



# Department of Health Business Plan 2006–07



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# Contents

<b>Foreword</b>	<b>1</b>
<b>1. Introduction</b>	<b>2</b>
Background to the plan	2
New planning process	2
How the plan is structured	3
<b>2. Who we are and what we do</b>	<b>4</b>
Our aim	4
Our department	4
Our values	4
Our objectives	5
<b>3. Our business plan for 2006–07</b>	<b>6</b>
Departmental objectives and strategic priorities	6
<b>4. How we are working to deliver the plan</b>	<b>14</b>
Review of the Department’s high-level structure	14
Improving the Way We Work	14
Capability Review	15
Business Improvement – work for the rest of 2006–07	17
Our people strategy	17
Our financial strategy	18
Risk management, assurance and change control	21
Performance management	21
<b>5. Conclusion</b>	<b>24</b>



# Foreword

There are successes and challenges in any year, and the 2006–07 period is presenting the Department of Health with a familiar mix of opportunities to progress towards our goals, and difficulties, which we are working on.

In September we were very pleased to welcome David Nicholson CBE as the new NHS Chief Executive. He brings with him many years of experience of the health and care system and his appointment has been warmly received.

New relationships are currently being built with strategic health authorities (SHAs), primary care trusts (PCTs) and local authorities – ones that we hope will be both creative and mutually supportive, as well as standing the test of time. These relationships are being shaped by a series of agenda-setting policy documents, including *Health Reform in England: update and commissioning framework* (published in July).

The Department has also redesigned its structure to better relate to and support our NHS and social care partners. We have new directorates in place, including social care, commissioning and provider development.

Achieving and sustaining financial balance is our top priority and the Department is rightly focused on this goal: the need to balance the books and tackle the NHS deficit is quite rightly at the forefront of our efforts.

We put transitional controls into place to make sure we could maintain business continuity but we weren't able to publish, as usual, during the summer. The combined effect of structural change, financial adjustments and the re-alignment of priorities are the reason for this 2006–07 business plan being published later this year. We have redesigned our business planning process to make sure that this is avoided in future years.

The next five months will bring continuing challenges for the Department. David Nicholson, Liam Donaldson (Chief Medical Officer) and I are working closely together, supporting ministers, to provide the leadership and focus that is needed – both internally and in the health and care system. I hope you will find the business plan a useful and interesting read.



Hugh Taylor  
Acting Permanent Secretary

# 1. Introduction

The purpose of this plan is to describe our in-year work priorities for 2006–07, to align them with our strategic aims and to provide a sound baseline from which the Department of Health (DH) can make the transition to a new business planning process in the run-up to March 2007.

## Background to the plan

Work on the business plan for 2006–07 began towards the end of 2005. Directors General were commissioned to develop a three-year forward look to be followed by a one-year operational plan. The overarching departmental plan was deferred while structural changes were agreed following the high-level review in the first half of 2006 and until programme and administration budgets had been agreed.

The Department is now moving from an annual to a quarterly planning cycle to allow us to monitor progress, identify any changes to priorities and keep track of resources. The 2006–07 baseline plan completes the planning process for the current year and provides a platform for the new quarterly planning cycle.

## New planning process

From this autumn, the Department will use a new business planning process to develop our business plan for 2007–08. This new process will support the changes in the Department's role by providing a disciplined basis for:

- identifying key departmental priorities;
- developing business improvement objectives;
- allocating limited resources;
- committing to agreed performance outcomes; and
- minimising risk to delivery.

This baseline business plan for 2006–07 bridges the gap between this year and the new planning process. It highlights our performance for the first half of this year and describes our delivery commitments for the rest of 2006–07.

## How the plan is structured

The baseline business plan for 2006–07 is divided into several sections covering:

- the Department's purpose, core values and objectives;
- the Department's key strategic priorities for 2006–07;
- our business improvement priorities;
- our HR and finance strategies; and
- our key performance targets and measures.

## 2. Who we are and what we do

### Our aim

The Department of Health's overall aim is to improve the health and well-being of the people of England.

### Our department

The shape of the Department is changing to help us improve the way we manage our workload, make key decisions and meet our top priorities.

We improve the health and well-being of the people of England by leading and supporting the NHS and social care organisations so they can provide fair, high-quality services that offer real choice for patients as well as best value for taxpayers. Our main functions are to:

- **lead the NHS and social care**  
We set and communicate the overall strategic direction within which local NHS and social care bodies can function effectively.
- **be accountable to the public**  
We are responsible, as a Department of State, for ensuring that public money is spent wisely and efficiently.
- **ensure care is well-managed and safe**  
We set national standards so that the public can know what quality of service to expect locally. We hold SHAs to account for leading the local NHS to meet those standards.
- **develop policy in partnership with others**  
We work closely with a range of important stakeholders, including other government departments and arm's length bodies, to promote partnership working in the interests of the people who use our services.

### Our values

Our values provide the fundamental principles we aspire to. These values shape our behaviour and underpin our role in leading the health and social care system.

- **Leading and sharing best practice:** we are a leading Whitehall department that sets standards of excellence across the wider health and social care system, focused on measurable improvements in health and well-being.

- **Working together in partnership:** we work collaboratively within and between teams, with other departments and with the wider system to achieve the most productive outcomes.
- **Learning and continuously improving:** we bring together our collective skills, knowledge and experience to develop new ways of working that improve our performance and support wider system reform.
- **Adding best value:** we make the best use of available resources to deliver solutions valued by stakeholders and end users.
- **Respecting and supporting each other:** we value diversity by respecting and supporting the contribution of others. We challenge unacceptable attitudes and behaviours.

## Our objectives

DH has the following objectives, derived from its public service agreement targets agreed with the Treasury:

1. To lead sustained improvements in public health and well-being, with specific attention to the needs of disadvantaged and vulnerable people.
2. To enhance the quality and safety of health and social care services, providing faster access and better patient and user choice and control.
3. To deliver an improved care experience for patients and users, including those with long-term conditions.
4. To improve the capacity, capability and efficiency of the health and social care system.
5. To ensure systems reform, service modernisation, IT investment and new staff contracts deliver improved quality and value for money.
6. To improve the service we provide as a Department of State to – and on behalf of – ministers and the public, nationally and internationally.
7. To develop departmental capability and efficiency and cement our reputation as an organisation that is a good place to do business with and a good place to work.

# 3. Our business plan for 2006–07

The Department has identified 36 strategic priorities, which are derived from our public service agreement targets agreed with the Treasury.

## Departmental objectives and strategic priorities

**Objective 1: To lead sustained improvements in public health and well-being, with specific attention to the needs of disadvantaged and vulnerable people**

- 1.1 Health and social care inequalities strategy.
- 1.2 Strategy to reduce adult smoking rates.
- 1.3 Childhood obesity strategy.
- 1.4 Sexual health strategy.
- 1.5 Emergency preparedness strategy.
- 1.6 Pandemic flu strategy.
- 1.7 Health protection strategy.
- 1.8 Scientific development strategy.
- 1.9 Deliver, in association with government offices, an integral public health strategy through Local Area Agreements.

### Examples of some key achievements for 2006–07 to date

- Health Act 2006 – containing the main smoke-free legislation and powers for the Secretary of State to increase the age of sale for tobacco products from 16 to 18 – completed its passage through Parliament and received Royal Assent in July.
- Public service agreement to double numbers of drug users in treatment from 85,000 in 1998 to 170,000 in 2008 was exceeded, two years early.
- Delivery of new targeted campaigns on alcohol and sexual health.

- Delivery of a series of events with the Prime Minister to raise the profile of the health improvement agenda and engage stakeholders in a different way.
- Annual weighing and measuring exercise to record heights and weights of pupils in reception and year 6 in primary schools and the National Child Obesity Database have been introduced.
- 350 million pieces of fruit are now provided each year to schools in England.
- Pandemic flu – clinical guidelines for patients with an influenza illness available – June 2006.
- Health protection – blood/tissues safety – EU Directive transposed into UK law.
- New sexual health campaign – November 2006.
- Publication of guidance on obesity management – November 2006.

### Forward look

- Pandemic flu – delivery of current contract to be completed December 2006.
- Pandemic flu – updated draft UK Contingency Plan to be available January 2007.
- Tobacco – dates for smoke-free England announced.
- Alcohol – announcement of £54.9 million of successful capital bids for the development of inpatient and residential rehabilitation treatment.
- Reform of Welfare Food Scheme into Healthy Start.

### **Objective 2: To enhance the quality and safety of health and social care services, providing faster access and better patient and user choice and control**

- 2.1 Develop local NHS commissioning, in particular to deliver the 18-week access target.
- 2.2 Deliver the patient choice agenda and Choose and Book implementation strategy.
- 2.3 Deliver the health and social care quality framework.
- 2.4 Implement the recommendations of the review of professional regulation.
- 2.5 Deliver the MRSA improvement strategy.
- 2.6 Deliver the cardiovascular and cancer public service agreement strategy.

### Examples of some key achievements for 2006–07 to date

- Key progress has seen the achievement of over 6,000 Choose and Book appointments in a 24-hour period and sending the millionth Electronic Transfer of Prescription (ETP) transaction. The number of services continues to increase.
- Commenced the roll-out of the national bowel cancer screening programme with two programme hubs and four screening centres operational by September 2006.
- Continued progress on cancer waiting times with sustained achievement of the 31 day target and near achievement of the 62 day target.
- 18 weeks – implementation framework and principles and definitions published. Cardio diagnostics project started.
- Three-month rolling average number of MRSA bacteraemias has fallen by 11% since May 2006.
- Over 410,000 patients have received care through the Independent Sector Treatment Centre programme.
- Professional regulation – Chief Medical Officer’s medical regulation review and the review of non-medical regulation were published in July 2006.

### Forward look

- Complete the first year’s roll-out of national bowel cancer screening programme with five programme hubs and 14 screening centres operational by March 2007.
- Choose and Book – as close to 100% as possible of referrals into first outpatient appointment made via Choose and Book options – December 2006.
- MRSA recovery plans for 80 trusts to be vigorously managed by SHAs and PCTs – from October 2006.
- Model contract covering 18 weeks developed by December 2006.
- 18 weeks – pathways in 13 top specialties published by January 2007.
- Professional regulation – publish response to 5th Shipman Inquiry Report and three inquiries by end of February 2007.

### Objective 3: To deliver an improved care experience for patients and users, including those with long-term conditions

- 3.1 Develop the implementation plan for the *Our health, our care, our say* White Paper programme and begin the development of pilot schemes.

- 3.2 Continue implementation of the mental health National Service Framework (NSF) strategy.
- 3.3 Deliver a legislative programme to enable improved health and social care services.
- 3.4 Extend the take-up of direct payments and individual budgets for social care.
- 3.5 Deliver the children's and maternity NSF strategy.
- 3.6 Deliver improved patient experience public service agreement.

### Examples of some key achievements for 2006–07 to date

- Launch of the Small change, BIG DIFFERENCE initiative, which shows people how they can improve their future health and well-being by making small, easily achievable changes to their lifestyles.
- New Independent Complaints Advocacy Service providers have been appointed.
- *Our health, our care, our say* report *Making it happen* – published October 2006.
- Public consultation on the national eligibility criteria for National Framework for Continuing Care and Nursing Care completed.

### Forward look

- Mental health – a recovery plan for early intervention teams to see 7,500 new cases for the year 2006–07.

### Objective 4: To improve the capacity, capability and efficiency of the health and social care system

- 4.1 Issue the 2007–08 NHS Operating Framework by end-December 2006.
- 4.2 Deliver the NHS financial recovery strategy.
- 4.3 Deliver new fit-for-purpose NHS organisations with effective leadership.
- 4.4 Support the new NHS service configuration.
- 4.5 Deliver the Information Services procurement strategy.
- 4.6 Ensure recruitment and education/training policies are aligned with a globalised employment market.

### Examples of some key achievements for 2006–07 to date

- Reorganisation of SHAs in England, reducing numbers from 28 to 10. The new structure will ensure the NHS is structurally able to deliver the next stage of health reforms.
- Reorganisation of PCTs in England, reducing numbers from 303 to 152. The new PCTs are more closely aligned with local authority boundaries and patients will benefit from more joined-up working.
- Implementation of the SHA ‘Bundle’, devolving financial accountability. This is a more strategic approach to funding the NHS than the multitude of small allocations made for specific purposes.
- Commissioning and Provider Development directorates established and roles defined.
- Social Care directorate established.
- Essential legal changes to the NHS Bursary Scheme and relevant policy elements – ministerial approval secured, May 2006.

### Forward look

- Achieve financial balance at year end in the NHS as a whole.
- Publish 2007–08 NHS operating framework in December 2006.
- Continue to embed a strengthened finance function and fill vacancies beneath the top team as far as resources allow.

### Objective 5: To ensure systems reform, service modernisation, IT investment and new staff contracts deliver improved quality and value for money

- 5.1 Deliver coherent system architecture and strategy.
- 5.2 Deliver the National IT Programme.
- 5.3 Improve productivity through benefits realisation on workforce, IT and service redesign.

### Examples of some key achievements for 2006–07 to date

- Payment by Results (PBR) tariff for 2006–07 published – spring 2006.
- Foundation trusts – over 50 trusts have now received foundation trust status (47 acute trusts and five mental health trusts).
- *Health reform in England: update and commissioning framework* – published July 2006.

- Electronic Prescription System (EPS) – 1 million prescriptions transmitted – May 2006.
- Delivery of support package for NHS communicators in delivering reform messages to staff locally.
- Picture archiving (PACS) – 31 systems delivered – May 2006.
- The number of services provided as a result of the IT investment continues to increase with the achievement of over 6,000 Choose and Book appointments in a 24-hour period.
- Benefits realisation strategy developed by Connecting for Health (CfH) has been adopted by the NHS as the basis for integrated service improvement planning (ISIP).
- NHS E-mail Service – released (v1.8) June 2006.

### Forward look

- Choose and Book – as close to 100% as possible of referrals into first outpatient appointment made via Choose and Book options – December 2006.
- EPS – 100% complete – December 2007.
- National Spine release B1 – November 2006.
- Practice Based Commissioning – achieve universal PCT coverage – end of December 2006.
- Management and regulation of the healthcare system scheduled for publication – November 2006.
- PBR tariff for 2007–08 due to be published in December 2006.
- *Commissioning Framework for Health and Well-being* scheduled for publication – December 2006.
- Promotion of the clinical case for NHS reform and service reconfiguration through integrated communications channels and vehicles.

### **Objective 6: To improve the service we provide as a Department of State to – and on behalf of – ministers and the public, nationally and internationally**

- 6.1 Support ministers to achieve best possible Spending Review outcome.
- 6.2 Develop a stronger core narrative on health and care reform, and communicate it.
- 6.3 Advance and defend UK interests in the Department's international (EU and global) work.

### Examples of some key achievements for 2006–07 to date

- Financial Sustainability Review completed, including discussions with some of the key stakeholders (such as SHAs). This is the first stage of the Comprehensive Spending Review (CSR), which identifies the potential cost savings between 2008–09 and 2010–11.
- Initial analysis of the financial and service plans for the CSR years completed, including an analysis of underlying pay, price and activity trends.
- *Health reform in England: update and commissioning framework* published in July 2006.
- The number of European Health Insurance Cards issued to the public has topped 20 million.

### Forward look

- Proposals for CSR to be submitted in March 2007, covering service and financial planning for 2008–09 to 2010–11, the high-level pay and workforce strategy for these years, the capital and asset management strategy, and our proposed PSA targets and performance framework.
- Financial Sustainability Review – implementation plans are now being developed in conjunction with policy leads.
- The review of overseas treatment (Med Ben) to be turned into an operational programme by April 2007.
- Contribute to and advance UK interests in the European Commission consultation on the contents of EU health legislation, by January 2007.
- Work with the new Director-General for the World Health Organization, developing a more strategic approach to global health.
- Pioneering the *DH Today* concept, providing a prompt update on breaking health stories and government news for journalists and the public.

### **Objective 7: To develop departmental capability and efficiency and cement our reputation as an organisation that is a good place to do business with and a good place to work**

- 7.1 Complete implementation of DH high-level review.
- 7.2 Update and deliver the DH business improvement strategy.
- 7.3 Meet administrative targets set for PQ/Parly/FOI work 2006–07.

### Examples of some key achievements for 2006–07 to date

- New Departmental Board appointed and new directorates for social care, commissioning and provider development created following the high-level structure review.
- Development and launch of the new departmental business planning process and performance scorecard framework.
- Development and implementation of the DH employee performance management process.
- New corporate governance structure constructed, with the implementation of a new Departmental Management Board, including non-executive directors, and the tightening of boards and committees, including the Finance and Investment Sub-Committee, the Corporate Management Board and the Audit Committee.
- Internal communications strategy finalised in July and agreed by the Corporate Management Board. Direction-setting events for Permanent Secretary and board members to communicate organisational priorities to staff launched.

### Forward look

- Extend the DH performance scorecard framework to directorate level and implement the new operational planning process between November 2006 and March 2007.
- Move through the next phase of integrating the recommendations of the high-level review (mainstreaming).
- Plan and prepare for the departmental Capability Review between February and April 2007.
- Prepare for and achieve Investors in People re-accreditation between February and June 2007.
- Build the communications support for NHS engagement and stakeholder relations, including ongoing analysis of research and advice.

## 4. How we are working to deliver the plan

To deliver the objectives set out in the plan, the Department is committed to delivering a clearly defined capability improvement strategy. This has involved a review of the Department's high-level structure and work on our six priority areas for business improvement (Improving the Way We Work).

### Review of the Department's high-level structure

The Department's high-level structure was reviewed at the end of 2005 and, as a result, changes have been made to improve our capability to better support the changing health and social care system.

The restructuring will increase our capability to support our business priorities, e.g. establishing new social care, commissioning and provider development directorates to help drive through system reform, and a strengthened finance function to support financial recovery in the NHS. The new Policy and Strategy Directorate is leading work to strengthen our policy development. As part of the high-level review, we have a new, larger Departmental Management Board, working more closely with ministers and with the new committees to support it.

A description of the new Departmental Management Board is available here:

[http://www.dh.gov.uk/AboutUs/MinistersAndDepartmentLeaders/DepartmentDirectors/DHDirectorsArticle/fs/en?CONTENT\\_ID=4105452&chk=b1qXfQ](http://www.dh.gov.uk/AboutUs/MinistersAndDepartmentLeaders/DepartmentDirectors/DHDirectorsArticle/fs/en?CONTENT_ID=4105452&chk=b1qXfQ)

### Improving the Way We Work

The concept of continuous business improvement has been promoted through Improving the Way We Work. This sets out six improvement areas that have been developed at a DH-wide programme level and integrated into the new departmental employee appraisal system.

The six areas of improvement provide a sound and logical foundation for our future capability improvement strategy and reflect our changing role as well as the core business of a Department of State. The six areas of improvement are:

1. Improving the way we deliver policy.
2. Improving our system leadership and support, particularly social care.

3. Improving our service to ministers and the public.
4. Improving as an organisation to do business with.
5. Improving as a place to work.
6. Improving how we manage our work.

Good progress has been made throughout 2006–07 in the six areas of improvement. This has included the development and roll-out of an interactive policy development tool, the implementation of a new employee performance management process, the development and roll-out of a senior leadership learning strategy and the implementation of a new business planning framework and performance scorecard strategy.

## Capability Review

In October 2005, the Cabinet Secretary, Sir Gus O'Donnell, announced to the Public Administration Select Committee that he would work with permanent secretary colleagues to develop Capability Reviews that would both assess how well equipped departments are to meet their delivery challenges and provide targeted support to make any improvements required. The reviews are designed to look at leadership, delivery and strategy in terms of capacity, skills and capability.

The formal process for DH begins in February 2007, with the review in April and the report and improvement plan due to be published in June.

## Key improvement-related activities delivered and planned for 2006–07

Delivered Planned	Apr 06	May 06	Jun 06	Jul 06	Aug 06	Sep 06	Oct 06	Nov 06	Dec 06	Jan 07	Feb 07	Mar 07
<b>Improving the way we deliver policy</b>												
e-learning Policy Initiation Tool						▲						
Web-based good practice guide	▲											
New 'Policy Committee' established				▲								
New Policy and Strategy Directorate formed	▲											
Policy Skills workshops											◆	
<b>Improving our system leadership and support, particularly social care</b>												
Stakeholder communications toolkit	▲											
Access to social care advice and expertise	▲											
Commissioning Directorate formed					▲							
New Social Care Director appointed						▲						
Provider Development Directorate formed						▲						
Social care awareness sessions	▲											
<b>Improving our service to ministers and the public</b>												
Working with Ministers course										◆		
Private Office feedback pilot											◆	
New Fol surgeries									◆			
Performance data for Fol, PQs, CHIP etc	▲											
<b>Improving as an organisation to do business with</b>												
Working with Local Government course	▲									◆		
Managed stakeholder networks		▲										
Stakeholder perception data												
<b>Improving as a place to work</b>												
New reward arrangements									◆			
New promotion gateways, aligned to PSG												◆
Diversity e-learning package												
Leadership programme for SCS					▲	▲						
Performance management awareness sessions	▲											
Learning and development prospectus							▲					
<b>Improving how we manage our work</b>												
PPM Framework and supporting tools		▲										
Performance management skills modules								▲				
PPM skills training available								▲				
Work prioritisation tools		▲						▲				
New business planning framework												
Financial management skills training			▲									

Fol = Freedom of Information  
PQs = Parliamentary questions

CHIP = briefing and information system for DH staff  
PSG = Professional Skills for Government

SCS = Senior Civil Service  
PPM = Programme and Project Management

## Business improvement – work for the rest of 2006–07

We have mainstreamed business improvement through the new business planning process, ensuring a direct read-across between delivery goals and our business improvement priorities.

Improving the Way We Work supports managers to apply the six areas to their own business. Some directorates will also be responsible for delivering recommendations arising from the high-level review. Local managers will undertake business improvement activity appropriate to their local business. The new business planning system will be the vehicle to start this local action.

The high-level review implementation plans will be merged with the Improving the Way We Work programme to provide a coordinated business improvement agenda for the remaining six months of this year.

## Our people strategy

The first half of 2006–07 has seen the roll-out of a number of linked HR strategies. These have included the development and implementation of a new HR policy framework, a performance management process, the delivery of an equality e-learning package, the roll-out of a senior leadership development portfolio, the full implementation of Professional Skills for Government (PSG) assessments, the delivery of a comprehensive staff survey and action plan, and a new reward strategy.

The HR strategy is underpinned by the Department's commitment to achieving the Investors in People standard; a full external assessment is planned before May 2007.

The Department's HR vision sets out a framework that:

- responds to staff feedback to make the Department a good place to work;
- supports leaders who can provide clear vision, manage stakeholder groups and be outstanding people managers;
- increases the flexibility, capability and commitment of our staff;
- improves our efficiency in recruiting and deploying staff; and
- commits to delivering improvements in our diversity profile.

This vision aligns with and supports the Department's business improvement programme, Improving the Way We Work.

Our HR priorities for 2006–07 are:

- **New policies to support business improvement:** reward strategy, the Performance Management system, Professional Skills for Government (PSG) and new promotion and deployment arrangements.
- **Customer focus:** acting on feedback including that from Investors in People re-accreditation and the annual staff survey.
- **Leadership and people development:** a leadership development portfolio for the Senior Leadership Team, leadership programmes for Senior Civil Service payband 1, management and staff development aligned to PSG.
- **Optimising HR information technology:** PARIS developments, improved intranet presence, the production of a suite of workforce information, and facilitating people planning and resource management processes.
- **Restructuring HR:** implementing the HR business partner structure to deliver targeted improvements in performance and improved value for money.

## Our financial strategy

During 2006–07, the Department has experienced considerable downwards pressure on both its administration budget and the near cash element of its central programme budgets. Near cash covers direct expenditure in areas such as procurement and excludes indirect costs incurred in areas such as capital depreciation. These downwards pressures have meant that the Department has had to examine the distribution of its resources and find new and more efficient ways of delivering on its commitments. Key financial objectives for 2006–07 include:

- achieving financial balance in the NHS in 2006–07;
- achieving balance on the Department's near cash budget;
- ensuring central budget spend is managed within the agreed budget levels;
- ensuring departmental administration costs are managed within the agreed budget levels;
- providing clear accountability for delivery of targeted savings;
- all budget categories to be managed within the financial allocations available;
- funding destined for the NHS to be issued collectively and as soon as possible in the year; and
- all budgets to be profiled in detail (by account code and time period).

## Departmental financial performance for 2006–07

The Department is responsible for ensuring that all funding for the NHS and social care – some £96.5 billion in 2006–07 – is well spent. We have direct responsibility for securing best value from the £311 million resources spent on the Department itself, and the £7,729 million central budget programme for NHS expenditure.

	2005–06 £ million	2006–07 £ million	2007–08 £ million
<b>DH net spending on administration</b>			
<b>Administration budget</b>			
Total directorates	156	157	147
Total departmental	90	83	78
<b>Subtotal</b>	<b>246</b>	<b>240*</b>	<b>225</b>
<b>Non-administration budget</b>			
Total including NHSPASA	58	53	49
Capital	12	18	18
<b>Total</b>	<b>316</b>	<b>311</b>	<b>292</b>
<b>DH central budget programme</b>	<b>7,557</b>	<b>7,729</b>	<b>To be set</b>

\* This assumes an end-of-year flexibility of £13 million (2005–06: £15 million), which is not reflected in the *Department of Health – Departmental Report 2006*.

For the year 2006–07, these resources – both staffing and financial – will be divided between the departmental directorates, as set out in the table that follows.

## 2006–07 resources by directorate

	Net resources within administration budget £k	Other administration resources £k	Capital budget £k	Central programme budget £k	Staff in post as at November 2006 (figures rounded) WTE
Healthcare Quality	3,055.7	438.3		27,786	62
Clinical Programmes	3,662.7	1,358.4		313,601	64
Research and Development	4,238.5			702,999	50
Health Improvement	5,327.1	5,750.0		366,431	94
Health Protection, International Health and Scientific Development	9,075.6	990.0		979,546	119
Regional Directors of Public Health	12,504.2			3,284	141
Health and Care Partnerships	10,925.0	216.5		1,533,282	74
Commissioning	11,449.1			158,183	189
Provider Development	2,181.8				49
Finance and Investment, including NHS Estates	12,698.0			312,803	174
Workforce	7,120.0			783,337	105
Commercial	801.4			92,411	8
NPfIT SRO and NHS Connecting for Health	230.0	3,221.5		882,956	3
Social Care	940.0				75
Experience and Involvement/Professional Leadership	5,024.0			45,074	77
Policy and Strategy	11,144.0				138
Communications	7,420.0		80.0	16,777	120
ALB Review Team	2,162.0			1,509,764	
Equality and Human Rights	1,000.0			2,136	15
MPI	4,252.0				73
Departmental Management*	42,084.8		15,832.0	{ -1,517	611
Departmental Budgets	82,992.7				
NHSPASA		26,799.0	580.0		
Cost of collection/bad debts		14,100.0			
<b>Total allocations</b>	<b>240,288.6</b>	<b>52,873.7</b>	<b>17,152.0</b>	<b>7,728,853</b>	<b>2,241</b>

\* Departmental Management includes: Development Directorate, Information Services, Customer Service Centre, Human Resources, Business Partnering, DH/ALB Financial Controller and Secretariat

An enhanced financial challenge function to review spend against profiles has been implemented and financial performance information has been incorporated into the Department's performance scorecard. A new function to review and improve the quality of the Department's policy costing has also been set up.

Known financial resource constraints for 2007–08 will present even greater challenges. To respond to these challenges the Department will adopt a strategic focus, establishing clear priorities and taking a top down approach to business and financial planning. A range of new financial strategies to support continued financial recovery and improved performance are being developed.

### **Risk management, assurance and change control**

As part of the business planning process, arrangements have been put in place to identify and manage the risks and business changes that could affect delivery of the business plan. Risks and change control activities are managed in accordance with a three-tier governance structure, with overall accountability held at the Departmental Management Board (DMB).

Risk assurance and change control activities are identified, prioritised and managed at the lowest practicable level, in accordance with the established DH risk management and project management processes. Risks or business changes that cannot be contained at their originating level, or that have an interdependency with wider departmental work, are escalated to the next level in the governance structure – where necessary to one of the committees of the DMB, and ultimately to the Board itself.

The DMB has also commissioned work for 2006–07 to increase the assurance that plans to deliver our business objectives are robust. Programme and project management, including effective risk management arrangements, are part of this.


### **Performance management**

This year has seen the development and launch of the Department's new business planning process and first performance scorecard.


The DH Scorecard provides a performance management tool for the delivery of the business plan. Launched at the Corporate Management Board (CMB) in July, the scorecard covers a range of threshold performance targets and measures aimed at establishing a shared understanding of departmental progress and a basis for assessing effectiveness. The results for quarter two illustrate the early stages of performance reporting and provide a foundation for the development of more sophisticated performance measures to support next year's business plan.

## Summary of performance – Quarter 2 2006–07 (July–September)


### 3. Delivering performance improvements

	Current performance	Forecast performance	Risk
3.1	n/a	n/a	n/a
3.2	n/a	n/a	n/a
3.3	n/a	n/a	n/a
3.4	n/a	n/a	n/a
3.5	n/a	n/a	n/a
3.6	n/a	n/a	n/a
3.7	n/a	n/a	n/a
3.8 DH External Gateway submissions/rejections	<b>R</b>	<b>R</b>	<b>A</b>
3.9 Parliamentary questions	<b>A</b>	<b>A</b>	<b>A</b>
3.10 Ministerial submissions	n/a	n/a	n/a
3.11 Briefing and information system for DH staff (CHIP)	n/a	<b>G</b>	<b>G</b>
3.12 Correspondence		<b>G</b>	<b>A</b>
3.13 Freedom of Information	<b>A</b>	<b>G</b>	<b>A</b>





### 4. Improving our reputation/brand




	Current performance	Forecast performance	Risk
4.1 Employee satisfaction index	<b>R</b>	<b>R</b>	<b>R</b>
4.2 Stakeholder satisfaction index		<b>R</b>	<b>R</b>
4.3 Ministerial satisfaction index	n/a	n/a	n/a
4.4 Staff turnover/retention	<b>G</b>	<b>G</b>	<b>G</b>
4.5 Staff absence	<b>G</b>	<b>G</b>	<b>A</b>

### 2. Improving the way we work

	Current performance	Forecast performance	Risk
2.1 Improving the way we deliver policy	<b>G</b>	<b>G</b>	<b>G</b>
2.2 Improving our system leadership and support	n/a	n/a	n/a
2.3 Improving our services to ministers and the public	<b>G</b>	<b>G</b>	<b>G</b>
2.4 Improving as an organisation to do business with	<b>G</b>	<b>G</b>	<b>G</b>
2.5 Improving as a place to work		<b>G</b>	<b>G</b>
2.6 Improving how we manage our work	<b>G</b>	<b>G</b>	<b>G</b>

### 1. Investing in the organisation

	Current performance	Forecast performance	Risk
1.1 Admin budget to forecast	<b>G</b>	<b>G</b>	<b>R</b>
1.2 Staff admin budget to forecast	<b>G</b>	<b>G</b>	n/a
1.3 Staff numbers to forecast			<b>R</b>
1.4 Training and development budget to forecast			<b>G</b>
1.5 Diversity actual to forecast	<b>G</b>	<b>G</b>	<b>G</b>
1.6 Central programme budget to forecast	<b>G</b>	<b>G</b>	<b>R</b>

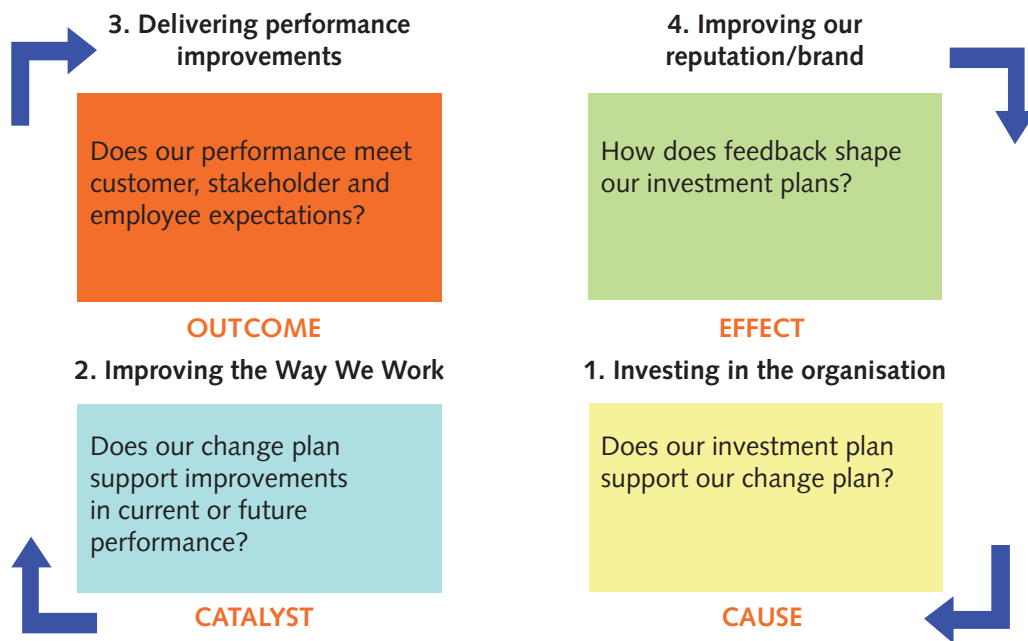
Key	
<b>G</b>	Green – on target
<b>A</b>	Amber – off target/within tolerance
<b>R</b>	Red – off target
	Performance worse than previous quarter
	Performance better than previous quarter
	Performance the same as last quarter

These early results show that the Department has experienced success in the areas of handling correspondence, ensuring a diverse workforce in line with legal requirements, and improving the way we deliver policy. Further work is required to improve performance in the areas of staff and stakeholder satisfaction.

The CMB uses the quarterly scorecard report to measure progress and focus attention on those areas that require key decisions or changes in our approach.

The production of directorate-level scorecards is planned over the next six months. This will be done alongside the development of new directorate-level operational plans and will provide a basis for testing and measuring the delivery of next year’s business plan.

### Department of Health Scorecard Model



## 5. Conclusion

This document does not set out to be a complete description of every one of the very broad mix of activities that the Department undertakes during the year. What it does do is show how our main activities relate to our strategic objectives.

As well as realising some important achievements during the year, we will be beginning the groundwork for future goals.

The major themes will be clear from this document for both this year and future years. These are:

- the reform agenda;
- achieving financial balance in the NHS; and
- the continuing implementation of the *Our health, our care, our say* White Paper.

The December 2005 document *Health Reform in England: update and commissioning framework* set out the overall framework for reform. This covers major policy initiatives such as practice-based commissioning, choice, Payment by Results and the introduction of more diverse providers from the private and third sectors. The challenge remains significant at a time when the NHS seeks to deliver financial balance through improved system performance and greater efficiency.

In January 2006, the Department presented its White Paper *Our health, our care, our say*, which outlined how future health and social care services are to be designed around the patient, rather than the needs of the patient being made to fit around the service. A greater emphasis was placed on prevention by encouraging improved services in the community through local innovation and better links between health and social care.

The reform agenda, the change in focus for delivering health and well-being, and financial balance are all led by the Department and are a key reason for the structural changes that have been implemented in the Department this year. The environment continues to change and the challenges of delivering the vision and aspirations of our key policies are rightly at the forefront of the Department's plans.





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