



Response to the consultation on the 2024/25 NHS standard contract

General feedback

The Healthcare Financial Management Association (HFMA) is pleased to have the opportunity to respond to this consultation¹ and is broadly supportive of the amendments to the NHS standard contract (the contract) in 2024/25.

The proposals have been discussed with members of the HFMA's Payment Systems and Specialised Services Group. Their feedback has been considered in our overall response. We recognise that individual organisations will have specific queries and concerns but have endeavoured to submit a balanced response that reflects the national priorities.

We submitted a formal response via the [NHS England consultation hub](#) on 25 January 2024 reflecting comments received from our members. This report provides details of our response.

2024/25 standard contract

There was a stakeholder engagement exercise undertaken during summer 2023 to inform the review of the contract for 2024/25. This has been well received by our members, recognising that the proposed changes are designed to align the contract with many updated NHS policy documents and the current legal documents.

Our members highlighted that the need for a standard contract continues, particularly noting the protection that it affords to all partners within an integrated care system as they remain separate legal entities.

In previous years payment system consultations have been aligned with publication of the priorities and operational planning guidance. Delays in this publication for 2024/25 mean it has not been possible to confirm if the proposed changes to the payment scheme in 2024/25 are indeed aligned with planning guidance.

¹ NHS, [2024/25 NHS standard contract consultation](#), December 2023



Proposed amendments

In this section we have stated, or made reference to, the changes that are being consulted on and indicated whether the HFMA agrees with the proposal. The comments below each section have been included in our formal response to the consultation.

Core requirements to safeguard quality of care

Topic	Change
Care Quality Commission (CQC) quality statements	Alignment in the contract with the CQC additional quality statements, in support of the regulations.
Fit and proper person test for board members of NHS bodies	Alignment in the contract with the recently published NHS England (NHSE) fit and proper person test framework.
Supervision of the management of services by non-NHS providers	Ensuring the shorter-form contract mirrors the existing provision in the full-length contract.
NHS complaint standards	Alignment in the contract with the recently published Parliamentary and Health Service Ombudsman NHS complaint standards.

We support the proposals to update the contract to align with the different national policy documents within the health and social care environment.

Our members asked for clarity in the standard contract wording regarding how each organisation should report on achievement of the standards. This is to ensure a consistent approach for all parties.

National access and waiting times standards

Topic	Change
Cancer waiting times	Alignment in the contract with the recently published national cancer waiting times.

We support the proposal to align the contract with the specific requirements on national waiting times standards set out in the 2024/25 priorities and operational planning guidance, as this ensures consistency between the national guidance and the contract.

However, as the priorities and operational planning guidance for 2024/25 is not yet published, there is some concern that the contract will include targets that have not yet been confirmed and, if included as expected, which members know will be difficult to achieve. Continuing uncertainty over strike action and financial pressures will contribute to the risk associated with providers achieving targets. We suggest that parties have flexibility to include expected achievement in contract particulars and to agree mitigation actions.

Service provision – new additions to reflect national priorities

Topic	Change
Diagnostic imaging reporting turnaround times	Alignment in the contract with the recently published guidance on diagnostic imaging reporting turnaround times.
Patient and carer race equality framework	Alignment in the contract with the recently published patient and carer race equality framework.

We support the proposal to align the contract with the specific requirements on national priorities, as this ensures consistency between the national guidance and the contract.

Service provision – areas where updated contract wording is needed

The consultation details changes to the contract wording covering the following:

- maternity and neonatal services
- fit notes
- antibiotic usage
- emergency preparedness, resilience and response (EPRR).

In each case the updates are aimed at ensuring that the standard contract is kept in line with the latest published national standards and policies. The HFMA has no direct comments but supports this approach.

Patient safety

Topic	Change
Patient Safety Incident Response Framework	Inclusion of reference to the patient safety incident response framework, which should be implemented by 1 April 2024, and deletion of the reference to the NHS serious incident framework which will no longer apply.
Learn From Patient Safety Events Service	Inclusion of reference to the learn from patient safety events service, which should be implemented by 1 April 2024, and deletion of the reference to the national reporting and learning system which will no longer apply.
Patient safety specialists	To strengthen the contract requirement to require providers to designate patient safety specialists in accordance with NHSE's identifying patient safety specialists' guidance

The HFMA has no direct comments but supports an approach that ensures the standard contract is kept in line with the latest published national standards and policies.

Workforce

Topic	Change
NHS equality, diversity, and inclusion improvement plan	Alignment in the contract with the recently published NHS equality, diversity and inclusion improvement (EDI) plan, including six high impact targets. The contract will merge the EDI plan requirements with the sections relating to the workforce race equality standard and the workforce disability equality standard.
Mandatory staff training on learning disability and autism	Alignment in the contract with the recently published Department of Health and Social Care draft code of practice for learning disability and autism, to include mandatory training. The Oliver McGowan mandatory training on learning disability and autism is proposed as the 'preferred and recommended' training package.
NHS long term workforce plan	The contract will be aligned with - and make specific reference to - the recently published NHS long term workforce plan.

Given the current workforce pressures across the NHS, the HFMA welcomes proposals that promote best practice in equality, diversity and inclusion, and alignment between national policy and the standard contract, as this supports the ongoing focus on workforce planning. HFMA also supports the availability of suitable mandatory training on learning disability and autism to support patient safety.

The HFMA and colleagues within the Future-Focused Finance area of One NHS Finance² are already supporting the finance function to understand and improve diversity and representation. They offer a variety of tools and resources to ensure that staff throughout the function have opportunities for career development and personal growth.

² One NHS Finance, *Future-Focused Finance*

Procurement of good and services

Topic	Change
Procurement frameworks for goods and services	Alignment in the contract with the recently published NHS strategic framework for NHS Commercial, including the intention to optimise use of NHS framework agreements to harness NHS national purchasing power.
Nationally contracted products programme / NHS core list	Alignment in the contract with the recently published NHS strategic framework for NHS Commercial, and the NHS core list of the nationally contracted products programme, to make is clear that where a product is on the NHS core IList, the organisation must purchase that product (or alternative) via NHS Supply Chain.
Agency rules	Alignment in the contract with the recently published NHSE agency rules, including different rules for types of organisations.
Duty to explain purchasing decisions	Where a trust has purchased medicines outside the national medicines framework, they must explain the reasons for the purchasing decision to the public board, commissioners and NHSE. The proposal extends this reporting requirement to include the accredited frameworks; including high cost devices, the core list and the agency rules.

The HFMA has no direct comments but supports an approach that ensures the standard contract is kept in line with the latest published national standards and policies. Some members specifically welcome these proposals, commenting that making the procurement frameworks part of the contract may help to raise the profile of the potential for cost savings.

Impact of the new NHS provider selection regime

This section sets out changes proposed to implement the requirements of the Health Care Services (Provider Selection Regime) Regulations 2023 which came into force on 1 January 2024.

Topic	Change
Permitted variations	Alignment in the contract with the recently published NHSE PSR, drawing attention to the restrictions on contract variations (referred to as 'modifications') under the provider selection regime (PSR).
Termination	Alignment in the contract with the recently published NHSE PSR, introducing a specific reference to the relevant section of the PSR.
Recording of route through which contract was awarded	Addition of a section in the contract in which the commissioner must record whether the specific contract was: <ul style="list-style-type: none"> • awarded under the public contract regulations • awarded under one of the different provider selection processes envisaged in the PSR, or • called off under a specific framework compliant with regulation 18 of the PSR (such as the increasing capacity framework).
Extension of contract term	Alignment in the contract with the recently published NHSE PSR, to allow greater flexibility than previously allowed for the extension of a contract's term.

The HFMA supports these amendments ensures the standard contract reflects the latest legislation.

However, members have requested further clarity including guidance on how to implement the changes and reflect them in the contract. They noted that this will ensure changes can be implemented effectively, avoiding confusion and unnecessary work locally.

Patient choice of provider

This section sets out changes to the arrangements set out in the contract to support patients' legal right to choose their provider.

Topic	Change
Patient choice legislation and guidance	Alignment in the contract with the proposed amendments to the procurement, patient choice and competition regulations and the Standing Rules regulations currently before Parliament.
Acceptance of referrals	Ensuring the shorter-form contract mirrors the existing provision in the full-length contract, requiring a provider to accept all referrals which give effect to a patient's legal right to choose their provider, even where these referrals are for patients under non-contract activity arrangements.
Variations for new "choice" services / locations	An amendment to make it clear that a commissioner may not refuse to agree a modification to the provider's contract, where doing so would be contrary to the amendments to the 2012 regulations regarding changes to the 'choice service / location'.

The HFMA has no direct comments but supports an approach that ensures the standard contract is kept in line with the latest published national standards and policies.

Contract management processes

Topic	Change
Withholding of funding for information breaches	Simplification of the arrangements for financial penalties in relation to information breaches, moving detail from Condition 28 to the broader arrangements already in General Condition 9.
Activity management	Streamlining provisions relating to activity management, removing the requirement for 'early warning' of unexpected or unusual patterns of activity, and no longer distinguishes between activity management and utilisation.
Prior approval schemes	Enhancement of the requirement for commissioners to consider the administrative and financial burden of new or replacement prior approval schemes (PAS), and that there is an ongoing review of the burden for existing PASs.
Invoice payment files	Alignment in the contract with the recently published NHSE revenue, finance and contracting guidance. Payments from commissioners to trusts are now made via a less burdensome approach, named the 'invoice payment file', and this name is now used for NHS providers in the contract.
Audit	Ensuring the longer-form contract mirrors the existing provision in the full-length contract.

The HFMA welcomes proposals that simplify the contract and ensures that it is kept in line with the latest published national standards and policies but has no direct comment on the nature of the changes listed.

Other smaller updates - removals

The consultation details items removed from the contract where the provision has been superseded by other parts of the contract. This includes the following:

- cancelled operations
- clinical risk management in IT systems
- Urgent care data sharing agreement
- Health and Social Care Network
- administration of statutory benefits
- patient pocket money
- e-prescribing systems for chemotherapy
- Green NHS.

In each case the updates are aimed at ensuring that the standard contract is kept in line with the latest published national standards and policies and/or where the proposed removal reduces duplication in the contract. The HFMA has no direct comments but supports this approach.

Other smaller updates - updates

The consultation details other smaller updates to the contract to ensure the contract wording remains current, accurate and robust. This includes the following:

- early intervention in psychosis scoring matrix
- peri-operative care pathways guidance
- essential services
- hard to replace providers
- care (education) and treatment reviews guidance
- ambulance handover and crew clear standards
- NHS chaplaincy guidelines
- Health Services Safety Investigations Body.

In each case the updates are aimed at ensuring that the standard contract is kept in line with the latest published national standards and policies and/or where the proposed update improves clarity in the contract. The HFMA has no direct comments but supports this approach.

About the HFMA

The Healthcare Financial Management Association (HFMA) is the professional body for finance staff in healthcare. For over 70 years, it has provided independent and objective advice to its members and the wider healthcare community. It is a charitable organisation that promotes best practice and innovation in financial management and governance across the UK health economy through its local and national networks.

The association also analyses and responds to national policy and aims to exert influence in shaping the wider healthcare agenda. It has particular interest in promoting the highest professional standards in financial management and governance and is keen to work with other organisations to promote approaches that really are 'fit for purpose' and effective.

The HFMA offers a range of qualifications in healthcare business and finance at undergraduate and postgraduate level and can provide a route to an MBA in healthcare finance. The qualifications are delivered through HFMA's Academy which was launched in 2017 and has already established strong learner and alumni networks.

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