you think are the best ways of making sure local health services are accountable to local people?

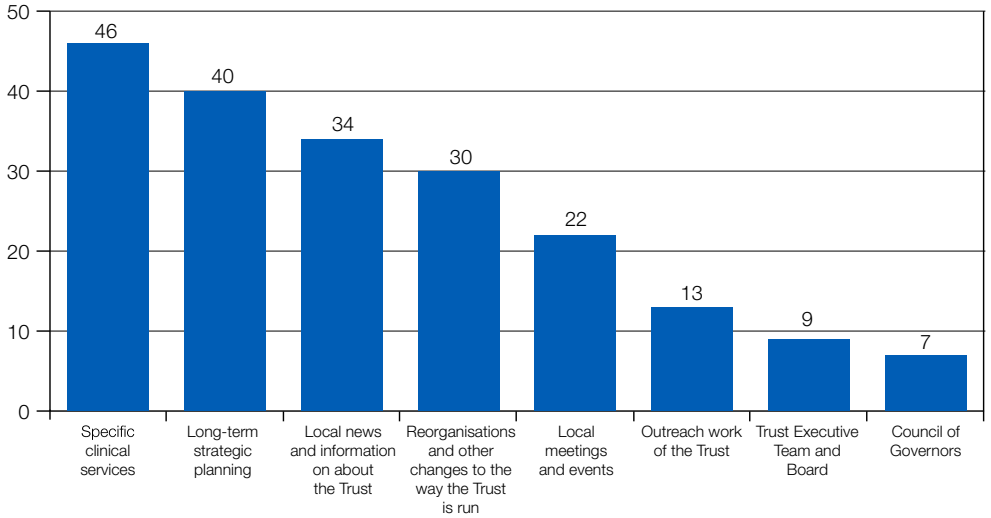


- Respondents had a high level of support for holding local services accountable through surveys, workshops and focus groups (66%). The lowest level of response was for 'Council of Governors elected by Trust members', although 42% of respondents still considered this to be an effective way of maintaining local accountability.
- Respondents were most interested in knowing about specific clinical services (46%), long term strategic planning (40%) and local news and information about the Trust (34%). They had least interest in the Trust Executive Team and Board (9%) and Council of Governors (7%).

"Although we are rightly proud of the National Health Service, it is accountability at the local level and to local people that makes the most difference to successful outcomes. However, to most people the NHS is an impenetrable organisation." Survey respondent

"All the above mechanisms are fine, but many members of the public are unaware of them, so their reach may be minimal. We need far more well explained & clearly visible information available in all waiting rooms, clinics, reception areas in each hospital, GP surgery, pharmacy about how patients can feed back their views and experience of local healthcare. Patients need to know the outcomes of any issues they raise & reassurance that raising concerns will not affect their care." Survey respondent

In relation to your local NHS Trust, which of the following areas are of most interest to you? (Please tick up to 3 areas)

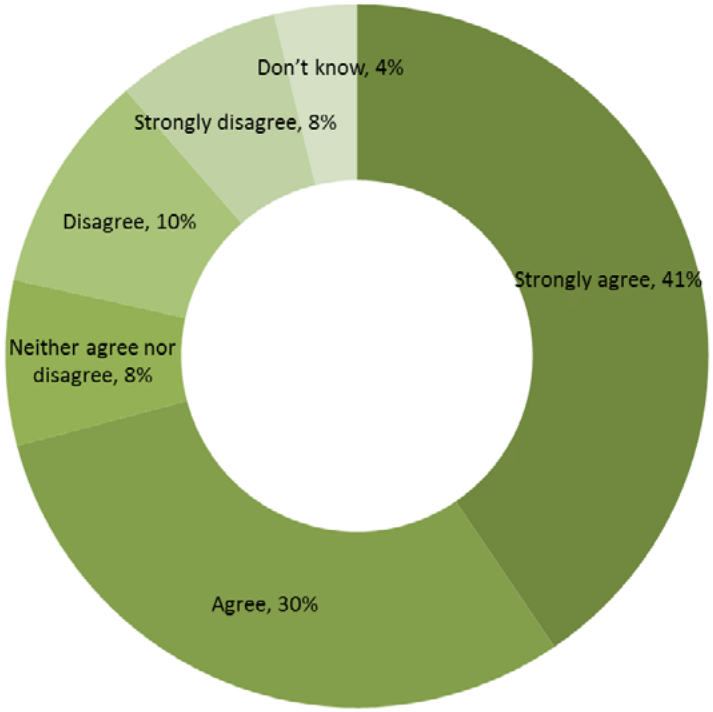


All data on this slide from Membership engagement services. FT members Survey.

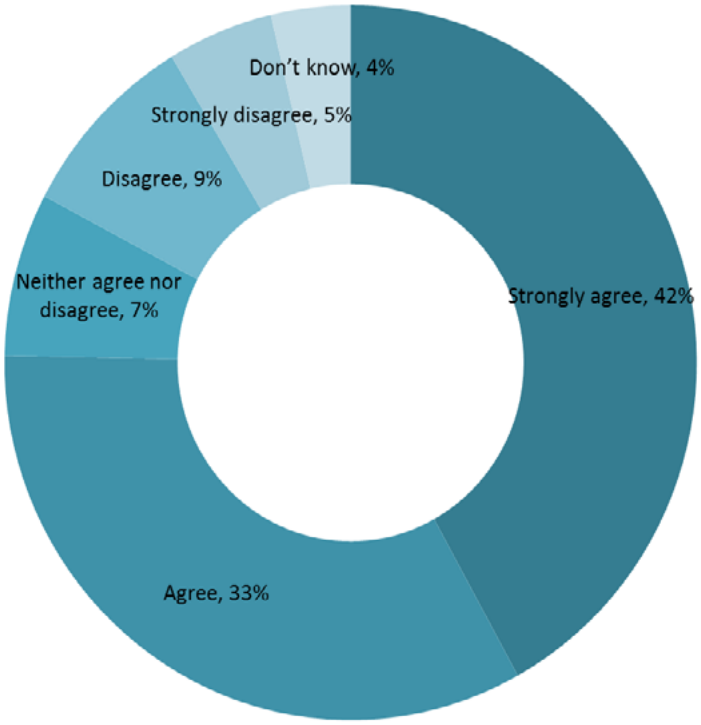
Ownership, governance and accountability

…and they were generally positive about the potential for hospitals to retain local accountability, even when services are run from other parts of the country

If a hospital from another part of the country started to run some services in my local area they could still be accountable to local people.



If a hospital from another part of the country started to run some services in my local area, patients could still be involved in improving the quality of services.



Membership engagement services. FT members Survey

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