

THE TRUST ESTATE: POLICY CONTEXT AND CURRENT ISSUES

NHS ESTATES: EFFECTIVELY
TRANSFORMING THE HEALTHCARE
ESTATE



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14 July 2021

The task facing providers

Systems

Capital and estates

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A huge amount going on....and to come over next 9 months

Now

- New Secretary of State
- Hot Urgent & Emergency Care
- Full pelt backlog recovery
- Rapidly increasing demand meets restricted capacity
- Staff recovery and wellbeing
- COVID-19 Delta variant spread
- COVID-19 vaccinations

Next 9 months

- New NHS England CEO
- H2 money negotiation
- Multi-year backlog recovery plan
- Bill and setting up ICSs as new statutory organisations
- Getting back to fixed budgets
- Spending Review prioritisation
- Difficult winter: more C-19 & flu?

Service recovery: targets and challenges

Mental health	Electives	Cancer	Transforming pathways	Diagnostics
Deliver LTP ambitions Maintain beneficial changes; focus on equalities	Target: 85% of 2019/20 activity levels by July (target since increased to: 95%) 52 week waits prioritised (total fell by 50,000+ in April)	Bring 62 day waits below February 2020 levels Meet increased level of referrals by March 2022 28-day diagnosis standard: 75% target from Q3	Eye care, musculoskeletal and cardiac pathways prioritised. Aiming for top quartile levels on access and outcomes Outpatients: 25% online or via phone	“Highest possible” activity; increase capacity via hubs Beat 2019/20 baseline “when feasible”

What happens next?

High confidence in delivery on electives in H1: more Elective Recovery Fund will be needed for H2?

Acute occupancy very high (95% in some trusts)

Social distancing will continue to constrain capacity

Third wave is underway driven by Delta variant

Discharge to assess must be maintained. Local authorities already standing down services

H2 targets unknown. Likely to be ambitious, plus renewed push on cost control?

Backlog recovery plan

- **Multi year, major, issue**
- Plan has to take account of **different factors**:
 - Problem **size** – bounceback impact
 - **Speed** of recovery e.g. lessons from accelerators
 - **Money** – how much and with what strings
 - **Workforce** as biggest rate limiting factor?
 - **Innovation** vs “usual approach”
- Timing: **Spending Review?**
- Danger of **excessive focus on acute sector**
- Political and public **expectation management**

COVID-19: Minister says there has been a 'rapid increase' in demand for eating disorder services during pandemic

Mental health minister Nadine Dorries tells MPs that eating disorders have been the "biggest issue" recently.

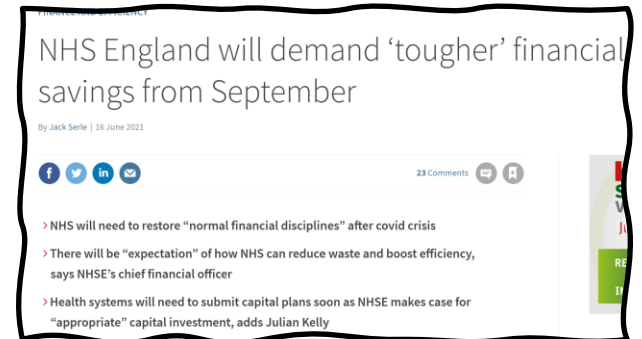
NHS in 'dire state' as waiting list in England passes 5 million for the first time

Data from NHS England shows that 5.12 million people were on the waiting list at the end of April – the highest number since records began in August 2007



H2 funding negotiations

- H1 allocations “reasonable but agreed very late”
- No clarity on H2 Covid costs (1H £7.4bn vs 2H £0.75bn)
- **Tough H2 negotiations:** HMT stance on public spending
- Timing: **later rather than earlier?**
- Impact of new Secretary of State?
- Likely **greater efficiency/productivity expectations**
- Rapid move to system finances: further complexity
- **Lack of H2 certainty** becoming a real issue
- Uncertainty could **incentivise lower activity** levels
- Some **elements needed asap** to maintain fast progress:
 - Discharge to assess
 - H2 top up of £1bn elective recovery fund
 - Quick capital round for winter / obvious recovery work
 - IS contract negotiation start



Where are we up to?

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Stand back progress review of system working (1)

- Wide agreement on strategic necessity of system working
 - Bringing health and care together to improve care and outcomes
 - Collaboration not competition, boosted by COVID-19
 - Prevention, health inequalities, whole population health
- Huge policy shift underway:
 - Coalitions of the willing to formal structures
 - ICSs replace CCGs as formal commissioner / money channel
 - ICS as first line NHS assurance and oversight
 - Consequent need to focus on accountability and governance
 - Split between ICS NHS body and health and care partnership
- Opportunities, risks, mitigations
 - Hope: Speed up integration/collaboration; focus on population health
 - Risks: Prescriptive, top-down; centralising; additional bureaucratic tier
 - Need: Clear purpose; accountability to populations and members; provider input into culture, leadership.

Map 1: The 42 integrated care systems in England

This map shows the location and boundaries of the 42 integrated care systems (ICSs) in England.



Map data: © Crown copyright and database right 2020 - Get the data - Created with Datawrapper

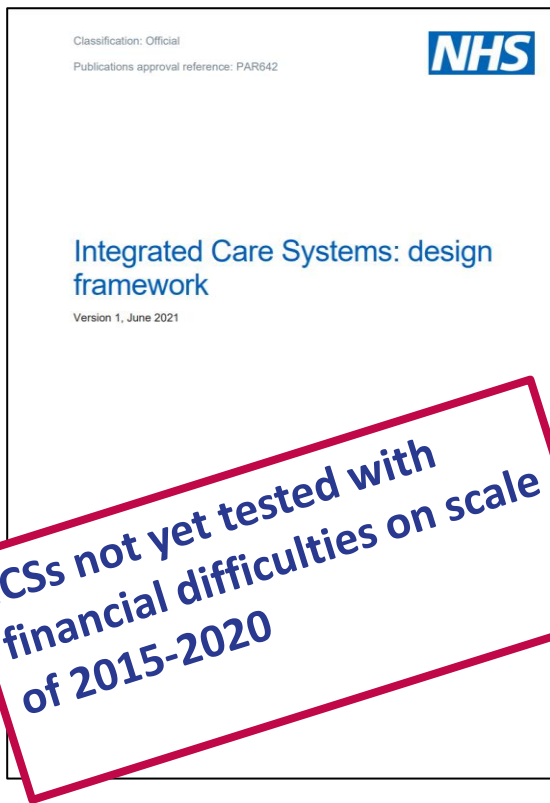
Acute and mental health trusts/FTs expected to join provider collaboratives from April 2022.

Ambulance trusts, community trusts and non-statutory providers should 'where it makes sense'.

Each provider collaborative will agree objectives with one or more ICS to help deliver system's strategic priorities.

Further guidance in the summer. Likely next steps: NHSE/I regional teams work with systems to map out opportunities of scale.

We would like: flexible/permissive approach, recognition of different trust types, more focus on "what" rather than "how".



ICS allocations

- NHS England will make financial allocations to each ICS, inc. budgets for acute, community, mental health and primary care services – more budgets added in the future?
- Allocations for revenue and capital spending limits.
- Allocations informed by a statistical formula linked to population need

Distribution of funds

- ICS will distribute funds based on local priorities (NHS system plan) and national commitments, eg Mental Health Investment Standard (MHIS)
- Money will flow from the ICS to providers through contracts, likely to be based on the 'aligned payment and incentive approach'

Regulatory mechanisms

- New System Oversight Framework (SOF) – introduces a system focused Recovery Support Programme (RSP) that replaces the 'special measures' regime
- Expecting Health and Care Bill to impose duty on ICSs to breakeven and meet other financial objectives set by NHS England

Where are we up to?

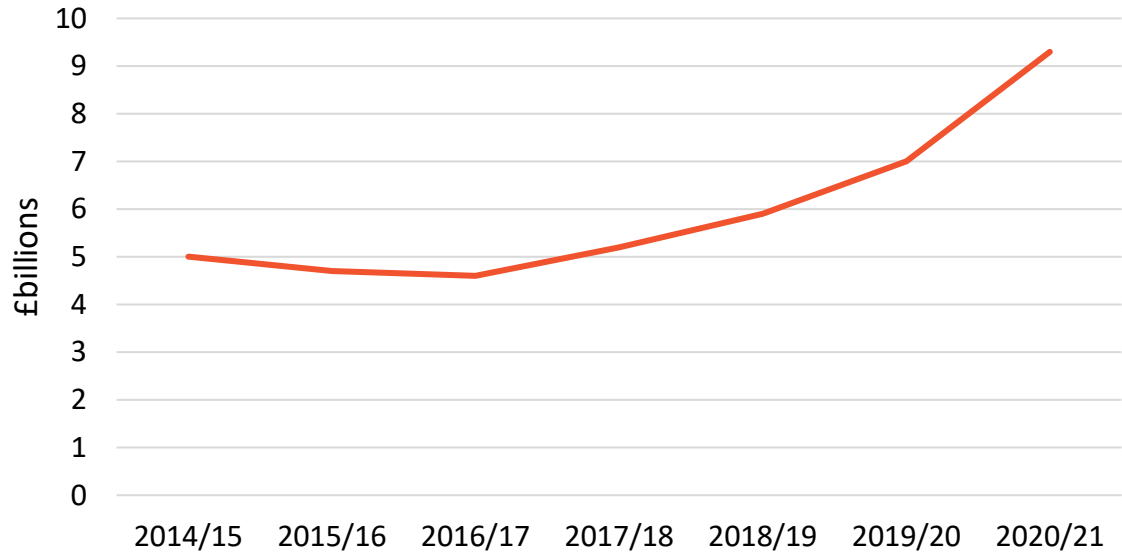
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A rising capital budget...

Annual DHSC capital budget



...but capital still high on the worry list

Substantial funds
already set aside
for specific
purposes

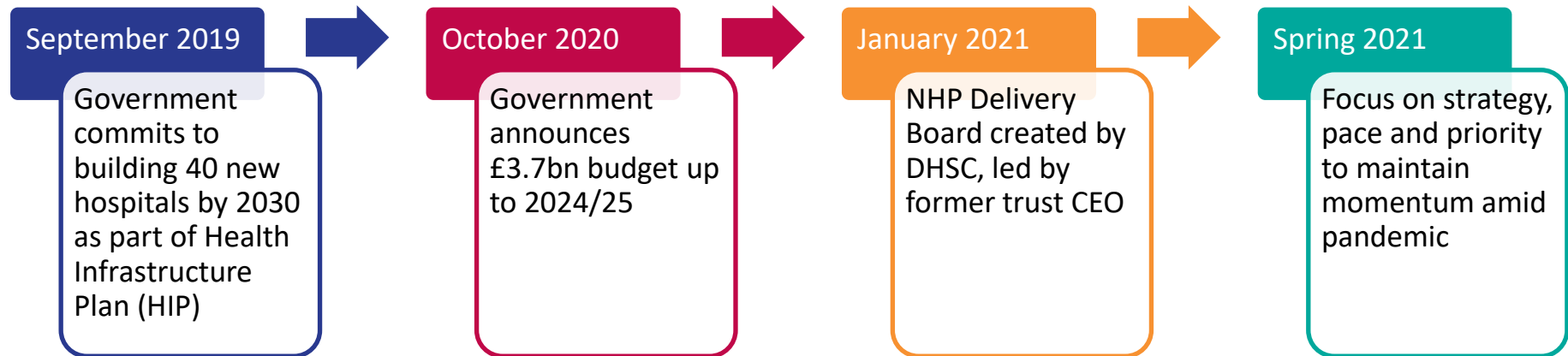
Rising maintenance
backlog – £9.0bn in
2019/20

Funds can be slow
to reach the
frontline

Impact of national
and system capital
limits

No multi-year
settlement

New Hospital Programme (40 new hospitals)



What comes next?

- Uncertainty from trusts on next steps – some ready to progress, but awaiting green light
- Updated health infrastructure plan/DHSC capital strategy expected to be published later this summer
- Ongoing questions over knock-on effect on CDEL.
- CSR will need to set out progress/funding of NHP

THANK YOU

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