DAVID NICHOLSON MEETING			
Date	Tuesday 11 September		
Start time	3:00pm	**Finish time**	3:30pm
Location	RH 418, Earl Howe's Office		
Title	**Catch Up meeting with PS(Q)**		
Cast list	You & Earl Howe		

Notes for the Meeting

David,

The agenda for this meeting has obviously moved somewhat following last weeks reshuffle but PS(Q) has asked to discuss the following topics:

1. General catch up following the summer recess
2. PS(Q)'s new policy areas following the reshuffle (this discussion is likely to include NHS Finance, Performance and QIPP)
3. Innovation Health and Wealth (possibly including Innovation Expo 2013)

I have therefore included a couple of attachments below that give you the information you may need to during the meeting:

Annex A (pg 2) – Latest version of ministerial portfolios
Annex B (pg 3) – NHS performance headlines (reminder following NHS delivery meeting with SoS)
Annex C (pg 10) – Briefing on IHW and Innovation Expo 2013

The Ministerial portfolio was cleared and circulated by SoS this afternoon, and this meeting obviously gives you an opportunity to gain further understanding and detail about its breakdown and how ministers will want to work with the CB in the future.

The new portfolio gives PS(Q) oversight of a lot of the NHS policy, including oversight for reform (which I understand there had been some debate about), Primary Care, Urgent Care, NHS performance and Winter planning. This obviously raises the question of how questions and debates regarding the NHS will take place in the commons, and as such Ministers will report to the commons (on behalf of PS(Q)) as necessary. We are not yet clear on how this would work in practice and you may therefore want to raise the question with PS(Q).

JW - 10 September

Annex A – latest ministerial portfolio split

SECRETARY OF STATE – The Rt Hon Jeremy Hunt MP.			
Overall financial control Oversight of NHS delivery & performance, and implementation of reform Relationship with NHS Commissioning Board and Monitor Delivery areas – older people, mortality, nursing, Long-term conditions Other issues as required			
Norman Lamb MP – MS(CS) **Minister of State for Care and Support**	**Anna Soubry MP – PS(PH)** **Parliamentary Under Secretary of State for Public Health**	**Earl Howe – PS(Q)** **Parliamentary Under Secretary of State for Quality**	**Dr Daniel Poulter MP – PS(H)** **Parliamentary Under Secretary of State for Health**
Older people, including dementia Long-term conditions Local Government, Health & wellbeing boards Adult social care: - funding reform - legislation - finance - workforce - regulation Quality regulation, including relationship with CQC Healthwatch NHS Constitution Integration Personal health budgets, personalisation Reablement, Continuing Care End of Life Care Safeguarding Mental Health, including Child & Adolescent Mental Health Services Physical and Learning Disabilities, Autism Third Sector / Big Society / Volunteers Carers Prison Health Services PS(Q)'s Commons Business on Medicines, Pharmacy & Industry	Preventing avoidable mortality, saving lives (cancer, heart & circulatory diseases, diabetes, obesity) Relationship with Public Health England, public health system & finance Health protection, including emergency preparedness Vaccination, including influenza NHS Healthcheck Health Improvement, including tobacco, alcohol, diet, obesity, physical activity, drugs, addiction to medicines Responsibility deal Food Standards Agency Blood & Transplants, NHS Blood & Transplant Ethics Fertility & Embryology, Human Fertilisation & Embryology Authority Sexual Health Genetics & Biotechnology, Human Tissue Authority Complementary & Alt. Medicine Fluoridation Homelessness International, Devolved Adminstrations & EU Foreign nationals Legislation Reducing red tape PS(Q)'s Commons Business NHS South and London	Reform, including: - NHS Commissioning Board - Clinical Commissioning Groups - Any Qualified Provider & choice Primary Care, including dentistry Urgent Care NHS performance Winter planning Economic regulation and provider policy FT pipeline and relationship with National Trust Development Authority Medicines, Pharmacy & Industry, including Regulation (MHRA) NICE Research & Development, Health Research Authority Innovation Academic Health Sciences Centres Departmental management Transition Finance overall, including: - DH DEL & Spending Review - NHS financial performance - Allocations - Central Budgets and Vote 2 (DH) - Income generation	Nursing Patient experience Maternity Services Nursing & Midwifery Health Visiting School nursing Children's Health and public health Allied Health Professions: physiotherapy, occupational health & others NHS workforce, including pay & pensions Professional Regulation Medical Education & Training, relationship with Health Education England NHS Estates & facilities NHS IT & information strategy Relationship with NHS Information Centre Procurement, NHS Business Services Authority Counter-fraud & security Veterans' Health Patient safety, HCAIs, Mid Staffs NHS Litigation Authority PS(Q)'s Commons Business NHS Midlands and North

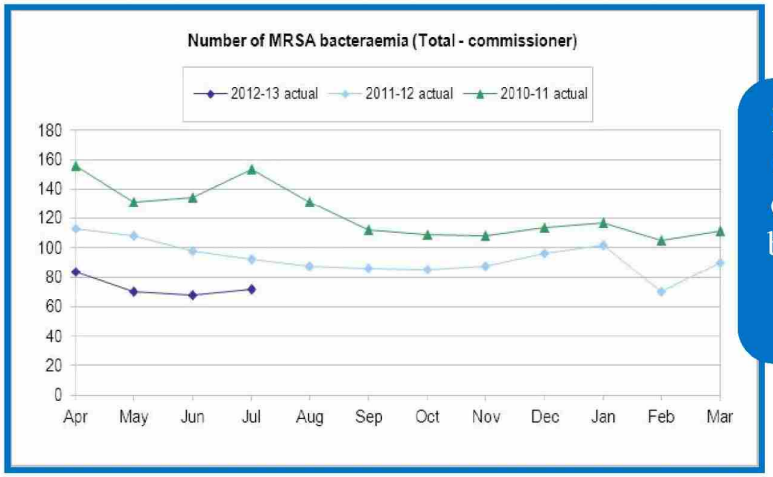
Annex B

NHS delivery: headline briefing

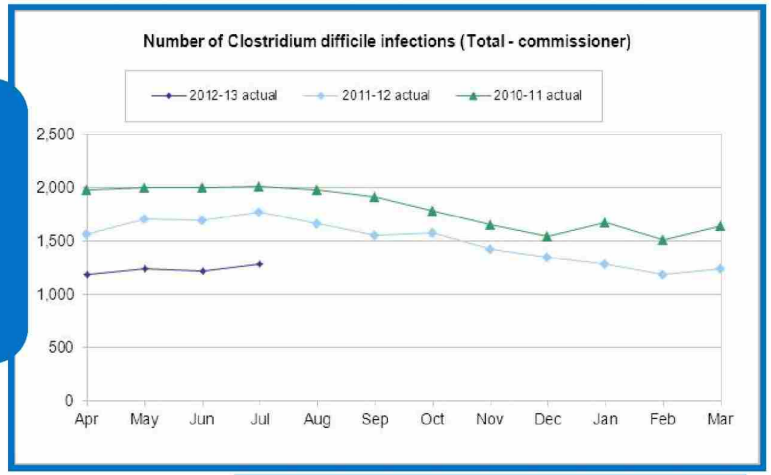
6 September 2012

Improving quality (1): safety and experience

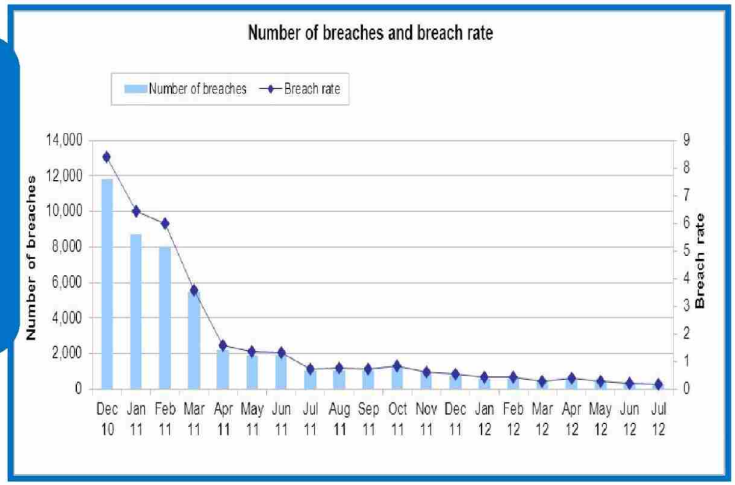
The NHS has responded successfully to high profile quality challenges in recent years, delivering sustained improvements in cleanliness, access and patient experience



Improving safety and experience by tackling infection rates



Improving dignity by rapidly reducing the number of mixed sex wards



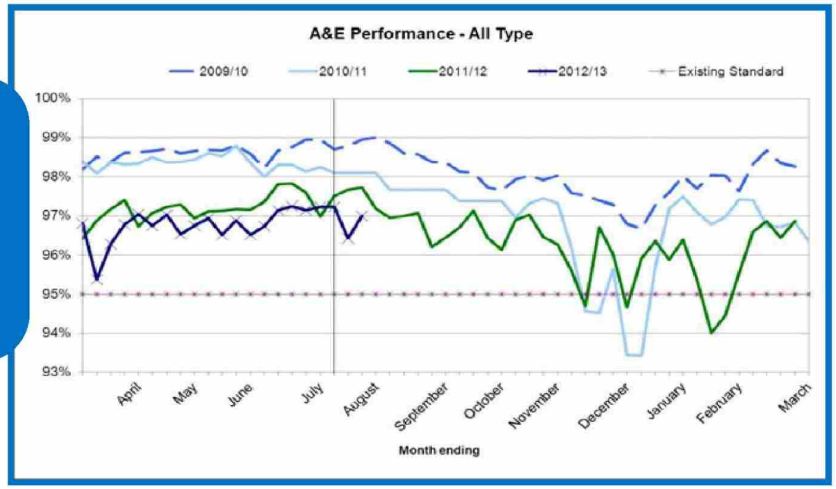
Improving clinical quality through rapid access to cancer care

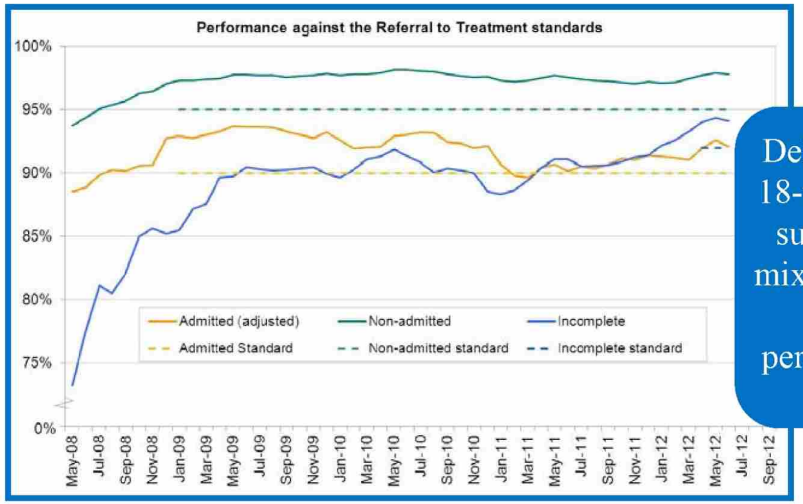
England	Operational Standard	Q1 2012/13 Performance
2 Week Waits		
All Cancer 2 week wait	93%	95.2%
Two week wait for breast symptoms (where cancer was not initially suspected)	93%	95.2%
First Waits		
All cancer 31 day wait for first treatment	96%	98.4%
All cancer two month urgent referral to treatment wait	85%	87.5%
62-day wait for first treatment following a consultants decision to upgrade their priority	No operational standard set	93.9%
62-day wait for first treatment following referral from an NHS Cancer Screening Service	90%	94.6%
Second or Subsequent Waits		
31 day wait for second or subsequent treatment (surgery)	94%	97.4%
31 day wait for second or subsequent treatment (anti-cancer drugs)	98%	99.6%
31 day wait for second or subsequent treatment (radiotherapy)	94%	97.5%

Improving quality (2): access to services

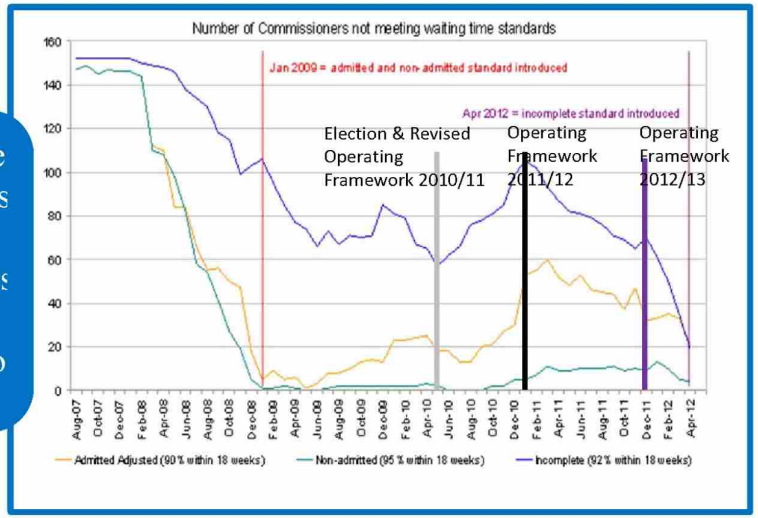
Access to services, a key barometer of public opinion, remains strong despite the financial challenges the service faces

The NHS is performing well on access to emergency care although pressure during winter is inevitable





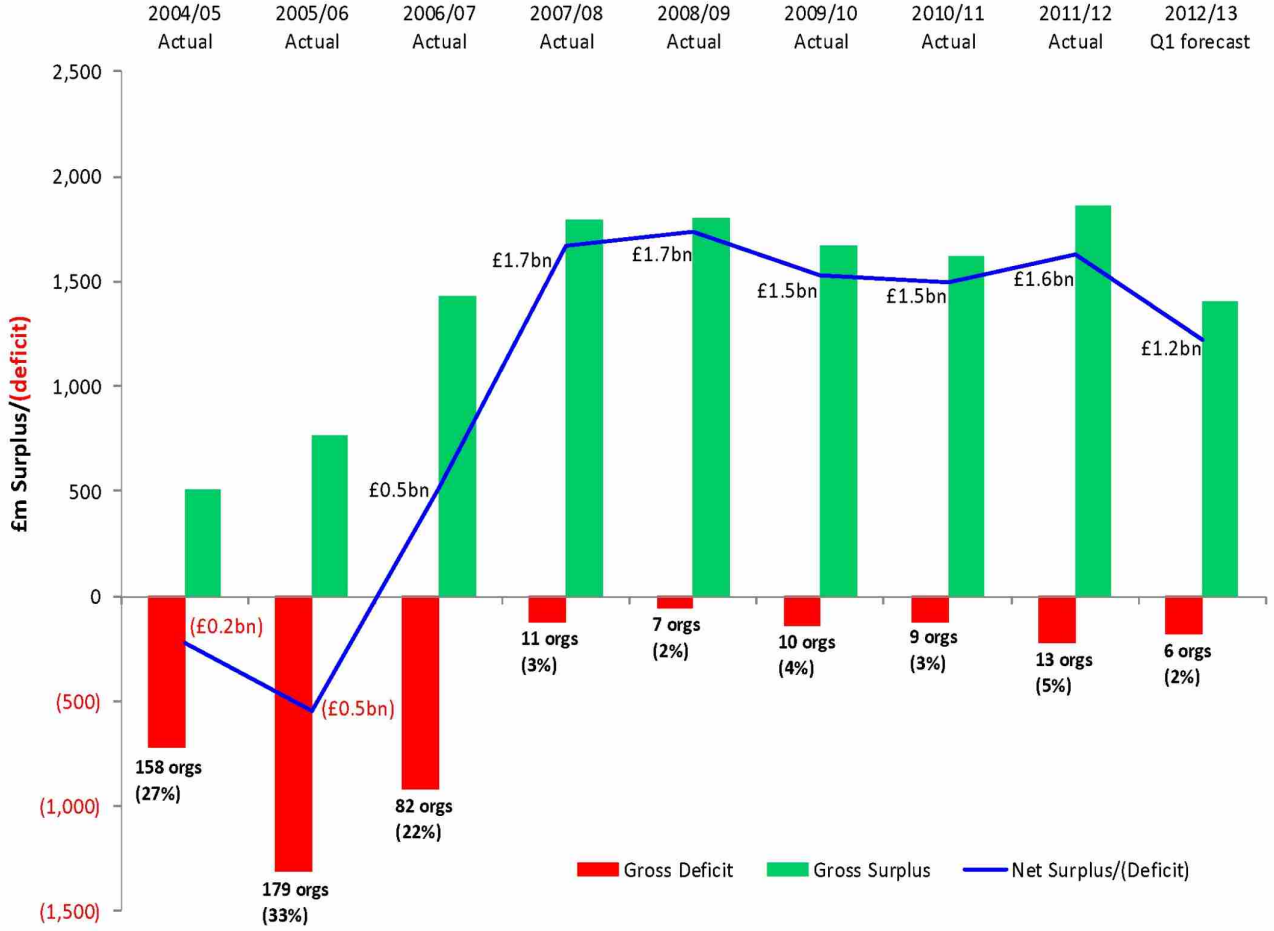
Delivery of the 18-week wait is sustained but mixed messages can lead performance to slip



Delivering sustainably (1): current financial position

The NHS has a strong aggregate financial position with a small number of organisations in deficit and the surplus from previous years being deployed in a planned way

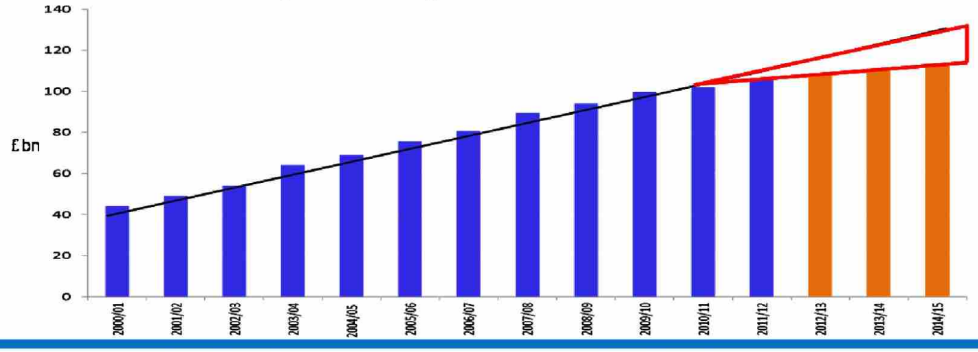
Following high-profile difficulties a few years ago, the NHS has built and maintained a strong financial platform, which has been sustained into a period of significant funding constraint



Delivering sustainably (2): the future challenge

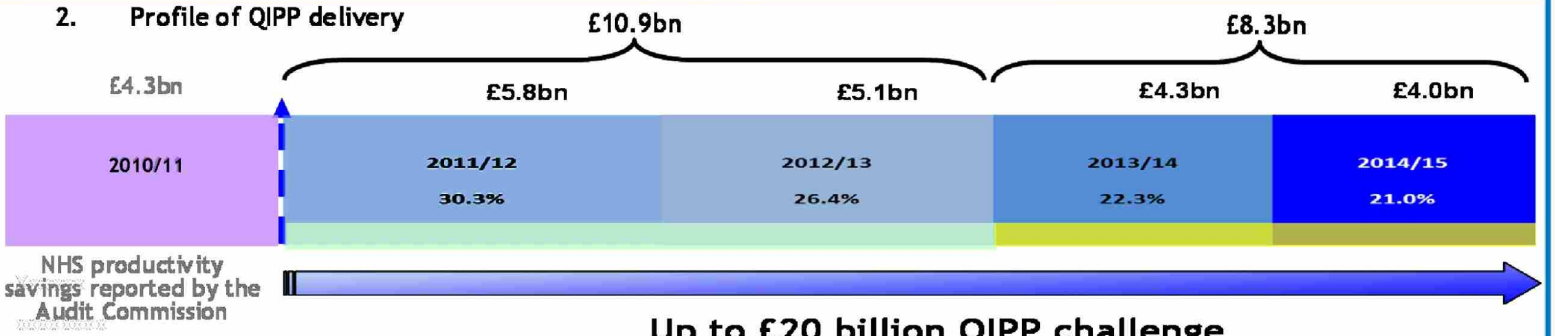
This strong platform will be critical to meeting the unprecedented financial challenges ahead and sustaining the early progress on the quality and productivity (QIPP) challenge which has been achieved

1. Where did the QIPP challenge come from?

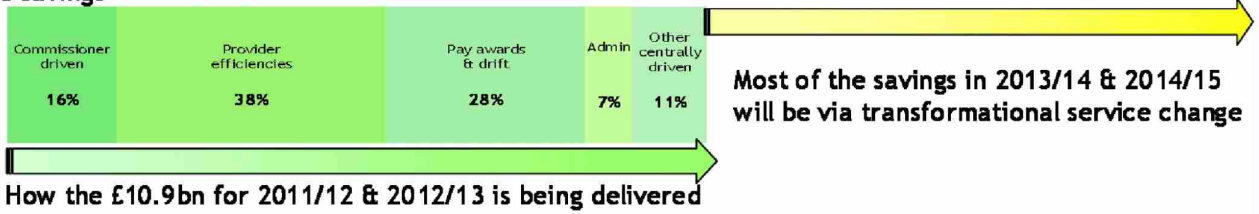


The NHS needs to achieve up to £20bn of savings by 2014/15 in order to sustain and improve quality and meeting rising demand in a period of limited growth funding – the biggest delivery challenge the service has faced in its history

2. Profile of QIPP delivery



3. Delivery of the savings

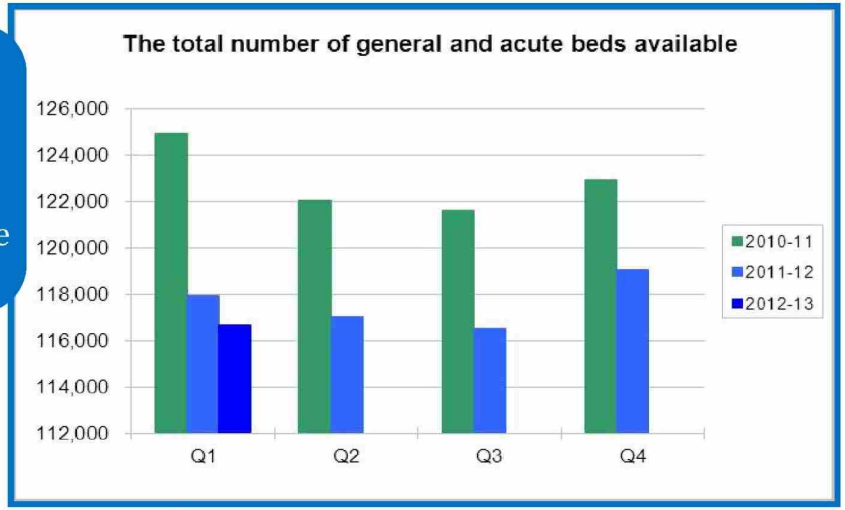


Early progress has been achieved but sustaining delivery will mean tough decisions on how services are organised

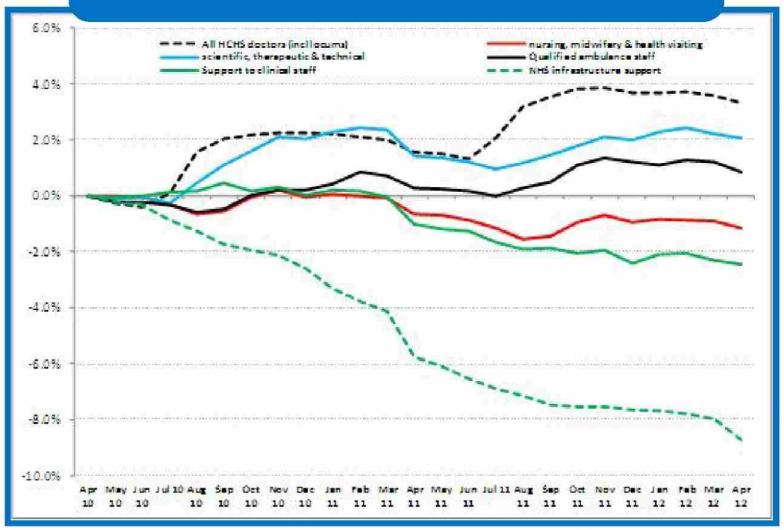
Delivering sustainably (3): how the service is changing

Delivering on QIPP will mean activity growth is contained, the size of the acute sector comes down in line with historic trends and the management workforce is significantly reduced

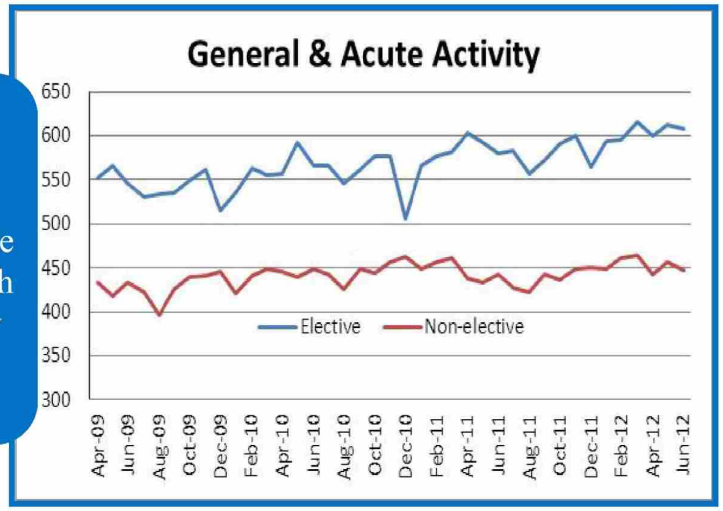
The number of beds available on average continues to reduce as they are used more efficiently. However, the NHS has some flexibility, for example, last winter there were up to 4,600 contingency beds available for times of high demand.



Workforce reductions have been most rapid to date amongst managerial and support staff



The NHS continues to treat more patients but the historic growth in emergency activity has been slowed



Key decisions and risks

The scale of the challenge ahead means that there are a number of key decisions and issues which will need to be addressed in order to sustain current strong performance

Key issues in the coming period include:

- A number of organisations reporting in-year deficits, as financial pressures bite (26 over £1m at Q1- plus 6 forecasting deficit)
- Challenge of sustaining delivery during the final period of transition as resources become more stretched
- Key decisions on service innovation, for example in Northwest London, Southeast London (where the failure regime is being used for the first time) and on paediatric cardiac surgery in light of the Safe and Sustainable review
- Report of the Francis Inquiry which will focus attention on the quality of services, particularly safety and experience

Annex C - Innovation September update & Innovation Expo 2013

IHW Progress

Stakeholders, particularly industry, continue to be very supportive and their view is that good progress is being made which was affirmed in the recent Life Science Champions report to the PM. However, this also called for more rapid uptake of the IHW High Impact Innovations and NICE approved medicines across the NHS. It also called for AHSNs to focus primarily on spread of innovation. Key points on progress below.

High Impact Innovations (HIIs)

- *3Million Lives* – we have agreed the first installation of 100,000 units with industry on a shared risk and revenue model.
- *Fluid Management Monitoring Technology* – an adoption pack was launched in February, followed by a framework agreement to support the rollout of the technology. Since publication of IHW, data from industry shows a clear jump in sales in the first half of this year compared to last year – up nearly 30%.
- *Digital by Default* – phase one work published on the IHW website, which identifies 10 simple uses of existing technology that if implemented throughout the NHS could lead to £3bn savings and improve access.
- *Child in a Chair in a Day* – we have put in place a 3-point plan to accelerate delivery: 1) fast-track wheelchair tariff development; 2) undertake a strategic procurement review on how we can improve the quality of wheelchairs and achieve better VFM; 3) publish a comprehensive 'Toolkit' for NHS Commissioners.
- *Dementia* – the Dementia strategy was launched by the PM in March, in June the NHS Challenge Prizes Awards Ceremony launched the £1m Breakthrough Challenge competition focusing on innovations in dementia and diabetes.

In August we launched the High Impact Innovations (HIIs) Implementation Support Website, offering practical support to the NHS, and have commissioned the NHS Institute to develop an implementation support programme based on the single model of change, to create traction amongst the rank and file in the NHS and support delivery of IHW, particularly the HIIs.

We are finalising the CQUIN pre-qualification criteria for the HIIs based on national criteria with a commissioner self-assurance model. We will publish guidance to the NHS in October.

Uptake of medicines

Our ambition for Comply or Explain was always that IHW would launch the vision and strategy for driving compliance with NICE TA decisions. The Comply or Explain regime has four elements:

1. Automatic inclusion on local formularies provides the top down instruction;
2. NICE Implementation Collaborative provides the implementation support (Anticoagulants, cited as an example in the Life Science Champions report, is one of the proposed early priorities);

3. Innovation Scorecard and publication of local formularies provides the public accountability;
4. CQUIN pre-qualification is the potential stick.

That's good, but as the Life Science Champions indicated we need to do more. For example, we could:

- link compliance with NICE TAs to CQUIN from April 2013 rather than April 2014 – we could also consider linking compliance in primary care to the QOF;
- make compliance with NICE guidance a contractual requirement for all providers of NHS services and require NHS CE's to include a statement of compliance in their annual reports and linked to this, introduce financial penalties for any organisations not complying;
- establish a confidential mechanism, such as a "whistle blowing telephone line" for clinicians to report cases where patients are being denied access to NICE recommendations;
- ask NICE to include population estimates at CCG level for primary and community care prescribed medicines and at Trust level for secondary care medicine in all new NICE TA recommendations from April 2013.

This will all create pressure in the system, and ensure there are no hiding places for non-compliant organisations.

Academic Health Science Networks (AHSNs)
There was a minor delay to ASHN Designation due to Purdah, but we have received expressions of interest and work on applications is underway to establish the first wave of AHSNs this financial year with all 15 AHSNs to be established by March 2014.

We have stressed the importance of spread and adoption, particularly with NICE guidance and High Impact Innovations, as part of the application process.

Cost pressures
PS(Q) has asked whether higher uptake as a result of IHW will increase costs and has this point has been raised by anyone in the NHS.

- We are not aware of anyone in the NHS raising this.
- Cost pressures from IHW will be met from re-deploying existing DH/NHS monies (eg the SSCIF) and by offsetting cost savings through the Sunset Review or cost savings from the High Impact Innovations. For example, Fluid Management Technologies alone could save the NHS £400m a year and Digital by Default identifies 10 actions that if implemented throughout the NHS could lead to £3bn savings and improve access.

The possible exceptions are:

- **Faster and/or more consistent uptake of drugs/technologies recommended through NICE Technology Appraisals.** Though the NHS Constitution, directly supported by the Funding Direction, requires the NHS to implement all NICE TAs, faster and/or less variable local uptake will bring

additional cost pressures to the NHS. Based on previous analysis, these are likely to be manageable.

- **Academic Health Science Systems.** Applications are not yet fully costed, but we want to identify £150m from the Sunset Review and associated pieces of work to fund the contracts between the NHSCB and the 15 prospective AHSNs.

NHS Procurement Review

The reaction from stakeholders has been positive – they like the fact that we are working in close consultation with the NHS and industry to identify real solutions to transforming procurement in the NHS.

The open call for evidence and ideas closed on 27th July 2012 and we received just under 200 submissions, which are currently being analysed. In addition, we have engaged over 500 people through a range of events. The feedback we have received has been very consistent:

- clear unequivocal leadership for procurement at all levels in the system and increasing accountability for procurement at Board level throughout the NHS so that it becomes a key mechanism for delivering improved patient outcomes and cost reductions;

- greater clinical involvement, accountability for cost reductions, supplier relationships and demand management to ensure a focus on long-term benefits and clinical outcomes rather than on short-term costs;

- reward and recognise best practice, encourage greater collaboration within and between NHS organisations and develop the procurement profession, processes and technology to support delivery of a high-performing procurement function.

To help inform and shape our thinking:

- we have commissioned research to look at international best practice;
- Sir Ian Carruthers will hold a number of 1:1 meetings and sector specific roundtable discussions with the NHS, industry, third sector organisations and procurement specialists;
- will hold an Accelerated Solutions Event to stress test proposals with key stakeholders.

We remain on track to publish the NHS Procurement Strategy in December 2012.

Healthcare Innovation Expo 2013

Expo 2013 will take place on 1 3th & 14th March 2013 at the E xCel Centre in London. The focus will be on:

- **Game changing Innovations** helping the NHS to improve quality of care and deliver value for money;
- **More culture, less kit** showing not only innovative technology and products, but also providing tools to adopt and spread innovation, and showing how information can empower patients to make decisions about their treatment and care;
- **Forging new, collaborative relationships** between the NHS, academia, industry and the third sector;
- **The commissioning and reform agendas** helping the NHS to understand and plan for the new landscape they will operate in.

We are making good progress on the key elements of Expo 2013:

- *Feature zones* – we are designing a number of feature zones on the main floor that will bring together content around particular themes: 3MillionLives; Dementia; international business (in partnership with UKTI); Radical & Disruptive Innovation; Information (Maps & Apps) and a Dragons' Den.

- *Speakers* – we have secured approximately three-quarters of the speakers for the Main Stage and Masterclass Theatre, including all NHSCB National Directors, SofS & PS(Q) as well private sector, third sector and international speakers, including Sir Andrew Witty, Lord Darzi, Sir David Reid and Baroness Tanni Grey-Thompson.

- *Seminars* – we have agreed a comprehensive seminar programme (over 100) providing interactive, engaging content on topics including: adoption and spread of telehealth & telecare; Meet the Commissioning Board; CCGs; transformation and improvement in the NHS; Public Health; improving Mental Health and, international innovation & best practice.

- *Stakeholder events* – there will be three events around the Expo itself: Lancaster House Reception for you to formally launch the Expo (12th March); CCG Leaders Dinner, hosted by yourself/Malcolm Grant & PS(Q) (13th March) and a Palace of Westminster Dinner, hosted by PS(Q) for the main Expo sponsors.

- *Sponsors* – we have four confirmed sponsors (AstraZeneca, Capita, BT & GSK) totalling £300k and are in advanced discussions with others including BT, O2, Cisco and GE Healthcare – which puts us on track for our £850,000 sponsorship target.

With the NHSCB assuming its full responsibilities two weeks after Expo 2013, we will formally launch t he NHSCB at the event. The Innovation team will work closely with NHSCB and DH comms to ma rket Expo 2013 to attract 10,000 delegates primarily from the NHS, including a significant number of CCG leaders.