Developing the long term plan for the NHS

Today NHS England and NHS Improvement have published a document on developing the long term plan for the NHS. This briefing summarises the document; outlines what we know about the plan; our view on the process and development of the plan; and how we plan to engage in its development.

As ever, we welcome member thoughts or input on this and anything in the wider briefing. Please contact Chris Hopson, Chief Executive (chris.hopson@nhsproviders.org) or Amber Jabbal, Head of Policy (amber.jabbal@nhsproviders.org) with any feedback.

Overview of the five and ten year plans

In March, the Prime Minister committed to a "sustainable long term plan" for the NHS backed by "a multiyear funding settlement". She expanded on this in June, confirming a new funding settlement for the NHS of an average of 3.4% real terms increase over the next five years. Mrs May also tasked the NHS with producing a 10 year plan in return for the increase in funding, setting out how the service intends to deliver major improvements. The timing of the plan's publication is expected to coincide with the autumn Budget, where the funding uplift, and how it will be funded, will be formally set out. Further detail is set out in the next section.

The government's priorities and tests for the plan

The Prime Minister set a number of priorities for the 10 year plan. They include:

- "getting back on the path to delivering agreed performance standards – locking in and further building on the recent progress made in the safety and quality of care
- transforming cancer care so that patient outcomes move towards the very best in Europe
- better access to mental health services, to help achieve the government's commitment to parity of esteem between mental and physical health
- better integration of health and social care, so that care does not suffer when patients are moved between systems
- focusing on the prevention of ill-health, so people live longer, healthier lives"

The government also set the NHS five financial tests to show how the service will put the service onto a more sustainable footing. Those tests are:

1. "improving productivity and efficiency
2. eliminating provider deficits
3. reducing unwarranted variation in the system so people get the consistently high standards of care wherever they live
4. getting much better at managing demand effectively
5. making better use of capital investment"

The former and current secretaries of state for health and social care, as well as Simon Stevens and Ian Dalton, have also set out their priorities for the plan. The new Secretary of State implied to the Health and Care Select Committee that he would be formally consulting on his priorities in September. These can all be found in the appendix of this briefing. There is an interesting task to reconcile all these different priorities and ensure they fit within a financial envelope that barely keeps up with cost and demand pressures. It will also be interesting to see how much the new Secretary of State wants to be involved in the detailed creation of the plan.

Delivery plan

A delivery plan to underpin the first few years of the 10 year strategic plan, is also being developed. It is not clear how separate this will be from the 10 year plan and how it will relate to the planning guidance that we believe the arms lengths bodies currently want to publish in late September. This September timeline would echo the 2017/18 planning guidance timetable which gave trusts the chance to complete draft plans before Christmas, rather than the 2018/19 timetable where trusts were still finalising plans in July.

NHS Improvement chief executive, Ian Dalton, in his first interview with the *Health Service Journal* identified a number of issues that he wanted to address through this planning guidance/delivery plan including include:

- Productivity levels – providers are likely to be expected to achieve more than last year, with Mr Dalton highlighting GIRFT as well as "transformation projects, and further cuts to agency, procurement, back office and corporate costs" as further savings opportunities
- Sector deficit – the national bodies may have to consider writing off some of the trust sector's debts
- Control totals – these will be replaced with a new financial architecture from April 2019, with Mr Dalton commenting that the current approach to control totals encourages non-recurrent savings rather than a focus on underlying financial sustainability
- Fines and sanctions – these are likely to be reviewed (including the marginal rate for emergency care)
- Tariff – the gap between tariff prices and costs of provision needs to be addressed
- Provider Sustainability Fund – will be reviewed as "the distributional effects of that have again not necessarily been equal across the system"

Simon Stevens, in his interview with the *Health Service Journal* also said that they are planning to publish a plan covering three financial years from 2019/20 to 2021/22 in September, for this to be confirmed in November. This would include three years of firm clinical commissioning group allocations and two years indicatively. He also suggested that there would be a "wholesale shift" in NHS funding rules, including the payment system, and the end of "sustainability funding".

We would also expect the planning guidance/delivery plan to be clear about detailed sector level demand assumptions, operational performance levels and recovery trajectories and financial expectations. In other

words, on current plans, members are likely to know much of the detail of what they will be required to deliver over the next few years, in September, before the final 10 year plan is published in November.

What do we know about the 10 year plan?

Working groups

The ALB plan to secure wider engagement into the 10 year plan focuses on creating a number of working groups, covering the priorities set out by the government. Each working group is expected to have a lead from an arm's length body (predominantly NHS England or NHS Improvement), and in the majority of cases a provider CEO representative. A number of these working groups and their leads have been confirmed (outlined below, and grouped by themes).

We also expect there to be groups covering key issues such as: financial architecture; transformation, productivity and efficiency; and legislation. We have been told privately that different consultation mechanisms will be used for this work.

Life course programmes

- **Prevention and Personal Responsibility**
  Duncan Selbie, Dr Neil Churchill, Dr Vin Diwaker, Dr Amanda Doyle
- **Healthy Childhood and Maternal Health**
  Sarah-Jane Marsh, Professor Russell Viner, Professor Jacqueline Dunkley-Bent, Dr Matthew Jolly
- **Integrated and Personalised Care for People with Long Term Conditions and the Frail Elderly (including Dementia)**
  Caroline Abrahams, Julian Hartley, Martin Vernon, Matthew Winn

Clinical priorities

- **Cancer**
  Cally Palmer, Lynda Thomas, Paula Head
- **Cardiovascular and respiratory**
  Professor Stephen Powis, Professor Mike Morgan, Simon Gillespie, Juliet Bouverie
- **Learning Disability and Autism**
  Ray James, Dr Jean O'Hara, Rob Webster
- **Mental Health**
  Claire Murdoch, Paul Farmer, Sheena Cumiskey

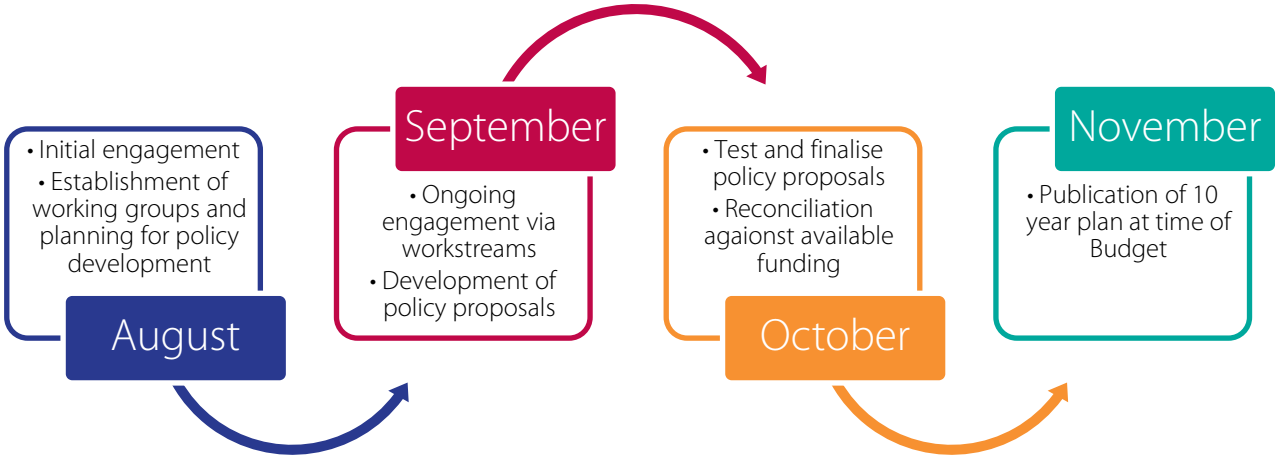
Enablers

- **Workforce, Training and Leadership**
  Dr Ruth May, Professor Ian Cumming, Jim Mackey, Dr Navina Evans
- **Digital and Technology**
  Dr Simon Eccles, Sarah Wilkinson, Steve Dunn, Matthew Swindells
- **Primary Care**
  Dominic Hardy, Dr Amanda Doyle, Dr Nikita Kanani, Professor Helen Stokes-Lampard
- **Research and Innovation**
  Dr Sam Roberts, Professor Tony Young, Roland Sinker, Professor Dame Sue Hill
- **Clinical Review of Standards**
  Professor Stephen Powis, Professor Carrie MacEwan, Imelda Redmond
- **System Architecture**
  Ben Dyson, Ian Dodge, Matthew Swindells
- **Engagement**
  Simon Enright, Sian Jarvis, Imelda Redmond, Rachel Power

Timelines

We expect the timelines to be broadly:

- Structure and themes announced **early August**
- Working groups (aligned to each of the themes – see below for detail) confirmed **over the course of August**, and planning begins
- Engagement takes place **throughout September** – we understand this will include:
    - Bespoke engagement by each of the working groups
    - ALB engagement with the sector, e.g., through regional forums and roundtables
    - Stakeholder engagement, both with the working groups and with the ALB leadership
    - Engagement with staff, patients and the public (likely to take place through STPs)
    - Engagement through NHS Improvement's CEO advisory group
- At the **end of September**, there will be a joint NHS England and NHS Improvement board meeting to discuss the plan
- During **October**, the working groups will refine their outputs and their collective work will be brought together in the plan
- The plan will be published in early **November**
- Following the publication of the plan NHS England and NHS Improvement will establish the NHS Assembly to oversee the delivery of the plan



NHS Providers view

Importance of provider engagement

We welcomed the long term funding settlement when it was announced by the Prime Minister, as a helpful recognition that the NHS needs significantly more money whilst stressing the need to be realistic about what it could buy. This settlement, along with the development of an NHS 10 year plan, offers the potential for a reset moment to get back to a day to day operational and financial task that the vast majority of trusts can actually deliver. It also provides a chance to develop a credible long term plan for improving care for patients and the public that is owned by the sector.

In her announcement the Prime Minister highlighted the importance of the service itself in drawing up the 10 year plan. This suggests an understanding that the plan has more chance of succeeding with meaningful involvement and input from the frontline. Without this, there is a risk that the 10 year plan becomes a lookalike of the *Five Year Forward View* with the provider sector signed up to a delivery task that is unrealistic and which the sector believes is undeliverable, right from the start. We have therefore been arguing that the involvement of the provider sector and NHS Providers, as the membership organisation that formally represents the sector, is crucial. Particularly as representative bodies can reflect the views of groups such as chairs and non-executives who often bring a different perspective.

Provider CEO involvement on working groups

We therefore welcome the involvement of provider sector CEOs on the working groups. It is important, though, that they are seen and act as sector representatives. We will be contacting all the relevant CEOs and offering our help in the following ways:

- Offering to collect member feedback to input into the work of the groups on which they sit
- Offering to test emerging proposals with members
- Offering to act as a formal or informal wider channel of communication with the provider sector.

Wider provider sector engagement

The need for meaningful engagement with the wider sector is also crucial to the successful implementation of the plan. There are plans in place for this wider engagement set out in today's communication. However given that timescales are short, there is a risk that wider engagement beyond the small working groups is tokenistic.

Creating the actual 10 year plan

At present, as outlined above, all the working groups will feed into NHS England and NHS Improvement who will then make the all important trade offs between the work streams and set the detailed priorities. We are currently discussing how to ensure appropriate provider sector involvement in this process as well since this is where the detailed provider sector ask will be finalised. Failure to provide appropriate input and assurance at this point risks a re-run of the flawed *Five Year Forward View* process.

The risks to the provider sector

As outlined above, this process provides a valuable opportunity to reset the frontline delivery task and create an ambitious 10 year plan to improve patient outcomes. But it also carries the following risks for the sector, which we will be seeking to explicitly manage in the process:

- The Government will want to demonstrate that the nation is getting a clear set of extra new benefits for the extra money invested especially if, as we expect, it is partly funded through higher taxes. There is therefore a danger that the plan overcommits the service to new ambitions that can't be afforded or delivered.
- As we pointed out in our recent briefing [link], there is a significant task to recover performance to the existing constitutional standards. There is a risk the plan underestimates the cost and time it will take to deliver this recovery, assuming the current standards or similar are retained.

- Given that the funding settlement effectively only matches current demand and cost increases, there will be pressure to make over optimistic assumptions about demand management and productivity efficiency gains, as happened with the *Five Year Forward View*. For example, we note that in his HSJ interview Ian Dalton argued that the sector should be set a higher productivity and efficiency requirement than the current task.
- The plan will need to carefully balance the need for transformation with day to day operational delivery requirements. There is a risk the plan strikes the wrong balance and underestimates the cost, resource and time taken to deliver the transformation required by the plan.
- The existence of a number of separate work streams seeking to improve outcomes within their area of focus risks creating too large a number of priorities and a set of ambitions that may look deliverable individually but are not deliverable collectively.
- The plan is unable to take proper account of social care, public health and prevention as the budgets for these sit outside the settlement that has been announced.
- The Government refuses to accept the plan and release the extra funding. We think it is unlikely that the government will withhold the funding settlement; however there may be Treasury push back on the plan prior to its publication if it doesn't deliver against the financial tests they have set.

There are also some obvious process risks here including insufficient time and insufficient weight being given to provider views originating from both the provider sector and NHS Improvement.

NHS Providers activity

NHS Providers is engaging in the development of the ten and five year plans at a number of levels:

- We are having private conversations with No10, the DHSC, NHS Improvement and NHS England to ensure that the priorities and process for the plan properly include frontline leaders, including appropriate input into what the provider sector will actually be asked to deliver.
- We will be reaching out to the provider CEOs on each of the working groups to ensure they have the information they need to work effectively on behalf of the provider sector as a whole.
- We will be inputting directly into the policy proposals and development of the plan where appropriate
- We will be inviting NHS England and NHS Improvement to engage with the provider sector at our regular network events.
- We will formally respond to any public consultation on the proposals as well as feed in directly via the working groups and stakeholder meetings.
- We will be regularly communicating with members as the plan is developed and will be seeking your input via email correspondence and roundtables.

We will also be publishing a number of documents, which will include:

- Five key provider sector focussed tests to measure the plan against
- A publication on the productivity and efficiency ask
- Thought leadership on how to address current legislative and regulatory barriers facing the provider sector

Appendix: Priorities of the national NHS leadership

Theresa May, Prime Minister

In the June announcement of increased funding, Mrs May set out her priorities as:

- "Getting back on the path to delivering agreed performance standards – locking in and further building on the recent progress made in the safety and quality of care
- Transforming cancer care so that patient outcomes move towards the very best in Europe
- Better access to mental health services, to help achieve the government's commitment to parity of esteem between mental and physical health
- Better integration of health and social care, so that care does not suffer when patients are moved between systems
- Focusing on the prevention of ill-health, so people live longer, healthier lives"

Matt Hancock, secretary of state for health and social care

In his first speech as secretary of state – delivered in July at West Suffolk Hospital – Matt Hancock said:

- The NHS must reduce and tackle waste, and ensure it "focuses on using this new money to work smarter and more effectively"
- The long-term plan needs to be "nationally agreed, clinically led and locally supported"
- There are three areas where "we must make swift and decisive progress for that plan to be a success": workforce, technology, and prevention

Simon Stevens, NHS England

In an interview with the *HSJ* in July, Simon Stevens set out his priorities as:

- Mental health
- Cancer
- Cardiovascular disease
- Children's services
- Health inequalities

He also highlighted:

- Integration programmes will be as set out in the *Five year forward view*, but accelerated
- Outpatients and community services may be radically repurposed to release funds
- There will be a number of technical changes, such as targets being reviewed and funding mechanisms reformed
- There could be trade offs if those areas not covered by the settlement – education, public health and capital – were not protected
- Social care funding needs to be at a level that people are properly looked after and pressure isn't put on the NHS
- Workforce being integral, with reforms (such as those to cancer care) dependent on changes to the workforce over a 10 year timeframe

Ian Dalton, NHS Improvement

In his August interview with the *HSJ*, Ian Dalton highlighted his views:

- Providers will need to achieve higher levels of productivity than those achieved last year, with further savings opportunities identified as coming from the GIRFT programme, transformation projects, and further cuts to agency, procurement, back office and corporate costs
- National leaders will have to consider writing off some NHS trust debts from the last three years
- The current control total system will be replaced with a new financial architecture from April 2019
- The current fines and sanctions regime, including the marginal rate for emergency care, is likely to be reviewed
- The "significant delta" between the price of the tariff and the actual cost of providing care will need to be addressed
- The Provider Sustainability Fund will be reviewed as the distributional effects of that have again not necessarily been equal across the system
- It is too simplistic to say there'll be an end to the purchase provider split, given the need to continue with strong providers

Jeremy Hunt, former secretary of state for health and social care

In his May interview with the *HSJ*, Jeremy Hunt as secretary of state for health and social care set out his vision for the NHS long-term plan:

- The full integration of the health and social care system
- Better use of IT to make sure the NHS is at the forefront of medicine
- Transforming services in order to ease pressure in the emergency care system during winter
- Recovering performance standards
- "A 10 year perspective on really big efficiency improvements", mentioning the need for modern IT systems and artificial intelligence, and centralising procurement, as well as recognising the impact of predictable funding levels and flows