

Planning – Draft Priorities for 2016/17

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Trust Board paper M

Executive Summary

Context

Each year, the Trust is required to prepare and submit a detailed annual operational plan, which sets out how we will meet the expectations of our patients, the regulator, commissioners and other stakeholders on our journey to sustainability, whilst also focusing on tackling immediate performance issues and ensuring short-term resilience.

Over recent months, we have been working with stakeholders to shape our annual priorities for 2016/17, a key part of the annual plan.

In addition, a summary of the national planning guidance is included at appendix 1.

Questions

1. What are the draft / proposed annual priorities for 2016/17?
2. What are the key messages within the national planning guidance for 2016/17 to 2020/21?
3. Do our draft / proposed annual priorities for 2016/17 reflect the key requirements of the national planning guidance?

Conclusion

1. The draft / proposed annual priorities are detailed in the body of the paper below, aligned to our 9 strategic objectives – these reflect the immediate challenges facing the trust as well as the longer term opportunities that we continue to work towards. In shaping these priorities, the Board also considered the views of patients and staff. Work on our revised Quality Commitment which frames our focus within strategic objective no.1 (safe, high quality patient centred care) is ongoing – this will include reference to a number of key quality initiatives, including key requirements in the national planning guidance such as 7 day services.
2. Some of the key messages from the planning guidance include:
 - Organisations will be required to produce two separate but connected plans – a 5 year system plan and 1 year organisational plans.
 - For the first time, local NHS planning (system and organisational) will become the application process for additional national funding through the sustainability and transformation fund – the guidance states that the most compelling and credible plans will secure the earliest funding.
 - Trust annual plans must reflect the 5 year system plan and 9 national must dos.
 - HRG4+ is the new currency design proposed for the admitted patient care national tariff. However, HRG4 will remain in place for 2016/17 with consultation proposing a 2% efficiency deflator and 3.1% inflation uplift. In addition, the specialised service marginal rate is being suspended (which is positive news for the Trust).
 - Given the importance of getting demand and capacity plans right, national support will be made available for the first time – details to be announced.

3. Yes, our draft / proposed annual priorities are consistent with the national planning guidance subject to the inclusion of our revised Quality Commitment (due at the end of January / early February)

Input Sought

Does the Trust Board agree with the draft / proposed annual priorities?
Have we missed anything that we need to consider today?

For Reference

The following objectives were considered when preparing this report:

Safe, high quality, patient centred healthcare	[Yes]
Effective, integrated emergency care	[Yes]
Consistently meeting national access standards	[Yes]
Integrated care in partnership with others	[Yes]
Enhanced delivery in research, innovation & ed'	[Yes]
A caring, professional, engaged workforce	[Yes]
Clinically sustainable services with excellent facilities	[Yes]
Financially sustainable NHS organisation	[Yes]
Enabled by excellent IM&T	[Yes]

This matter relates to the following governance initiatives:

Organisational Risk Register	[N/A]
Board Assurance Framework	[N/A]

Related Patient and Public Involvement actions taken, or to be taken: [Yes, PPI representatives are involved in the 8th January planning challenge and confirm meetings with CMGs, and a further (dedicated) meeting is planned for the end of January / early February)

Results of any Equality Impact Assessment, relating to this matter: [N/A at this stage]

Scheduled date for the next paper on this topic: [To be agreed – February if further national guidance is made available on time]

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Draft Annual Priorities for 2016/17

	Strategic Objective	Draft Annual Priorities
1	Safe, high quality patient centred care	To be covered by our revised Quality Commitment (to be presented to February Board) Priorities to be set according to data on <ul style="list-style-type: none"> • Clinical Effectiveness (improving outcomes) • Patient Safety (reducing harm), and • Patient Experience (care and compassion)
2	An excellent, integrated, emergency care system	Work with our partners to: <ul style="list-style-type: none"> • Reduce ambulance handover delays in order to improve patient experience, care and safety. • Reduce unnecessary emergency attendances (to the emergency department and clinical decisions unit) • Fully implement and utilise ambulatory care to reduce emergency admissions and to reduce length of stay • Complete and open Phase 1 of the new Emergency Floor
3	Services which consistently meet national access standards	<ul style="list-style-type: none"> • Maintain 18 week RTT and diagnostic access standard compliance • Deliver all cancer access standards sustainably
4	Integrated Care in partnership with others	<ul style="list-style-type: none"> • Work with partners to deliver year 3 of the Better Care Together programme to ensure we continue to make progress towards the LLR vision • Develop new and existing partnerships with a range of partners including tertiary and local service providers to deliver a sustainable network of providers across the region • Progress the implementation of the EMPATH Strategic Outline Case
5	An enhanced reputation in research, innovation and clinical education	<ul style="list-style-type: none"> • Develop and exploit the OptiMeD project, scaling this up across the Trust • Improve the experience of our medical students to further strengthen relationships and improve retention • Implement our Commercial Strategy to deliver innovation and growth across both clinical and non-clinical opportunities
6	A caring, professional, passionate and engaged workforce	<ul style="list-style-type: none"> • Develop an integrated workforce strategy to deliver a flexible multi-skilled workforce that operates across traditional organisational boundaries and enhances internal sustainability. • Embed the UHL Way, ensuring an improved level of staff engagement and a consistent approach to change and improvement • Develop training for new and enhanced roles i.e. Physician's Associates, Advanced Nurse Practitioners, Clinical Coders. • Deliver the recommendations of "Freedom to Speak Up" Review to further promote a more open and honest reporting culture.
7	A clinically sustainable configuration of services, operating from excellent facilities	<ul style="list-style-type: none"> • Deliver our reconfiguration business cases for vascular and level 3 ICU (and dependent services) • Develop and deliver a new model of care for outpatients, including a single point of contact, and implement new models of care for medicine and surgery that support our reconfiguration plans • Develop outline business cases for our integrated children's hospital, women's services, and planned ambulatory care hub.
8	A financially sustainable NHS Trust	<ul style="list-style-type: none"> • Deliver our CIP target in full • Reduce our deficit in line with our 5 year plan • Implement service line reporting through the programme of service reviews to ensure the ongoing viability of our clinical services • Deliver operational productivity and efficiency improvements in line with the Carter Report
9	Enabled by excellent IM&T	<ul style="list-style-type: none"> • Improve access to and integration of our IT systems • Conclude the EPR business case and start implementation

Appendix 1

DELIVERING THE FORWARD VIEW: NHS PLANNING GUIDANCE 2016/17 TO 2020/21

1. This summary paper provides an overview of the key messages within the national planning guidance for 2016/17, which was published on 22nd December 2015.
2. Details on the technical aspects / requirements of our annual plan for 2016/17 have yet to be published. With this in mind, we continue to press ahead (in planning terms) along similar lines to 2015/16 in order to give ourselves a head start.

The Planning Guidance

3. This year's guidance has been published in the context of the recent spending review announcements, and is explicitly positioned to set out how the sector is expected to deliver the Five Year Forward View by 2020, 'restore and maintain financial balance' and 'deliver core access and quality standards for patients'.
4. This year, organisations within the NHS will be required to produce two plans:
 - All local health and care systems will be required to develop a **five year sustainability and transformation plan** (STP), covering the period October 2016 to March 2021 subject to a formal assessment in July 2016 following submission in June 2016
 - All NHS trusts are required to develop and submit **one year operational plans** for 2016/17 (Year One of STP). These plans will need to be 'consistent with the emerging STP' and in time to enable contract sign off by end of March 2016.

Local health system sustainability and transformation plans

5. The STP should be a holistic and ambitious local footprint for accelerating the implementation of the Five Year Forward View and closing the gaps in health inequalities, quality and finance.

Access to future transformation funding

6. Local NHS planning will become the application process for additional national funding through the sustainability and transformation fund. This protected funding is for initiatives including the spread of new care models, primary care access and infrastructure, technology roll-out and clinical priorities such as diabetes, learning disability, cancer and mental health. Many of these funding streams will form part of the recently announced 'Sustainability and Transformation Fund' (STF) however, for 2016/17 separate processes will continue to operate to allocate any additional funds. The guidance states that the 'most compelling and credible sustainability and transformation plans will secure the earliest funding'.

In releasing funding for STPs, NHS England will consider:

- The quality of plans, scale of ambition, track record of delivery, evidence of learning from others
- Reach and quality of the engagement process with partners and the community

- Strength and unity of local partners and governance
- Their confidence that implementation actions will be delivered as intended, underpinned by governance and capability.

Agreeing 'transformation footprints'

7. Local health and care systems are asked to consider their planning footprint and make proposals to NHS England and NHS Improvement by 29 January 2016. These footprints should be locally defined, but will require national agreement. They should be based on natural communities, existing working relationships, patient flows and take account of the scale needed to deliver the services, transformation and public health programmes required.
8. Further guidance on the STP process will be issued in January, along with new support and engagement events. Providers are also invited to volunteer to work with NHS England to develop 'exemplar, fast-tracked plans' and to provide early reactions on the STP process.

National 'must dos' for 2016/17

9. NHS trusts are required to submit one year operational plans for 2016/17 and must be submitted earlier than STPs but the one year plan should reflect the emerging STPs. It also articulates nine "must dos" for the year ahead:
 1. Develop a high quality and agreed STP and subsequently deliver agreed milestones in 2016/17
 2. Return the system to aggregate **financial balance**, including NHS providers engaging with **Lord Carter's productivity work programme**, and complying with agency rules, and CCGs delivering savings by tackling unwarranted variation in demand through implementing the RightCare programme in every locality
 3. Developing and implementing a local plan to address the sustainability and quality of general practice including workforce and workload issues
 4. Getting back on track with access standards for **A&E and ambulance waits**
 5. Improvement and maintenance of NHS **Constitution standards for referral to treatment** (more than 92% patients on non-emergency pathways wait no more than 18 weeks from referral to treatment) including offering patient choice
 6. Deliver **Constitutional standards on cancer care**, including the 62 day cancer waiting standard and the constitutional two week and 31 day cancer standards, making progress in earlier diagnosis and improving one year survival rates
 7. Achieve and maintain the two new **mental health access standards** (more than 50% people experiencing a first episode of psychosis will commence treatment with a NICE approved package within two weeks of referral; 75% referrals to IAPT will be treated within six weeks and 95% within 18 weeks). Continue to meet dementia diagnosis targets
 8. Deliver actions in local plans to transform care for people with **learning disabilities** including enhanced community provision, reducing inpatient capacity and rolling out care and treatment reviews
 9. Develop and implement an affordable plan to make improvements in quality particularly for organisations in special measures. In addition providers are required

to participate in the **annual publication of avoidable mortality rates** by individual trust.

In addition, this section of the planning guidance document draws particular attention to:

- The delivery of **seven day services**: by March 2017, 25% of the population will have access to acute hospital services that comply with four priority clinical standards every day, and that 20% of the population will have enhanced access to primary care. The document articulates three challenges with regard to implementing seven day working: reducing excess deaths at the weekend; improving access to out of hours care; and increasing capacity within primary care to improve access to services at weekends and in the evenings
- The document also articulates an expectation that the '**development of new care models** will feature prominently within STPs'. In addition to existing approaches, two new approaches will be trialled with volunteers in 2016/17 which are:
 - Secondary mental health providers managing care budgets for tertiary mental health services;
 - The reinvention of the acute medical model in small district hospitals.

Organisational operational plans 2016/17

10. In line with the principles we (UHL) developed at the beginning of the planning round, the national guidance stresses that local leaders are asked to 'run a shared and open-book operational planning process for 2016/17 covering activity, capacity, finance and 2016/17 deliverables emerging from the STP. Commissioner and provider plans for 2016/17 will need to be agreed by NHS England and NHS Improvement based on contracts, signed by March 2016.

11. Further detail will be provided in a technical appendix to be published in early January, however, the 2016/17 Operational Plan should be regarded as 'year one of the five year STP' and contribute to the transformation agenda. All operational plans will need to demonstrate:

- How to reconcile finance with activity (and where a deficit exists, how to return to balance)
- Planned contribution to efficiency savings
- Plans to deliver the 'must do's' for 2016/17 set out above
- How quality and safety will be maintained and improved for patients
- How risks across the local health economy plans have been jointly identified and mitigated through an agreed contingency plan
- How the plan links with and supports local emerging STPs.

12. A support programme is under development by the national bodies to assist in preparing robust plans for 2016/17 and beyond.

Planning timetable

Timetable	Date
Publish planning guidance	22 December 2015
Publish 2016/17 indicative prices	By 22 December 2015
Issue commissioner allocations, and technical annexes to planning guidance	Early January 2016
Launch consultation on standard contract, announce CQUIN and Quality Premium	January 2016
Issue further process guidance on STPs	January 2016
Localities to submit proposals for STP footprints and volunteers for mental health and small DGHs trials	By 29 January 2016
First submission of full draft 16/17 Operational Plans	8 February 2016
National Tariff S118 consultation	January/February 2016
Publish National Tariff	March 2016
Boards of providers and commissioners approve budgets and final plans	By 31 March 2016
National deadline for signing of contracts	31 March 2016
Submission of final 16/17 Operational Plans, aligned with contracts	11 April 2016
Submission of full STPs	End June 2016
Assessment and Review of STPs	End July 2016

13. NHS England will announce the timetable for consultation and issuing of the standard contract separately to the planning guidance and a more detailed timetable will be included in the technical guidance to be release in January 2016.

NHS FUNDING ALLOCATION FOR 2016/17 AND PERCENTAGE CHANGE FROM 2015/16

- Almost 40% of NHS England's additional allocation for 2016/17 will be made up of a £2.1bn Sustainability and Transformation Fund, **linked to the planning process and submission**. This highlights the importance of will consist of:
 - £340m for transformation which is intended to support on-going development of new care models and implementation of policy commitments in areas e.g. 7 day services, GP access, Cancer, Mental health and prevention
 - £1.8bn for sustainability which is to support NHS Improvement to bring the provider sector back to financial balance in year
 - Over the five year period, the split between sustainability and transformation requirements for local health economies will change, if the provider sector's finances improve.

14. **The distribution of sustainability funds will be calculated on a trust by trust basis by NHS Improvement and then agreed with NHS England and will replace direct Department of Health funding to providers.** In short, we need a robust integrated plan that triangulates well and demonstrates further movement towards our longer term goals and those of LLR, on our journey to sustainability.
15. The approach of quarterly instalments of funding based on meeting conditions implies a different approach to contract performance management for 2016/17. The planning guidance notes that providers who are eligible for sustainability and transformation funding in 2016/17 will not incur penalties as well as losing access to funding – a single penalty will be imposed.

Update on the national tariff

16. HRG4+ is the new currency design proposed for the admitted patient care national tariff. It is assumed that this currency design will more accurately reflect the complexity of the work providers undertake but has been postponed to 2017/18.

National Business Rules

- The **specialised service marginal rate is being suspended** from 2016/17 from national price contracts
- The **marginal rate for emergency admissions is retained at the 70%** level agreed for providers on the enhanced tariff option (ETO)
- No significant changes to the market forces factor (MFF)
- The significant proposed changes to specialist top ups for 2016/17 (based on the new Prescribed Specialised Services methodology) will be delayed until 2017/18
- Draft prices have been published alongside the planning guidance, in advance of the statutory consultation notice in order to support negotiations between providers and commissioners.

January 2016 publications

17. A technical appendix to the Planning Guidance will have a series of 'roadmaps' providing more detail for CCGs, GPs and providers respectively
- CCG allocations, due to be published in January 2016
 - Draft standard contract, due to be published in January 2016
 - CQUIN guidance, expected in January 2016
 - The national tariff statutory consultation notice expected January to February 2016
 - The development of a programme from the ALBs to support this year's planning process.
18. Further updates will be made available to the Trust Board in February 2016.