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Making Change Happen

CLARITY DIGEST

In this issue:

Three Pathways to a Stronger NHS

Introduction

This month's digest brings together three briefings published in October by NHS Providers that explore how the NHS can evolve to meet the ambitions of the 10-Year Health Plan (10YHP). From reimagining provider autonomy to unlocking capital investment and embedding quality management, each report offers a vision for a more resilient, productive and patient-centred health system.

Publications	About
Reinventing FTs and creating IHOs: autonomy, accountability, and flexibility	This briefing explores proposals to modernise Foundation Trusts and introduce Integrated Health Organisations, focusing on autonomy, governance and system-wide collaboration under the 10-Year Health Plan.
Investing in the NHS: empowering the sector to drive productivity, renewal and growth	This briefing makes the case for increased capital investment to modernise NHS infrastructure, improve productivity and unlock long-term economic and health benefits.
Embedding quality: principles for a national quality management system	This briefing highlights the role of Quality Management Systems in reducing avoidable harm and improving care through proactive, organisation-wide approaches to quality planning, control and assurance.

Reinventing Foundation Trusts (FTs) and creating Integrated Health Organisations (IHOs)

1. Foundation Trusts and the New FT Model

- The government aims to modernise the FT model for a **more integrated health system**.
- New FTs will be introduced with **earned autonomy**, though it's unclear whether this represents a new legal form or a status for high-performing trusts.
- The core principle remains: **autonomy and accountability** must go hand in hand.

Earned Autonomy

- Autonomy should be based on **board capability**, not just performance metrics.
- High-performing trusts will gain **greater freedom** to innovate and develop services.
- The plan lacks clarity on **corporate governance and local accountability**, both central to the original FT model.
- A **robust autonomy framework** should include:
  - Strategic leadership
  - Governance and culture
  - Responsiveness to patients
  - Resource efficiency

Provider Autonomy

- **True autonomy** requires:
  - Clarity on responsibilities
  - Consistency in freedoms
  - Fair, transparent regulation
- **Challenges** include:
  - Centralised control and political influence
  - Financial constraints (e.g., CDEL limits)
  - Risk aversion due to fear of future restrictions
- Autonomy must be **balanced with system-wide duties** and **shared across partnerships.**

Authorisation & Deauthorisation

- A **new DHSC-led process** will manage FT authorisation, overseen by an independent panel.
- **Criteria** include:
  - **Strong performance** in access, quality, finance
  - **Higher productivity** than peers
  - **Commitment** to partnership working
- **Concerns**:
  - **Over-reliance on metrics** may exclude capable providers.
  - **Deauthorisation risks disruption** and should be reserved for extreme cases.
  - **Clear rules and boundaries are needed** to protect autonomy and avoid political interference.

Councils of Governors

- The plan proposes **removing statutory Councils of Governors** for new FTs.
- This raises concerns about **loss of local accountability** and **public representation**.
- **Alternative governance models** must be carefully considered to maintain legitimacy.

2. Integrated Health Organisations (IHOs)

Characteristics of IHOs

- Proposed as the **highest-performing new FTs**, IHOs would:
  - **Hold** the whole health budget for a local population
  - **Be authorised** through a rigorous process
  - **Be overseen** by NHS regions in a rules-based manner
  - **Support** integration, community care, population health and equity
  - **Have freedom to contract** with other providers, including non-NHS organisations
- The term "organisation" implies a **new legal entity**, potentially requiring primary legislation.
- Alternatively, IHOs may be **enhanced FTs**, functioning as delivery mechanisms or commissioning options.

Authorisation & Oversight

- **Integrated Care Boards** (ICBs) would **assess** whether IHOs are appropriate for their local systems.
- **Oversight** must ensure:
  - Clarity on how ICB functions transfer to IHOs
  - Defined roles for regional teams
  - Avoidance of function duplication

System Impact & Failure Regime

- **Authorising an IHO could affect**:
  - Neighbouring trusts competing for IHO status
  - Subcontracted providers, whose relationship with ICBs may change
- **Risks include**:
  - IHOs becoming divisive if not carefully managed
  - Reinforcing individualism or competition rather than collaboration
- IHOs must embed **statutory duties** to collaborate and consider system-wide impacts.
- **Competition law concerns** must be addressed if providers are commissioning themselves.

3. Conclusion

Despite the 10YHP's stated aim to devolve power, there is a **risk of increased central control**:

- **Regulatory powers may shift** to the Secretary of State and DHSC, reducing local accountability.
- The **ambiguity around autonomy** - reward vs. driver of effectiveness - could affect trust engagement.
- **Policymakers must clarify**:
  - The form and function of IHOs
  - The criteria for autonomy
  - The evidence base for proposed changes

NHS Providers and trust leaders are committed to the 10YHP's goals.

For **successful implementation**, policy intent must be clarified, tensions addressed and specifics refined to ensure the plan's ambitions are achievable and sustainable.

Investing in the NHS - Unlocking Productivity and Growth

Capital investment is urgent and essential to achieving the goals of the 10-Year Health Plan, including modernising care, improving productivity and enhancing patient outcomes. Despite recent increases, the NHS still lags behind international peers in infrastructure investment.

1. Why Capital Investment is Essential

Why It's Needed

- Addresses **critical estates risks** and **safety issues**.
- Enables the **digital transformation** of care.
- **Shifts care into community settings**, improving access.
- **Drives productivity and efficiency** across the system.

Transformational Potential

- Supports **digital-first hospitals** and integrated neighbourhood systems.
- Enables **new care models** that reduce duplication and improve flow.

Place-Based Investment Opportunities

- **Joint investment** with local authorities can:
  - Bring NHS services to **high streets and communities**.
  - Support **regeneration and housing** for key workers.
  - Enable **place-focused infrastructure** planning.

Economic and Social Value

- Health investment boosts **economic growth** and **workforce productivity**.
- Infrastructure projects deliver **4x ROI**, with some exceeding 5x.
- NHS sites act as **anchor institutions**, supporting local economies and wellbeing.

Supporting NHS Staff

- **Affordable key worker housing** is vital for retention.
- Trusts can partner with developers to **build housing** on surplus land.

Addressing the Gap

- The **UK ranks 30th** in the OECD for capital investment in healthcare.
- Underinvestment leads to **higher operating costs** and **service disruption**.
- A **£37bn shortfall** has been identified compared to peer countries.

Unlocking the New Hospital Programme (NHP)

- With peak investment of £3bn/year, the NHP must:
  - **Be digital-first**, embedding virtual care and seamless digital services.
  - **Be locally integrated**, supporting community and primary care.
  - **Deliver transformed care models**, not just replace old buildings.

2. **Economic Case for Investment**

Capital investment in the NHS delivers **exceptional value for money**, with major infrastructure projects yielding returns of 4x or more over their lifespan - such as:

- New Hospital Programme: ROI of 4.8
- Luton and Dunstable University Hospital: ROI of 5.1
- Shrewsbury and Telford Hospital NHST: ROI of 4.4

These returns span **financial, health, social and environmental benefits**, including:

- Better patient outcomes and reduced mortality
- Local job creation and economic development
- Enhanced research and innovation
- Lower emissions and improved sustainability

Health is a driver of economic productivity - a healthier population contributes more to the workforce and economy, as recognised in the UK's 10-Year Infrastructure Strategy. Despite this, years of underinvestment have left NHS infrastructure outdated. The NHS Providers report highlights:

- A potential to increase investment without raising overall spending by **rebalancing revenue and capital funding**.
- A **shift to 10% of DHSC's budget** for capital by 2035 could raise £8bn annually, **unlocking £32bn in benefits**.

To unlock this value, the report recommends:

- Releasing value from existing NHS assets
- Scaling third-party models for housing and clinical facilities
- Easing restrictive spending limits
- Creating an NHS investment bank
- Partnering with local government for regeneration and community care

Capital investment should be seen as a catalyst, not a cost - enabling the NHS to modernise, transform care and secure long-term sustainability.

3. **Conclusion**

- Capital investment is essential to deliver the 10-YHP and the Government's NHS ambitions.
- Without it, the NHS will continue operating from **outdated facilities and technology** and **face increasing pressure on staff and resources**.
- A modern NHS requires **modern levels of investment**.
- **Dedicating 10% of the DHSC's overall budget to capital investment** by 2035 would enable greater capacity, modern facilities and equipment, labour-saving technologies and advanced digital tools.

Embedding quality: Principles for a national quality management system

Trust leaders are exploring **how QMSs can support better care and reduce avoidable harm**. The briefing presents a vision of **what 'good' looks like** in QMSs and identifies **enablers and challenges** to systemisation and standardisation in service pathways.

What is a QMS?

A QMS is a **coordinated, organisation-wide system for managing quality**. It includes:

- Documented processes, policies and procedures.
- Defined standards for high-quality care.
- Mechanisms to ensure standards are met and improved upon.

It is already used in **high-reliability areas** like pathology and laboratories, often **aligned with ISO standards**.

Why QMS Matters

Despite generally good outcomes, avoidable harm persists in the NHS.

> **Moving from reactive quality improvement to proactive quality management could be transformational.**

National Momentum

NHS England (NHSE) and other bodies are advocating for whole-organisation QMSs.

NHSE's December 2024 board paper calls for a framework balancing improvement, planning, control and assurance.

Dr Penny Dash's report recommends QMSs that cover all aspects of quality, including efficiency and people management.

Benefits of a QMS

- **Shared purpose and vision** across teams and leadership.
- **Patient-centred focus** that improves outcomes and experiences.
- **Clarity in roles and processes**, enabling staff to work effectively.
- **Collaborative working**, aligning clinical and operational goals.
- **Helps reframe cost-saving and quality improvement** as complementary.

Enablers for a Quality Management System (QMS)

Leadership and strategic alignment

- Strong leadership is essential to embed a QMS across all levels of an organisation.
- A QMS must be aligned with organisational strategy, ensuring quality is central to decision-making and operational planning.

Organisational culture

- A culture that values learning, transparency and continuous improvement supports the successful implementation of a QMS.
- Embedding quality into everyday practice requires staff engagement and a shared understanding of what quality means.

Clear governance and accountability

- Effective governance structures help ensure clarity of roles and responsibilities.
- Accountability mechanisms support consistent delivery and improvement of care standards.

Standardised processes and documentation

- Codifying processes through policies, procedures and records ensures consistency and reliability.
- These documents should be accessible and regularly reviewed to reflect best practice.

Data and insight

- Access to timely, accurate data enables monitoring, assurance and targeted improvement.
- Data should be used to inform decisions, track performance and identify areas for action.

Workforce capability

- Staff need the skills, training and support to engage with QMS processes.
- Building capability across clinical and operational teams is key to sustaining quality.

System-wide collaboration

- Collaboration across teams, departments and organisations fosters shared learning and alignment of goals.
- A QMS can help bridge gaps between clinical and operational priorities.

National support and frameworks

- National bodies like NHS England play a role in providing guidance, frameworks and incentives.
- A national QMS framework can support consistency while allowing for local adaptation.

Recent publications

Health Inequalities & Population Health

Premature mortality in Wales: closing the gap in early deaths
The Health Foundation

Read more

Late movers: How the shortage of suitable housing affects our ageing population *Age UK*

Read more

Digital Transformation and Innovation

As a board, what does your digital lead need from you?
NHS providers

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NHS Communications Artificial Intelligence Operating Framework *NHS Confederation*

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Public Health and Vaccination

Transfer of vaccination commissioning responsibility
NHS Confederation

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Success factors for vaccination programme delivery
NHS Confederation

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Health Literacy & Community Services

Improving health literacy in the NHS
NHS Providers

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How will waiting times in community health services affect the shift towards neighbourhood health *Nuffield Trust*

Read more

Financial Sustainability and Risk

Costs of clinical negligence
National Audit Office

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Recent Podcasts

Recent podcasts covering themes across the health and care sector. We are always looking for new podcasts - so please do get in touch with your recommendations.

The upcoming national cancer plan - and lessons from Denmark
The Health Foundation
Click here

Decision quality and the future of neighbourhood health: a US perspective
NHS Confederation
Click here

Drs. Michael Liu and Rishi Wadhera Discuss CMS*'s WISeR MEdicare Demonstration* *The Healthcare Policy Podcast*
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One Health Trust
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The Healthcare Policy Podcast
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Mr. Michael Millenson Discusses the (Tragic) State of Patient Safety
The Healthcare Policy Podcast
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Prof. Elizabeth Wrigley-Field Discusses Excess Deaths
The Healthcare Policy Podcast
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Skin Analytics & AI: A New Era in Skin Cancer Diagnosis with Dan Mullarkey
The Business Podcast with Tara Humphrey
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Mental Health in the UK: A System-Wide View for World Mental Health Day

Mental health outcomes are shaped by poverty, housing, discrimination and access to care. Groups most affected include children and young people, Black Caribbean older adults, people in deprived areas, men and frontline health workers.

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Unequal Burdens: Climate Change and Health Inequalities in the UK

Climate change is no longer a distant threat - it is a present-day public health emergency. From intensifying heatwaves to worsening air quality and rising flood risks, the UK is already experiencing the health consequences of a warming world. These impacts are not only straining the NHS and public infrastructure but are also deepening existing health inequalities, with the most vulnerable communities bearing the brunt.

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Health Inequalities in England: Current Status, Causes, and Recommendations for Action

Older women face unique challenges around health, inequality, economic insecurity and care responsibilities - and they require urgent policy attention.

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Contact us

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