

Helping the NHS help itself

Supporting provider sustainability

NHS providers face two major challenges over the next few years. First, there is the need to keep driving operational performance improvement. We have seen a lot of hard work and good progress over the course of the current parliament, but whatever financial settlement we get from the next government, the pressures will not disappear. If the NHS is going to continue to meet patient expectations and live within its means, more will have to be done at both the national and local level.

However, as the *NHS Five Year Forward View* sets out, the longer term sustainability of the NHS will also require more fundamental changes to the models of care delivery. If they are to be put in place for the end of the decade, design and implementation work will need to start straight away.

I don't underestimate the scale of either of these challenges, let alone the difficulties of addressing them simultaneously. For this reason, I want Monitor to do more to make sure support is available to those who have to implement all this change. To this end I plan to set up a new team in Monitor that will help us understand better what needs to be done on the ground, that can work with other bodies to try to make sure effective support is available to provider organisations as they face into these challenges, and, to some degree, to bring in-house some of the support that has previously been outsourced to external consultants. We plan to call this our 'Provider Sustainability Directorate' (PSD). It will report directly to me and be at arms-length from the existing Provider Regulation Directorate, which monitors and enforces our FT regulatory regime.

I have been struck over the last few years how organisations such as ECIST (the Emergency Care Intensive Support Team) can be very effective in helping trusts deal with their improvement challenges. However, our experience of dealing with providers that are struggling with operational and financial challenges is that there is not enough of this sort of support available to them. One aim of the new PSD, therefore, will be to encourage the development of more of this type of capability.

Some of the capability could be provided by bodies such as ECIST itself and so we will aim to make sure, alongside the NHS Trust Development Authority (TDA), that the outcome of the current review of the national improvement architecture is aligned with provider needs. The capability could also come from individual trusts which are particularly good in a specific operational area and who are willing to turn their capabilities into a service that could be offered more widely (in line with the buddying

concept we are developing for trusts in special measures). Or, we could encourage third parties to develop new capacity. Some support could also come from within Monitor itself, building on the work we are already doing to understand better the causes of performance problems in provider organisations and in doing so making significant further progress towards increasing the number of people within Monitor who have operational NHS experience. In developing this capability I am also keen to continue to work with NHS Providers to make sure it is relevant to providers and joined-up with their own efforts in this area.

Our aim is to create capabilities on which trusts can draw on an entirely voluntary basis. We will not require them to access any of these capabilities unless they are in breach of their licence although, of course, we would hope that any well-governed trust would be actively looking to secure support where they need it. To be clear, Monitor does not performance-manage FTs, and we have no plans to change that. Even if we are taking regulatory action at a foundation trust in breach of its licence, the trust board remains responsible for resolving its issues. This is about helping the NHS to help itself, just as Monitor has done for some time now through its Development Team, which focuses on longer term capability development. Indeed, the similarities and potential synergies between the work of the Development Team and this new operational team are such that we plan to move the Development Team into the Provider Sustainability Directorate. Importantly, all of this work will be kept separate from the regulatory oversight of FTs which remains the responsibility of the Provider Regulation Directorate.

In addition to its focus on operational performance and longer term capability development, PSD will also be the home for our efforts to bring in-house more of the contingency planning (CPT) work we currently outsource to consultants. This work, often undertaken in close collaboration with the TDA and NHS England, has two aspects. First is the analysis of the long term clinical, operational and financial sustainability of provider organisations. We have already undertaken an amount of this work ourselves over the last year, as for example we are currently doing in Burton, but hope to bring most of it in-house in due course. The second aspect of contingency planning work that we want to bring in-house is the development of restructuring options where it is established that providers are not sustainable in their current form. Again, we have already been doing some of this work alongside external advisors, as for example in Milton Keynes and Bedford, but would like to develop a stronger in-house capability. For both aspects of CPT work we will draw heavily on our clinical engagement directorate which we are currently expanding under the leadership of Hugo Mascie-Taylor.

The Five Year Forward View envisages that every provider organisation and every health economy in the country will need to work out how they should change their care models and adapt how they operate accordingly. This is work that overlaps considerably with the intended programme for PSD, especially in relation to supporting the local implementation of new care models and providing the 'engine'

for the work on Whole System Intervention, which is essentially what we do with our large scale CPTs. I expect, therefore, that PSD will be the main vehicle through which Monitor engages with the Forward View programme.

By bringing activity that we currently outsource in-house we hope not only to reduce the costs of the work, but also to develop and retain within the NHS the intellectual capital that flows from the work. That said, I do not underestimate the challenge of attracting and retaining individuals with the right skills given the alternative options available to them.

We will begin the recruitment of an Executive Director to lead PSD this week, and once appointed they will finalise the design of the function and start building the team. We need to ensure that we can walk before we start running, but I hope we can recruit at least 20 new staff on top of the existing Development Team by the end of the year.

I think this will be a great opportunity for people with NHS operational experience, such as Directors of Operations or General Managers in provider organisations. Hopefully, spending a few years with us will not only help them contribute more broadly to the development of the sector, but will also help them develop and hone their own skills so as to equip them for more senior roles elsewhere in the system. Of course, people already doing this sort of work in the professional services sector may also be attracted by the opportunity to work on the 'inside' on longer term projects.

As we strengthen our own capabilities we will seek to work very closely with the TDA. Many of the challenges faced by FTs are just the same as those faced by NHS trusts and so we will continue to coordinate our efforts and share our resources, as our Development Team does today.