

## **Summary of equity and excellence: Liberating the NHS**

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## Forward

It is our privilege to be custodians of the NHS, its values and principles. We believe that the NHS is an integral part of a Big Society, reflecting the social solidarity of shared access to collective healthcare, and a shared responsibility to use resources effectively to deliver better health.

The NHS is a great national institution. The principles it was founded on are as important now as they were then: free at the point of use and available to everyone based on need, not ability to pay. But we believe that it can be so much better – for both patients and professionals.

That's why we've set out a bold vision for the future of the NHS - rooted in the coalition's core beliefs of freedom, fairness and responsibility. Liberating the NHS will fundamentally change the role of the Department. Its NHS role will be much reduced and more strategic. It will focus on improving public health, tackling health inequalities and reforming adult social care.

- The Government upholds the values and principles of the NHS: of a comprehensive service, available to all, free at the point of use and based on clinical need, not the ability to pay.
- We will increase health spending in real terms in each year of this Parliament.
- Our goal is an NHS which achieves results that are amongst the best in the world.

Many of the commitments made in this White Paper require primary legislation and are subject to Parliamentary approval.

## Putting patients and public first

*We will put patients at the heart of the NHS, through an information revolution and greater choice and control.*

- Shared decision-making will become the norm: *no decision about me without me.*
- The Government's ambition is to achieve healthcare outcomes that are among the best in the world. This can only be realised by involving patients fully in their own care, with decisions made in partnership with clinicians, rather than by clinicians alone.
- Patients will have access to the information they want, to make choices about their care. They will have increased control over their own care records.
- Patients will have choice of any provider, choice of consultant-led team, choice of GP practice and choice of treatment. We will extend choice in maternity through new maternity networks.
- The new NHS Commissioning Board will champion patient and carer involvement, and the Secretary of State will hold it to account for progress.
- Information, combined with the right support, is the key to better care, better outcomes and reduced costs. The Government intends to bring about an NHS information revolution, to correct the imbalance in who knows what.
- Information generated by patients themselves will be critical to this process, and will include much wider use of effective tools like Patient-Reported Outcome Measures (PROMS), patient experience data, and real-time feedback.
- We will also encourage more widespread use of patient experience surveys and real-time feedback. As in many other services, this feedback from patients, carers and families, and staff will help to inform other people with similar conditions to make the right choice of hospital or clinical department and will encourage providers to be more responsive.
- The Government will enable patients to rate hospitals and clinical departments according to the quality of care they receive, and we will require hospitals to be open about mistakes and always tell patients if something has gone wrong.

- The system will focus on personalised care that reflects individuals' health and care needs, supports carers and encourages strong joint arrangements and local partnerships.
- We will seek to ensure that everyone, whatever their need or background, benefits from these arrangements.
- Information will improve accountability: in future, it will be far easier for the public to see where unacceptable services are being provided and to exert local pressure for them to be improved.

In future, there should be increasing amounts of robust information, comparable between similar providers, on:

- **Safety:** for example, about levels of healthcare-associated infections, adverse events and avoidable deaths, broken down by providers and clinical teams;
- **Effectiveness:** for example, mortality rates (this could include mortality from heart disease, and one year and five year cancer survival), emergency re-admission rates; and patient-reported outcome measures; and
- **Experience:** including information on average and maximum waiting times; opening hours and clinic times; cancelled operations; and diverse measures of patient experience, based on feedback from patients, families and carers.
- We will enable patients to have control of their health records. This will start with access to the records held by their GP and over time this will extend to health records held by all providers.
- Our aim is that people should be able to share their records with third parties, such as support groups for patients, who can help patients understand their records and manage their condition better.
- We intend to make aggregate data available in a standard format to allow intermediaries to analyse and present it to patients in an easily understandable way.
- Patients and carers will be able to access the information they want through a range of means, to ensure that no individual or section of the community is left out.
- We will ensure the right data is collected by the Health and Social Care Information Centre to enable people to exercise choice.
- Providers will be under clear contractual obligations, with sanctions, in relation to accuracy and timeliness of data. Along with commissioners, they will have

to use agreed technical and data standards to promote compatibility between different systems.

- The Department will publish an information strategy this autumn to seek views on how best to implement these changes.
- We expect choice of treatment and provider to become the reality for patients in the vast majority of NHS-funded services by no later than 2013/14. In future, the NHS Commissioning Board will have a key role in promoting and extending choice and control.
- We will strengthen the collective voice of patients and the public through arrangements led by local authorities, and at national level, through a powerful new consumer champion, HealthWatch England, located in the Care Quality Commission.

## Improving healthcare outcomes

*To achieve our ambition for world-class healthcare outcomes, the service must be focused on outcomes and the quality standards that deliver them. The Government's objectives are to reduce mortality and morbidity, increase safety, and improve patient experience and outcomes for all.*

- The NHS will be held to account against clinically credible and evidence-based outcome measures, not process targets. We will remove targets with no clinical justification. We will start by discarding what blocks progress in the NHS today: the overwhelming importance attached to certain top-down targets. These targets crowd out the bigger objectives of reducing mortality and morbidity, increasing safety and improving patient experience more broadly – including for the most vulnerable in our society.
- A culture of open information, active responsibility and challenge will ensure that patient safety is put above all else, and that failings such as those in Mid-Staffordshire cannot go undetected.
- The current performance regime will be replaced with separate frameworks for outcomes that set direction for the NHS, for public health and social care, which provide for clear and unambiguous accountability, and enable better joint working.
- A new NHS Outcomes Framework will provide direction for the NHS. It will be translated into a commissioning outcomes framework for GP consortia, to create powerful incentives for effective commissioning.
- The NHS Outcomes Framework will span the three domains of quality: the effectiveness of the treatment and care provided to patients – measured by both clinical outcomes and patient-reported outcomes; the safety of the treatment and care provided to patients; and the broader experience patients have of the treatment and care they receive.
- Quality standards, developed by NICE, will inform the commissioning of all NHS care and payment systems. Inspection will be against essential quality standards.
- With the increasing importance of coherent joint arrangements between health and social care, the standards will cover areas that span health and social care. We will expand the role of NICE to develop quality standards for social care. The Health Bill will put NICE on a firmer statutory footing, securing its independence and core functions and extending its remit to social care.

- A thriving life sciences industry is critical to the ability of the NHS to deliver world-class health outcomes. The Department will continue to promote the role of Biomedical Research Centres and Units, Academic Health Science Centres and Collaborations for Leadership in Applied Health Research and Care, to develop research and to unlock synergies between research, education and patient care.
- In future, the structure of payment systems will be the responsibility of the NHS Commissioning Board, and the economic regulator will be responsible for pricing. In the meantime the Department will start designing and implementing a more comprehensive, transparent and sustainable structure of payment for performance so that money follows the patient and reflects quality.
- The Department will also refine the basis of current tariffs. We will rapidly accelerate the development of best-practice tariffs, introducing an increasing number each year, so that providers are paid according to the costs of excellent care, rather than average price.
- We will pay drug companies according to the value of new medicines, to promote innovation, ensure better access for patients to effective drugs and improve value for money. As an interim measure, we are creating a new Cancer Drug Fund, which will operate from April 2011; this fund will support patients to get the drugs their doctors recommend.
- Money will follow the patient through transparent, comprehensive and stable payment systems across the NHS to promote high quality care, drive efficiency, and support patient choice.
- Providers will be paid according to their performance. Payment should reflect outcomes, not just activity, and provide an incentive for better quality.



## **Autonomy, accountability and democratic legitimacy**

*The Government's reforms will empower professionals and providers, giving them more autonomy and, in return, making them more accountable for the results they achieve, accountable to patients through choice and accountable to the public at local level.*

- The forthcoming Health Bill will give the NHS greater freedoms and help prevent political micromanagement.
- The Government will devolve power and responsibility for commissioning services to the healthcare professionals closest to patients: GPs and their practice teams working in consortia.
- Commissioning by GP consortia will mean that the redesign of patient pathways and local services is always clinically-led and based on more effective dialogue and partnership with hospital specialists. It will bring together responsibility for clinical decisions and for the financial consequences of these decisions.
- We envisage putting GP commissioning on a statutory basis, with powers and duties set out in primary and secondary legislation.
- A number of PCTs have made important progress in developing commissioning experience which we will be looking to capitalise on during the transition period. Through the transitional arrangements, we will seek to ensure that existing expertise and capability in primary care trusts (PCTs) is maintained during the transition period where this is the wish of GP consortia.
- The final shape of these proposals will depend upon our consultation findings and developing clear arrangements for managing financial risk. Our indicative timetable is for: a comprehensive system of GP consortia in place in shadow form during 2011/12, taking on increased delegated responsibility from PCTs; following passage of the Health Bill, consortia to take on responsibility for commissioning in 2012/13; the NHS Commissioning Board to make allocations for 2013/14 directly to GP consortia in late 2012; and GP consortia to take full financial responsibility from April 2013.
- To strengthen democratic legitimacy at local level, local authorities will promote the joining up of local NHS services, social care and health improvement.
- We will establish an independent and accountable NHS Commissioning Board. The Board will lead on the achievement of health outcomes, allocate

and account for NHS resources, lead on quality improvement and promoting patient involvement and choice. The Board will have an explicit duty to promote equality and tackle inequalities in access to healthcare. We will limit the powers of Ministers over day-to-day NHS decisions.

- Autonomy in commissioning will be matched by autonomy for providers. We aim to create the largest social enterprise sector in the world by increasing the freedoms of foundation trusts and giving NHS staff the opportunity to have a greater say in the future of their organisations, including as employee-led social enterprises. All NHS trusts will become or be part of a foundation trust.
- Within three years, we will support all NHS trusts to become foundation trusts. It will not be an option for organisations to decide to remain as an NHS trust rather than become or be part of a foundation trust and in due course, we will repeal the NHS trust legislative model.
- Providers will no longer be part of a system of top-down management, subject to political interference. Instead, they will be governed by a stable, transparent and rules-based system of regulation.
- As now, the Care Quality Commission will act as quality inspectorate across health and social care for both publicly and privately funded care.
- Monitor will become an economic regulator, to promote effective and efficient providers of health and care, to promote competition, regulate prices and safeguard the continuity of services.
- We will strengthen the role of the Care Quality Commission as an effective quality inspectorate across both health and social care.
- We will ring-fence the public health budget, allocated to reflect relative population health outcomes, with a new health premium to promote action to reduce health inequalities.
- The Government will shortly issue a document setting out our proposals on foundation trusts and economic regulation in more detail, for consultation, prior to bringing forward provisions in the forthcoming Health Bill.
- Staff who are empowered, engaged and well supported provide better patient care. We will therefore promote staff engagement, partnership working and the implementation of Dr Steve Boorman's recommendations to improve staff health and wellbeing.
- In future, the Department will have a progressively reducing role in overseeing education and training. The system will be designed to ensure that education

and training commissioning is aligned locally and nationally with the commissioning of patient care.

- Pay decisions should be led by healthcare employers rather than imposed by the Government. In future, all individual employers will have the right, as foundation trusts have now, to determine pay for their own staff. However, it is likely that many providers will want to continue to use national contracts as a basis for their local terms and conditions.
- The Government has announced that Lord John Hutton will chair an independent review of public pensions, including those in the NHS. This wide ranging review will look not only at the affordability and sustainability of public service pensions but will also consider issues such as access, the impact on labour market mobility between the public and private sectors, and the extent to which pensions may act as a barrier to greater plurality of provision of public services.

## **Cutting bureaucracy and improving efficiency**

*The NHS will need to achieve unprecedented efficiency gains, with savings reinvested in front-line services, to meet the current financial challenge and the future costs of demographic and technological change.*

- The NHS will release up to £20 billion of efficiency savings by 2014, which will be reinvested to support improvements in quality and outcomes.
- Our first task is to increase the proportion of resource available for front-line services, by cutting the costs of health bureaucracy. Over the past decade, layers of national and regional organisations have accumulated, resulting in excessive bureaucracy, inefficiency and duplication. The Government will therefore reduce NHS management costs by more than 45% over the next four years, freeing up further resources for front-line care.
- The Government will cut the bureaucracy involved in medical research. We have asked the Academy of Medical Sciences to conduct an independent review of the regulation and governance of medical research. In the light of this review we will consider the legislation affecting medical research, and the bureaucracy that flows from it, and bring forward plans for radical simplification.
- the Department of Health will apply cuts to its budgets for centrally managed programmes, such as consultancy services and advertising spend. NHS services will increasingly be empowered to be the customers of a more plural system of IT and other suppliers.
- We will radically delayer and simplify the number of NHS bodies, and radically reduce the Department of Health's own NHS functions. We will abolish quangos that do not need to exist and streamline the functions of those that do.
- The reforms in this White Paper will provide the NHS with greater incentives to increase efficiency and quality.
- Taken together, these changes will bring about a revolution in NHS efficiency. In the long term, they will help put the NHS on a more sustainable and resilient financial footing. The Department recognises that full implementation will take time; in particular the migration away from current risk pooling arrangements across SHA.
- As well as providing incentives for greater efficiency, the new arrangements will provide for enhanced financial control.

- We will implement the reforms in this White Paper as rapidly as is possible. But the NHS cannot wait for them all to be in place to begin to deliver improvements in quality and productivity. Patients are rightly demanding the former, and the national economic position requires the latter.
- The existing Quality, Innovation, Productivity and Prevention (QIPP) initiative will continue with even greater urgency, but with a stronger focus on general practice leadership. The QIPP initiative is identifying how efficiencies can be driven and services redesigned to achieve the twin aims of improved quality and efficiency.
- The Department will require SHAs and PCTs to have an increased focus on maintaining financial control during the transition period, and they will also be supported in this task by Monitor. The Department will not hesitate to increase financial control arrangements during the transition, wherever that is necessary to maintain financial balance; in such instances, central control will be a necessary precursor to subsequent devolution to GP consortia.

## **Conclusion: making it happen**

*We will maintain constancy of purpose. This White Paper is the long-term plan for the NHS in this Parliamentary term and beyond. We will give the NHS a coherent, stable, enduring framework for quality and service improvement. The debate on health should no longer be about structures and processes, but about priorities and progress in health improvement for all.*

*This is a challenging and far-reaching set of reforms, which will drive cultural changes in the NHS. We are setting out plans for managing change, including the transitional roles of strategic health authorities and primary care trusts. Implementation will happen bottom-up.*

- The implementation of all these reforms, and the detailed approach we take, will be subject to broad consultation – with local government, patients and the public, as well as external organisations. The Government will formally consult wherever it is appropriate to do so, for example on strengthening the NHS Constitution, and on draft regulations.
- The Government will shortly publish more detailed documents seeking views on commissioning for patients (the implementation of the NHS Commissioning Board and GP consortia); local democratic legitimacy in health; freeing providers and economic regulation; and the NHS outcomes framework. The report of the arm's length bodies review will also be published shortly. Later this year, the Government will also publish for consultation a NHS information strategy, and a document on the move to a provider-led education and training system.
- Many of the changes in this White Paper require primary legislation. The Queen's Speech included a major Health Bill in the legislative programme for this first Parliamentary session. The Government will introduce this in the autumn.
- We are clear about the coherent strategy, and we will engage people in understanding this and its implications. We are consulting on how best to implement these changes. In particular, the Department would welcome comments on the implementation of the proposals requiring primary legislation, and will publish a response to the views raised on the White Paper and the associated papers, prior to the introduction of the Bill. Comments should be sent by 5th October 2010, to:  
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