

28 February 2024

POLITICS AND PRIORITIES IN THE NHS

HFMA, SDN & ONF EASTERN
ANNUAL CONFERENCE 2024



Sir Julian Hartley, Chief Executive

What we will cover



Political context

National picture

Frontline

NHS Providers activity



What we will cover



Political context

National picture

Frontline

NHS Providers activity



The political landscape



Autumn Statement set the scene for an early general election, but no additional funding for the NHS. Hopes for poll bounce now pinned on March budget

New cabinet appointed by the prime minister in November, including a new health and social care secretary – Victoria Atkins

Sunak admits government has failed to cut waiting lists, one of his five pre-election pledges

UK Covid-19 Inquiry revealed chaos at the heart of government, with NHS leaders left out of key decisions

The King's speech in November focused on growing the economy, but omitted the reform of the Mental Health Act and banning of trans conversion therapy



Countdown to general election: health priorities



Conservative priorities:

- Cutting waiting lists one of five pre-election pledges
- Resolving industrial action
- Tackling winter pressures
- Committed to making health and social care services faster, simpler and fairer for patients



Labour priorities:

- Reforming the NHS and bringing care closer to home
- Five-year target to deliver elective treatment within 18 weeks
- Establishing a College of Clinical Leadership in response to the Lucy Letby case
- Talked at our conference about transparency of data and 'league tables'



Liberal Democrat priorities:

- Focus on prevention and improving the nation's health
- Establishing a 'health creation' unit in Cabinet Office to ensure legislation maximises opportunities for improving the nation's health
- Progressively restore the Public Health Grant to 2015 levels

EDI and health inequalities on the agenda

NHS England publications

- Inclusive digital healthcare: a framework for digital inclusion
- A national framework for the NHS: action on inclusion health



Equality, diversity and inclusion are no luxury for the NHS

This is about providing better care, not political correctness.

By Julian Hartley



HEALTH AND SOCIAL CARE COMMITTEE

We've launched a new inquiry into

Prevention: the key to the future of the NHS?

We are taking submissions until February 8th

Steve Brine MP, Chair



Prevention inquiry case for change published following call for evidence

Five pillars for strategy will cover:

1. Personalised approach to prevention
2. Early diagnosis in the community
3. Living well with major conditions
4. Closer alignment between physical and mental health
5. Shaping services around the lives of people

What we will cover



Political context

National picture

Frontline

NHS Providers activity



GB0

Challenging context for public spending

Little cover for costs of industrial action following negotiations with HMT

- Systems revised plans following NHS England's 8 November letter
- Trade-offs were made at the national level between NHSE and DHSC
- Concern about whether £800m is enough to plug gap (most recent NHSE estimate of £3bn direct and indirect costs), deliverability of revised plans, and the implications for service provision and quality

Autumn Statement: challenging outlook for public services spending

- Windfall used for tax reductions rather than uplifting public services budgets
- Outlook for public services funding after current SR period looks extremely tight, and SR21 public sector pay assumptions no longer hold. CDEL post-24/25 expected to be fixed in cash terms
- Spring Budget could focus on tax cuts or public sector funding – one of the last big fiscal events ahead of upcoming general election

Fiscal plans depend on a major, sustained increase in NHS labour productivity

- HMT updating existing Public Sector Productivity Programme, including sharper focus on NHS
- NHSE also reviewing NHS productivity, including for community and mental health (with some trust involvement)
- LTWP (and NHS budget annual 3.6% real terms increase) based on highly ambitious assumption that NHS labour productivity grows 1.5-2% p.a.



Slide 8

- GB0** thought we could update this to reflect the latest NHSE estimates of the financial impact of strikes?
Georgia Butterworth, 2024-02-14T10:18:05.888
- GB0 0** also changed the tense as trade offs were made between NHSE and DHSC re digital and transformation funding?
Georgia Butterworth, 2024-02-14T10:19:21.938
- GB1** added in a reference to the spring budget as feels like a gap otherwise?
Georgia Butterworth, 2024-02-14T10:22:01.505
- GB2** added a reference to NHSE's internal productivity work too
Georgia Butterworth, 2024-02-14T10:23:07.132

Significant national deficit and systemic financial risks

Key financial risks

Unfunded inflationary pressure

Financial cost of industrial action

Under-delivery of efficiency savings

Urgent and emergency care pressures

Systemic challenges (e.g. patient acuity and increased ALOS)

NHS England's current forecast is for systems to overspend by over £1bn.

£1.7bn unfunded inflationary pressure affecting deliverability of balanced plans.

Significant concerns remain over the financial sustainability of the health service given the alarming underlying run rates all organisations are grappling with.

Concern over emerging regulatory implications – NHS England cannot put all systems in the Recovery Support Programme.

Slide 9

GB0

Flipped the order here so inflationary pressure is the top financial risk as think that is the wider context that IA costs has added to

Georgia Butterworth, 2024-02-14T10:27:29.875

Trusts identifying solutions in a pressurised environment

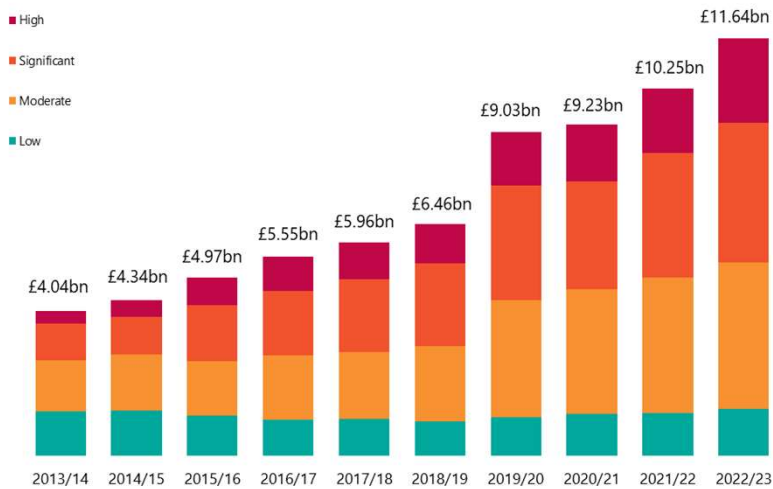


How are trusts tackling these financial challenges?

- Stepping up grip and control measures to return to pre-Covid levels of rigour with increased scrutiny over expenditure.
- Examples of reducing agency spend include halting the use of specific high-cost agencies and stricter controls on off-framework spend.
- Provider collaboratives offering trusts greater opportunities in benchmarking performance and sharing best practice.
- Streamlining patient pathways and optimising waiting lists to improve productivity.
- Prioritising elective activity to manage seasonal demand surges over winter.

Capital crunch persists...

Cost to eradicate maintenance backlog (£)



Maintenance backlog continues to rise – now at £11.6bn (nearly tripled in size since 2010/11).
Trusts currently managing significant levels of estates risk.

Continued uncertainty about access to capital

NHP: £20bn of investment with 40 hospitals to be delivered by 2030

Some existing schemes delayed until after 2030 and many trusts missed out on NHP

Concerns over parity of capital funding for mental health, community and ambulance providers

Current plans indicate a freeze on capital departmental expenditure from 2025/26 onwards

70% of trust leaders report their capital allocations are insufficient to cover the cost of delivering safety critical repairs

Government urged to clarify its position on private finance for major health infrastructure projects



Regulation adapting to system working and adversity



Due to **financial and operational pressures** and stretching efficiency targets, **more and more:**

- **trusts are ending up in SOF3 and SOF4**
- **systems are reporting deficits**

NHSE is reviewing:

- its **oversight framework** to look at roles and responsibilities and implementation
- its **approach to recovery support**

CQC is rolling out its:

- **new approach to regulation** (from 21/11)
- **new provider portal**
- **ICS assessments** (two pilots still ongoing)

Is it realistic and sustainable that so many trusts and systems are entering the recovery support programme?

We are engaging with CQC and reflecting on good quality regulation.



An improvement lens on severe quality pressures

State of Care

- Impact of challenges across sector on patients, staff and services made clear – exacerbated by pandemic and cost of living crisis
- Delays to care and relentless pressure on staff

NHS Impact

- National Improvement Board (NIB) now meeting regularly
- Priorities set – including improvement-led approach to delivery of NHS priorities. Self-assessment tool and a maturity matrix
- NHS Providers survey shows existing capability but operational and workforce pressures plus need for support on leadership, culture and behaviours





The NHS improvement approach



NHS England will set an expectation that all NHS providers, working in partnership through integrated care systems, will embed a quality improvement method aligned with the NHS improvement approach. This will inform our ways of working across services at every level of place: primary care networks, local care networks, provider collaboratives and integrated care systems. It will require a commitment from NHS England itself to work differently, in line with the new NHS operating framework.



The impact of culture on patient safety



National developments

- Martha's Rule recommendations with Secretary of State
- Report on ambulance trust cultures published earlier this month
- Calls for a national inquiry into maternity services
- Thirlwall public inquiry into Letby case underway
- Fuller inquiry implications for working practices, governance and breadth of trusts' duty of care

What came through from our discussions with board members on the Letby case

- Boards looking at culture, prioritisation, leadership visibility, problem-sensing approach
- Has too much been left to the FTSU agenda?
- Boards reviewing governance – but still difficulty of knowing if a similar case were happening now
- Impact of operational and workforce pressures on bandwidth
- Concerns over morale, and attractiveness of manager / NED roles
- National priorities – do these emphasise quality and safety enough as the golden thread?

What we will cover



Political context

National picture

Frontline

NHS Providers activity



State of the Provider Sector



Top concerns: seasonal pressures, industrial action, workforce burnout and morale, financial pressures

Most (95%) were concerned about the impact of seasonal pressures over winter – mainly due to industrial action

All trust leaders (100%) agreed that continued industrial action over 23/24 will compromise delivering national recovery targets for elective and UEC

Nine in 10 trust leaders (89%) agreed that their trust board is prioritising a focus on quality improvement and trust-wide improvement programme

Most (86%) agree that their trust board is prioritising promoting race equality and tackling discrimination

There is winter planning in place, but I think this is not as effective as it could be due to distractions of industrial action, financial control focus, changes in commissioning and its implications and ICB reorganisation. There's too much going on in systems with finite resource.

ACUTE SPECIALIST TRUST
LONDON

Industrial action: escalated action alongside hope

Update on talks

- Specialty and specialist doctors to vote on a pay deal; Consultants narrowly rejected theirs, and are looking for more talks
- Junior doctors announced more strike dates in February; following the longest strike in NHS history in January

Impact on trusts

- 70 full days of strikes. Active mandates for junior, speciality and specialist, and consultant doctors
- c.1.4 million appointments rescheduled
- c.£3bn cost so far – lost income and staff cover

Minimum Service Levels legislation

- Win: ambulance services can use derogations instead of work notices to meet Minimum Service Levels (MSLs)
- MSLs may be extended to hospital services
- Work notice guidance now published

Slide 18

GB0

Pls could you check with workforce team that this slide is still accurate if haven't already? I'm conscious there have probs been more strike days since this was last updated?

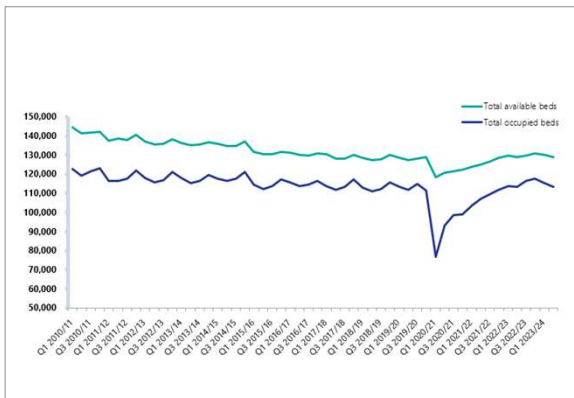
Georgia Butterworth, 2024-02-14T10:43:24.969

Operational pressures increase during winter



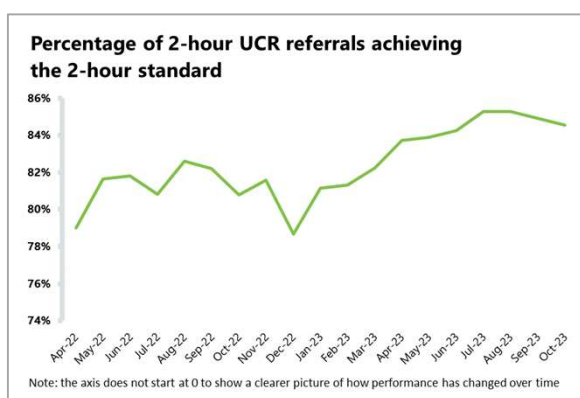
High bed occupancy remains an issue

- G&A: 103,114 beds available in January – 94% occupied
- Critical care: 4,008 adult critical care beds available in January – 80.5% occupied



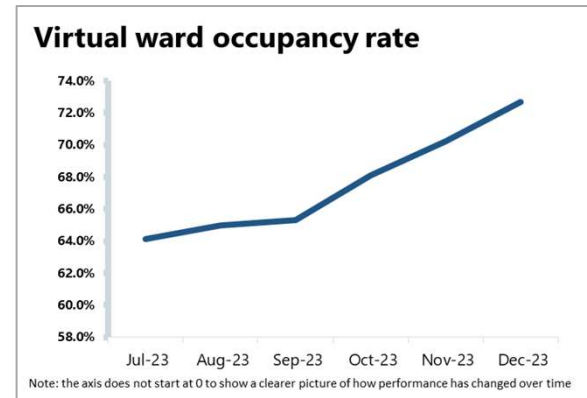
Urgent community response teams are meeting national targets

- But waiting lists for community services remain high at 965,715 in December 2023



Trusts are working with partners to create additional capacity and expand virtual wards

- The virtual ward capacity in January was 11,635, with an occupancy rate of 70.2%



What's coming up?



GB0

Planning guidance

Delayed with negotiations ongoing

Spring Budget

Chancellor due to set out his Spring Budget on 6th March

Provider collaboratives

NHSE policy review, focus on role in systems and delivery capability

Manager regulation

Our response to Labour's call for evidence, and work with NHSE

Slide 20

GB0

Changed the wording under planning guidance from 'due imminently' to delays...

Georgia Butterworth, 2024-02-14T10:45:57.130

What we will cover



Political context

National picture

Frontline

NHS Providers activity



Our development offer... what's coming up?



Webinar
Overcoming workforce challenges through collaboration
15 Apr 2024

PROVIDER
COLLABORATION

PEER SUPPORT

Virtual event
Digital Boards Leadership Network
1 March 2024

DIGITAL
BOARDS

Virtual event
Connecting strategic decisions to collaborative and equitable improvement work in practice
28 Mar 2024

IMPROVEMENT

Webinar
Improving access and engagement for rural and coastal communities
25 Mar 2024

HEALTH
INEQUALITIES

Webinar
Can we talk about race?
21 Mar 2024

RACE
EQUALITY

Spotlight on: Race Equality

Aim

To support boards to effectively identify and challenge structural race inequality as a core part of the board's business.

Why race equality and inclusion are so important in the current context

"A well-led, motivated, valued, collaborative, inclusive, resilient workforce is the key to better patient outcomes, and must be a priority"

General Sir Gordon Messenger (June 2022)

86% of trusts engaged with an event since September 2022

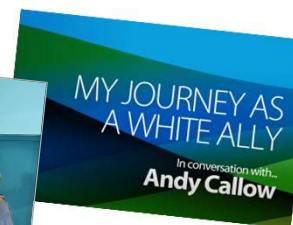
Average 4.7/5.0 event score from delegates and 100% recommendation rate

Race equality consistently features in our top five most engaged with topics across X and LinkedIn (Q1-2, 2023/24)

Maintained strong board-level attendance in 2023/24

Over 1,000 delegates attended our events over the last year

"Really powerful session – great speakers, insightful perspectives, and some really practical approaches to helping attendees on their journey of tackling race inequalities."



"It should be compulsory participation for all board members."

Our work on finance activity

Spring Budget: address short-term financial pressures, invest in wider public services, reform social care and prioritise capital investment

GB0

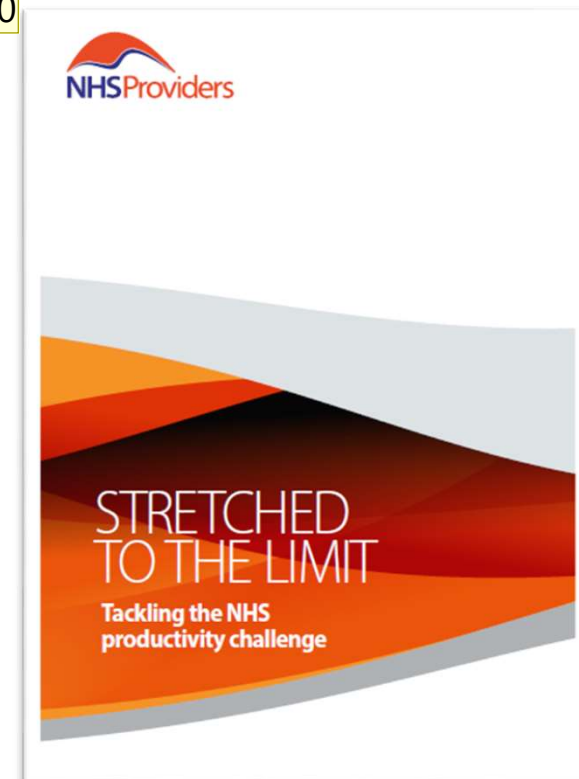
Continued engagement with HMT, DHSC, No. 10 and NHS England on financial issues

Responded to NHS England consultations on Standard Contract & NHS Payment Scheme

'Stretched to the Limit' – our report taking an in-depth look on addressing the NHS productivity gap published last year

Roundtables with HM Treasury on NHS productivity; and with NHS England on capital and infrastructure

Network event for trust FDs on 13 March. Confirmed speakers include Ed Waller (Deputy CFO) and Chris Jackson (Director of Capital) from NHS England



Slide 24

GB0

one last thought ! probs worth putting in Ed and Chris' job titles as some of the below FD folk might be less familiar with who they are

Georgia Butterworth, 2024-02-14T10:58:48.421

GB0 0

and huge thanks for all your work on this ! great to have julian well briefed :)

Georgia Butterworth, 2024-02-14T10:59:16.828

Thank you

julian.hartley@nhsproviders.org

@julianhartley1

