

SANDWELL AND WEST BIRMINGHAM NHS TRUST

Report to the Public Trust Board held on 11th January 2023

Chief Executive's Report – Appendix 1

NHS Planning Guidance for 2023/24

- 1.1 Planning guidance for the NHS in England was issued on 22nd December 2022, reflecting a deliberately different approach to the scale of the agenda for the NHS at the current time.
- 1.2 NHSE describe that the way that NHS experiences them will be more streamlined, to work differently as a leadership community, with more trust to develop locally rather than a top-down directive approach.
- 1.3 Rather than previous guidance, which has listed many priorities, all of which must be achieved, there are three key tasks for the NHS in the future. These are;
 1. To recover core services and improve productivity
 2. Get back to delivering key ambitions in NHS Long term Plan
 3. Transform the NHS for the future
- 1.4 It will come as no surprise that workforce and technology are identified as key enablers to the objectives set out above, as well as encouragement to share data and best practice.
- 1.5 Improving productivity will be a key focus for the NHS. NHSE Finance Director, Julian Kelly, has made it clear that we must deal with the productivity lost over the last two years. System allocations will be as close to real terms flat – i.e. not reduced and uplifted for an assessment of inflation. Pay settlements will be funded and allocations increased subsequently, if the pay award changes through recommendations from the pay review bodies. CIP to fund the costs of inflation are expected to be circa 2.7%. The Trust's early assumptions on internally generated CIP for 23/24 is delivery of 4%. This is reflected in the financial strategy paper for Private Board on 11th January.
- 1.6 There is a focus on protecting front line services, with the Mental Health Investment Standard continuing. Savings achieved on drugs spend, or back-office consolidation (to quote two examples given) should be reinvested into front line services. We will need to work quickly to translate what this means for our system both in percentage savings and our approach to identifying those savings, and I am meeting with system CEO colleagues on this topic early in the New Year to agree how residual cost efficiency to recover current projected system revenue deficit, is to be handled collectively.

- 1.7 In relation to urgent care - not unexpectedly, there is a requirement to improve ambulance response times to 30 minutes, and a goal to return to 4 Hour ED performance of 76% by the end of 2023, reflecting a renewed focus on this performance standard.
- 1.8 Reduction of 78 week waits, 75% for the faster cancer diagnosis standard and improving performance on 62 day waits for cancer continue to remain the core goals in elective care, achieved by driving outpatient reform, day case rates and theatre utilisation. The default payment mechanism for planned elective care will be Payment by Results (Tariff) but we are expected to continue with system wide Elective Recovery Fund and penalties for under-achievement of targets and additional funding for over-performance (backed by the centre). Block contracts will continue for all other types of care delivery and contracting will be simplified as much as possible.
- 1.9 There will be a real terms increase in investment in education and training, continuing to support nursing international recruitment, and development of the NHS app, cyber security, data platforms and front line digitalisation. Capital funding for Community Diagnostic Centres (CDCs) will be available, backed with revenue and systems should be confident in their approach to investing in this area. In relation to this, I have already met with one private sector partner about the potential to develop off balance sheet solutions to targeted screening at scale, via CDCs for local, deprived and diverse populations. I will keep the Board appraised, should this concept develop.
- 1.10 Primary Care access also remains an area of focus, with 5.5% real terms growth to support growth in additional roles in Primary Care.
- 1.11 Finally, there is £1bn of recurrent funding to enable maintenance of extra capacity put in place over the winter months, the equivalent of 7,000 extra beds. In addition, there is a new £1bn of funding through the Better Care Fund (BCF). We must look at the right mix of step down and intermediate care beds via both our Place Based Partnerships and continue to focus on improving discharge performance and admission avoidance.