Lord Carter Review of Operational Productivity in NHS Providers

Media Coverage, 11 June 2015

BBC - http://www.bbc.co.uk/news/health-33071066
HSJ – Reaction http://www.hsj.co.uk/news/hsj-live/hsj-live-11062015-reaction-to-lord-carters-findings-on-nhs-efficiency/5086759.article

The Health Foundation

11/06/2015

The Health Foundation’s response to Lord Carter’s review on NHS spending

Lord Carter of Coles, Chairman of the NHS Procurement and Efficiency Board, has published his report on NHS spending today (11 June 2015).

Commenting on the report, Dr Jennifer Dixon, Chief Executive of the Health Foundation, said:

‘We welcome Lord Carter’s report, which usefully identifies the scope for around £5bn of efficiency savings by 2019/20 across NHS hospitals from improving workflow, managing workforce costs, better procurement, and improved estates and medicine management.

‘This is a significant contribution to the £22bn estimated efficiency requirement facing the NHS by 2020. The emphasis on getting better data and metrics to show hospitals how they
compare with others is sound. This data will need to be recognised as meaningful and valid at a local level and then used and interpreted intelligently to identify and support improvement. We agree that regulation should not be the primary route to prompting change.

'Lord Carter's work is a stark reminder both of the size of the challenge and the scale of the leadership task. His report reminds us that there is no silver bullet and unlocking these efficiencies will require sustained work across the service. Crucially the report identifies the need for funding to achieve these efficiencies. We and the King’s Fund have argued that to meet the challenges the NHS faces it will need dedicated investment to provide the support for transformative change. This is over and above the additional £8bn to sustain NHS services.

'We agree that workflow and discharge arrangements are key areas needing further exploration in his final report in the autumn. Flow Cost Quality, a Health Foundation programme, also found that improving workflow – how patients move through the system – can make significant improvements to the quality and safety of care patients receive.

'For example, when Sheffield NHS Foundation Trust first implemented improvements to patient flow this led to a 37% increase in the number of frail older patients who could be discharged on the day of admission or the following day. The Trust also saw a 15% decrease in in-hospital mortality for geriatric medicine. But all this took a lot of frontline clinical involvement, specialist expertise and time – it’s not a quick fix.

'The focus on out of hospital support to prevent avoidable admission and support early discharge is also welcome. To achieve this we will need much better working across health and social care. Again this will take time and careful management to achieve.

'The approach taken by Lord Carter, if implemented well, should help to improve the efficiency of our hospitals over the coming years. But there is still the unresolved short term question of how our hospitals are to balance their books this year. In 2014/15 they reported a deficit of approaching £1bn. This year it is forecast to be even larger.'

Health Foundation
11/06/20
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Nuffield Trust

11/06/2015

Nuffield Trust responds to the Carter Review

Responding to the Carter Review, Nigel Edwards said:

“Lord Carter is right that there is waste within the health service and that enormous savings could be made through standardisation. But this has been a long-standing issue in the NHS. Spending public money better has been the holy grail of public sector spending reductions over the past 20 years. Diagnosing the problem is the easy bit. Getting solutions to stick is much, much harder.
“The dilemma for the NHS is that hospital trusts operate autonomously: there is a very fine line between trusts using their market power and moving towards a standardised approach which can create a huge state bureaucracy that is inflexible to change.

“Properly solving this problem will need both a relentless focus on value for money in every single trust, and also to overcome cultural barriers - we need to equip those working within the NHS with the time, skills and expertise to become more savvy consumers.

“For many areas, it isn’t just a matter of buying new or different supplies. Surgeons and other clinicians are trained to use particular types of equipment, which means there are significant potential training costs if these are changed.

“These are perennial issues for the NHS, and perhaps explain why this is the third big review of procurement in just over a decade.”

Royal College of Nursing

11/06/2015

Lord Carter review – nurses respond

Responding to Lord Carter’s interim findings on productivity in the NHS, Dr Peter Carter, Chief Executive & General Secretary of the RCN said:

“It is clear that there is waste in the NHS, which is holding it back from directing its resources to frontline patient care. Lord Carter’s review is a welcome illustration of how the NHS and individual hospitals could be much more effective in how they procure equipment, drugs, and above all staff.

“The RCN has been saying for several years that nursing numbers are not meeting demand and Lord Carter has set out a very strong evidence base to support the fact that the NHS could be making much better use of its staff. By investing in permanent staff, with training and development, sufficient incentives and improved rostering arrangements, the NHS could reduce its staff turnover and save on the cost of temporary staff.

“Following NICE’s suspension of work into safe staffing levels last week, it is gratifying that Lord Carter readily advocates clear guidance in this area, acknowledging that by investing in nursing staff the NHS can build a more productive, cost effective workforce overall. As Lord Carter suggests, safe staffing is at the heart of safe care, and we would be delighted to work with NICE and others to make this laudable principle a reality for patients everywhere.

“The report also handles procurement, an issue often raised by nurses who are appalled by the waste and inefficiency they sometimes witness. Lord Carter has rightly pointed out that the way forward is to combine quality and cost – rather than rushing to make short term savings.

“Recent joint work by the RCN and the NHS Supply Chain estimated that nurses working together with procurement managers could save more than £30m per annum – the
equivalent of 1,000 nursing jobs – just by streamlining the buying of basics such as wipes and incontinence products.

“The RCN fully supports the development of a sustainable NHS that recognises the importance of investment whilst ensuring that money is not wasted. Lord Carter’s review will hopefully help our health services begin moving towards this goal, with safe patient care its eternal priority.”

NHS Confederation
11/06/2015

NHS Confederation response to Lord Carter review on procurement

Commenting on Lord Carter's Review of Operational Productivity in NHS providers Interim Report, Rob Webster, Chief Executive of the NHS Confederation, which has around 500 members across health and social care, said:

"The government has pledged at least £8 billion in additional funding for the NHS by 2020. This will mean the NHS will need to find almost three times more - £22 billion over the period – by improving productivity and efficiency. Making savings from the way NHS supplies are purchased and from temporary staffing will make a contribution to filling this gap. This will be a vital area for NHS providers to explore and Lord Patrick Carter’s interim review has been published at the right time to help them to do so.

"Lord Carter has been meticulous over the last year and worked closely with many NHS Confederation members to explore how goods and services are purchased in the health service. Agency staff will continue helping the NHS provide quality care for the foreseeable future but we need to reduce their use and cost. Improvements in flexible working, better technology and arrangements with local agencies can all help shrink their impact on NHS finances.

"Lord Carter's interim findings are crucial to understanding how costs might be brought down and we expect that the implementation of his review will be developed further with the sector, in the spirit it has been up to now. The potential savings need to be tested and developed with the wider NHS, so that final savings targets due to be handed to the NHS from September, are owned by the whole service.

"In our recent member survey published last week, 71 per cent of senior NHS leaders described the current financial pressures as the worst they have ever experienced. We are keen to support our members in the challenges they face and, as announced by NHS chief executive Simon Stevens at our annual conference in Liverpool last week, we will be working with national bodies over the next four months to bring our members together to explore how to make savings in this parliament. This work will look to demonstrate the value of an approach led by the NHS to shape the government's plans due to be laid out in a spending review later this year."
"The NHS needs to demonstrate value for taxpayer money and, like any public service, there is always more that can be done to improve productivity. While it is fair to say waste exists in the NHS, it’s not true to say it is wasteful. In fact, data on spending and outcomes show the NHS is relatively efficient compared to other countries and our members’ efforts to reduce costs in the last parliament delivered almost £19 billion worth of savings.

"Of course, more can be done because any wasted resource could be better spent meeting the growing cost of delivering care to a rapidly increasing number of patients. Price variations are a particularly salient way of showing where costs might be saved, for example by reducing the number of product lines. We would be keen to also emphasise the benefits from collective action with providers bringing down costs through collaboration. This approach is a great way to build up networks that harness the purchasing power of the NHS, while also presenting opportunities for knowledge and expertise sharing beyond supply chains.”

British Medical Association
11/06/2015
BMA response to Lord Carter review on NHS efficiency

Commenting on the publication of a review into NHS efficiency by Lord Carter, Dr Paul Flynn, chair of the BMA consultant committee, said:

“The NHS is already the most efficient health care service in the world, delivering the best value for money and highest quality of patient care.

“With billions having been cut from the NHS budget in recent years through ‘efficiency savings’ and cuts to staff pay, we must ensure further reductions don’t compromise patient care and place more pressure on already overstretched services and staff.

“Doctors are well placed to identify where savings can be made, without patient care being put at risk, and managers should make better use of this insight and experience.

“There has been a rise in the number of NHS staff reporting stress-related illnesses in recent years3, as increasing demand and cuts to services leave them over-stretched and struggling to cope. This shows that short-term savings can come at a long-term cost to services and staff wellbeing.

“Better staff planning and procurement are important but we must be wary of trying to apply a one size fits all model of cost saving, as each hospital has their own unique set of challenges and circumstances. Improving procurement provides an opportunity to look again at supply chains and ensure the NHS is buying good quality, value for money but also ethically produced products.
“Efficiencies alone are not enough to deal with rising demand and there needs to be adequate investment in staff and services to ensure the NHS can rise to the enormous challenges facing it.”

NHS Confederation
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UK Stakeholder - Press Releases - Royal College of Nursing

11/06/2015

RCN comments on Chief Nursing Officer’s letter on safe staffing

Commenting on an open letter from Chief Nursing Officer Jane Cummings on safe staffing, Dr Peter Carter, Chief Executive & General Secretary of the RCN said: “The Chief Nursing Officer’s letter offers some useful clarification on the future of safe staffing work.

“The Chief Nursing Officer is right to highlight the importance of wider teams and the challenges of working across different settings. It is also promising to see a continued role for NICE.

“However, there is still a pressing need for more detail on the workplan and on who will be leading and accountable for ensuring the right mix of skills and expertise. Most importantly, there must be further reassurance that this work will be truly independent and free from the influence of shrinking budgets.

“Recognising the value of the wider health care team is important, but this must not come at the expense of registered nurses as the evidence shows that it is the number of registered nurses which most influences patient safety. Focusing on the wider team will not change the fact that diluting the number of nurses, especially experienced nurses, is bad for patient care.

“Any potential risk to patient safety is extremely serious and the RCN will work to ensure that safe staffing remains at the top of the Government’s health priorities.

“The RCN supported NICE’s safe staffing work and as per Lord Carter’s recommendations, we will continue to offer them our support and advice to ensure that patients continue to receive the best possible care available to them.”
Taking a collaborative approach: NHS Providers responds to the Carter interim review on NHS operational productivity

Responding to the interim report on the operational productivity of NHS providers by Lord Carter, NHS Providers chief executive Chris Hopson, said:

“The NHS faces a major challenge in closing the £30 billion 2020 funding gap identified in the NHS Five Year Forward View. The service also needs to demonstrate it is maximising value for money for the taxpayers who fund the NHS.

“Our members tell us that they have worked extremely hard over the last five years to realise efficiency savings that have been high by NHS historical standards. NHS providers, for example, delivered £2.5 billion of efficiency savings last year alone. However, our members also tell us, strongly supported by the evidence, that the scope to realise efficiency savings using the current approaches is rapidly drying up. If we are to save the £22 billion the Five Year Forward View is targeting, we need to do something different.

“We therefore strongly welcome Lord Carter’s early work with 22 NHS providers to identify where there is scope for further efficiencies. We particularly welcome the data driven, sector led, approach he is using. This work is starting to look at NHS efficiency in a different, more granular, more evidence based, way than ever before. It rightly focuses on the importance of eliminating unnecessary variation both within and between providers, recognising that some variation is both desirable and necessary.

“Lord Carter’s early data suggests there could be savings of up to £5 billion per annum. His report rightly highlights four factors that will be key to realising savings of the type he has identified:

• There is “no one single action we can take” – concerted management effort will be needed in all providers across a wide range of different areas of activity;
• This will take time – “we could look to savings of up to £5 billion per annum, but only “by 2019/20”;
• The need for “management grip”. Our members tell us they do not have enough managers to do all three of restoring NHS finances and performance, transforming models of care and, now, realising these new types of efficiency;
• The need for “quality data”, “metrics to measure relative performance”, and “adopting best practices and modern systems”, together with the need for greater management capacity, will require significant “funding”.

“Perhaps most importantly of all, Lord Carter recognises the importance of securing local management commitment in each NHS trust to using this data effectively. This review must be seen as a valuable, sector led, management tool developed by providers, for providers. In Lord Carter’s own words “a regulatory approach will probably fail to capture the imagination and engagement of hospital boards”. We strongly endorse his view that the role of the
Department of Health, NHS England, TDA and Monitor is to provide “support that [is] seen as helpful and non-directive”.

“NHS Providers is pleased to be working closely with Lord Carter and his team to help develop this important work as it progresses and to provide sector input alongside our members”.

UK Stakeholder - Press Releases
11/06/2015
UNISON comments on Lord Carter’s interim report on increasing staff efficiency in hospitals
11 Jun 2015 12:03
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Commenting on Lord Carter’s interim report published today (Thursday), UNISON Head of Health Christina McAnea said: “Of course it’s essential that savings can be made, particularly at a time when NHS budgets are being cut.

“But there is an irony that over the past five years, there has been an almost constant criticism of what the government calls ‘back office’ staff in the NHS. Many of these jobs have disappeared in the name of greater efficiency.

“But unless, as this report shows, there are staff with the right skills and the time to give over to sourcing the best deals for their workplace when it comes to drugs and other supplies purchased, valuable NHS resources will be wasted.

“This is money that could be spent improving patient services. We hope this means the government will now recognise that everyone in the NHS has an important role to play – whether they are in an office or on a ward – to support patients and allow clinical staff to carry out their jobs effectively.”

ENDS