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Rt Hon Jeremy Hunt MP, Secretary of State for Health

I have had the privilege of working in the NHS since 1979. I have been a Chief Executive for 20 years, 13 of which have been spent at Salford Royal. During my career I have seen the NHS face up to an ever continuing range of challenges, and each time it has adapted and improved, coming out stronger for the communities it serves. The NHS is now at a pivotal moment in its history. The vital importance of the Francis Inquiry and the drive to improve quality and safety, rising patient demand, demographic changes and the increasing cost of providing healthcare in an unforgiving economic climate, have combined to create an historic set of challenges.

I am therefore grateful for the opportunity to lead this review into how the best leaders and organisations in the NHS can expand their reach and deliver more for patients. It is a key principle of the NHS Constitution that the NHS "aspires to the highest standards of excellence". Despite our best efforts we have struggled to use the opportunities a National Health Service affords us to reduce the variation gap between the best and worst performance in the system to ensure excellence for all. That there is such a difference in the quality of services provided to patients around the country is wrong. We must enable the very best services to further develop whilst reducing variation in quality across the country.

Different circumstances and historical patterns of need means there is no single model for delivering high standards of care. By looking at a range of options for providers of care, we want to enable those hospitals that do well to do more, whilst empowering others who are struggling with the opportunity to improve. The adoption and development of new organisational models is for the sector to drive, not the centre. The role of the centre is to create a more permissive environment, removing barriers and enabling – but not dictating – change, and to ensure this works in the interests of patients and the health service more widely. Through my review I aim to provide the sector with the vision and tools it needs to use these models to improve the quality of outcomes for patients whilst ensuring their longer term economic sustainability.

## **Establishing the Review**

To support the review, I have appointed a panel of experts to provide constructive challenge and support to the work as it progresses, offering different perspectives and solutions. Our approach to the review is twofold: firstly to collect and generate evidence to inform the review so we can develop practical and tangible options for people to pursue; and secondly, to be as open and transparent as possible, engaging widely across the sector to build enthusiasm and momentum for change.

We are examining a wide range of existing evidence, and to date, this has included engaging with a range of groups including providers of NHS care, front line clinicians, community and mental health trusts, commissioners and patient representatives, as well as other sectors such as academy schools. I am also grateful to the Foundation Trust Network, the NHS Confederation, Health Service Journal, KPMG, Reform, the Health Foundation and the Nuffield Trust for hosting and facilitating a series of workshops and roundtable discussions which have been of great value.

For the next stage of the review, it will be important to engage as widely and transparently as possible, particularly with patients, to ensure that all relevant views are fed into the Review, providing the opportunity to shape the work as it emerges. To this end we will soon be launching an online engagement platform to undertake a call for evidence so that anyone who is interested can contribute their views and evidence. We will be encouraging the submission of these views through a variety of events and publicity. The panel and I will also be visiting some innovative providers of healthcare in France, Germany, Spain, Belgium, Italy and the USA, to learn from some of the very best healthcare organisations in other countries.

## **Emerging Themes and Findings**

From our analysis to date some common themes and findings have already emerged.

Firstly, we are clear that there are a variety of different organisational models that already exist in and amongst providers of NHS care. These include, in various formats, joint ventures, management contracts, integrated care organisations, single and multi-site models and most recently the addition of the mutual model. What is striking is the lack of awareness across the NHS as to how these organisational developments have been used to improve services to patients. The Foundation Trust Network and the Kings Fund have just published a helpful joint report that flags up a wider range of organisational models beyond those that currently dominate the NHS. Their report explores various views on the potential of these models, including chains of providers, to offer real benefits to the NHS. It is important that we conduct the appropriate due diligence on these models before making any recommendations.

Secondly, whilst some flexibility exists to create a range of organisational models, the NHS could go much further, and providers of NHS care could be empowered with greater flexibility to adopt innovative organisational forms to ensure clinical and financial sustainability. There appears to be a particular problem for struggling providers whose patients have potentially the most to gain from the adoption and development of innovative organisational models. A frequent concern heard from providers is the uncertainty of the legal framework they operate in, and a lack of clarity regarding what is or is not possible under the current system. There are perceived and actual barriers to change that I wish to unlock with this review.

Thirdly, whilst the most forward thinking organisations will be enabled through the development of a new range of options, models and tools, it is my belief that this review can stimulate a greater pursuit of success in a wider group of providers by proposing new flexibilities and incentives into the system. Currently there are too few incentives to encourage leaders in the NHS to move from just being stewards of their organisations to becoming strategic architects of their system. Too often organisational change is perceived as overly complicated, costly and confusing. Providers have tended to maintain the status-quo or default to mergers as their preferred solutions. We need to demonstrate that alternatives are available for all providers, as well as offering opportunities and incentives in order to inject some much needed pace for quality improvement into the system.

Fourthly, NHS providers with a strong track record could be accredited to take on extra responsibilities. We can learn from the early successes and limitations of the current buddying arrangements. I believe that success should be rewarded and that successful organisations should be incentivised to spread their best practice as appropriate to give more people access to the highest standards of service.

## **Future work**

The expert panel and the review team will continue to explore the strengths and weaknesses of the variety of options available, as well as how to enable the spread of these models to enable providers to choose different solutions to different circumstances. We will work with and through our partners, and continue to be open and transparent about our work. We will report the findings of our work along with our recommendations around October this year.

We know that the NHS needs to change to secure the highest standards across the system, and that this change needs to be driven by, not for, providers of NHS care. Therefore, beyond the publication of the review, I am particularly keen to find early adopters and enthusiasts for change. Through actively supporting them we will be able to demonstrate a tangible way towards spreading the "highest standards of excellence" across the NHS.

I would like to take this opportunity to again express my thanks to you for asking me to undertake this fascinating and important Review, as well as to all those who have contributed their time and energy to the work so far, and I look forward to submitting my report to you later in the year.

Yours sincerely

Sir David Dalton Chief Executive