



# Department of Health

*Philip Dunne MP  
Minister of State for Health*

*Richmond House  
79 Whitehall  
London  
SW1A 2NS*

*Tel: 020 7210 4850*

Baroness Dido Harding  
Chair, NHS Improvement  
Wellington House  
133-155 Waterloo Road  
London, SE1 8UG

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Dear Dido

I am writing to you to confirm NHS Improvement's current objectives and the schedule of meetings through which you will be held to account for delivery.

NHS Improvement's objectives from now until 2020 are aligned with the health sector's Shared Delivery Plan which outlines the Government's priorities for health and care services.

In delivering these objectives NHS Improvement is expected to continue to take a health-economy wide approach to ensuring clinically and financially sustainable health services which improve overall health outcomes and reduce health inequalities. NHS Improvement will also need to establish and foster close and effective working relationships with NHS England, Health Education England (HEE), other national NHS bodies, and with the provider sector in order to drive improvements throughout the sector.

Key to NHS Improvement's success will be its delivery of a balanced NHS budget whilst driving improvements in the efficient use of resources and increasing productivity in NHS providers. To achieve this, the support provided by NHS Improvement to the provider sector must continue to be tailored to the needs of the sector and to the very specific, differing needs of the organisations that it comprises.

We will continue to hold you to account through a series of formal meetings. At mid-year and end-of-year Ministerial accountability meetings will be held. Both the Chairman and the Chief Executive of NHS Improvement will be required to attend, as will the Senior Departmental Sponsor (SDS) and representatives of the Department's sponsorship team. These meetings will be structured to promote openness, constructive challenge and the identification and resolution of strategic issues, as well as any other risks to delivery which the SDS believes it is appropriate to bring to this meeting. I will chair these meetings and other Ministers will be involved as and when required.

For those quarters where there is not a Ministerial accountability meeting, the Chief Executive and Chair of NHS Improvement will meet with their SDS. In order to support and to ensure that this accountability relationship works as effectively as possible, I also expect the Department's sponsorship team and their NHS Improvement counterparts to meet regularly on an informal basis.

I thank you for all the work you and your team are doing. I very much look forward continuing to work with you and your organisation.

*Yours ever*

A handwritten signature in blue ink, appearing to be 'P.D.', written in a cursive style.

**PHILIP DUNNE  
MINISTER OF STATE FOR HEALTH**

## THE DEPARTMENT OF HEALTH'S REMIT FOR NHS IMPROVEMENT 2017/18

- 1. Balancing the NHS budget and improving efficiency and productivity**, ensuring that the NHS lives within its means and achieves the improvements needed for the NHS to be financially sustainable throughout this Parliament and beyond.

**In 2017/18 NHS Improvement will:**

- work collaboratively with NHS England to deliver a balanced financial position across NHS commissioners and NHS providers, including agreeing credible shared plans at the level of Sustainability and Transformation Partnerships (STPs) that are reflected in individual commissioner and provider plans;
- seek to reduce the aggregate deficit for the NHS provider sector to £496 million, on total revenue of around £81 billion, by:
  - setting financial control totals for individual trusts, which represent the minimum level of financial performance that they must achieve in 2017/18 and for which they will be held directly accountable;
  - agreeing a set of risk assessed plans for individual trusts, including trajectories for pay and non-pay expenditure;
  - supporting trusts in improving operational productivity, reducing agency costs and improving cost recovery from overseas visitors as set out below;
  - undertaking targeted interventions, including financial special measures, for trusts that are at risk of not meeting their control totals; and
  - providing regular progress updates for governance requirements (e.g. FEB, FED) and working with NHS England and DH colleagues to report on the detailed financial position in the sector and understand the relationship between demand, activity, productivity and financial performance;
- manage a national programme of work to improve NHS provider productivity by a minimum of £1.0bn, with a stretch target of £1.8bn, through measures that include:
  - implementing Lord Carter's recommendations for operational productivity, including the development of the Model Hospital and the continued roll-out of the Getting It Right First Time programme;
  - reducing trusts' spending on agency/locum staffing to around £2.5bn, including a £150m reduction in spend on medical locums;
- support DH to manage capital spending within the agreed aggregate position for the provider sector;
- support trusts in increasing income recovered from overseas visitors not eligible for free NHS treatment, contributing to the Government's £500m commitment, by:
  - providing intensive support to an initial cohort of trusts as they pilot new approaches to improving cost recovery;
  - providing guidance and support to trusts to implement changes to legal requirements and to spread best practice;

- working with DH to develop plans for transferring responsibility for monitoring trusts' cost recovery performance to NHS Improvement from December 2017.

The financial outturn position for the provider sector will depend on a range of factors, including the level of growth in non-elective demand, the income that trusts receive for any activity in excess of planned demand, and how far bed occupancy is reduced through reductions in delayed transfers of care. The Department of Health and NHS Improvement, with NHS England, will keep under close review the factors affecting the provider financial position and agree appropriate action to address risks caused by factors over which the provider sector and NHS Improvement have limited influence.

**In 2017/18** NHS Improvement will **support** and will engage the provider sector in supporting:

- the work led by NHS England and the commissioning sector to reduce growth in demand and help ensure that patients have access to care in the most appropriate settings for their need, for instance through joint leadership of the urgent and emergency care programme;
- NHS England in reducing delayed transfers of care to 3.5% by September 2017 and continuing this performance for the remainder of 2017/18, whilst contributing to plans for a more ambitious objective for 2018/19.

**Between now and 2020** NHS Improvement will:

- seek to achieve and sustain aggregate financial balance for the provider sector;
- with the Department of Health and NHS England, support the Five Year Forward View ambition for the NHS to deliver 2-3% improvements in efficiency each year, while also improving the quality of care;
- continue to implement the recommendations of the Carter Review and hold trusts accountable for delivering specific organisation-level efficiency gains;
- support continuous improvements in NHS provider workforce efficiency, in particular by reducing the use of agency staff and ensuring that trusts follow the Government's public sector pay policy and minimise pay drift;
- improve property and estates utilisation and value for money across the NHS provider sector;
- work closely with DH, NHS England and the NHS provider sector to contribute to the DH-led programme to release £2bn in land sales and surplus land for 26,000 homes, including housing for key NHS staff where appropriate;
- support the Care Quality Commission (CQC) in introducing a Use of Resources rating for acute trusts, with the first formal ratings from January 2018;
- develop payment systems to optimise system-wide incentives for improvements in quality and efficiency;
- continue to improve the collection and use of cost data through further roll out of patient-level costing, including developing standards, expanding collection of patient-level cost data, and feeding back benchmark data to trusts.

- 2. The creation of the safest, highest quality health and care services**, ensuring that all patients receive the same high standards of care, seven days a week. NHS Improvement will have a key role in supporting the NHS to become the world's largest learning organisation, utilising all available sources continually to improve services and quality of care.

**In 2017/18** NHS Improvement will:

- increase the proportion of NHS providers achieving a CQC Good or Outstanding rating and reduce the proportion of providers in special measures for quality;
- work with NHS England to roll out the four priority clinical standards for seven-day hospital services to 50% of the population by April 2018 and to the whole population for five specialist services (vascular, stroke, major trauma, heart attack and paediatric intensive care) by November 2017;
- develop further improvement resources to help equip providers to make safe staffing decisions;
- lead cross-system work to reduce Gram-negative bloodstream infection rates by 10%;
- lead ongoing work to improve patient safety, including:
  - carrying out its delegated statutory duties in relation to collecting information on what goes wrong in the NHS through the National Reporting and Learning System and using that information to support the NHS on reducing risks to patients, including advice, campaigns, guidance and patient safety alerts;
  - supporting providers, as part of the longer term Learning From Deaths programme, to reduce deaths thought to be due to problems in care (so-called 'avoidable deaths'), through improvements in transparency, clinical governance and leadership and by reviewing the Serious Incident Framework;
  - discharging its responsibilities for the annual reporting obligations and accountability as set out at paragraphs 10 (1) to (3) of the NHS Trust Development Authority (Healthcare Safety Investigation Branch) Directions 2016;and
  - progressing the Development of the Patient Safety Incident Management System project in order to specify and procure a successor to the National Reporting and Learning System.

**Between now and 2020** NHS Improvement will:

- work with NHS England to roll out the four priority clinical standards for seven day services in hospitals to 100% of the population by April 2020;
- support providers to improve patient safety and create an effective learning culture;
- work with NHS England to improve the percentage of NHS staff who report that patient and service user feedback is used to make informed improvement decisions;
- work jointly with NHS England and NHS Digital to:
  - support providers in undertaking technological and digital transformation, in order to improve safety and quality of care and improve productivity;
  - promote the transparent use of data for service improvement;
- work jointly with DH, NHS England, NHS Digital and NIB partners to:
  - support delivery of the National Information Board Framework 'Personalised Health and Care 2020' – including local digital roadmaps – leading to measureable improvement on the

new digital maturity index and achievement of an NHS which is paper-free at the point of care;

- implement Dame Fiona Caldicott's data security standards to improve cyber security preparedness and resilience;
  - promote a stronger culture of research within the NHS provider sector to realise financial and quality benefits;
  - continue to support providers to develop and publish Board-level service quality improvement plans that will achieve significant and measurable improvements in the quality of services, thereby reducing deaths, severe harm and other adverse outcomes attributable to problems in healthcare;
  - have completed the five-year Patient Safety Collaborative programme, demonstrating the impact on safety in the NHS, and supporting 5,000 members of the Q initiative to create a vibrant, effective and innovative community of improvers;
  - implement relevant recommendations from the Accelerated Access Review as set out in the Government response and agreed with DH, with the aim of delivering a measurable improvement in NHS uptake at national and regional level, of agreed innovations, focussing initially on those that are most affordable and cost-effective;
  - lead cross-system work to reduce Gram-negative bloodstream infection rates by 50% by 2020;
  - lead the safety work stream of the Maternity Transformation Programme (ensuring that safety is reflected throughout the programme) and run the national Maternal and Neonatal Health Safety Collaborative, to make progress towards achieving the national ambition to reduce rates of still-birth, neonatal deaths, maternal deaths and brain injuries occurring during or soon after birth by 50% by 2030, with a reduction of 20% by 2020;
  - as part of the Learning from Deaths programme, support trusts in implementing recommendation 7 of 'Learning, candour and accountability', the CQC's review of the way trusts review and investigate the deaths of patients in England, and contribute to the implementation of other recommendations within the report where relevant.
- 3. Leadership and improvement capability**, ensuring NHS providers are able to recruit and retain high quality individuals and building NHS Improvement as a support organisation for NHS providers that can effectively drive the sharing of best practice and ensures providers are implementing methods of continuous improvement.

**In 2017/18 NHS Improvement will:**

- support system-wide programmes to improve leadership development and talent management in the NHS in line with *Developing People – Improving Care*, building on the recommendations of the Lord Rose review of NHS leadership and Ed Smith's review of centrally funded improvement and leadership development functions;
- support trusts in improving recruitment of staff (in collaboration with Health Education England) and retention and motivation of staff, including support for effective implementation of the junior doctors contract;
- work with the CQC to implement the new 'well-led' framework, improving both the assessment of leadership and governance in providers and the support given to providers to achieve continuous improvements in leadership and governance.

**In 2017/18 NHS Improvement will support:**

- the implementation of any agreed recommendations flowing from the work of the Ministerial led Workforce Steering Group;
- the Department to develop a framework to govern/guide very senior managers' (VSM) pay in all NHS trusts and foundation trusts using improved controls and benchmarked pay ranges; and
- HEE, professional regulators and royal colleges to increase training opportunities and focus on the development of clinical managers as NHS leaders.

Between **now and 2020** NHS Improvement will:

implement the national VSM pay framework to ensure better control of VSM pay in NHS trusts and foundation trusts and support the Department in implementing Government policy on executive pay in the public sector.

- 4. Strategic change aligned with the Five Year Forward View**, ensuring greater integration across the provider sector, including working with communities to develop new models of care that are tailored to meet local needs, and effective proportionate access to urgent care 24 hours a day, seven days a week.

**In 2017/18 NHS Improvement will:**

- work collaboratively with NHS England to support local areas to ensure delivery of agreed plans within each STP area, including progress against metrics;
- provide more streamlined support for local health economies in developing and implementing Sustainability and Transformation Plans and in developing new models of 'accountable care' that improve resource utilisation, quality of care and population health outcomes;
- continue to support the development of foundation groups/hospital chains to support quality and productivity improvements across the provider sector, including enabling strong providers to extend their successful operating models more widely, without detracting from meeting agreed trajectories for national standards.

**In 2017/18 NHS Improvement will work collaboratively with DH, NHS England and other partners to support:**

- the further development of the new models of care set out in the Five Year Forward View, breaking down barriers between GPs and hospitals, physical and mental health, and health and social care, and helping reduce inequalities in access and outcomes;
- local health economies in building capacity and capability for effective engagement with patients and local communities, particularly from diverse or disadvantaged communities, when considering strategic change; and
- implementation of the Five Year Forward View for mental health and parity of esteem between mental and physical health;
- implementation of the national plan to transform care for people with learning disabilities;
- local work with social care partners to ensure patients do not receive care in inappropriate settings.

**Between now and 2020 NHS Improvement will:**

- promote and enable closer integration of health and social care services in every area of England;
- support the further development and implementation of city and county-wide devolution deals;
- support providers in enhancing their contribution to preventing ill health amongst both their patients and staff, with a view to improving individual and population health outcomes and reducing health inequalities.

**5. Maintain and improve operational performance ensuring the NHS has the capacity and capability to continue to perform well during this Parliament and is able to deal with any rises in demand such as over the winter months.**

**In 2017/18 NHS Improvement will:**

- co-implement the agreed A&E recovery plan with NHS England to deliver aggregate A&E performance in England above 90% in September 2017, with the majority of trusts meeting 95% in March 2018, including by:
  - making A&E streaming mandatory throughout the system;
  - ensuring all care home residents at risk of admission to hospital are first seen by a GP or ambulance ‘see and treat’ model;
  - implementing the agreed process to address hospital bed capacity issues;
  - making changes to ambulance and NHS111 delivery models to reduce the rate of growth in demand for A&E services;
- working with NHS England, support NHS providers in achieving the new standards for early intervention in psychosis and for access to psychological therapies or ‘talking therapies’;
- working with NHS England, support providers in seeking to improve or maintain performance against other waiting time standards, including the referral to treatment (RTT) standard, the eight cancer waiting time standards, the diagnostic test waiting time standard and ambulance response time standards.

**Between now and 2020 NHS Improvement, working with NHS England and other partners, will:**

- seek to reduce inequalities in experience, access or outcomes, in line with NHS Constitution standards and the health inequalities legal duty;
- work with NHS England and other partners to ensure that at least 95% of people attending A&E departments are assessed, discharged, transferred or admitted within four hours from 2018 onwards;
- work with NHS England and other partners to seek to increase the proportion of patients on incomplete non-emergency pathways have been waiting no more than 18 weeks from referral, ensuring that no-one waits more than 52 weeks before starting definitive treatment and that less than 1% of patients needing diagnostic tests wait more than six weeks from referral;
- take an active part in the delivery of the recommendations of the independent Cancer Taskforce, including working with NHS England on:



- delivering new and upgraded radiotherapy equipment;
- delivering the new 28 day Faster Diagnostic Standard;
- rolling out an individually designed recovery package to help each patient live well with and beyond cancer;
- ensure that at least 85% of cancer patients begin first treatment within 62 days of an urgent GP referral and maintain performance against other cancer waiting times standards