

Trust Board Meeting in Public: Wednesday 9 March 2016

TB2016.29

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| Title | Lord Carter of Coles' Report on Operational productivity and performance in English Hospitals: Unwarranted variations |
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| Status | For information |
| History | Board Seminar: 24 June 2015 Trust Board: 9 September 2015 (TB2015.11) Trust Board: 13 January 2016 (TBC2016.04) |

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| Board Lead | Mr Mark Mansfield, Executive Director of Finance and Procurement | | | |
| Key purpose | Strategy | Assurance | Policy | Performance |

Executive Summary

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| 1. Lord Carter of Coles presented his final report on NHS hospital productivity in February 2016 (paragraphs 1.3 and 2.2) |
| 2. Appendix A contains an extract from the final report (paragraph 2.1). |
| 3. A number of firm recommendations have been made by Lord Carter (paragraph 2.3). |
| 4. The conclusions from Lord Carter's report are compatible with much of the work being carried out by the Trust. A report on implementing this work will be provided to the Board in May (paragraphs 2.4, 3.1 and 3.3). |
| 5. Recommendation The Board is asked to receive and note this report (paragraph 4). |

Lord Carter of Coles' Report on Operational productivity and performance in English Hospitals: Unwarranted variations

1. Introduction

- 1.1. In June 2014 the Secretary of State asked Lord Carter of Coles to review hospital productivity in the NHS.
- 1.2. In June 2015 Lord Carter produced an interim report which identified widely varying resource utilisation across the NHS and, in particular, in acute hospitals. Trust Board report TB2015.111 (September 2015) provided details to this Board of this interim report.
- 1.3. In February 2016 Lord Carter presented his final report on the subject. This report provides information to the Board on the main conclusions from Lord Carter's review.

2. Commentary

- 2.1. Appendix A contains an extract from Lord Carter's final report. This extract consists of the "executive summary" and the fifteen recommendations made by Lord Carter.
- 2.2. The full report is available at the following address:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/499229/Operational_productivity_A.pdf
- 2.3. The report extends the conclusions contained in the interim report in June 2015. In contrast to other work in this domain Lord Carter makes a number of recommendations which carry with them firm timetables for delivery. These include:
 - i. The development and use of national measures for staff deployment (e.g. Care Hours per Patient Day) during 2016.
 - ii. The assessment of pathology and radiology services within each Trust against quality and cost benchmarks and plans to improve, consolidate or outsource these services by mid-2017.
 - iii. The benchmarking and improvement of individual Hospital Pharmacy Services by April 2017 with a view to "stepped changes" in efficiency by April 2020.
 - iv. The use of a procurement Purchasing Price Index from April 2016 with a reduction in non-pay costs within each Trust of a minimum of 10% to be delivered by April 2018.
 - v. Increased efficiency in the use of space such that by 2020 non-clinical floor space will reduce to 35% of the total.
 - vi. The rationalising of administrative and management functions so as to ensure that such costs do not exceed 7% of income by 2018 and 6% of income by 2020 in each Trust.
- 2.4. At this stage the basis for calculation of these targets has yet to be disclosed to the service. The Trust has sought information from the Carter team so that planning can commence and it is understood that a full suite of data will be

made available in the forthcoming weeks. The Trust has agreed to join a group of Trusts based on members of the Shelford Group, which will work with Lord Carter's team on implementing this agenda.

3. Next Steps

- 3.1. It is notable that many of Lord Carter's conclusions are relevant to the Trust's existing work in this domain, in particular elements of the "four themes" and the 2016/17 quality and productivity benchmarking exercise.
- 3.2. The Trust will be in a good position to respond actively to the benchmarking and improvement work proposed by Lord Carter as it is implemented by NHS Improvement.
- 3.3. The Board will receive an update at its next meeting, by which time it is hoped that further detail from the national bodies (per 2.4 above) will be available. At its May meeting the Board will receive a report on progress and a plan for implementation which will meet the timescales suggested by Lord Carter.

4. Recommendation

- 4.1. The Board is asked to receive this report and to note its contents.