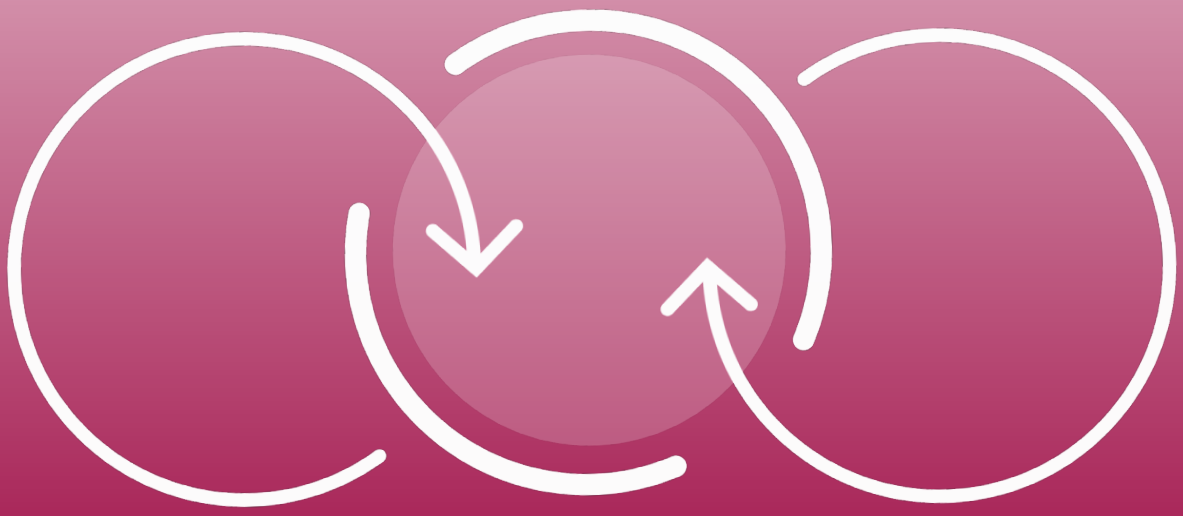
Grant Thornton

hfma

Multi-year plans

Embedding system-level productivity and efficiency



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Acknowledgements

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Introduction

On 1 July 2022, 42 integrated care boards (ICBs) became statutory organisations responsible for bringing together the NHS locally to improve population health and establish shared strategic priorities. This autumn, it is expected that NHS England will issue planning guidance that will require the ICBs and their systems to develop a longer-term plan, covering the period 2023/24 to 2027/28.

When developing plans over a long period, the first two years will be a detailed operational plan, setting out how organisations and systems are going to meet current pressures and demand within existing constraints such as workforce, finance and estates. The anticipated refresh of the *NHS long term plan* will set out a number of expectations and targets for activity. The later three-year period will be planned at a more strategic level, setting out aims and aspirations for how services will develop, how the workforce will evolve and how the ICB can leverage system working to transform the local NHS in a positive way.

The scale of the challenge facing the NHS is vast. The impact of the pandemic on waiting times and the need to recover elective activity and tackle waiting lists can appear to overshadow other aspects of care and recovery. However, ICBs, as part of their wider integrated care system (ICS), have four key aims:

- improving outcomes in population health and healthcare
- tackling inequalities in outcomes, experience and access
- enhancing productivity and value for money
- helping the NHS to support broader social and economic development.

The plans developed by organisations in the coming months must not only tackle the immediate need for recovery but also address the longer-term strategy that will meet the four key aims.

At a time when financial and workforce resources are severely constrained, the golden thread that draws all of this together is the need to find more efficient ways of delivering services together with improvements to productivity. Many of the balanced plans submitted by ICBs to date depend on delivering a significant level of efficiency.

Grant Thornton supported six systems in the Midlands with the elective recovery planning round. This work identified three key areas of focus for ICBs and systems when developing plans for the next five years, both to address elective recovery and to deliver wider system-level improvements to meet the NHS's strategic objectives. The three areas are:

- the need to develop whole system solutions
- the importance of innovative workforce models
- optimising digital technologies and the use of data.

This briefing draws on the work carried out by Grant Thornton and supplements it with learning from the HFMA's members.

Planning process

System and organisational plans must be driven by the agreed health and care priorities across all settings and for the whole population. The identification of system intentions should then drive the organisational plans to support achievement of those aims. The system plan should not be an aggregation of disparate organisational priorities.

The multi-year planning process must be informed by the integrated care partnership, where the NHS and local government work together to determine the health and care priorities for the local population.

Section 25 of the *Health and Care Act 2022*[1] (the act) describes a number of areas that must be considered in system plans, including that the plan must 'set out any steps that the integrated care board proposes to take to implement any joint local health and wellbeing strategy'.

While working across health and social care organisations to develop a coherent plan is vital, differences in planning timetables may cause difficulties. Local systems should share the national requirements placed upon each part of the system, with timescales, as soon as possible to ensure that the necessary information is available in a timely fashion. This should be supported by national coordination but may require local workarounds.

NHS England planning guidance will set out requirements across a number of priority areas such as elective recovery and urgent and emergency care.

However, the act also states that the plan must, specifically, '(d) set out any steps that the integrated care board proposes to take to address the particular needs of children and young persons under the age of 25; (e) set out any steps that the integrated care board proposes to take to address the particular needs of victims of abuse (including domestic abuse and sexual abuse, whether of children or adults)'.

Whole system solutions

Some of the biggest challenges facing the NHS at the moment relate to the management of demand – elective waiting lists, pressure on urgent and emergency care, and discharge of medically fit people to appropriate settings. The solutions and mitigation for these challenges cross organisational boundaries, so finding whole system approaches is essential.

Working as a collaborative system should enable a number of productivity and efficiency benefits to be realised, when the system is considered as a whole. Identifying need early, avoiding crisis and treating people in the right place when they need care can all contribute to managing demand and using resources more efficiently.

However, at a time when the NHS is struggling with capacity just to react to immediate need, these are areas that must be considered as part of both the short-term operational plan and the longer-term strategic plan.

Urgent and emergency care

In September 2021, NHS England published the *UEC recovery 10 point action plan*[2] which set out short-term and medium-term actions at national, regional, ICS and organisational level to address common priorities. Many of these actions focus on collaborative working to tackle the complex problems that are contributing to pressures in urgent and emergency care. This means that the plan sets out actions for all sectors, not

1 UK government, *Health and Care Act 2022*

2 NHS England, *UEC recovery 10 point action plan*, September 2021

just acute hospitals traditionally associated with urgent and emergency care. As plans are developed through to 2027/28, many of these immediate actions also indicate areas of focus for the longer term to ensure that robust arrangements are in place over the coming years.

Mutual aid

The Covid-19 pandemic demonstrated how well the NHS can work together when organisations are able to transfer resources past organisational boundaries, in order to meet presenting need. This process is known as mutual aid. System working provides an opportunity to extend this approach, transferring resources to where they are most needed to improve productivity. This requires agreement on priorities and financial processes that enable the effective transfer of resources. While working to a system financial envelope suggests that such a transfer should be straightforward, the ongoing autonomy of individual trusts means that simple and robust processes must be developed to optimise this opportunity.

Independent sector

Independent sector activity continues to be a source of expanded capacity for local systems, particularly for low-complexity, high-volume cases. However, support is also available to tackle some high-complexity cases, which often represent some of the longest waits for elective care. This work could be supported by funding allocated through the targeted investment fund (TIF) created to tackle the backlog in elective care.

Service transformation

While service transformation and a system-level approach can take some time, there are short-term actions that can be taken to drive efficiencies in service delivery. NHS England's model health system[3] can support local systems to identify areas for improvement through comparison with peers. The HFMA's *Value and efficiency map*[4] shares case studies from across the NHS to promote best practice in the efficient and effective use of resources. Clinicians working in services can often identify areas of wastage of inefficiency in service delivery or handover between settings, which can have an immediate impact on resource use.

Outpatient services

The most recently published planning guidance[5] focused on outpatient transformation as an area where improvements could be made, and this continues to be the case. Patient initiated follow-ups (PIFU), virtual outpatient appointments and advice and guidance services will all continue to be included as part of the future service delivery model. At a system level, communication of these approaches to patients must be consistent, to ensure that people understand what they can expect when receiving treatment and care.

Community services

Community services have an important role to play in delivering system efficiencies. Examples already exist[6] that demonstrate activities that can be undertaken in community settings rather than acute trusts, and community-based services such as dermatology have been in existence for some time. As systems develop their multi-year plans, the contribution of community services must be a key consideration. Investment in a dwindling community nursing workforce will support the wider system to better manage demand and ensure that only those people who need acute care end up in that setting. Innovation in the sector must also be encouraged and supported with appropriate resources to enable the community sector to develop new pathways of care across organisational boundaries. Investments in the sector will support the management of long-term conditions and reduce exacerbations that require acute intervention.

Local government and social care

The pressures in social care have been building over many years. Ultimately, the sector requires a major transformation and significant funding to address the increasing need, which can only be brought about by national government. However, local NHS bodies should be working with social care colleagues and wider local government in areas such as housing, to understand and implement ways of supporting the population to stay well and in their own homes where possible. There are many innovative examples of the NHS working closely with local government to include health checks within housing assessments, social workers based in emergency departments, and delivery of mental health support in schools.

It is vital that NHS strategic plans not only address the local priorities set out in the joint strategic needs assessment for the local authority, but also include jointly funded work and initiatives to support population health. The development of pooled and aligned budgets set out in the government's integration white paper[7] should help to support these efforts.

[3] NHS, *Model health system* [accessed August 2022]

[4] HFMA, *NHS value and efficiency map*, March 2022

[5] NHS, *2022/23 priorities and operational planning guidance*, December 2021

[6] HFMA, *The value of community services: comparison with acute settings*, March 2019

[7] Department of Health and Social Care, *Health and social care integration: joining up care for people, places and populations*, February 2022

Innovative workforce models

For much of the NHS, the limiting factor to tackle the elective backlog, tackle growing demand and transform services is lack of appropriate workforce. The shortfall in clinical staff across all sectors is well documented, with the lead-in time to train additional staff meaning that this approach can only be part of a long-term strategy.

Retention of existing staff is an essential element of workforce planning. Health and wellbeing support for staff continues to be a key part of organisational practice, building on developments during the pandemic.

Local systems should also use their collaborative approach to enable a more cohesive approach to staff deployment across the health sector. Extension of the digital passport scheme, introduced during the pandemic to make it easier for staff to move between organisations, would enable a greater fluidity of staff, allowing resource to move to where it is most needed. Similarly, taking a system- or region-wide approach to bank staff would enable systems to capitalise on their scale to more effectively plan workforce needs.

Consideration must also be given to how staff time is used; efficiency and productivity is not just about financial resource, it can also be applied to staff time. Digital tools such as e-rostering, digital dictation and e-prescribing can all be used to free up clinicians' time and reduce the administrative burden. In the longer term, systems should horizon scan to identify the future tools that will support clinical staff to spend more time working directly with patients.

Optimising digital technologies and the use of data

The *NHS long term plan* set out the expectation that every service within a system should achieve a core level of digitisation by March 2025, with investment allocated to support systems to do this. The requirements within the plan included a consideration of the efficiencies that can be achieved through working to optimise digital technologies and data as a whole system. This included interoperability of systems and the ability to easily share patient data between settings – an essential part of transforming patient pathways to achieve whole system solutions.

As multi-year plans are developed, the continued optimisation of digital approaches will be integral to every aspect of operation, forming part of both operational and strategic plans.

Optimising digital technologies

Digital technologies can make a big difference to the way that care is delivered and the efficiency with which it is done. For example, remote monitoring technologies enable people to remain in their own homes and log outcomes for review by clinicians; musculoskeletal problems can be supported by apps that offer exercise videos and symptom checking.

However, it is essential that the problem to be solved is fully identified before a digital technology is sought. Implementing new technology without fully understanding the issue to be addressed can result in wasted investment and a less efficient use of resources.

During the Covid-19 pandemic, it became apparent that some populations had limited access to the internet. Implementing an internet-based digital solution to support conditions in these communities would not be effective. The people being treated must be considered and consulted as digital solutions are developed.

It is also important to recognise that the use of digital technologies will change the service model, not simply replicate the way that things have always been done. This is an essential part of realising the efficiencies and productivity

gains that are possible through optimising digital technologies. The associated cultural change will require a consideration of the impact on staff and patients.

A recent HFMA publication[8] set out the potential of digital technologies to support system wide efficiency by:

- optimising patient pathways which improve patient outcomes, release staff time, free up estates and improve efficiencies
- enabling new ways of working so that workforce and bed capacity is released
- reducing downstream costs associated with complex co-morbidity conditions by investing in prevention and supporting patients to self-manage
- aiding the improvement of safety across health and care systems.

Developing the use of data

The NHS collects vast quantities of data, which can be used to support a better understanding of where systems and organisations can better deploy resources. However, this data is not always used to best effect. This could be due to poor data quality, a lack of understanding of what the data is showing, or simply being overwhelmed by the volume of information available. Finance teams must work closely with informatics and data analytics teams to maximise use of local data.

As local systems develop multi-year plans, intelligence about their populations will form an essential part of the strategic development of the health and care system.

While data can be used directly to indicate demand and predict need, it can also be used indirectly to identify populations who may not be accessing services as expected. This richness of data will support the ICS to tackle inequalities and improve population outcomes.

Strategic plans also need to consider the development of data sharing to fully optimise the possible efficiencies from transforming pathways. If integrated working practices are not supported by integrated data, barriers to joint working will still exist.

Conclusion

The success of the forthcoming planning round will depend upon the willingness of partners to work together to agree local priorities. The process will be complex, with many voices and priorities to manage and coordinate.

The financial constraints facing organisations, combined with the backlogs of care and increasing demand, mean that systems need to find efficiencies in existing processes and increase productivity through approaching care in new ways, with a recognition that the traditional way of delivering services must change.

By focusing on the three areas set out in this briefing, local systems will be able to develop operational and strategic plans that address the big challenges facing the NHS in a more sustainable way.

[8] HFMA, *Making a difference with digital technologies*, April 2022

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.

HFMA

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