

NHS at 60

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Lessons from 60 years?

- Professions
 - Complacency
 - Absence of leadership
 - Paternalist
- Management
 - Weak on accountability
 - Poor at change and slow to innovate
 - Restructuring
 - Short-termism is always with us
 - Poor at ambiguity
- Years of avoiding difficult conversations
 - Tolerant of bad behaviour
 - A lack of honesty about trade offs
 - Accountability for clinicians
- Outcomes are not as good as they should be

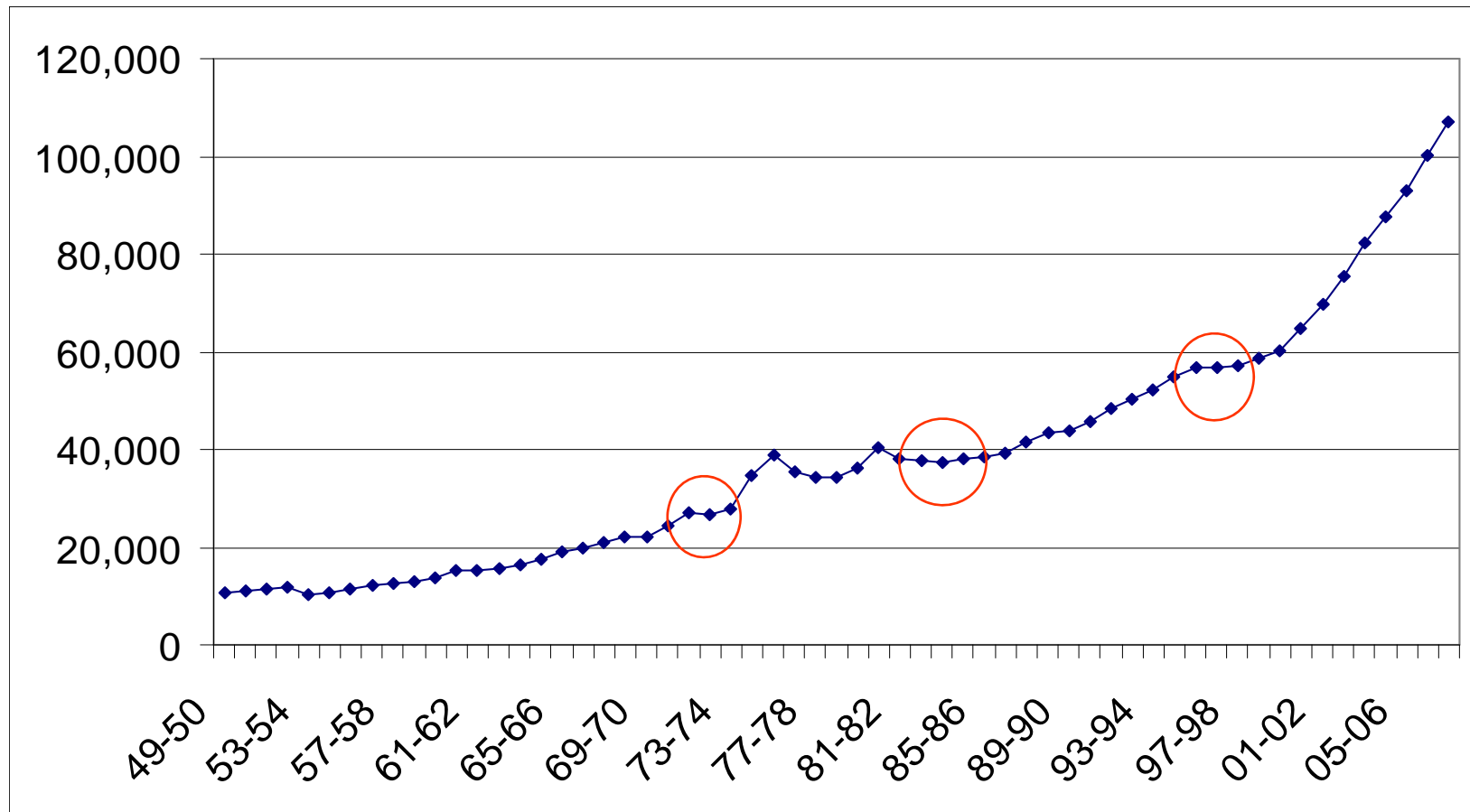
Pressure and opportunity

- Finance: The next few years are going to be tougher

Pressure and opportunity

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 - Shrinking tax base
 - All the money has gone into banks
 - General view that health has done well

Real expenditure £m



Pressure and opportunity

- Finance: The next few years are going to be tougher
- Policy
 - More of the same plus.....
 - Quality & measurement

Pressure and opportunity

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Pressure and opportunity

- Finance: The next few years are going to be tougher
- Policy
- Consumerism
- Politics
- Other longer term
 - Epidemiology and demography
 - Technology
 - Climate change
 - Europe

Six things

- Clear objectives and narrative
- Focus on quality
- Transformation & improvement
- Have a methodology for change
- Power in the right place
- Getting leadership & management right

Clear objectives and narrative

- Are the objectives of the current system clear?
- Is there a strong and easy to understand narrative?
- In the past:
 - Too many objectives for each policy
 - Policy in silos
 - Policy answers without a proper analysis of the issues or clear business case

Quality

- Making quality the organising principle:
- Needs a wide definition including:
 - Safety
 - Cost-effectiveness
 - Patient experience
 - Care co-ordination
- Process *and* outcome

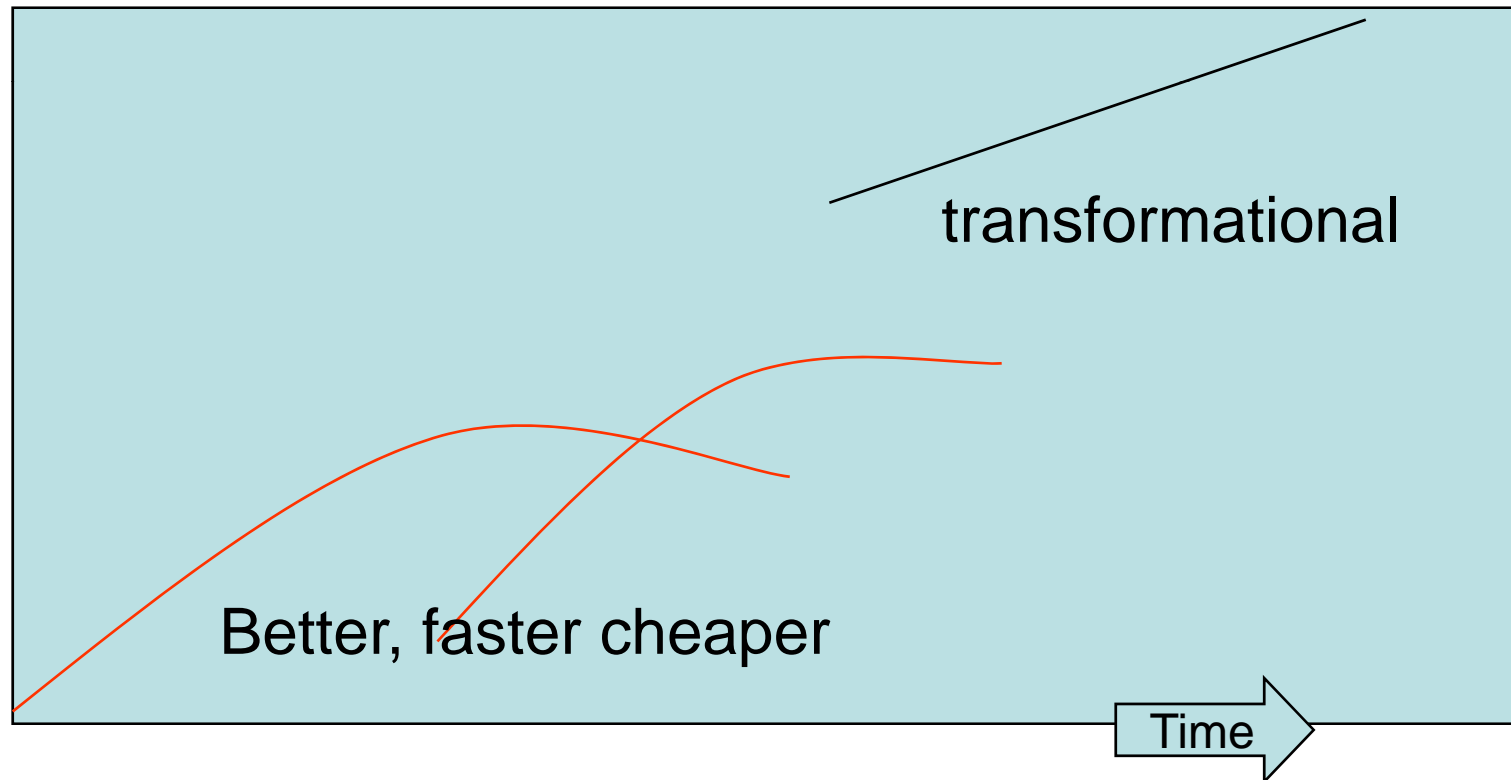
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Adapting to change

- In turbulence the organisations that do best are those that:
 - Have created high quality teams
 - Redefine their strategy and skills to meet the new challenges
 - Combine sustaining with reframing innovation

Sustaining vs Reframing



Adapting to change

- So, better, faster, cheaper strategies might be OK but:
- We may be doing the wrong things more efficiently
- Some of the issues we face require transformational strategies

Adapting to change

- A number of responses to the issues require:
- New skills
- New ways of thinking
- New approaches to working across organisational boundaries

Methodology for change

- Inter-related and complementary policies
- It may not matter which method – its having one that's important

Mechanisms for change

- ~~Markets~~

- ~~– Choice~~
- ~~– Contestability~~
- ~~– PBR~~
- ~~– Commissioning~~
- ~~– PBC~~

- Regulatory

- CQC
- Monitor

- Managerial

- SHAs role

- Development

- Leadership
- NHSII

- Other

- Networks
- Integration

Is this enough?

Power in the right place

- Subsidiarity and devolution of responsibility do seem to work best but there are problems:
 - Variations in quality
 - Fragmentation of care
 - Sub-optimal provision of services
- Centralisation
 - Changes the direction managers look
 - Stifles initiative
 - Leads to one size fits all solutions, often designed for the worst

Evidence

- Policies pulling in both directions in Europe
 - more to regional level than central government
- No definitive evidence, but.....
 - Direct political involvement in operational issues is probably a bad idea
 - Is the UK's poor record on innovation a result of high level of centralisation?
- Cross organisational working is essential but much of the governance and accountability system works against it

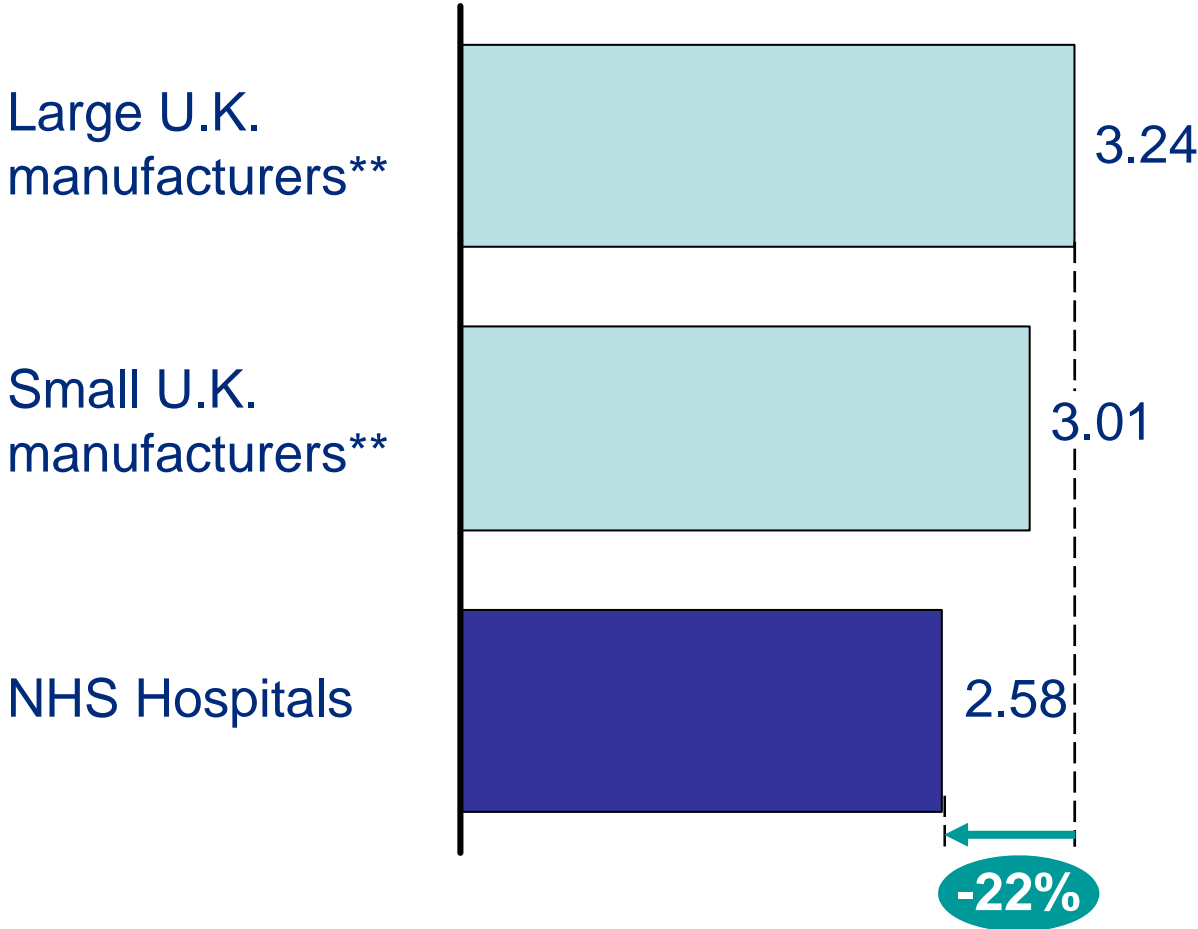
Leadership

- Still an issue

NHS management practices lag industry

PRELIMINARY

Average management scores*, by sector



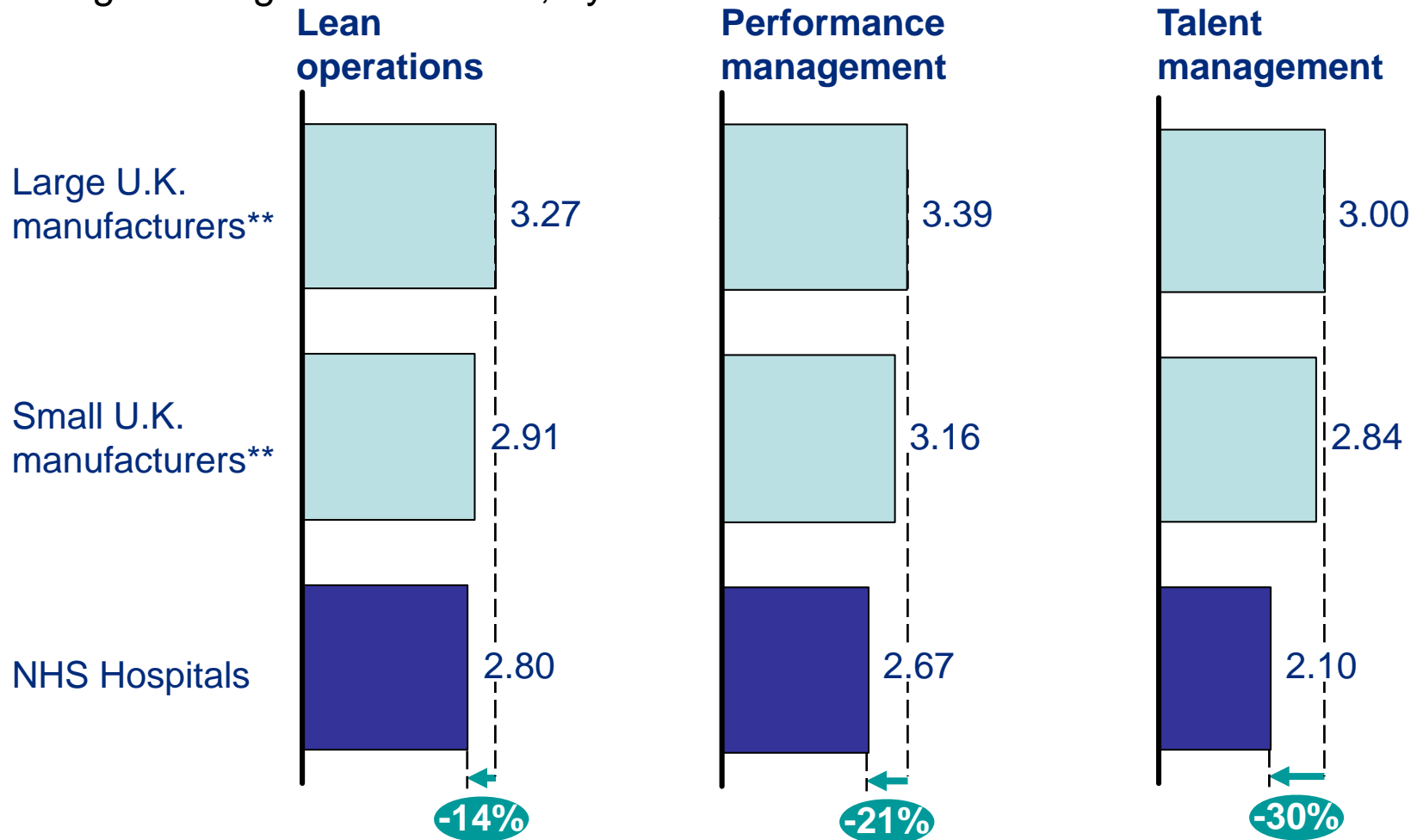
* Not 100% identical assessment tools

** 119 manufacturers of >1,100 employees, and 576 manufacturers of <1,100 employees

Source: Team analysis

Performance management and talent management are key gaps

Average management scores*, by sector

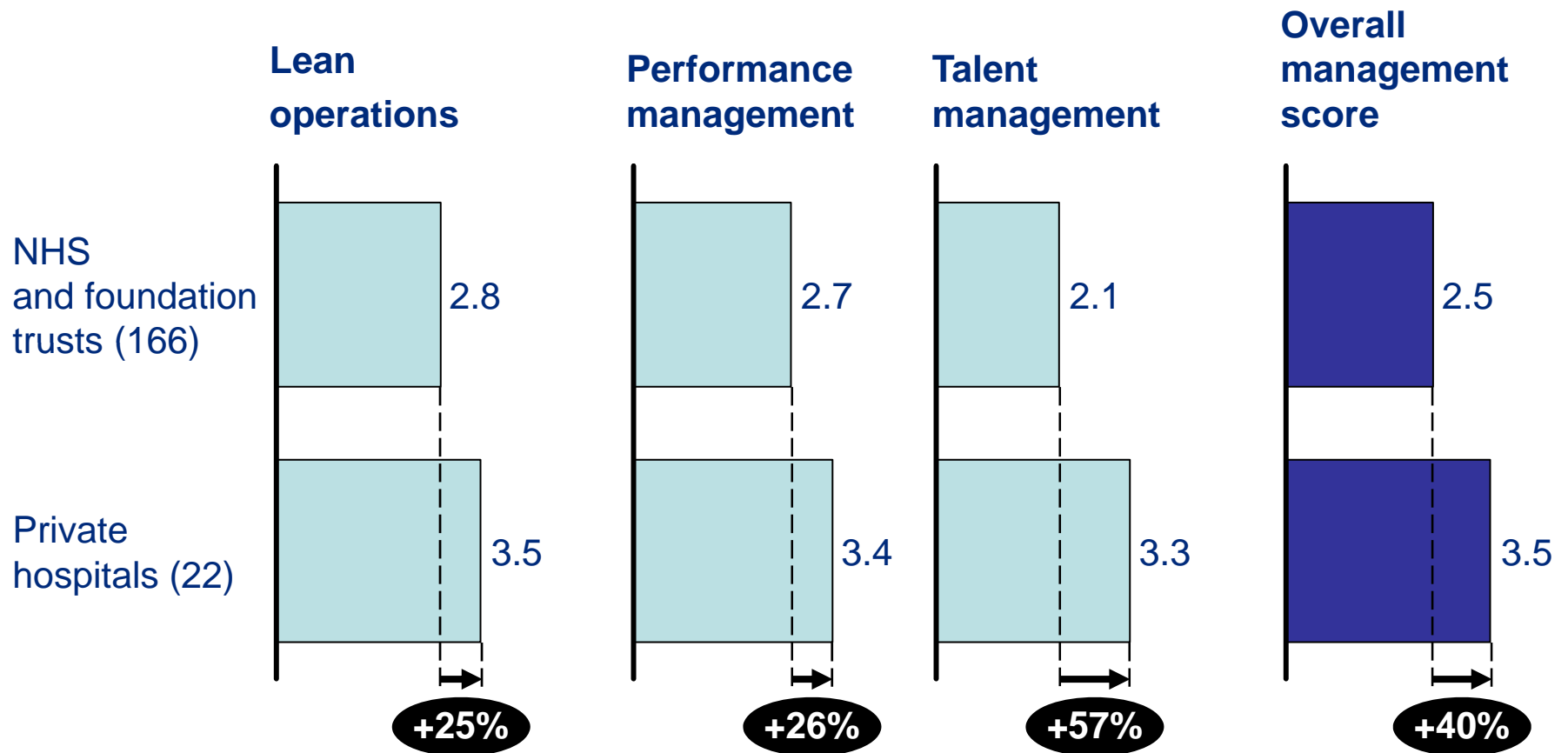


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...and to private sector in healthcare

Average management scores, by hospital type



Issues with middle management?

- Power from veto?
- Capability issues
- A route for clinical experts because of a lack of career chances?
- Squeezed from all sides?
- Mentoring and support is variable

And then all this

- Success comes from combining approaches across the whole organisation and system:
- Outstanding leadership
- Focus on putting patients/clients first
- Quality and system design as a core business strategy
- Harnessing of information technology and meaningful measurement
- Incentives and accountability.
- Building capability & learning processes for improvement
- Engaged physicians and workforce
- Strategic alignment of aims, measures and activities
- Integration of services across levels of care, sites and disciplines

Final thoughts

- Shifting care to primary care
- Sickness service or illness service?
- Can the NHS model survive?