The Structure and Function of the NHS

Introduction to Leadership and Management:
A Course for new GPs

Andrew Hughes

‘Equipping clinicians with the knowledge and skills to contribute effectively to management and leadership roles as a component of holistic health system delivery’.
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Objectives for the session

Increase participants’ understanding of:

- The structure of the NHS
- The function of the NHS
- The Political and policy context
The Role of the Good Medical Manager

- Understanding the strategic context
- Delivering efficacious and efficient care
- Understanding financial performance and making resource allocation decisions
- Contributing to the definition and delivery of service improvement techniques
- Raising the profile of the service and organisation
-Demanding the very best information
- Thinking commercially
Some facts and figures
(DoH Departmental Report, May 2008)
(NHS Chief Executive’s Report, May 2008)

- 60 years old
- 300 organisations
- 5,200 GP practices
- 1.3m staff
- 183,826 beds
- £96.4bn turnover (rising to £109.8bn in 2010-11)
- 1.5m patient contacts every day
  - 900,000 GP patient consultations
  - 16,000 calls to NHS Direct
  - 50,000 ED attendances
Only 12% of those who are ill access the healthcare system, and 93% of those never see a hospital.
‘The NHS is safe in our hands’

Margaret Thatcher

‘One day to save the NHS’

Tony Blair

‘When politics and markets collide’

Professor Chris Ham
# The major NHS structures

**Strategic Leadership**
- Department of Health
- NHS Executive
- Strategic Health Authorities
- NHS Institute
- National Treatment Agency
- PASA, MDA, MCA

**Regulation**
- Care Quality Commission
- (Healthcare Commission)
- (Mental Health Act Commission)
- Audit Commission
- Monitor

**Evidence Base**
- National Institute for Health and Clinical Excellence (NICE)

**Commissioners**
- National Commissioning Group
- Specialised Commissioning Teams
- Host Commissioners
- Primary Care Trusts
- PBC

**Providers**
- NHS Trusts
- PCT Provider Arms

**Self-governing bodies**
- Foundation Trusts

**Partners**
- Academia
- Local Authorities
- Public, private and third sectors
The NHS Constitution  
(extends the core values and principles from 1948)

1. Comprehensive service, available to all
2. Access based on clinical need, not an individual’s ability to pay
3. Highest standards of excellence and professionalism
4. Services that reflect the needs and preferences of users
5. Works across organisational boundaries
6. Provides best value for money
7. Accountable to those whom it serves and by whom it is funded

21st January 2009
Excellence and Fairness
Achieving world-class public services

Citizens are empowered to shape the services they receive

Public service professionals act as the catalysts of change

Government provides strategic leadership
The direction of NHS policy

The NHS Plan (1997)
- End of the internal market
- National targets to improve access

Shifting the Balance of Power (2001)
- Devolved responsibility for budgets and services to hit targets

Delivering the NHS Plan (2002)
- Expanded patient choice and plurality
- Reintroduction of competition and market forces

Health Reform in England (2005)
- A self-improving service, driven by patients rather than politicians, through choice and PbR

High Quality Care for All (2008)
- Clinical leadership and an emphasis on quality, encompassing patient outcomes and experiences, and clinical outcomes
The Policy shift: ‘then’ to ‘now’

- Political control to clinical leadership
- Mandatory targets to minimum standards
- Speed of care to quality of outcome
- Process measure to outcome measure
- Central directives to local flexibility
- Standardisation to personalisation
- Responding to ill-health to sponsoring health
- Public sector to plurality and contestability
- Not-for-profit to social enterprise
- Purchasing to commissioning
- PbR to CQUIN
‘Every system needs standards, regulation, boundaries and rules – but the main driving-force for improvements in healthcare quality and efficiency will come from commissioners...’

‘Making it Happen’
King’s Fund, 2008
Commissioning for Quality & Innovation (CQUIN)

- Supports the vision set out in *High Quality Care for All* of an NHS where quality is the organising principle
- Addresses the *World Class Commissioning* competencies of improvement, innovation and clinical engagement
- Makes a proportion of provider income (the tariff) conditional upon locally-set quality and innovation goals: safety, effectiveness, patient experience and innovation
- Will be reported in Quality Accounts (and in this Region by the Quality Observatory for the West Midlands)
- More of the same doesn’t count: providers must demonstrate something new or different or better

**BUT** no national definition of ‘quality’ and PCTs/GPs may find it difficult to enforce ‘penalties’
## Context for 2009/10 Operating Framework

### Past performance
The NHS has a strong track record of delivery over the past 18 months, meeting key targets for improving access and quality while turning a financial deficit into a healthy surplus.

### Future vision
The locally-led Next Stage Review process has established a clear vision for the future, based around putting quality at the heart of everything we do in the health service.

### Financial outlook
The recent Pre-Budget Report set out the need for the NHS to make substantial efficiency savings in 2010/11 and a much tighter position thereafter.

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So in 2009/10 we need to:

- **Maintain the momentum** and continue to deliver on key priorities
- Press ahead with implementation of the local NSR visions and **driving up quality**
- Invest for the long term and focus on improving **efficiency and value for money**
So what’s next?  
(Let’s look into the crystal ball)

- More change inevitable with General Election
- Creation of Community Foundation Trusts – separation of PCT commissioning and provider arms
- Market forces will squeeze traditional DGHs
  - Community FTs will deliver some secondary care roles
  - Specialist Trusts will become increasingly specialist
- The macro economic context will affect the NHS
  - Mergers and acquisitions of NHS Trusts and FTs by FTs
  - Some FTs will face insolvency
  - Plurality and contestability will be extended
- We’ll continue to be able to do more and the public will continue to expect and need us to do more
- The NHS will continue to be the envy of the world
'Britain, you chose well. As troubled as you may believe the NHS to be, as uncertain its future, as controversial its plans, as negative its press, as contentious its politics, please behold the mess that a less ambitious nation could have chosen.'

Donald Berwick
President, Institute for Healthcare Improvement, USA
July 2008
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