

Foreword from Sir Ian Carruthers OBE, Acting NHS Chief Executive

The NHS is at a crucial point in its journey to becoming a truly patient-led service. We are half way through the ten-year programme of investment and reform that was launched with the NHS Plan, and this report shows how far we have come in the first five years. Although there are challenges ahead, this audit of activity within the NHS shows we are not only delivering more and improved health services, but also a much better quality of care for patients. I pay tribute to the commitment, determination and innovation of all those staff within the NHS who have helped make this possible. Thank you.

If you ask ordinary people about their personal experience of the National Health Service, it is usually very positive. Yet if you ask them about the overall state of the NHS, they are less satisfied. This may be due in part to the recent publicity around NHS finances and job losses. The last few months have certainly been challenging. Financial problems are being addressed in a significant minority of organisations; the reconfiguration of Primary Care Trusts (PCTs), Strategic Health Authorities (SHAs) and Ambulance Trusts has taken time and effort; and we are continuing to press ahead with implementing our health reforms.

Nevertheless, we should not forget the wider picture. We must remember that people come first, and that is why there is an absolute determination across the service to get the best possible care and treatment for patients. The achievements of the last five years are impressive. By next year, spending on the NHS will have trebled in a decade, and whilst increases of this scale are not sustainable in the long-term, the extra resources are already making big differences everywhere. This is demonstrated throughout this report, and provides us with a strong foundation on which to build.

Waiting times are shorter than ever. Most people who need surgery are in hospital within nine weeks, four out of five people get a first outpatient appointment within eight weeks, and almost everyone going to A&E is seen within four hours. Meanwhile lives are being saved through reductions in deaths from cancer, circulatory disease, coronary heart disease and suicides. Investment has also made a big difference to stroke services, diabetes, mental health, and the care of the elderly.

There is a financial blot on the landscape, but we should put it in perspective. The unaudited deficit for 2005/06, just over £500 million, represents less than one per cent of the annual NHS budget. More than two-thirds of this sum was accounted for by about one-tenth of all NHS organisations. This does not excuse the overspend in individual cases and it is essential that the deficits are vigorously tackled. It is imperative that we now focus on three things:

- . • First, by the end of 2006/07, restoring the NHS to net balance. A lot of hard work is going on throughout the country to achieve this.
- . • Second, deploying teams of turnaround experts to help those organisations facing the biggest financial challenges.

3 CHIEF EXECUTIVE'S REPORT TO THE NHS: JUNE 2006

- Third, through improving patient care and outcomes, continuing to deliver high-quality NHS services. This means concentrating on improving productivity, through greater workforce efficiency, enhanced clinical effectiveness, and smarter procurement.

I accept this may mean workforce reductions in some parts of the country. Uncertainty about employment is difficult for anyone, and I sympathise with any member of staff affected. However, much of the adverse comment in media quarters is not based on fact, but derived from extrapolations of anecdotal evidence, or inaccurate press reports.

A recent survey by NHS Employers showed that while some Trusts are planning redundancies, many others are using alternative methods to reduce their workforce spend – such as freezing posts, redeploying staff, redesigning roles, and reducing the use of expensive agency employees and temporary workers. The bottom line is that compulsory redundancies will be kept to an absolute minimum.

Contrary to what our critics claim, reform is not the reason for the overspend or the jobs losses, it is the solution. The reforms are introducing greater financial transparency – in some cases uncovering problems hidden for years – and providing incentives to ensure that the NHS can return to financial balance. They are also providing more benefits to patients, through greater choice, more personalised services, and new ways of working. As we set out in the recent White Paper on out-of-hospital care, we are gradually shifting more services closer to home in a safe and convenient setting, which is what the public tell us they want.

It is therefore essential we press ahead with the reforms, including developing our innovative partnerships with the private sector. We should see the increasing involvement of independent providers as complementary rather than controversial to the NHS, because patients will need the extra capacity and choice they bring as public demand for our health services develops.

There is a lot happening in the NHS that is worthy of praise, and I am proud to draw attention to it. At the same time, we should not underestimate the challenges that remain. We must get a grip on financial recovery, continue to improve patient care, and embed and accelerate the reforms. Throughout, it is essential that the Department of Health listens to the NHS and hears from those facing hard times. Everyone – whether manager or clinician, staff or supplier, patient or politician – wants even better health services. From my experience, I believe that the right environment is now in place to tackle the difficult issues and build a health service fit for the future.

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