clear invitation here for providers and commissioners to be creative within a clearly laid out framework of performance, quality, access and cost.

The framework for the reforms

The framework is described as having four elements; Demand side reforms (e.g. patient choice); supply side reforms (e.g. provider plurality); system management reforms (e.g. regulation and inspection); and transactional reforms (e.g. payment by results). The figure below taken from the document shows their interaction.

Source: DH, 2005

Not surprisingly the document refers not only to regulation and inspection of the quality of services but also to the regulation of *competition* to create the right tension between competition and cooperation. This is no easy task given that markets tend to want to defeat competition through market dominance or price fixing (mergers and cartels).

Whilst there is no doubt that patient choice is an important factor, there is little mention of the management of excessive or inappropriate demand in this section of the report. This is a major policy challenge in terms of creating choice within a choice lim

With some commentators expressing anxiety about the current market providing services and diverting resources to meet the needs of essentially the worried well[1], this is an important area of work for the RCN in the coming year.

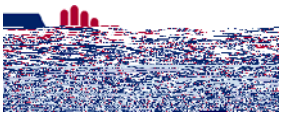
The benefit for patients

This part of the report deals quickly with the main benefits in terms of developing quality, personalised services, access, joined-up services, voice and moving from a national 'sickness service' to a *health* service.

Whilst there is nothing new in this section, there are outstanding issues. In terms of quality, reference is made to patients no longer having to make do with underperforming services and being able to take their money elsewhere (choice, voice and exit). There is little said in this report about what happens to failing providers or even how the information produced by the plethora of providers in the market will be checked to consistency, quality or accuracy. Despite concern from a number of sectors including patient groups, it is surprising not to see this mentioned.

In addition, despite the focus on choice primary care through provider plurality, choice is still very limited as changing GP (now a major commissioner and provider of services) remains a complex and uncertain process. Without choice over GP, a major player in the primary care market will remain immune from the sort of patient led and financial incentives discussed.

The forthcoming white paper should fill some of the gaps in this respect as this was one of the iss



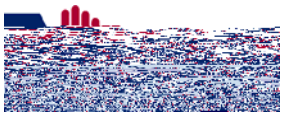
It is this intention which has generated the most criticism in that it suggests two things. Firstly it suggests that the DH, unlike many commentators, do not consider these to be competing policy priorities. Secondly, that there is enough cash in the system to pay for the transaction costs of both modernisation of working practices and organisational change e.g. redundancy and relocation; IT system reform, communication and organisational development.

In respect of the resources to deal with the reorganisation and increasing activity, it is clear from the deteriorating financial position of many parts of the health economy, that this is going to provide a major source of difficulty which is bound to impact upon RCN members in terms of distribution of services, professional development and employment stability. The Audit Commission recently estimated that even introducing a relatively non-clinical reform within FT's such as PbR cost around £100k per organisation in terms of systems reform and staff development creating a potential cost pressure across the NHS of some £50m

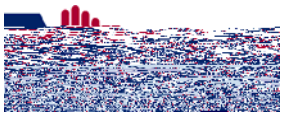
Annexes

The annexes contain a series of tables laying out various timescales and launch dates for a number of reforms and initiatives. The annexes are an important 'one-stop' picture of the pace of change for the coming year. There are some key milestones which need to considered as part of planning the year ahead.

Publication or target date	Objective	Description
Early 2006	White Paper	Will set out a 'Strategic vision' for reform as well as defining the programmes incentives and flexibilities to a greater degree than previously
Jan 2006	'Rules' for 2006/7	This will be a comprehensive document covering almost all aspects of the reform agenda
Jan 2006 onwards	Launch of FT preparation project	The standards already laid out are likely to place applicants under severe pressure to reform infrastructure and costs
Apr 2006	Launch of national tariff to cover A&E and outpatient care in hospitals	This is still uncertain as many questions around the tariff's use remain unanswered
April 2006	Code of conduct and core assurance framework for PbR launched	This will be the first indication of the kind of criteria the DH will use to manage market behaviours



Summer 2006	Framework for Commissioning. PBC and national contracts
	Framework for next steps on patient choice
	Framework for future provider reform
	Framework for future workforce development
	Framework for management



Recommendations

This is an important document which attempts to address current criticisms of the reform agenda in three ways:

1. Providing greater (although complete) clarity over the 'end game'

2. Drawing together occasionally conflicting policy initiatives to form a more cohesive framework

3. Putting a timescale to the reforms including offering a commitment to continue to explain and explore the reform agenda

In its current form, the document provides a stark reminder of the size of the challenges ahead for the RCN and the members it serves. 2006/7 will a year packed with numerous announcements and publications, each one of which will contain further detail about the future of the NHS and nursing.

It is recommended that

1. Nursing teams consider the contents of the operating framework as an indication of the future development of practice and consider their own development needs, particularly in respect of commissioning and contract management.

2. Senior Nurses may want to use the timetable to plan a series of consultation and engagement events with key clinicians and nurses to shape a response to the various documents as they are released.

3. RCN activists may want to use the documents timetable to plan a series of branch events to highlight the developments as they are announced and consult with members on a response