

Executive Summary
Report to the Board of Directors
Held on 31 January 2023

Subject:	2023/24 Operational Planning
Supporting TEG Member:	Mark Tuckett, Director of Strategy & Planning
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Status	N

PURPOSE OF THE REPORT:

To provide details of the 2023/24 operational planning guidance and summary of cut 1 plans from Directorates.

KEY POINTS:

National planning guidance was issued in December with three clear priorities:

- 1) Recover core services and productivity
- 2) progress delivery of the NHS Long Term Plan
- 3) Transform the NHS for the future

A summary of this was presented to the Finance and Performance Committee earlier in January and is attached. The Trust Executive Group, Finance and Performance Committee and the Board will continue to be appraised as internal plans develop.

IMPLICATIONS²:

AIM OF THE STHFT CORPORATE STRATEGY 2022-2027		TICK AS APPROPRIATE
1	Deliver the Best Clinical Outcomes	✓
2	Provide Patient Centred Services	✓
3	Employ Caring and Cared for Staff	
4	Spend Public Money Wisely	✓
5	Create a Sustainable Organisation	✓
6	Deliver Excellent Research, Education and Innovation	✓

RECOMMENDATION(S):

The Board of Directors are asked to note the 2023/24 operational planning guidance.

APPROVAL PROCESS:

Meeting	Date	Approved Y/N
Finance and Performance Committee	9 th January 2023	Y
Trust Executive Group	18 th January 2023	Y
Board of Directors	31 January 2023	

2023/24 National Planning Guidance



Operational Planning Guidance

- 3 Priorities this year; 1) Recover core services and productivity 2) progress delivery of Long Term Plan 3) Transform the NHS for the future

1. Recover core services

- Essential Actions;
 - Reducing Ambulance Handovers
 - Reducing Bed Occupancy
 - Reducing Outpatient follow ups relative to first appointment
 - Increasing Day case Rates and Theatre Utilisation
 - Moving to self referral for community services where GP intervention no clinically necessary
 - Increasing use of community pharmacies
- Increase capacity in; Beds, Intermediate Care, diagnostics, ambulance services and permanent workforce (to be supported with specific investment)
- Improve staff retention and attendance through a systematic focus on all elements of the NHS People Promise
- Continue to narrow health inequalities in access, outcomes and experience



Operational Planning Guidance

2. And 3. LTP (the “North star”) and Transformation

- Improving mental health services and services for people with a learning disability and autistic people remain a core commitment
- Prevention and management of LTCs still key to improving population health
- NHSE leading the development of a NHS Long Term Workforce Plan
- NHSE will continue to level up digital infrastructure and drive greater connectivity- including development of a ‘digital first’ option for the public
- NHSE to develop national improvement offer to complement local approaches

Local Empowerment and Accountability

- ICSs are best placed to understand population needs and are expected to agree specific local objectives that complement the national NHS objectives
- Greater transparency and assurance to strengthen accountability, drawing on the review of ICS oversight and governance Rt Hon Patricia Hewitt is leading
- NHS Oversight Framework to be updated and NHSE/ ICBs to ensure oversight & performance management arrangements are proportionate and streamlined



Specific areas of recovery focus

Urgent and Emergency Care

- Increase physical capacity and permanently sustain equivalent of 7,000 beds of capacity funded through winter 2022/23 (92% occupancy target). Increase to come in G&A, intermediate and step down care and community bed capacity. £1bn funding through system allocations (includes the virtual ward allocation) - £590m in allocations, £380m allocation to be agreed as part of planning process
- Expectation virtual wards are at 80% utilisation by end of Sept 23
- Reduce the number of medically fit to discharge patients in our hospitals, addressing NHS causes as well as working with Local Authorities. £600m funding (via BCF) 23/24, £1bn 24/25. Plus £400m LA funding for discharge.
- Increase ambulance capacity. Reduce handover delays to support the management of clinical risk across the system. Additional funding to Ambulance Trusts to expand capacity.
- Maintain clinically led System Control Centres (SCCs) to effectively manage risk

Community Services

- Increase referrals into urgent community response (UCR) from all key routes, with a focus on maximising referrals from 111 and 999
- By Sept 23 direct referral pathways to be put in place for;
 - community optometrists to ophthalmology services,
 - self-referral routes to falls response services, musculo-skeletal physiotherapy services, audiology-including hearing aid provision, weight management services, community podiatry, and wheelchair and community equipment services.



Specific areas of recovery focus

Elective Care

- Deliver reduction in OPFU to reduce activity by 25% of 2019/20 baseline by March 2024
- Meet the 85% day case and theatre utilisation expectations, using GIRFT and moving procedures to the most appropriate settings
- Offer meaningful choice at point of referral and at subsequent points in the pathway, and use alternative providers if long waits including through the Digital Mutual Aid System (DMAS)
- Delivery of around 30% more elective activity by 2024/25 than pre pandemic, after accounting for the impact of an improved care offer through system transformation, and advice and guidance

Cancer

- Implement priority pathway changes for lower GI (at least 80% of FDS lower GI referrals accompanied by a FIT result), skin (teledermatology) and prostate cancer (best practice timed pathway)
- Increase and prioritise diagnostic and treatment capacity, ensuring new diagnostic capacity is prioritised for urgent suspected cancer. Expected to require 25% increase in diagnostic capacity and 13% increase in treatment capacity
- Expand the Targeted Lung Health Checks (TLHC) programme and ensure sufficient diagnostic and treatment service capacity to meet this new demand
- Commission key services which will underpin progress on early diagnosis
- Work with regional public health commissioners to increase colonoscopy capacity to accommodate the extension of the NHS bowel screening programme to 54 year olds
- £390m in cancer service development funding to Cancer Alliances in each of the next two years



Specific areas of recovery focus

Diagnostics

- Deliver second year of 3-year investment plan for establishing Community Diagnostic Centres (CDCs)
- Deliver a minimum 10% improvement in pathology and imaging networks productivity by 2024/25 through digital diagnostic investments and meeting optimal rates for test throughput
- Increase GP direct access to national target and get ready for further expansion (target tbc 2023/24)

Maternity and Neonates

- Delivery of Final Ockenden report and items included in single delivery plan for maternity and neonates
- Ensure all women have personalised care plan and supported to make informed choices
- Implement the local equity action plans to reduce inequalities in access and outcomes for the groups that experience the greatest inequalities
- Further £72m of funding in 2023/24 on top of 2022/23 level.

Use of Resources

- Reduce Agency spending to 3.7% of the pay bill
- Review workforce growth by staff group and calculate expected productivity increases (and deliver)
- Reduce corporate running costs with a focus on consolidation, standardisation and automation to deliver services at scale across ICS footprints
- Reduce procurement and supply chain costs and improve inventory management
- Purchase medicines at the most effective price point by realising the opportunities for price efficiency identified by the Commercial Medicines Unit



Relevant National Objectives

Area	Objective
UEC	Improve A&E waiting times - no less than 76% of patients are seen within 4 hours by March 24 with further improvement in 24/25
	Improve cat 2 ambulance response times to average of 30 minutes across 23/24, recover to pre-pandemic levels in 2024/25
	Reduce adult general and acute (G&A) bed occupancy to 92% or below
Community	Consistently meet or exceed the 70% 2-hour urgent community response (UCR) standard
	Reduce unnecessary GP appointments and streamlining direct access and setting up local pathways for direct referrals
Primary	Continue on the trajectory to deliver 50 million more appointments in general practice by the end of March 2024
	Recover dental activity, improving units of dental activity (UDAs) towards pre-pandemic levels
Elective	Eliminate waits of over 65 weeks for elective care by March 2024 (except where patients choose to wait longer or in specific specialties)
	Deliver the system- specific activity target (agreed through the operational planning process)
Cancer	Continue to reduce the number of patients waiting over 62 days
	Meet the cancer faster diagnosis standard by March 2024 so that 75% of patients who have been urgently referred by their GP for suspected cancer are diagnosed or have cancer ruled out within 28 days
	Increase the percentage of cancers diagnosed at stages 1 and 2 in line with the 75% early diagnosis ambition by 2028
Diagnostic	Increase the percentage of patients that receive a diagnostic test within six weeks in line with the March 2025 ambition of 95%
	Deliver diagnostic activity levels that support plans to address elective and cancer backlogs and the diagnostic waiting time ambition
Maternity	Make progress on the national safety ambition to reduce stillbirth, neonatal mortality, maternal mortality and serious intrapartum brain injury
	Increase fill rates against funded establishment for maternity staff
UoR	Deliver a balanced net system financial position for 2023/24
Workforce	Improve retention and staff attendance through a systematic focus on all elements of the NHS People Promise
Prevention and health inequalities	Increase % of patients with hypertension treated to NICE guidance to 77% by March 2024
	Increase % of patients aged between 25 and 84 years with a CVD risk score greater than 20 percent on lipid lowering therapies to 60%
	Continue to address health inequalities and deliver on the Core20PLUS5 approach



Financial Planning Guidance - System

- Allocation includes funding for growth (demographic and non-demographic)
- Additional funding for capacity, community services and mental health services within allocation
- Additional money to flow into Better Care Fund included in allocation
- Cost uplift of 2.9% (including assumed pay award of 2%) within allocation
- Less 1.1% efficiency, as well as convergency adjustment (system specific %)
- COVID funding now in core allocation (significantly reduced), and must fund both intra and inter system providers (0.6% uplift on intra system contracts)
- ERF – each commissioner to be set individual elective activity target based on activity delivered in 2022/23 (poor performance = bigger trajectory increase)
- Targets to be included in the ‘technical ERF guidance’ not yet released
- Systems must reduce Agency spending to 3.7% of total pay bill
- Must be breakeven overall as a system (and ICB must be at least breakeven)
- Capital – small element will be allocated based on 2022/23 revenue performance (system performance not provider)



Financial Planning Guidance - Trust

- Aligned payment and incentive (API) contracts to continue, but more to go into the variable part this year
- CQUIN applicable on API contracts over £10m (becomes variable part of API)
- 'Elective services' to form the variable part of the API, **to be paid at 100% PbR**
- Elective services = Daycase, elective, Outpatient Firsts, Outpatient Procedures (that have a tariff price), diagnostic imaging and nuclear medicine, Chemotherapy delivery
- No Spec Comm delegation to ICBs to happen in 22/23
- Spec Comm to retain some central funding for investment in agreed national service and clinical priorities. Allocated to regional commissioners in year.
- Very little change to High Cost Drugs and Devices reimbursement
- Looking to move some services (e.g. CAR-T) to funding infrastructure cost rather than price per patient
- Genomics – to move to activity based model (locally agreed prices)
- 2023-25 NHS Payment Scheme (NHSPS) to replace National Tariff (subject to consultation – launched on 23rd Dec) – makes API only option for NHS Trusts



Financial Planning Guidance - Trust

- Required to plan for E&T income at a much more granular level
- Trust required to reduce Agency to 3.7% of pay bill
- Non recurrent funding in 22/23 for the pay award impact on LA contracts has NOT gone into ICB allocations
- COVID testing will move to fixed allocations during 23/24 but will stay as currently in the meantime
- SIREN funding no longer via NHS E but direct from research bodies
- Cost uplift of 2.9% made up as follows;

Table 3: Elements of inflation in the 2023/24 cost uplift factor

Cost	Estimate	Cost weight	Weighted estimate
Pay	2.1%	68.9%	1.5%
Drugs	1.3%	2.4%	0.0%
Capital	4.0%	7.1%	0.3%
Unallocated CNST	1.5%	2.2%	0.0%
Other	5.5%	19.3%	1.1%
Total			2.9%⁸

