

Gateway reference: 13232

TO:

All Chief Executives in NHS Trusts in England,
All Chief Executives in Primary Care Trusts in England,
All Chief Executives in NHS Foundation Trusts in England,
All Chief Executives in Strategic Health Authorities in
England,

CC:

All Chairs in NHS Trusts in England,
All Chairs in Primary Care Trusts in England,
All Chairs in NHS Foundation Trusts in England,
All Chairs in Strategic Health Authorities in England
Directors of Performance in Strategic Health Authorities in
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16 December 2009

Dear colleague,

I am pleased to enclose a copy of the Operating Framework for 2010/11.

Last week, the Secretary of State introduced a five-year plan, *NHS 2010 – 2015: from good to great*, to reshape the NHS to meet the challenge of delivering high quality health care for all in a tough financial environment. This strategy is intended to give people working in the NHS a clear sense of direction with time to plan for the challenges ahead. The vision is for an NHS that is organised around patients, giving them more choice, convenience and control over their care. For the first time we will be linking payment to patient satisfaction.

2010/11 is a pivotal year. The NHS still has significant growth in that year, averaging 5.5%. The Chancellor's Pre-Budget Report announced that between 2011/12 and 2012/13, NHS frontline spending will rise in line with inflation. As I set out in my 2008/09 Annual Report, the NHS needs to identify £15 - 20 billion of efficiency saving by the end of 2013/14 that can be reinvested within the service so it can continue to deliver year on year quality improvements.

We need to look at 2010/11 as the first year of this new five-year strategy, not just the final year of growth. That means using our growth to put into effect the changes that we know will deliver the most benefits to patients in the future.

In this Operating Framework, we have maintained our consistency of purpose while also going further and faster with significant change.

For the third year in a row, the national priorities in the Operating Framework remain the same, providing important stability. Our five priorities continue to be:

- improving cleanliness and reducing healthcare associated infections;
- improving access through achievement of the 18-week referral to treatment pledge and improving access (including at evenings and weekends) to GP services;
- keeping adults and children well, improving their health and reducing health inequalities;
- improving patient experience, staff satisfaction, and engagement; and
- preparing to respond in a state of emergency such as an outbreak of pandemic flu, learning from our experience of swine flu.

The NHS Operating Framework is our response to the service, and provides a set of enablers and tools to drive the transformation that will be required. Important though policies and tools are, they are only powerful when they are connected to purpose and accompanied by the right behaviours. The policies in this year's document are intended to highlight these four areas:

1. **Quality:** the Operating Framework makes significant changes to the payment system to reward quality. The real challenge for providers is to ensure these tools and processes connect with and are meaningful to local clinicians.
2. **Sharing risk:** we need to share risk across the system and re-balance risk between commissioners and providers. It is vital that NHS organisations do not respond by just trying to transfer risk to another organisation. We have to recognise that this is a zero sum game. The people who end up paying are patients.
3. **System characteristics:** the characteristics of the new system we are developing are different – both its shape and its behaviours. In five years, if we are successful, the NHS will deliver more care closer to home, less activity and investment in the acute sector, and spend more on defined quality standards and patient pathways. Most of all, we are seeking a reforming system where changes continue to be shaped locally by the dynamics of co-operation, competition and patient choice.
4. **Integration:** the quality and productivity gains we are seeking lie at the interfaces between primary and secondary care, between health and social care, and between empowered patients and the NHS. Transforming patient pathways will lead to the integration of services, and in some cases, organisations. That's not necessarily one organisation taking over another but creating new services with patients and their needs at the centre.

The skills and professionalism shown by the NHS leadership community over the past few years has made a huge difference to our patients. What happens next is going to depend more on that leadership than it has done in the past.

We are going to need bold and thoughtful leadership, re-thinking how we work and challenging current practice. We all need to think outside of our organisational and professional interests so that quality genuinely is our organising principle.

I am really committed to this and look forward to working with you to improve services for our patients and align the system to support that.

The NHS Operating Framework 2010/11 is available at http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_110107. We are also publishing shortly new informatics guidance, updated NHS contracts and contract guidance, and the road-test of the payment by results tariff package for 2010-11.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D Nicholson', with a long horizontal flourish extending to the right.

David Nicholson CBE
NHS Chief Executive