FIVE YEAR FORWARD VIEW

Time to Deliver

4 June 2015

1. Introduction

When the NHS came together to produce the *Five Year Forward View*[1], our ambition was to reframe the terms of debate: to set out a shared view of the challenges ahead and the choices we face about the kind of health and care service we want in 2020. Working with patient groups, clinicians, local government and think tanks, we tapped into an overwhelming consensus on the need for change, and a shared ambition for the future.

It's a future that empowers patients, their families and carers to take more control over their own care and treatment: a future that dissolves the artificial divide between family doctors and hospitals, between physical and mental health and between health and social care. One that no longer locks expertise into outdated buildings, with services fragmented, patients having to visit multiple professionals for multiple appointments; one organised to support people with multiple conditions not just a single disease.

The *Five Year Forward View* argued that this future was perfectly possible, provided that the NHS does its part, together with the support of the public and the Government. Last week the newly elected Government put our plan at the heart of the Queen's Speech:

"In England, my Government will secure the future of the NHS by implementing NHS's own Five Year Forward View, by increasing the health budget, integrating health care and social care and ensuring the NHS works on a seven day basis. Measures will be taken to increase access to General Practitioners and to Mental Health care."

This is a unique moment in time: we have a consensus about the challenges ahead, a shared vision for the future, a Government commitment to at least £8bn additional funds and support for the changes to drive it.

But the scale of the transformation required cannot be delivered by the NHS alone; nor can it be driven solely from Whitehall. Just as we developed the vision together, so we must deliver it together. That's why today we are launching a programme to bring together 'a coalition of the willing' to share knowledge, energy and ideas on how to

[1] http://www.england.nhs.uk/wp-content/uploads/2014/10/5yfv-web.pdf

deliver the *Five Year Forward View* at scale and pace. We cannot afford to lose momentum, so today we set out:

- What we have achieved so far
- Initial actions to support the service during 2015/16
- The next steps we will take to transform the NHS and deliver the *Five Year Forward View.*

2. Progress to date

The NHS has responded with energy and enthusiasm since the publication of the *Five Year Forward View*, with local and national bodies coming together to lay the foundations for its vision for 2020 and start delivering it.

269 local areas came forward with their ideas on how to design new models of care. Following a process of peer assessment, 29 Vanguards were selected to form the initial cohort, and this leading edge of NHS organisations and Local Authorities will improve care for over 5 million patients, as well as help us identify and solve problems in a way that can be replicated more widely across the NHS.

Greater Manchester has developed radical proposals for bringing health and social care together into a £6bn pooled budget in 2016/17 that will accelerate improvement of the health and wellbeing of its 2.8 million people. And leaders in nine areas across the country are demonstrating how individuals with complex needs can be given more control over their combined health and social care budgets for the benefit of their citizens.

Reinforcing our commitment to help people stay well and independent, support carers and families, we have marshalled the resources of the voluntary and community sector through the Peoples and Communities Board, chaired by Jeremy Taylor of National Voices. The Board has developed a national alternative to the standard contract to enable the NHS to partner with or commission from the voluntary sector.

Nationally, we are taking action to create the conditions within which local leaders can deliver the Five Year Forward View, including:

- Reinforcing our commitment to become a service that prevents as well as treats illness by launching a nationwide Diabetes Prevention Programme together with Diabetes UK to engage 10,000 people at risk of diabetes in its first year.
- Initiated independent taskforces to help us improve cancer and mental health services led by Harpal Kumar of Cancer Research UK and Paul Farmer of Mind, respectively, with Baroness Cumberlege leading a task force on maternity services.
- Published a 10 point plan to underpin our new deal for primary care, focused on recruiting more GPs, retaining them better and encouraging those who have left to return to practice, and invested the first of a £250m per year fund into primary care premises, with further investment to follow.
- Created the Workforce Race Equality Standard that will – for the first time – require organisations employing the 1.3 million NHS workforce to demonstrate progress against indicators of workforce equality, including low levels of black, minority and ethnic Board representation.
- Established the NHS Five Year Forward View Board, comprising the CEOs of the NHS's principal leadership bodies, to provide strategic oversight of the delivery of the Forward View and support greater alignment between the different statutory bodies at a national and local level.

We have made a good start, but there is much more to do. The pressures described in the *Forward View* – demographics, expectations, technology – do not just apply in the future; they are faced by the service today. This means that we cannot treat 'transformation' as a separate project, distinct from the day job, nor can we afford to delay it whilst we stabilise the system. It is exactly because the service is under so much pressure today that we have to upgrade our prevention efforts and design new models of care.

But we need to do more to create the conditions within which local services can deliver during 2015/16. Over the next few months, we will be discussing with front line staff

what further actions we can all take to relieve some of the pressures in 2015/16. In advance of this, there are some clear areas where collective action can support local delivery.

3. Creating the conditions for success in 2015/16

Overall, the health sector managed within its budget in 2014/15, with the provider sector delivering more than £2bn of efficiencies, but this was only achieved thanks to the extraordinary efforts of frontline staff, and with provider deficits beginning to appear. This week we have announced a series of measures to support local leaders deliver on their responsibilities to deliver high quality care and financial control in 2015/16:

Collective action to support sustainable staffing

Whilst in the short term, agency staff can seem like a quick and flexible solution, over reliance on agency staff can compound and embed problems with quality and finance further down the line. So to support providers to take a more sustainable approach that provides a better deal for patients, tax payers and staff, we have announced a set of collective actions to help organisations reduce the costs currently charged by agencies. Subject to the detail set out in a letter to the service we will:

- Require all agency staff to be procured from existing, agreed frameworks
- Set maximum rates for grades and specialities of staff on a geographical basis
- Set a ceiling for agency spend for each provider.

More information can be found here.[2]

In addition to these controls, HEE will lead national action through the Workforce Advisory Board to tackle the underlying cause of the growth in use of agency staff, including:

[2] https://www.gov.uk/government/news/clampdown-on-staffing-agencies-charging-nhs-extortionate-rates

- Ensuring a greater supply of NHS nurses through extending the successful national Return to Practice Campaign which has already supported over 1,300 experienced nurses to come back to the NHS within months at a cost of £2,000 per person, rather than 3 years at a cost of £50,000
- Sharing of best practice on staff retention, and joint action on short-term international recruitment to alleviate immediate pressures whilst increased domestic supply from recent increases to training commissions comes on stream
- Supporting efforts to provide NHS staff with more flexible working including looking at shift patterns and pensions and supporting better career paths for our nurses
- Reduce staff sickness rates and the need for agency staff by improving the health of the NHS workforce, linking with the work led by the Prevention Board.

Leveraging our national buying power

NHS commissioners and providers spent £580m on consultancy services in 2014/15. Consultancy can be a good source of independent advice and delivery support, as well as external audit, but the NHS does not always use its purchasing power as well as it might. In order to help the service ensure better value for money, we will:

- Require all consultancy contracts over £50,000 to have advance approval from the relevant oversight body
- Discuss with the big consultancy firms how we can share the knowledge we commission from them where relevant across the NHS
- Explore other ways the NHS can combine its purchasing power to leverage better prices for the NHS locally.

Securing high quality care and financial balance today is a vital part of our shared ambition to deliver a new kind of health service tomorrow, but we cannot continue to manage these pressures through a series of quick fixes. The only sustainable solution is fundamental reform: getting serious about prevention, changing the way in which care is provided and delivering high quality care wherever it is provided, and getting the most value out of every pound that we spend.

4. Delivering the vision for 2020

The *Five Year Forward View* set out three underpinning principles for change:

- Our shared challenge is to close three gaps in health care: the health and wellbeing gap, the care and quality gap, and the funding and efficiency gap. For the NHS to meet the needs of future patients in a sustainable way, we need to close all three of these gaps. This means we can no longer simply respond to the forecasts of ill health and increased costs; the NHS must become a pro-active agent of change, taking bold action to 'bend the curve' on predicted trends.
- The NHS will not succeed in closing these three gaps by delivering the care in the same way that we have always delivered it. Success will require us all to think beyond our statutory and organisational borders to meet the needs of the people we serve. The role of national bodies is to create the conditions for local leaders to succeed.
- The NHS cannot close these three gaps alone. If we are to close all three gaps, then we will need our partners across health and social care in Local and National Government, individuals and their communities, the corporate and charitable sectors to use their levers, unleashing local energies to help create the future we want.

The following sections sets out the actions we will need to take as a system if we are to close all three gaps by 2020.

4a. Closing the care and quality gap

In the Five Year Forward View, we signed up to a double opportunity: to narrow the gap between the best and the worst whilst raising the quality bar higher for everyone.

Raising the quality bar higher for everyone

As a catalyst to create new ways of delivering care that are better suited to modern health needs and more productive, we are working with 29 Vanguard areas to develop and implement the new care models outlined in the Forward View. Our aim is not just to improve services in the Vanguard areas, but to develop models that can be replicated

elsewhere, drawing on recent lessons from other leading edge areas, such as the integrated care pioneers.

By July, we will publish a support programme to tackle common problems and accelerate implementation of new care models. Each Vanguard area will personally be sponsored by one of the ALB Chief Executives. This association will help national bodies deepen their understanding of barriers to implementation so that they can help to remove them. In tandem with the support programme, we will begin investing the £200m Transformation Fund available in 2015/16.

We have invited expressions of interest from hospitals across England interested in developing new ways of delivering and improving their local acute services. These new Vanguard sites will focus on promoting collaboration between acute providers. Drawing on the findings of Sir David Dalton's review, these new models may include greater use of clinical networks across nearby sites, joint ventures between NHS organisations, or the delivery of specialist single services across a number of different providers. Like the other Vanguards, they will benefit from a programme of support as well as investment from the Transformation Fund.

In addition, we are inviting areas covering five million people to become Urgent and Emergency Care Vanguards. Sir Bruce Keogh's *Urgent and Emergency Care Review* showed a strong consensus that this system should be redesigned. We must ensure people with more serious or life-threatening emergency needs are treated in hospitals with the very best expertise and facilities. Those with urgent but non-life threatening needs could be much more effectively treated outside of hospital but, in the past, out-of-hours services have been difficult to access or understand and the potential of the ambulance service has been under-utilised. The new Vanguards will help us design this differentiated approach in a way that can be replicated elsewhere, with a particular focus on developing convenient and technologically-enabled out of hospital services for people with urgent but non-life threatening needs. Similar to other Vanguards, we will partner with areas that are enthusiastic about implementing the Keogh review, moving further and faster with intensive national support, problem solving and transformation funding.

Workforce issues will be central to all Vanguards, as organisations do not deliver care to patients: people do. Through its local LETBs, HEE will work with the Vanguard areas to support the development of the new workforce required to deliver the New Care Models. The Workforce Advisory Board will shortly launch a drive for Exemplars – organisations who have already successfully implemented such changes and develop bespoke training and development packages to support staff in leading and delivering change.

Narrowing the gap between the best and the struggling

We know from the CQC's inspections and other national and international reports that there is still too much variation in the NHS. 65% of services across health and social care deliver good or outstanding care, but that means that about 1 in 3 services still require improvement, and they require this improvement now. Under the leadership of the National Quality Board, we will further align our understanding of quality in the NHS, how we measure it, and set common priorities for quality improvement. Ultimately, we want all parts of the NHS to provide high quality services through the New Care Models in the future. Focusing on individual providers alone will not achieve this, however. There are a number of local health and care systems where, unlike the Vanguard areas, the conditions for transformation do not yet exist. In these most challenged areas, we will introduce a new regime of support for whole health care economies to help create the conditions for success, the 'Success Regime'. This new approach will:

- Work across whole health and care economies as opposed to just individual organisations
- Be overseen jointly by NHS England, Monitor and the NHS Trust Development Authority at both a national and regional level, so that the efforts of the various statutory bodies and regulators are aligned
- Provide the necessary support and challenge to health and care economies by diagnosing the problems, identifying the changes required and implementing them
- Strengthen local leadership capacity and capability, with a particular focus on radical change and developing collaborative system leadership

- Actively consider how the New Care Models might form part of the solution for the selected health and care economies, rather than trying to patch up struggling services in old ways.

Following a period of national and regional assessment, work will now begin with the three health and care economies that will be the first to benefit from the Success Regime. These are:

- North Cumbria
- Essex
- Northern, Eastern and Western Devon.

More details on how the Success Regime will work, the first cohort of entrants and how the Success Regime Board will make decisions about future areas is available here. [3]

4b. Closing the health gap

We are living longer lives but we are not living healthier lives. The overwhelming majority of ill health and premature death in this country is due to diseases that could be prevented if people lived healthier lives. Many could also be detected earlier and better managed to prevent deterioration and hospitalisation.

The NHS cannot achieve this alone: bending the curve on ill health will require concerted action from individuals, local government and other public, private and third sector bodies alongside the health service. To drive this increased emphasis on prevention, and to coordinate between bodies, we have established a national prevention board, chaired by Public Health England and reporting directly to the NHS *Five Year Forward View* Board, composed of the CEOs of the seven national leadership bodies.

The early focus of this Board is diabetes prevention. Diabetes is a growing problem: since 1996, the number of people living with diabetes has more than doubled. If we do nothing, there could be more than four million people in England with diabetes in the

[3] https://www.gov.uk/government/publications/five-year-forward-view-the-success-regime-a-whole-systems-intervention

next 10 years. Treating the condition and its complications including blindness, amputations, stroke and heart attacks already accounts for around 10% of the NHS budget.

The Diabetes Prevention Programme aims to halt this rise, delivering at scale lifestyle interventions that have been shown to help individuals at high risk of developing Type 2 diabetes. Announced earlier this year, seven local demonstrator sites have been developing the early stages of the programme, in line with international evidence. Over the next few years, we will be rolling the programme out across England with the ambition of enrolling 100,000 people who are at risk.

The Diabetes Prevention Programme is the first step in upgrading our prevention efforts. Improving the health of the 1.3 million people who work for the NHS is another early priority. We will also continue to underline the importance of bringing obesity up the national agenda, with the development of a new cross-Government drive that will be developed over the coming months.

4c. Closing the funding and efficiency gap

The Forward View set the ambition for the NHS to achieve an extra 2 - 3% average annual net efficiency gain over the next period. This does not represent a cut in funds, but the headroom we need to find within our own growing budget to meet the forecast rise in demand. In order to achieve this there are three main areas where the NHS needs to take action:

- *Preventing and managing demand* – reducing, wherever possible, the need for health care in the first place by supporting people to keep healthy
- *Maximising the value of our £115bn spend* – driving up productivity and reducing inefficiencies so that more of our budget is spent on patients who need our care
- *Redesigning services* – investing in new ways of providing joined up care in a more clinical and cost-effective way for patients and their carers.

Some of the required actions are a matter for individual organisations to lead: Trusts are best placed to reduce staff sickness levels, for example. Other actions – such as levering our national clout to get the best pricing deals – are best taken at a national level whilst some issues – such as the redesign of services or preventing ill-health – are best achieved through collective action: not just by partnering with other sectors, but by harnessing the energy of local communities and voluntary groups.

So instead of simply drawing up a national blue print for how we plan to make £22bn efficiency gains in Whitehall, we will develop key elements of the programme just as we developed the vision: together with the service, our partners and the patients we serve. Below we set out some of the initial actions we will take at a national level to start making the efficiency gains, but we will embark upon a major programme of engagement to help identify the further opportunities that lie within organisations or as part of wider collective action.

Preventing and managing demand

Demand for health services is growing. Demand will continue to grow, driven by population growth, an increase in chronic conditions, technological change and an ageing society. In the *Five Year Forward View* we argued that we should not sit back and let forecasts become reality, but take active steps to moderate predicted hospital activity, whilst recognising that some demand will be dependent upon the ability of social care services to respond to needs in their sector. The most important way of doing this is to radically upgrade our prevention efforts, particularly in those areas that have an impact in the short – medium term. This is why we've already committed to a nationwide diabetes prevention programme: international evidence suggests that people completing these programmes achieve 5% weight-loss and within three years reduced downstream spending will outweigh initial costs.

Continued support to help people stop smoking brings immediate benefits in addition to long-term decreases in the risk of cardiovascular disease and cancer. Similarly, reduction in alcohol misuse immediately reduces the risk of ending up in A&E, and reductions in the prevalence of hypertension and high cholesterol can help avoid

hospitalisations. Even action on obesity can have short-term and well as long-term benefits: weight loss of 5-10% quickly lowers blood pressure and cholesterol, underlining the importance of bringing obesity up the national agenda, with the development of a new cross-government drive on obesity.

Supporting people to manage their own health and healthcare can both improve outcomes and reduce costs—something that 70-80% of the approximately 15 million people with long-term conditions could do with appropriate support. The Expert Patient Programme, for example, suggests that at a typical investment of £400 per patient could save about £4,000 per year.

We know that a small number of patients consume a very large proportion of total resources. Increasingly, we are able to identify these patients before their health deteriorates using a mix of predictive software and professional judgment. Through the Vanguard programme, we will develop effective tools for identifying and managing people at risk to all CCGs and providers—including care homes. The Vanguards will also implement new types of capitated contracts that will strengthen incentives to identify people at risk of falling seriously ill, to intervene early and to manage their care in the most cost-effective way. In mental health, we are investing substantially in improving early intervention for psychosis, as well as the introduction of the first ever mental health access standards.

Maximising the value of our £115bn spend

We will also take further steps to ensure that the money we spend returns the highest possible health dividend. Alongside investing more in prevention and early intervention, it also means examining our current patterns of expenditure for unwarranted variation.

For commissioners, tools such as RightCare's *NHS Atlas of Variation* and Commissioning for Value analyses illustrate how areas can achieve very different outcomes despite similar levels of expenditure, and vice versa. NICE's Quality Standards, dovetailing with CQC's inspection framework, pinpoint the practice that needs to be standardised to deal

with this variation. By benchmarking costs and outcomes across comparable areas, these tools help areas understand how they could change spending patterns to achieve better overall value and where to target their improvement programmes. For example, the RightCare approach helped Warrington CCG to identify higher non-elective admissions compared to its peers, which in turn led to implementing decision aids and other clinical improvements that have held down admissions and saved £15m per year. NHS England working in partnership with PHE will roll out the RightCare to all CCGs. In terms of provider efficiency, there is still a significant variation between the best and worst performers on a whole raft of areas including length of stay, day case rates and new-to-follow up ratios and so forth. Costs for the same goods can vary by as much as 35% between hospitals. In addition, estate efficiencies across the acute and mental health sectors could yield a gain of perhaps £1bn pa, with perhaps a further £1bn one-off gain from the sale of surplus estate; some estimates, even suggest figures up to £7.5bn. Although this would be a one-off, there may be opportunities to repurpose some of this estate in other ways.

To support the sector meeting this challenge, we will set clear expectations and incentives for the system to improve, ensuring consistency of approach and alignment between the different national bodies. This will be underpinned by making improvements to how we set incentives as part of the payment system, including setting a stretching and credible efficiency factor consistent with the size of the opportunity.

Following the introduction of CQC's new inspection and ratings approach, we now have greater transparency about the quality of care in our services than ever before, and the work of the National Information Board will support patients to make better choices by providing transparency on the quality of care. To understand if we are spending our money well we will need similar transparency about efficiency. We will work together to develop a common, comparable measure of the good use of resources in the NHS, and to ensure insights about service quality and use of resources sit alongside each other. Good performance and management information will be critical to driving improvements. We will support providers by making transparent and high quality productivity information available, building on the benchmarking work that is

developing through Lord Carter's review, so that they can lead the conversations about areas for improvement and greater efficiency.

We will develop a programme of support for the provider sector to help build management capability and align investments in leadership and management more closely with the productivity agenda, following the Smith Review. Further investment will be made in developing and disseminating good practice which can be shown to support productivity improvement, and we will harness the benefits of the information revolution to deliver further change.

Over the last four years, we have reduced central administration costs by a third in order to maximise funding for frontline services, including £700m of reductions to Department of Health and NHS England central programmes. Nationally, we will continue to hold central administrative costs and budgets down to ensure that frontline services take priority.

Redesigning more productive services

Monitor estimates that between 2-4 million A&E attendances could be dealt with outside hospital and up to 20% of admissions could be treated by ambulatory emergency services and sent home on the same day. Between 20-30 million elective attendances currently led by hospital consultants could also be shifted to out-of-hospital settings**.** Opportunities like these illustrate how we can rewire healthcare to increase its productivity.

This is already happening in some of our Vanguards. For example, Multispecialty Community Providers will incorporate some acute specialists such as consultant geriatricians, psychiatrists and paediatricians to provide integrated specialist services in out-of-hospital settings. We will be working with our first 29 sites to redesign these more efficient models and to do so in a way that can be replicated elsewhere.

Although delivering care that is more coordinated and delivers better outcomes or patients is the primary focus of our new models of care programme, it is also important that they are more productive – that they can do more with the same or less. The recently launched acute collaboration Vanguards will design ways of sharing clinical and/or back office services between hospitals in networks or chains, sweating assets more and making a fixed amount of resources go further—giving some district general hospitals a path to long term sustainability. Similarly, the new urgent and emergency care Vanguards announced yesterday will design ways of ensuring people's needs are met in the right place, making the most of the total resources available across a network of services primary, community and hospital services.

5. Delivering together

The publication of the *Five Year Forward View* was as an important moment for the NHS. If we are to achieve the profound changes in care that we know are needed, then we must work in partnership with patient groups, front line staff, social care and local government partners, as well as Government, business and representative bodies. In recognition of this, engagement is integral to our collective governance: the NHS *Five Year Forward View* Board meets quarterly with wider representatives of the system leadership, including NHS Confederation, NHS Providers, National Voices, Local Government Association, and Clinical Commissioners to discuss key issues, and each Programme Board has representation and advice from stakeholders relevant to the particular issue

We have now asked a range of stakeholders to come together and agree how best to implement the changes, drawing on their expertise and energy to help develop implementation plans over the next four months:

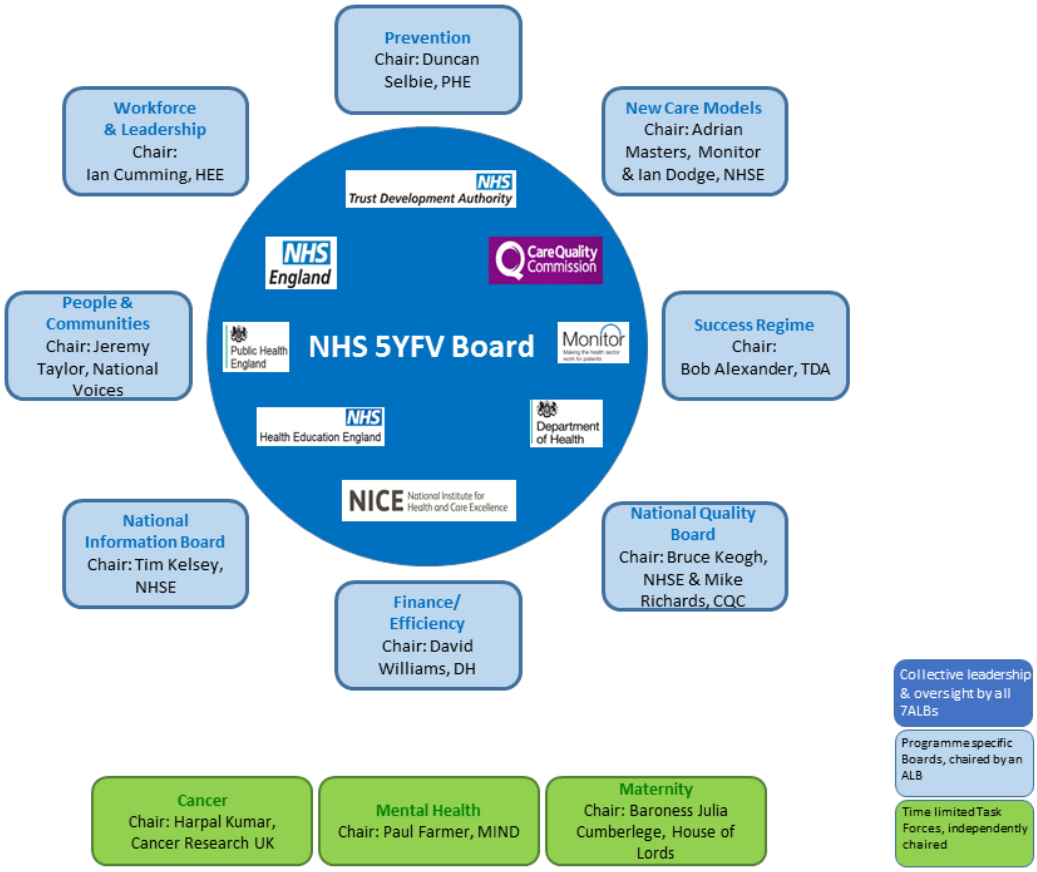
- *Closing the finance and efficiency gap*: The NHS Confederation and NHS Providers will work together with other partners to lead a series of round table discussions, bringing together local and national leaders from all professions and sectors, on behalf of the Finance Board.
- *Closing the care and quality gap*: The Stakeholder Forum of the National Quality Board will lead a series of engagement events through their existing networks on

how we can best close the quality gap, working with the stakeholder forum of the New Care Models Board.

- *Closing the health and wellbeing gap*: The Stakeholder Forum of the Prevention Board will work with the LGA and representatives of the People and Communities Board to lead a series of engagement exercises through their existing networks on how we can best close the health and wellbeing gap.

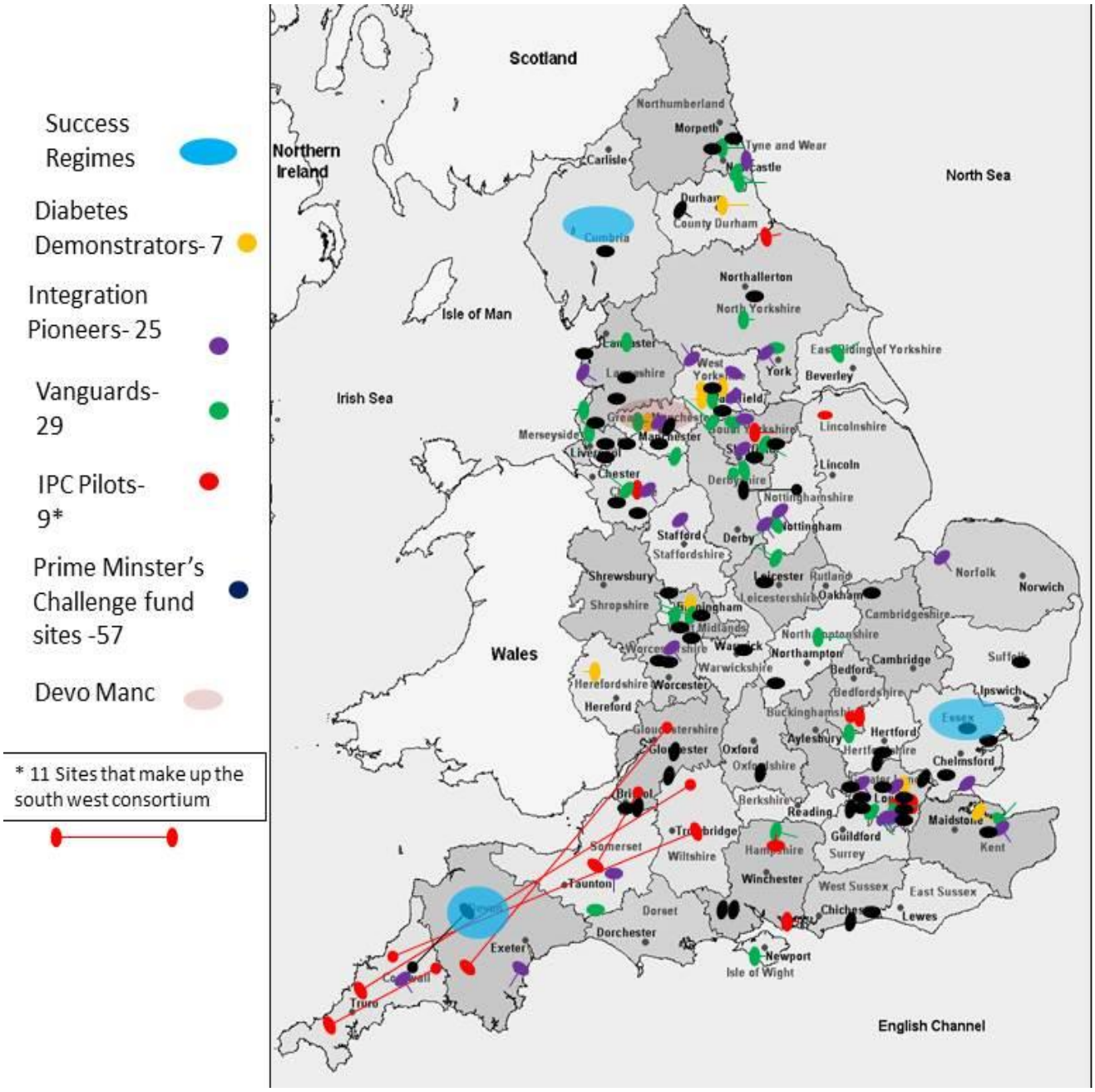
The results of this engagement process will inform our local and national planning processes in the autumn, but more importantly, it will provide the foundation for our success: we have a plan; we have the support, now we must deliver the *Five Year Forward View* together.

Annex A: Governance arrangements for driving forward the *Five Year Forward View*



The NHS *Five Year Forward View* Board consists of the CEOs of each of the seven Arm's Length Bodies. Non-statutory, it does not replace the individual accountabilities of each board, but provides the opportunity for collective oversight of the delivery of the 5YFV.

Annex B: Forward View progress to date: Pilot programme map




Care Quality Commission
NHS England
NHS Health Education England
NHS Trust Development Authority
Monitor
Making the health sector work for patients
Public Health England
NICE National Institute for Health and Care Excellence