

Trust Board paper Q

To:	Trust Board
From:	John Adler, Chief Executive Kate Bradley, Director of Human Resources
Date:	28 August 2014
CQC Regulations:	Outcomes 12 to 14
Title:	Mutuals in Health: Pathfinder Programme

Author/Responsible Director:
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Purpose of the Report: This report and the corresponding prospectus (as attached) sets out details of the 'Mutuals in Health: Pathfinder Programme' designed to explore the benefits of mutualisation in the NHS.

The Report is provided to the Board for:

Decision		Discussion	X
Assurance		Endorsement	X

Summary / Key Points:

Introduction

The Chief Executive presented a report, in exploring some of the principals of mutualisation, at the April Trust Board Development Session (10 April 2014) and highlighted that if we are to overcome the challenges facing us we have to find ways to deliver differently. The mutual model, with its focus on improving the engagement and empowerment of staff, is set to play a central role.

This paper updates specifically on the 'Mutuals in Health: Pathfinder Programme'. This programme is a joint Department of Health and Cabinet Office initiative, and forms the cornerstone of the Government's response to 'Improving NHS care by engaging staff and developing decision making – report of the review of Staff Engagement and Empowerment in the NHS'. This review was led by Professor Chris Ham, Chief Executive of Kings Fund, supported by an expert panel with UHL's Chief Executive representative on the panel (members met four times to discuss the findings and recommendations).

The Pathfinder Programme is designed to support the NHS with exploring the potential benefits of mutualisation for all or part of their services. Critical to this programme is the objective of developing the business case for mutuals in the NHS, exploring how the mutual model can further increase staff engagement as well as ensure patients have access to effective and high quality health provision.

Public Service Mutuals

Over the last four years, the Government has broadened approaches to the delivery of healthcare, including through public service mutuals: a model which is revolutionising frontline provision and bringing benefits to staff, local commissioners, and service users. Over 45 mutuals are already delivering community healthcare across the country, transforming the quality of patient care through a more engaged and empowered workforce.

Chris Ham's review recognises these achievements and sets out a strong case for using the mutual model to increase levels of staff engagement right across the NHS. As the review makes clear, "this is particularly important in relation to acute hospital services where there is currently much less diversity of ownership models than in other sectors of care."

Support for Pathfinder Trusts

The Pathfinder Programme has been established to help NHS Trusts, Foundation Trusts and Government take

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the first steps. All NHS Trusts and Foundation Trusts are eligible to apply. Using a £1m fund, the programme will provide around 10 Pathfinder Trusts with up to £100,000 worth of support. Designed to help Trusts to consider the potential advantages of the mutual model, it will enable the pathfinders to understand what mutualisation could mean for them and to identify solutions to practical barriers.

Output of the Pathfinder Programme

For UHL the output of the Pathfinder Programme will be a bespoke review, setting out the business case for becoming a mutual for all or parts of our services. The review will include an analysis of potential benefits, the steps required to release them, barriers to their implementation and potential solutions.

The outcomes from this work will feed into the Government's broader programme of work in 2015/16 to enable a range of new options for providers of NHS care. In addition, the findings from this programme will be brought together next year and used to set out clear actions Government could take to address any practical barriers that exist.

Pathfinder Programme: Indicative Timetable

The programme will be of a fixed duration, running to spring 2015. An indicative timetable is shown below:

- | | |
|---------------------------------|--|
| 1. Applications Open | August (closing date 4 th September 2014) |
| | <i>The first draft of our 'Expression of Interest (Eol)' is included in the attached prospectus (pages 8-20)</i> |
| 2. Short listing and Interviews | September |
| 3. Developing support packages | October |
| 4. Procurement process | November – December |
| 5. Support contracts in place | January |

Recommendations:

The Trust Board is asked to confirm support in exploring the business case for mutualisation as a 'Pathfinder Trust'. In summary, successful application (comprising of Eol and interview), will enable UHL to benefit from:-

- Up to £100,000 worth of bespoke technical, legal and consultancy support - procured centrally on our behalf (as necessary to develop our business case);
- Access to an expert panel to provide advice on specific issues; and
- Networking events and opportunities.

Previously considered at another corporate UHL Committee? N/A

2013-2015 Strategic Risk Register

Risk 3

Performance KPIs

National Staff Survey, Listening into Action Pulse Check Survey and Staff Friends and Family Test.

Resource Implications (e.g. Financial, HR): The Chief Executive will act as the Senior Responsible Owner (SRO) throughout the support package exploring the business case for a mutual supported by the Director of Human Resources (Project Lead). Internal dedicated resource will be identified (senior representatives of the LiA and OD Team) and will work closely with the appointed consultancy throughout the duration of the Pathfinder Programme review.

Assurance Implications: Chris Ham's Review of Staff Engagement and Empowerment confirmed the growing acceptance that higher levels of staff engagement and empowerment through a staff-led mutual model leads to a happier staff group which in turn can result in better outcomes for service users (and the evidence base is growing).

Patient and Public Involvement (PPI): We will systematically plan engagement activity commencing with stakeholder mapping. On an essential basis will ensure that UHL staff and patient representatives play an active role in the development of the mutual business case; placing staff and service users at the heart of decisions about how to make services effective throughout. The mutual model will build on 'Listening into Action' in working with the frontline and service users to identify and suggest improvements to services.

Stakeholder Engagement Implications: All identified stakeholders including UHL Staff Side colleagues, patient representatives, commissioners and the Trust Development Authority will be fully involved and engaged in all elements of the option appraisal and business planning process as part of the Pathfinder Programme.

Equality Impact: Considered with no impact against the nine protected characteristics

Information exempt from Disclosure: None

Requirement for further review? A further update will be provided at the September Trust Board. As part of

Mutuals in Health: Pathfinder Programme (28/8/14)

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the pathfinder application process, during September we will proceed to the 'Interview Stage'. The interview will be conducted by representatives from the two government departments and the expert panel.



Cabinet Office



Department
of Health

MUTUALS IN HEALTH: PATHFINDER PROGRAMME

SUPPORTING HEALTH AND CARE ORGANISATIONS EXPLORE THE BENEFITS OF
MUTUALISATION

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SETTING THE SCENE

The *Mutuals in Health: Pathfinder Programme* is a joint Department of Health and Cabinet Office initiative, and is designed to support health and care organisations to explore the potential benefit of mutualisation for their services. The programme is open to all Foundation Trusts and NHS Trusts.

The [Mutuals Programme](#) has been part of the Cabinet Office since 2010. This agenda is driven by an explicit commitment in the Coalition's Programme for Government to support the creation and expansion of mutuals, helping public sector staff take control of the services they deliver. Cabinet Office has engaged around 200 emerging and established public service mutuals across multiple sectors, ranging from social care and integrated health to libraries and youth services.

The [Review of Staff Engagement and Empowerment in the NHS](#), led by Chris Ham, set out a strong case for increasing levels of staff engagement across the NHS. This *Pathfinder Programme*, which builds on learning from previous work to establish mutuals within the health sector, forms the cornerstone of the Government's response to one of the core recommendations made by the Review, namely that Government should support NHS organisations in testing the mutual model, where they have an interest in doing so.

Using a £1m fund, the programme will provide around 10 *Pathfinder* Trusts (and their partners) with up to £100,000 worth of bespoke technical, legal and consultancy support. Designed to help Trusts to consider the potential advantages of the public service mutual ('mutual') model, it will enable *Pathfinders* to understand what mutualisation means for them, the potential benefits, including increasing staff engagement across their organisations, and identifying solutions to practical barriers regarding implementation. Government will work in partnership with the successful *Pathfinders* to design a bespoke package of expert support that meets their needs and will then run the procurement process on their behalf (with *Pathfinders* actively involved in choosing their support provider).

The full package of support is as follows:

- Up to £100k of support to explore the business case for mutualisation

- Access to an expert panel to provide advice on specific issues

- Networking events and opportunities

Further details on the support available have been included in this pack. The application process will consist of two stages:

- Stage one:* An Expression of Interest (EOI) and;

- Stage two:* An interview with representatives from the two Government departments and the expert panel

If you wish to participate in the *Mutuals in Health: Pathfinder Programme*, you must complete an EOI by **Thursday 4 September 2014**. EOIs should be sent to mutualsinhealth@cabinet-office.gsi.gov.uk with the Trust(s) name in the subject title.

To find out more, potential applicants are invited to an initial exploratory event on *Mutuals in Health: Pathfinder Programme*, which will be held in London on **Monday 11 August** in partnership with Cabinet Office Mutuals Ambassadors. Please register for this event via info@mutualventures.co.uk.

This event will provide further discussion on the [Review of Staff Engagement and Empowerment in the NHS](#), information on mutual models with presentations from live health mutuals, details on the *Pathfinder Programme*, and an opportunity for interested applicants to ask any questions.

CAN I APPLY?

Potential applicants should consider the following minimum requirements before applying:

What is in scope?

The programme is open to applications from all Foundation Trusts or NHS Trusts interested in exploring the benefits of a mutual model either alone or in partnership (including those that are interested in bringing together services from more than one provider through an integrated care model).

Trusts must be able to demonstrate that there is commitment to exploring the mutual model to address strategic challenges as well as increasing staff engagement across the organisation in order to improve services to patients.

Senior support

Applicants must show they have the support of a senior sponsor (e.g. Chief Executive) who will act as the senior responsible owner (SRO) throughout the support package exploring the business case for a mutual.

For NHS Trusts, applicants should discuss their proposals with the Trust Development Authority (TDA) before submitting an application. The TDA have been invited to sit on the expert panel and will be closely involved in the sifting of applications from NHS Trusts.

Dedicated resource

Applicants must identify what dedicated resource they will allocate to the project. Any internal resource identified should be able to commit to working with the appointed consultancy and Government throughout the duration of the review to ensure continuity.

Commitment to sharing knowledge across the health sector and with Government

Applicants must demonstrate how they will learn from the process and apply this learning to benefit other health and care organisations.

Of equal importance, applicants must clearly show a commitment to capturing and sharing lessons learnt in the programme with Government so these can be shared with the wider health and care sector.

Application Process

EOIs must be completed by **Thursday 4 September 2014**. EOIs should be sent to mutualsinhealth@cabinet-office.gsi.gov.uk with the Trust(s) name in the subject title.

Applicants will only proceed to the interview stage if their Expression of Interest meets the required threshold.

If you are interested in applying and would like to discuss the programme further or have any questions, please contact mutualsinhealth@cabinet-office.gsi.gov.uk.

WHAT WILL MAKE A STRONG APPLICATION?

Critical to this programme is the objective of developing the business case for mutuals in new areas of the health sector, exploring how the mutual model can further increase staff engagement as well as be able to ensure citizens have access to effective and high quality health provision.

When considering outcomes for staff and citizens, applicants should consider how these will be enhanced through partnership working, engaging and empowering staff as well as other stakeholders across the health and care system, and through commitment to innovation. These characteristics are explained below.

Characteristic	Explanation
Focus on outcomes and impact measurement	We welcome applications that have considered the potential benefits of a fully independent mutual model and how outcomes will be identified and measured, both in terms of the wider strategic objectives of the organisation and on improving services for patients.
Staff engagement	<p>We welcome applications from Trusts that have considered opportunities for staff engagement throughout the <i>Pathfinder Programme</i>, including providing opportunities for employees to play an active role in the development of the mutual business case; placing staff at the heart of decisions about how to make services effective throughout.</p> <p>We particularly welcome applications from Trusts where staff are supportive of the Trust exploring the potential benefits of the mutual model.</p>
Integration and stakeholder management	<p>We welcome applications that demonstrate strategic leadership from the Trust and demonstrate how they recognise the value that different organisations can play in the development of the mutual model and improving service provision; including, where appropriate, direct involvement in the governance structure. We recognise that this collaboration will vary according to local conditions, but the benefits of creating strong networks and partnerships with local organisations should remain a key consideration. These local networks are likely to include local authorities – in particular social care services; the voluntary, community and social enterprise sector, GPs, businesses and other agencies.</p> <p>We also particularly welcome applications that consider bringing together services from more than one provider through an integrated care model, where relevant.</p>
Appetite for and experience of innovation	We welcome applications from organisations that can demonstrate a keen appetite for new and innovative ways of delivering services, and particularly welcome practical experience of this.

FREQUENTLY ASKED QUESTIONS

Mutual Models

1. *What do you mean by a public service mutual?*

The Government definition of a public service mutual refers to an organisation that:

- Has spun out of the public sector
- Continues to deliver public services
- Involves a high degree of employee control

This employee control can take the form of ownership, but can also manifest itself through enhanced governance arrangements, including employee councils and elected board members. This should go beyond existing Foundation Trust arrangements.

The public service mutual model encompasses a broad range of employee-led structures, including (but not limited to) charities, social enterprises, community interest companies, partnerships, and joint ventures.

Application Process

2. *Can we team up with partners and submit a joint Expression of Interest?*

We will accept joint bids across Trusts or other public bodies where there is a clear rationale for combining service provision and a clear commitment from all parties to exploring a mutual model.

3. *What if we only want to explore mutual models for parts of our service?*

We will consider applications from Foundation Trusts and NHS Trusts that are interested in a mutual model for parts of their services, although applications should consider how this learning will be spread to the wider organisation.

For Foundation Trusts interested in exploring mutual models for specific services, staff groups should access the wider [Mutuals Support Programme](#). This support includes access to a four day course which will support staff to develop their business plan and explore mutual governance in more detail. The course will also act as a gateway to further spin out support for the implementation phase.

4. *When is the application deadline?*

You can submit an Expression of Interest form as of 28 July 2014 and the window will close on Thursday 4 September 2014. EOIs should be sent to mutualsinhealth@cabinet-office.gsi.gov.uk with the Trust(s) name in the subject title.

We encourage Trusts to submit their applications as soon as possible, provided that they are confident that they have explained clearly and in sufficient detail the benefits they hope to realise and their commitment to the programme.

Support Package

5. *How long will the Pathfinder Programme last?*

The programme will be of a fixed duration, running to spring 2015. An indicative timetable has been included below.

Applications Open	<i>July</i>
Short listing and Interviews	<i>September</i>
Developing support packages	<i>October</i>
Procurement process	<i>November – December</i>
Support contracts in place	<i>January</i>

6. *Is this Programme open to all Trusts, including in Scotland and Wales?*

Mutuals in Health: Pathfinder Programme is open to all Foundation Trusts and NHS Trusts and their partners in England. However, the guidance materials produced by the programme will be made available, and will be of use to all health and care organisations.

7. *Will we be given the £100,000 to buy support ourselves?*

We will work in partnership with you to design and develop a package of bespoke technical, legal and consultancy support and will then run the procurement process on your behalf. We will work closely with you throughout the process and you will be invited to sit on the evaluation panel that selects the successful support provider.

8. *Will we be provided with support to implement the model and implementation plan?*

The support provided will cover all technical and advisory support necessary to develop the business case for mutuals. For individual projects, the output will be bespoke reviews, setting out the business case for becoming a mutual. The review will include an analysis of potential benefits, the steps required to realise them, barriers to their implementation, and potential solutions or further recommendations.

The outcomes of this mutual *Pathfinder Programme* and Sir David Dalton's Review will be brought together into a single programme of work in 2015/16 to consider new provider options. Following these reviews, should you wish to go ahead with implementing the mutual model, we will signpost you to the most appropriate avenue to receive additional support if required.

Please email any further questions to mutualsinhealth@cabinet-office.gsi.gov.uk.

EXPRESSION OF INTEREST FORM AND GUIDANCE

The Expression of Interest Form asks seven core questions, covering the benefits you hope to realise as a result of the *Pathfinder Programme*, the resource you would commit, and the stakeholders you would involve in the process.

We expect applicants to make clear in the Expression of Interest both their commitment to exploring the option of a mutual model, improving services to patients and spreading learning to other health and care organisations and Government.

APPLICANT DETAILS

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SENIOR SPONSOR DETAILS

Name	John Adler
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1. WHAT IS YOUR UNDERSTANDING OF THE MAIN STRATEGIC CHALLENGES FACING YOUR ORGANISATION(S) AND HOW HAVE YOU ADDRESSED THESE TO DATE?

Word Limit: 500

The response should include an overview of the key strategic challenges facing the Trust(s) including both national and local issues

As part of the response, it would be useful to include details of work that has been undertaken to date to address these key challenges, including any existing innovative or transformative programmes or projects, their purpose, intended results and any outcomes, particularly in terms of improving services for patients

Introduction to the Trust

University Hospitals Leicester NHS Trust (UHL) is one of the largest and busiest Teaching Hospitals in the country, providing a full range of acute services to a million local people across Leicester, Leicestershire and Rutland (LLR), and a range of specialist services to a further two to three million people regionally and, in some cases, nationally. The Trust was formed in 2000 as the result of a merger between Leicester Royal Infirmary (LRI), Leicester General Hospital (LGH) and Glenfield Hospital, the three primary sites across which it still operates, and currently has over 10,000 staff and an annual turnover in excess of £750m.

UHL has an excellent reputation for its research and development activity, hosts the NIHR East Midlands Clinical Research Network and three Biomedical Research Units, respectively for cardiovascular disease, respiratory disease and nutrition, diet and lifestyle. The Trust is a leading centre for cancer research, focusing particularly on prevention and the development of new treatments. This activity both attracts substantial levels of research funding, but also helps attract and retain staff of the highest quality.

Leadership and Structure

The Trust has seen a number of changes to the Senior Leadership Team including the appointment of the Trust's Chief Executive, John Adler, in January 2013.

The Trust has simplified the management structure (from September 2013) to provide four key benefits:-

- A simpler structure with fewer layers to support improved working between the Executive Team and service provision;
- Increase management visibility and clinical engagement with quicker and more effective decision making;
- Smaller management units, in terms of income, expenditure and staff numbers which support improved operational 'grip' and clearer management accountability; and
- Improved parity between the comparative size of the units – referred to as 'Clinical Management Groups' in the revised structure.

Performance

Operational performance at UHL has until recently been largely good and green rated for most areas, but like many Acute Trusts, UHL has been finding it hard to sustainably meet the four hour A&E target, with emergency care across LLR being placed under extreme pressure for sustained periods in the last two years and performance against the 18 week standard has also been poor. The Trust is devoting significant resource and energy to resolving these operational challenges and is adopting a 'whole system' approach, working with partners in the local Emergency Care Network. Much has been achieved and the Trust is now focused on embedding the many system changes they have

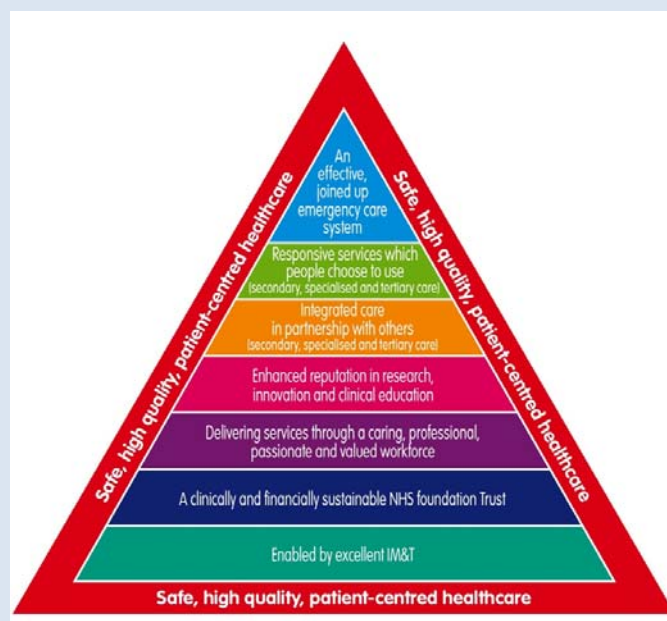
made to improve resilience. The concerns around our ability to meet the RTT targets are a more recent occurrence and the Trust has developed a recovery plan which has been agreed with commissioners.

Finance

The Trust, it must be admitted, is currently extremely challenged in regards to its financial position with a forecast deficit for 2014/15 of £40m. What has become clear is that this deficit, plus the Trust's pre-existing CIP target of £45m pa, presents a complex and difficult challenge that is unlikely to be resolved easily by the Trust on its own and requires significant involvement from all stakeholders, internally and externally, to carefully map a pathway through and achieve financial sustainability. The Trust Development Authority has worked closely with the Trust to create an improvement plan and a whole health economy 5 year 'Better Care Together (BCT) Strategy' has been developed, within which UHL has positioned its own strategy.

Strategic Direction

The Trust's Strategic Direction was launched in November 2012 and has been refined and updated to take account of the changes within the organisation and the wider health economy. Central to the Strategic Direction is the Delivery of 'Caring at its Best', which describes the Trust's core purpose.



2014/15 Objectives

Whilst the Strategic Direction describes the journey for the Trust over the next 5 years, the Trust has also set out objectives for 2014-15. Foremost amongst those is the task which befalls the whole health economy; to improve the effectiveness of urgent and emergency care.

Listening into Action (LiA)

Under the leadership of the Chief Executive, the Trust has developed excellent experience of leading large scale innovative programmes through adopting the Listening into Action approach based on the LiA Optimal Framework (commenced March 2013). This framework focuses on three key dimensions of change:-

- 1) quality and safety;
- 2) the patient experience; and
- 3) working together.

2. WHAT DO YOU SEE AS THE MAIN BENEFITS OF THE MUTUAL MODEL IN ADDRESSING THE STRATEGIC CHALLENGES IDENTIFIED AT (1) ABOVE AND ON IMPROVING SERVICES TO PATIENTS?

Word Limit: 500

Please provide detail of any current thinking on the mutual model and its relevance to your organisation and to improving services to patients and the community

Responses should include how the model might apply to your organisation and the benefits you are hoping to achieve to address the strategic challenges and meet organisational aims e.g. sustainability, innovation, commercial potential, community involvement. There are separate questions below considering any challenges in relation to staff engagement, and how the mutual model might benefit these

It would be useful if responses also gave consideration to any barriers to implementing changes currently

Growing Body of Evidence

Chris Ham's Department of Health Report into staff engagement (Improving NHS Care by Engaging Staff and Devolving Decision-Making) draws heavily on the growing body of evidence that independent staff-led mutuals are a delivery model worth exploring hence we are very keen and interested in participating in the Pathfinder Programme and leading the way for other Acute Trusts.

Research shows that the mutual approach embeds shared accountability and responsibility across an entire organisation if the principles are truly embraced and implemented in the right way. This empowerment of front-line staff, who are ready to take responsibility, is surely the golden thread that should run through UHL in achieving our purpose of delivering 'Caring at its Best'.

We understand that the first phase of mutualisation was initiated under the 'Right to Request' Programme and supported trailblazer groups of staff who wanted to seize the opportunity to set up as social enterprises and staff-led mutuals. Through attendance at the recent Pathfinder Programme Workshop we recognise that organisations such as Social adVentures and Navigo have experienced significant benefits of what can be achieved if staff are given more freedom and trusted to use their professional judgment. We also appreciate that these organisations deliver a huge range of services including early intervention public health services, specialist mental health provision and nurse-led therapy units.

Chris Ham's Review Panel, which also included UHL's Chief Executive, confirmed the growing acceptance that higher levels of staff engagement and empowerment through a staff-led mutual model leads to a happier staff group which in turn can result in better outcomes for service users (and the evidence base is growing).

This feels like exactly the right moment to challenge the accepted delivery norms within UHL. Even if it means disruption and challenge to business as usual. The evidence clearly points to the need for new delivery models with staff leadership at their core.

Meeting Future Needs of our Local People

At UHL we have a forward-thinking Senior Leadership Team who are willing to step forward, grasp the opportunities that the Pathfinder Programme presents and lead the way. We are very keen to

spin out of the public sector, continue to deliver public services and involve a high degree of employee control. Initially this employee control will manifest itself through enhanced governance arrangements as set out in question 4.

The mutual model is highly relevant to improving our services to our patients and our community. The 5 year strategy 'Better Care Together' is about ensuring that health and social care services in Leicester, Leicestershire and Rutland are capable of meeting the future needs of local people. Services face increased and more complex demands because of the ageing population. At the same time, there are major financial pressures, with the funding gap predicted to reach £400m in 5 years' time (2018/19). This means that big changes are needed to the way health and social care are delivered. Overall the Trust will become smaller and more specialised and more able to support the drive to deliver non urgent care in the community.

We do not under-estimate the significance of the fact that we now have 5 year plans both for ourselves and for the wider health and social care system. The mutual model will provide UHL a platform for taking forward the key changes that are needed in order to improve the quality of care that we provide and to ensure that our services are both clinically and financially sustainable over the coming years.

Factors to Explore Through Participation in the Pathfinder Programme

We have a keen appetite for new and innovative ways of delivering services and have practical experience of this through adopting the Listening into Action approach. There would appear to be a number of key factors to work through as part of the Pathfinder Programme:

- Acute trusts tend to be monopolies or near-monopolies in their local area. Therefore patients have limited choice. As a result, any mutual structure needs to include patients and the public as part of that model.
- Acute Trusts own a range of high value assets (which it is presumed would need to stay in state ownership) and require access to significant capital.
- The issue of employment status would need to be resolved. It may be possible to create most (possibly all) the features and benefits of mutualisation without transferring staff out of the NHS, but the pros and cons of the options need further consideration.
- We will need to work through options relating to 'ownership and governance' in defining our organisation as part of the business planning process. They are mutually reinforcing so it is important that both are considered together.

3. WHAT IS YOUR UNDERSTANDING OF THE LEVELS OF STAFF ENGAGEMENT IN YOUR ORGANISATION(S) AND THE MAIN CHALLENGES YOU CURRENTLY FACE TO IMPROVING THIS?

Word Limit: 500

The response should provide a benchmark of current staff engagement levels, including details of recent staff surveys and overall impact on improving services for patients

As part of the response, it would be useful to include details on work has been undertaken to date to engage staff in decision making and some of the main challenges to improving staff engagement levels

In recent years, UHL has suffered from poor staff engagement, as evidenced through both the staff and patient surveys and a number of external reviews. In 2012, the Trust developed a fresh Strategic Direction and Quality Commitment, which saw an improvement in staff survey results, and in 2013 the Trust embarked on the Listening into Action programme, which has driven further improvement in levels of engagement. LiA is the Trust's main vehicle for improving engagement and is used in the following five ways:

- **Classic LiA:** To improve day-to-day working in individual teams or across pathways addressing the things that matter the most to staff and patients;
- **Enabling LiA:** To tackle Trust-wide issues (e.g. equipment, recruitment processes);
- **Management of Change LiA:** As a precursor to proposed major service or structural changes;
- **Thematic LiA:** On a thematic basis (e.g. improvements to emergency flow); and
- **Nursing into Action:** Supporting all Wards, Departments or Units to implement local changes to improve patient experience.

The Trust will be using the LiA approach on an indefinite basis so as to embed an engaged style of leadership and a strong voice for front line staff.

To facilitate the required level of organisational change, we have set out an ambitious Organisational Development plan (as shown below). Earlier this year the plan was audited by PWC (final report published in February 2014) and findings confirm that the Trust has implemented a strong OD Plan with clear alignment to the Strategic Direction of the Trust.



We collect staff views and experiences of working at the Trust through the annual National Staff Survey, LiA Pulse Check and the Staff Friends and Family Test to help improve the working lives of staff and the quality of care we provide. Analysis of results helps to identify if we are making sustainable change and to identify areas for improvement.

National Staff Survey Results

The National Staff Survey was open to all UHL staff between October and December 2013 and in total 3988 staff completed the survey giving an organisational response rate of 39%. Overall National Staff Survey Key Findings indicate no change from the previous year with the exception of an increase in the number of staff having Equality and Diversity Training in 2013. We also note that change has not been sustained at the same pace as comparable organisations resulting in a downward trend in relation to overall rankings. A core theme within the full comparison report is the measurement of the ‘Staff Engagement’ score. The Trust’s overall 2013 score for Staff Engagement is 3.68 (rated as below average ranking compared to average last year) and has increased from 3.66 in 2012. The 2013 national average score for Acute Trusts is 3.74.

Findings based on the ‘UHL specific local questions’ provide reassurance in relation to senior manager communication and consistent demonstration of Trust values by immediate line managers and colleagues. Results show that the majority of respondents reported positively on receiving regular team briefings including the Chief Executive briefing and are positive about organisational communication about priorities and goals.

Listening into Action Pulse Check Survey Results

UHL has completed 2 LiA Pulse Check surveys since introducing Listening into Action (LiA) in March 2013. The first survey was undertaken in April 2013 at the start of the programme and the second survey was undertaken in January 2014. Survey Two responses are significantly more positive in 8 of 9 questions. It is worth noting that UHL has not only improved between surveys but is also reporting more positive scores in the majority of questions when compared to the average scores of other NHS LiA organisations.

Staff Friends and Family Test

We recently introduced the Staff Friends and Family Test (FFT) with 1107 responses. The primary purpose of the FFT for staff is to support local service improvement work through staff engagement. NHS England’s vision for staff FFT is that staff can feedback their views and opinions to their organisation to help promote a big cultural shift in the NHS, empowering staff to have the confidence

to speak up and their views heard.

The results of the staff FFT will be published nationally in September 2014. The raw data (at the end of first quarter) shows that:

- 68% of respondents are likely to recommend this organisation to friends and family if they needed care or treatment.
- 53% of respondents are likely to recommend this organisation to friends and family as a place to work.

4. PLEASE DESCRIBE YOUR CURRENT THINKING ON HOW YOU WOULD USE THE MUTUAL MODEL TO IMPROVE STAFF ENGAGEMENT, INCLUDING ITS RELEVANCE TO ANY EXISTING STAFF ENGAGEMENT PROGRAMMES.

Word Limit: 500

The response should consider any current thinking on mutual models including the role of staff in governance and/or ownership,

The response should make links to existing programmes or projects to engage staff and how the Pathfinder Programme could build on these

The response should also detail the extent to which staff have been involved in the application to the Pathfinder Programme and the extent to which they are supportive

In order to progress this agenda, UHL has been working on a number of potential scenarios, with the aim of developing over time towards full mutualisation. The ideas which follow are not yet fully worked up but hopefully they can form the basis for further discussion and evaluation as part of the Pathfinder Programme.

Autonomous, Incentivised Teams

There are a number of teams in the Trust who have expressed an interest in piloting operating in an autonomous, incentivised model, with high levels of staff engagement and a “mutualised” ethos. The basic building blocks of such a model would be:

- The team would operate on as autonomous a basis as possible, with ring-fenced budgets once Trust-wide efficiency gain requirements were met
- The team would have control over recruitment and other key business processes
- The team would be free to develop (within appropriate ground rules) incentives of varying kinds, including team and individual financial incentives
- The team would have a management board which would have a significant number of elected

front line staff on it, so as to give those staff a strong say in the direction of the team

- The team would have straightforward trading relationships with other teams/services with which it interacted

The purpose here is to create the sense of a self-governed team, suitably incentivised, so that this mirrors as far as possible the ethos and drive that we have seen created in small social enterprises. The key issue here is of course that teams are rarely free-standing and this tensions will inevitable arise. Nevertheless, we feel that considerable benefits could be derived from this model, noting that in general, NHS staff identify most closely with their team.

Integrated Working Across Boundaries

UHL has recently entered into a partnership with Leicestershire Partnership NHS Trust (also a LiA site) and the Leicestershire GP Provider Company. The Alliance, thought to be the first of its kind, has been awarded a contract worth circa £25m p.a. to provide elective care services from community hospitals across the county, starting on 1st April 2014. It is the intention of the Alliance and its commissioners that the model will help facilitate more effective use of community facilities, assist in the shift of care from traditional acute settings and drive greater integration across primary, community and secondary care. The initial contract is viewed as the basis for further development in the future.

The proposition here is that we could give the staff in the Alliance similar autonomy and incentives to those described for teams in the previous section. We feel that this would maximise the potential of this novel approach and also chime well with the model that GP practices have used for many years. Loughborough Hospital, a high quality, relatively large scale, facility, would be a suitable physical focus for this initiative.

Embedding Staff Engagement and a Sense of “Ownership”

UHL will continue to use Listening into Action to develop exemplary levels of staff engagement. In order to take this further, we intend to embed the voice of front-line staff in the structure of the organisation. Specifically:

We have already established a Clinical Senate within the Trust, with all its members directly elected by the consultant body. None of the members are involved in clinical management. The Senate acts a sounding board on major issues and as a critical friend.

We intend to elect staff representatives for all teams using a model similar to that used by the John Lewis Partnership. Those representatives will sit on team management boards and act as advocates for front line staff.

The intention of the above approaches is to “institutionalise” engagement and to add to the sense of ownership and a shared agenda.

Further Development Towards Mutualisation

The intention of the above proposals is that they will, alongside Listening into Action, “lock in” high levels of staff engagement and begin to develop a culture of ownership. These are essential prerequisites to successful operation as a mutual.

The natural next step would be develop the approach towards full mutualisation as part of the Pathfinder Programme. There are a number of different organisational models which could be adopted subject to further exploration; these include:

- A variant on the established Foundation Trust or NHS Trust models
- The community interest company model

5. WHAT IS YOUR EXISTING ENGAGEMENT WITH STAKEHOLDERS AND HOW WOULD YOU DEVELOP THIS FURTHER FOLLOWING SUCCESSFUL APPLICATION? (VCSE GROUPS, PRIVATE SECTOR, GPS AND OTHER PUBLIC SECTOR ORGANISATIONS)?

Word Limit: 500

Please detail any existing partnerships, and list any organisations or groups you believe may be relevant to this project, including why and how you will engage them

The response should consider any current thinking or ambitions to build any of these stakeholders into governance arrangements, including through joint ventures or cooperative models

This section should also include any interest in bringing together services from more than one provider through an integrated care model

On an essential basis, we will ensure that UHL Staff Side colleagues, patient representatives, commissioners and the Trust Development Authority are fully involved and engaged in all elements of the option appraisal and business planning process as part of the Pathfinder Programme.

We recognise the value different organisations can play in the development of the mutual model and improving service provision including direct involvement in the governance structures. Partner involvement through the Better Care Together Programmes, regional partnerships and academic partnerships, as set out below will be fully explored as part of the Pathfinder Programme and option appraisal:

Better Care Together

Better Care Together is a partnership of NHS organisations and local authorities across Leicester, Leicestershire and Rutland. Its importance is reflected in the fact that Chief Executives and other very senior officers sit on the Programme Board. Also on that Board are representatives of Healthwatch as well as elected councillors, in their capacity as chairs of the local Health and Wellbeing Boards. All the NHS organisations involved have their own significant public involvement from board level onwards.

There are compelling reasons why more radical change is now required in Leicester, Leicestershire and Rutland:

Quality: Local services need to reflect the very best practice, providing the right care in the right place at the right time.

Finance: The pressure on public sector budgets is unprecedented. By 2019, the funding gap across local health and social care is expected to be around £400m.

Demand: As elsewhere, the local population is ageing. More people are living longer, with complex long-term needs. This is creating greater demand for services at a time when resources are severely limited.

Sustainability: Highly-skilled professionals are in short supply, particularly in some medical specialties. This will need to be addressed through different ways of working, harnessing the full potential of new technology and developing the existing workforce.

The combined effect of these issues is that maintaining the status quo is not an option. Better Care Together is working to identify what changes should be made, and how.

Regional Partnerships

The April Trust Board supported the underpinning principle of regional partnership working, which is to be a two stage approach for UHL. This work will be led by the Trust Head of Partnership Development (on appointment).

The first stage is to agree a provider collaboration with the South of the East Midlands to come together to establish Leicestershire, Northamptonshire and Rutland partnership for specialised services. There is a population of around two million people across the south of the East Midlands. Traditionally planning populations for many Specialised Services needed to be in the region of one million; this planning assumption is now being challenged by the emerging NHS England Specialised Services Strategy which appears to suggest that units of planning should be around 2 million. NHS England's stated intention is to move from 220 Acute Providers of Specialised Services to between 15–30 providers within a five year time line.

The second stage is to agree with Nottingham University Hospitals provider collaboration across

the whole of the East Midlands.

Academic Partnerships

UHL's Research and Development (R&D) Strategy is driven by the Trust's strategic objective to become internationally recognised for our specialist services, supported by R&D. The Trust relies on productive relationships with academic partners and as a major Teaching Hospital UHL has links with all three local universities, Loughborough, Leicester and De Montfort and a total of c950 trainee doctors working in the Trust at any given time. Recruitment is consistently strong, with the possible exception of the Emergency Department where it can be a little harder to attract trainees.

6. WHAT DEDICATED RESOURCE WOULD THE TRUST COMMIT TO THE PATHFINDER PROGRAMME AND HOW WILL STAFF BE ENGAGED IN THIS WORK?

Word Limit: 300

Please detail what internal resource you would commit to the project, including relevant project specific experience of the proposed team members (e.g. innovative and/or transformative projects)

Please detail how staff will be engaged in the Pathfinder Programme and the role of staff in supporting the development of a mutual business case

(Internal resource identified should be able to commit to working with the appointed consultant and Government throughout the duration of the review to ensure continuity)

Engagement and Marketing Work Stream

Staff and stakeholders will be engaged adopting the LiA approach and this will form part of the Trust's

Communication, Engagement and Marketing work stream led by the Director of Communications. Progress will be monitored through the Trust's Executive Performance Board chaired by the Trust's Chief Executive as set out in the Trust's Delivering Caring at its Best Governance Structure.

We are keen to explore opportunities to improve staff engagement throughout the Pathfinder Programme, including opportunities for staff to play an active role in the development of the Mutual Business Case, placing staff at the heart of decisions about how to make services effective throughout UHL.

Dedicated Resource

We recognise that the progressing the mutual model will require staff dedicated to the project, with a clear role for staff engagement throughout the Pathfinder Programme. Primarily we will be allocating senior members of our LiA and Organisational Development (OD) Team with extensive experience of organisational development and cultural change. Our teams are involved in creating a range of learning and organisational development programmes and interventions that meet organisational, team and individual learning needs in facilitating the development of the Trust into a learning organisation.

Our OD and LiA Team have extensive experience in implementing programmes to empower and engage with all staff and to develop a culture of listening so that strong managerial, clinical and support teams are given permission to appropriately act without seeking permission first. Our teams ensure optimal staff engagement is delivered in the most clinically effective manner and within financial resource allocations, and that they are focused on supporting improvements in the annual National Staff Opinion Survey. Our teams will benefit significantly from working closely with the appointed consultant throughout the Pathfinder Programme.

We are able to demonstrate commitment to the provision of excellent learning and development for all staff through the co-ordination and quality assurance of a large range of learning programmes and interventions. We are working towards achieving the national Skills for Health Quality Mark (new benchmark for Outstanding Health Care Training). In light of recent published reports by Robert Francis, Sir Bruce Keogh and Professor Don Berwick the importance of assuring quality of education delivery against standards in the quality mark is of significant importance in demonstrating the high standard of our training and learning provision.

7. HOW WOULD YOU ENSURE THAT YOUR PARTICIPATION IN THE PROGRAMME HELPS OTHER HEALTH AND CARE ORGANISATIONS EXPLORE THE BENEFITS OF MUTUALISATION?

Word Limit: 250

Please describe how you would spread learning from the review through other health and care organisations and share with local partners and Government

We are representative on a range of local, regional and national groups and will use this as a mechanism to spread learning and experience of participating in the Pathfinder Programme.

Communications, Engagement and Marketing are three separate elements that co-exist and on many occasions work hand in hand to achieve the same goal. As part of our Communication, Engagement and Marketing Plan, over 2014/15 we will focus on the following three areas ensuring clear links are made to the learning from the Pathfinder Programme: -

Improved Internal Communication

We will ensure that more staff are aware of and engaged in:

- Developing the Business Case as part of the Pathfinder Programme;
- Delivering Caring at its Best; and
- Improvements in National Staff Survey, LiA Pulse Check results and Staff FFT results.

Improved External/Stakeholder Communications

Central to our plans is improved relationships with external stakeholders.

The Trust works hard at maintaining good relationships with the local community, in particular being as open and 'up front' as possible with regard to communication. In 2013 the 'Safe and Sustainable' review into the provision of children's cardiac services had been especially prominent and UHL, as one of the eleven Trusts affected nationally, received sizeable support from the local population for its attempts to secure the services for the long term at the Glenfield Hospital site.

Increased Patient/Public Involvement

Engagement and involvement with patients/the public through the development of our 5 year strategy and service changes planned ensuring improved local understanding of our 5-year strategy.

If you wish to participate in the *Mutuals in Health: Pathfinder Programme*, you must submit this EOI by **Thursday 4 September 2014**.

Completed EOIs should be sent to mutualsinhealth@cabinet-office.gsi.gov.uk with the Trust(s) name in the subject title.

EXPRESSION OF INTEREST: SCORING CRITERIA

The exact threshold for applications progressing to the panel interview will depend on the standard of other applications. However, at a minimum your application is unlikely to proceed if it scores below a 3 and so we strongly encourage you to aim for a 4 on all relevant sections.

Question	Score	Description
Question 1	1	Limited clarity on the main strategic challenges both locally and nationally
	2	Good clarity in part on the strategic challenges facing the Trust(s) locally but limited insights into how these might apply nationally and/or limited experience of leading large-scale transformative or innovative programmes
	3	Good clarity on the strategic challenges facing the Trust(s) both locally and nationally, and some experience of leading large-scale transformative or innovative programmes
	4	Excellent clarity on the strategic challenges facing the Trust(s) both locally and nationally, as well as wider consideration for the Trusts partners and key stakeholders; and excellent experience of leading large-scale transformative or innovative programmes
Question 2	1	Limited understanding of the mutual model and little or no consideration for how the model may address the strategic challenges identified and improve services to patients
	2	Good understanding on the potential benefits of the mutual model but less clarity on how the model may address the strategic challenges identified and improve services to patients
	3	Good understanding on both the potential benefits of the mutual model and how it might address the strategic challenges identified and improve services to patients, with some explanation of current work being undertaken that may be applicable
	4	Excellent understanding of the potential benefits of the mutual model and its application to local circumstances as well as excellent consideration for how these benefits would address the strategic challenges and improve services to patients. The answer may draw on examples of relevant project specific work that is currently being undertaken which would inform the Pathfinder Programme
Question 3	1	Limited clarity on the current levels of staff engagement and limited exploration of the challenges to addressing it, and/or, limited understanding of barriers
	2	Some clarity on the current levels of staff engagement but limited information about the challenges to addressing it and any barriers
	3	Good clarity on the current levels of staff engagement, including recent figures and trends, with some understanding of the challenges to addressing it and barriers to be overcome
	4	Excellent clarity on the current levels of staff engagement, including recent figures and trends, with a clear explanation of the challenges to addressing it and details on existing programmes and projects that could support the Pathfinder Programme
Question 4	1	Limited understanding of the mutual model and its applicability to addressing the challenges of staff engagement
	2	Good understanding of how the mutual model could address the challenges of staff

		engagement identified but limited details on applicability to existing projects
	3	Good understanding of how the mutual model could address the challenges of staff engagement identified and some links with existing projects. Staff may have had some role in the application to the Pathfinder Programme
	4	Good understanding of how the mutual model could address the challenges of staff engagement identified with a clear view to the benefits that could be achieved, and an understanding of what success looks like. Staff have had some role in the application to the Pathfinder Programme and there may be some evidence of staff support
Question 5	1	Limited recognition of other organisations or why there is a need to consider their role in developing a mutual model
	2	Good clarity in part about the role of other organisations, but limited information about how they will be engaged
	3	Good clarity about the role of other organisations and the need for engagement, with a clear view to the benefits that could be achieved
	4	Excellent clarity about the role of other organisations and the opportunities for partnerships, with a clear view to how different stakeholders will be engaged in a mutual model
Question 6	Fail	Suitability of individual(s) dedicated to the project unclear/or unclear role for staff engagement throughout the Pathfinder Programme
	Pass	Highly suitable individual(s) dedicated to the project, and a clear role for staff engagement throughout the Pathfinder Programme
Question 7	Fail	No clear approach to knowledge capture or knowledge sharing
	Pass	Sound approach to knowledge capture and knowledge sharing

MUTUALS IN HEALTH: PATHFINDER PROGRAMME - WORKSHOP

Two of the Cabinet Office Mutual Ambassadors will host a workshop providing the opportunity to discuss the Review of Staff Engagement and Empowerment in the NHS and its recommendations. Colleagues from the Cabinet Office, Department of Health, specialist advisors and colleagues from the NHS will be attending.

Why this is of interest to NHS leaders?

A chance to learn about the public service mutual model and the potential benefits and challenges

An opportunity to hear first-hand from someone who has successfully led an NHS team on the journey to setting up a public service mutual

You will hear about the *Pathfinder Programme* and the support available to those interested in exploring this model

LOGISTICS

Date	Monday 11 August
Time	1000 to 1300 (<i>with lunch @ 1230</i>)
Venue	Mutual Ventures, @Waterloo Offices, 2-6 Boundary Row, London, SE1 8HP

AGENDA

Each of the sessions will be followed by a Q&A

- 1000 Welcome and objectives for the day
Andrew Laird Director, Mutual Ventures and Mutuals Ambassador
- 1010 Review of Staff Engagement and Empowerment in the NHS
Speaker (TBC)
- 1040 Overview of the mutual model including benefits and challenges
Andrew Laird Director, Mutual Ventures and Mutuals Ambassador
- Coffee Break -
- 1115 Mutual Case study: Social adVentures
Scott Darraugh Chief Executive, Social adVentures and Mutuals Ambassador
- Mutual Case study: NAVIGO CIC
Kevin Bond Chief Executive, NAVIGO
- 1200 Pathfinder Programme: An Overview
Tim Decamp Deputy Director, Cabinet Office
Hari Rental Head of Mutuals Support Programme, Cabinet Office
- 1215 Final Q&A

- Lunch -

REGISTRATION

If you or a colleague from your Trust would like to attend the workshop, please RSVP to info@mutualventures.co.uk detailing the name, job title and contact details of the delegate. With 30 spaces available, attendance is limited to one delegate per Trust.