


Agenda Item 9

		THE HEALTH SCRUTINY COMMITTEE FOR LINCOLNSHIRE	
Boston Borough Council	East Lindsey District Council	City of Lincoln Council	Lincolnshire County Council
North Kesteven District Council	South Holland District Council	South Kesteven District Council	West Lindsey District Council

Open Report on behalf of Richard Wills, the Director responsible for Democratic Services

Report to	Health Scrutiny Committee for Lincolnshire
Date:	20 January 2016
Subject:	Delivering the Forward View: NHS Planning Guidance 2016/17 – 2020/21

Summary:

On 22 December 2015, NHS England, NHS Improvement (Monitor and the Trust Development Authority) and other NHS national organisations published *Delivering the Forward View: NHS Planning Guidance 2016/17 – 2020/21*, which sets out the expectations for all local health systems to deliver the NHS Five Year Forward View. In addition to the Government's Mandate to NHS England, there is requirement for nine "Must Do's", which each local health system must deliver during 2016/17.

The Committee is requested to consider *Delivering the Forward View: NHS Planning Guidance 2016/17 – 2020/21* in the context of the development of its work programme over the coming months.

Actions Required:

The Committee is invited to consider *Delivering the Forward View: NHS Planning Guidance 2016/17 – 2020/21* and to bear the document in mind as it considers its work programme over the coming months.

1. Background

On 22 December 2015, *Delivering the Forward View: NHS Planning Guidance 2016/17 – 2020/21* was published. The guidance was prepared by NHS England, NHS Improvement (Monitor and the Trust Development Authority), the Care Quality Commission, Health Education England, the National Institute of Health and Care Excellence and Public Health England. Building on the NHS Five Year Forward

View, *NHS Planning Guidance 2016/17 – 2020/21* requires two connected plans from the local NHS:

- A five year Sustainability and Transformation Plan (STP)
- A one year Operational Plan for 2016/17

Delivering the Forward View: NHS Planning Guidance 2016/17 – 2020/21 states that this planning process has been put forward to execute three interdependent tasks:

- implementing the Five Year Forward View;
- restoring and maintaining financial balance; and
- delivering core access and quality standards for patients.

Additionally, the guidance report expands by setting out nine 'must dos' priorities for 2016/2017 for every local system.

Finally, the report also outlines the financial implications and expectations over the next few years, with transformation funding, allocations, financial balance, efficiency assumptions and business rules all included within the document.

Delivering the Forward View: NHS Planning Guidance 2016/17 – 2020/21 is available at the following link:

<https://www.england.nhs.uk/wp-content/uploads/2015/12/planning-guid-16-17-20-21.pdf>

2. Sustainability and Transformation Plans (STPs)

Health and Care systems have been asked to come together and create their own ambitious local blueprint which will enable the implementation of the Forward View. Sustainability and Transformation Plans (STPs) will cover the period between October 2016 and March 2021, and will be subject to formal assessment in July 2016 following their submission in June 2016.

The most important initial task of the STP is to create a clear overall vision and plan for each area, including a local financial sustainability plan. Sustainability and Transformation Plans will require "strong place-based planning with system leadership and an open process inclusive towards all areas of CCG and NHS England commissioning activities." The STPs will become the single application and approval process for being accepted onto programmes with transformational funding for 2017/18 onwards.

The Spending Review provided additional dedicated funding streams for transformational change, building up over the next five years. This protected funding is for initiatives such as the spread of new care models through and beyond the vanguards, primary care access and infrastructure, technology roll-out, and to drive clinical priorities such as diabetes prevention, learning disability, cancer and mental health.

Many of these streams of transformation funding form part of the new wider national Sustainability and Transformation Fund (STF). The most compelling and credible STPs will secure the earliest additional funding from April 2017 onwards.

The STP will be the 'umbrella plan', holding underneath it a number of different specific delivery plans. The first critical task is for local health and care systems to consider their transformation footprint – the geographic scope of their STP. They must make proposals by Friday 29 January 2016, for national agreement, after consultation with local authorities.

3. National Must Do's

Delivering the Forward View: NHS Planning Guidance 2016/17 – 2020/21 outlines its ambitions for the next few years. There is a goal that by March 2017, 25% of the population will have access to acute hospital services that comply with four priority clinical standards on every day of the week and 20 percent of the population will have enhanced access to primary care.

Moreover, it sets the target of dealing with the main challenges posed by the seven day services which include reducing excess deaths by increasing the level of consultant cover and diagnostic services available in hospitals at weekends; improving access to out of hours care; and improving access to primary care at weekends and evenings.

The nine "Must do's" for 2016/17 for every local system are as follows:

1. Develop a high quality and agreed **STP**, and subsequently achieve what you determine are your most locally critical milestones for accelerating progress in 2016/17 towards achieving the triple aim as set out in the **Forward View**.
2. Return the system to **aggregate financial balance**. This includes secondary care providers delivering efficiency savings through actively engaging with the Lord Carter provider productivity work programme and complying with the maximum total agency spend and hourly rates set out by NHS Improvement. CCGs will additionally be expected to deliver savings by tackling unwarranted variation in demand through implementing the RightCare programme in every locality.
3. Develop and implement a local plan to address the **sustainability and quality of general practice**, including workforce and workload issues.
4. Get back on track with **access standards for A&E and ambulance waits**, ensuring more than 95 percent of patients wait no more than four hours in A&E, and that all ambulance trusts respond to 75 percent of Category A calls within eight minutes; including through making progress in implementing the urgent and emergency care review and associated ambulance standard pilots.
5. Improvement against and maintenance of the NHS Constitution standards that more than 92 percent of patients on non-emergency pathways wait no

more than 18 weeks from **referral to treatment**, including offering patient choice.

6. Deliver the NHS Constitution **62 day cancer waiting standard**, including by securing adequate diagnostic capacity; continue to deliver the constitutional two week and 31 day cancer standards and make progress in improving **one-year survival rates** by delivering a year-on-year improvement in the proportion of cancers diagnosed at stage one and stage two; and reducing the proportion of cancers diagnosed following an emergency admission.
7. Achieve and maintain the **two new mental health access standards**: more than 50 percent of people experiencing a first episode of psychosis will commence treatment with a NICE approved care package within two weeks of referral; 75 percent of people with common mental health conditions referred to the Improved Access to Psychological Therapies (IAPT) programme will be treated within six weeks of referral, with 95 percent treated within 18 weeks. Continue to meet a **dementia diagnosis** rate of at least two-thirds of the estimated number of people with dementia.
8. Deliver actions set out in local plans to transform care for people with **learning disabilities**, including implementing enhanced community provision, reducing inpatient capacity, and rolling out care and treatment reviews in line with published policy.
9. Develop and implement an affordable plan to make **improvements in quality** particularly for organisations in special measures. In addition, providers are required to participate in the annual publication of **avoidable mortality** rates by individual trusts.

4. Operational Plans 2016/2017

Delivering the Forward View: NHS Planning Guidance 2016/17 – 2020/21 states that a primary task for local system leaders is to run a "shared and open-book operational planning process for 2016/17". All of these plans will need to include:

- how they intend to reconcile finance with activity (and where a deficit exists, set out clear plans to return to balance);
- their planned contribution to the efficiency savings;
- their plans to deliver the key must-dos;
- how quality and safety will be maintained and improved for patients;
- how risks across the local health economy plans have been jointly identified and mitigated through an agreed contingency plan; and
- how they link with and support with local emerging STPs.

5. Funding Allocations

NHS Planning Guidance 2016/17 – 2020/21 states that NHS England's allocations to commissioners are intended to achieve:

- greater equity of access through pace of change, both for CCG allocations and on a place-based basis;
- closer alignment with population need through improved allocation formulae including a new inequalities adjustment for specialised care, more sensitive adjustments for CCGs and primary care, and a new sparsity adjustment for remote areas; and
- faster progress with strategic goals through higher funding growth for GP services and mental health, and the introduction of the Sustainability and Transformation Fund

In line with their strategic priorities, overall primary medical care spend will rise by 4-5 percent each year. Specialised services funding will rise by 7 percent in 2016/17, with growth of at least 4.5 percent in each subsequent year. The relatively high level of funding reflects forecast pressures from new NICE legally mandated drugs and treatments.

To support long-term planning, NHS England has set firm three year allocations for CCGs, followed by two indicative years. For 2016/17, CCG allocations will rise by an average of 3.4 percent, and the report outlines the promise that no CCG will be more than five per cent below its target funding level.

To provide CCGs with a total place-based understanding of all commissioned spend, alongside allocations for CCG commissioned activities, they will also publish allocations for primary care and specialized commissioned activity. NHS England will in principle support any proposals from groups of CCGs, particularly in areas working towards devolution who wish to implement a more accelerated cross-area pace-of-change policy by mutual agreement.

6. Returning to a Financial Balance

During 2016/17 the NHS trust and foundation trust sector will be required to return to financial balance. £1.8 billion of income from the 2016/17 Sustainability and Transformation Fund will replace direct Department of Health (DH) funding. Quarterly release of these Sustainability Funds to trusts and foundation trusts will depend on achieving recovery milestones for:

- deficit reduction;
- access standards; and
- progress on transformation.

Delivering the Forward View: NHS Planning Guidance 2016/17 – 2020/21 states that Trusts need to focus on cost reduction not income growth; and there needs to be far greater consistency between trusts' financial plans and their workforce plans in 2016/17. Workforce productivity will therefore be a particular priority as just a one per cent improvement represents £400 million of savings.

Capital investments proposed by providers should be consistent with their clinical strategy and clearly demonstrate the delivery of safe, productive services with a business case that describes affordability and value for money.

Given the constrained level of capital resource available from 2016/17, there will be very limited levels of financing available and the repayment of existing and new borrowing related to capital investment will need to be funded from within the trust's own internally generated capital resource in all but the most exceptionally pre-agreed cases.

2. Conclusion

The Committee is invited to consider *Delivering the Forward View: NHS Planning Guidance 2016/17 – 2020/21* and to bear the document in mind as it considers its work programme over the coming months

3. Consultation

This is not a consultation item.

4. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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