

2023/24 priorities and operational planning guidance

On Friday 23 December, NHS England (NHSE) published [2023/24 priorities and operational planning guidance](#). The guidance sets out three key tasks for the next financial year, the most immediate being to recover core services and improve productivity. As recovery continues, systems should renew focus on delivering the key ambitions set out in the NHS long term plan (LTP), and transforming the NHS for the future.

This briefing highlights the key points from the guidance documents and includes NHS Providers' view of the priorities for 2023/24. A table outlining the high-level priorities is also attached as an annex.

Key points

- The planning guidance sets a range of “national NHS objectives” for 2023/24, with expected performance against key operational standards. These include improving A&E waiting times so at least 76% of patients wait no more than four hours, reducing general and acute bed occupancy to 92% or below, reducing cancer waiting times and supporting earlier diagnosis.
- The guidance sets key actions designed to increase capacity and improve patient flow to ease UEC pressures. These include reducing category 2 ambulance response times to an average of 30 minutes in 2023/24 and meeting the 70% 2-hour urgent community response standard.
- NHSE will publish two-year revenue allocations for 2023/24 and 2024/25 – integrated care board (ICB) allocations are flat in real terms with additional funding available to expand capacity. Elective recovery funding will be allocated to systems on a fair shares basis.
- NHSE has also today published its [guidance](#) for integrated care boards (ICBs) and their partner trusts and foundation trusts on the development of five-year joint forward plans (JFPs).
- For 2023/24 NHSE plans to base agency spend limits on agency spending as a proportion of systems' total pay costs, set at 3.7% of a system's total pay bill.
- ICBs will take responsibility for commissioning appropriate specialised services from April 2024.

Funding

The planning guidance emphasises the importance of delivering a balanced net system financial position in 2023/24, meeting the 2.2% efficiency target and improving productivity levels. ICBs and providers are expected to clearly outline their performance monitoring processes and financial control procedures.

NHSE will publish two-year revenue allocations for 2023/24 and 2024/25 – integrated care board (ICB) allocations are flat in real terms with additional funding available to expand capacity. NHSE will also increase the capital envelope for 2023/24 by £300m – access to this additional capital funding will be conditional on system financial performance in 2022/23.

System plans should identify the sources of productivity loss and design actions to improve this. Examples set out in the planning guidance include initiatives to enable the flexible deployment of staff and improve theatre utilisation using the model hospital system theatre dashboard.

To generate the required level of efficiency savings, systems must:

- **Reduce agency spending** across the NHS to 3.7% of the total pay bill in 2023/24.
- **Reduce corporate running costs** with a focus on consolidation, standardisation and automation to deliver services at scale across ICS footprints.
- Reduce **procurement and supply chain costs** via supply chain coordination limited (SCCL), and the specialised services devices programme.
- Improve **inventory management** by building an inventory management and point of care solution.
- **Purchase medicines at the most effective price point** through engagement with the commercial medicines unit and the national medicines value programme.

The revenue finance and contracting guidance for 2023/24 will set out further information. This has not yet been published.

Recovering core services and regaining lost productivity

The planning guidance sets a range of “national NHS objectives” for 2023/24, setting expected performance against key operational standards. The NHS is expected to:

- Improve A&E waiting times so at least 76% of patients wait no more than four hours.
- Reduce adult general and acute bed occupancy to 92% or below.
- Reduce category 2 ambulance response times to an average of 30 minutes in 2023/24, with further improvement towards pre-pandemic levels in 2024/25.

- Consistently meet or exceed the 70% 2-hour urgent community response standard.
- Eliminate waits of over 65 weeks for elective care by March 2024 (except where patients choose to wait longer or in specific specialties).
- Continue to reduce the number of cancer patients waiting over 62 days.
- Meet the cancer faster diagnosis standard by March 2024 so that 75% of patients who have been urgently referred by their GP for suspected cancer are diagnosed or have cancer ruled out within 28 days.
- Achieve a 5% year on year increase in the number of adults and older adults supported by community mental health services.

The full list of objectives can be found in the annex to this briefing.

Urgent and emergency care

The guidance sets key actions which are designed to increase capacity and improve patient flow to ease the pressures in emergency departments across the country. These include:

- **Increasing physical capacity** through maintaining the additional 7,000 beds which were funded for this winter and reducing bed occupancy to at least 92%. This also includes increasing the use of virtual wards to 80% by the end of September 2023. £1bn of funding will be incorporated into system allocations to enhance capacity in 2023/24
- **Improving timely discharge** to ensure medically fit patients can be discharged from hospitals and inpatient units. The Better Care Fund (BCF) should provide £600m in 2023/24 and £1bn in 2024/25 to support timely discharge.
- **Increasing ambulance capacity.**
- **Managing system risk** by ensuring all ICBs operationalise clinically led system control centres (SCSs).

As announced in the autumn statement, NHS England will publish an urgent and emergency care recovery plan in early 2023 in collaboration with DHSC and the Department for Levelling Up, Housing and Communities.

Community health services and primary care

As well as maximising the number of referrals into urgent community response (UCR), the guidance sets out the need to expand direct access and self-referrals to ease the pressure on primary care. By September 2023, systems should implement direct referral pathways for urgent and elective eye

consultations and a range of self-referral routes, including falls response services and weight management services.

The guidance also focuses on improving patient access to GP services by ensuring that appointments can be secured within two weeks, and urgent issues can be seen on the same or next day based on clinical need. Systems are asked to develop plans to improve digital access to GP practices.

The NHS will be expected to deliver 50 million more primary care appointments by the end of March 2024 on 2019/20 levels which will be supported by the recruitment of 26,000 roles through the additional roles reimbursement scheme (ARRS). ICBs' primary care allocations in 2023/24 will increase by 5.6% given the rise in GP contract entitlements and the increase in ARRS entitlements. Greater use of the community pharmacist consultation service (CPCS) is also intended to redirect lower acuity care away from general practice and NHS 111. NHSE will also publish a recovery plan for general practice access in the new year.

Elective care and unit prices

NHSE will agree targets with systems for 2023/24 to deliver 30% more elective activity than pre-pandemic levels by 2024/25, and eliminate waits of over 65 weeks by March 2024 (except where patients choose to wait longer or in specific specialties). The contract default for elective activity which includes ordinary, day and outpatient procedures (but excludes follow-ups) will be to pay unit prices for actual activity delivered. Elective recovery funding will be allocated to systems on a fair shares basis, and provider and system targets will be determined as part of the planning process.

The guidance sets out the key areas of focus for 2023/24:

- **Transform outpatient care** by reducing outpatient follow-up activity by 25% against 19/20 levels by March 2024. The ambition as set out in the 2022/23 planning guidance is to reduce follow-ups but it is not clear at what rate providers will be reimbursed.
- **Increase productivity** by meeting the 85% day case and 85% theatre utilisation expectations, using GIRFT and moving procedures to the most appropriate settings.
- **Offer meaningful choice** at point of referral and at subsequent points in the pathway, and use alternative providers if people have been waiting a long time for treatment including through the Digital Mutual Aid System (DMAS)

NHS England will allocate £3bn of ERF to ICBs and regional commissioners on a fair shares basis and continue to work with systems and providers to maximise the impact of the three-year capital

Targeted Investment Fund put in place in 2022. Further details will be set out in the forthcoming revenue finance and contracting guidance and capital guidance update.

Cancer and diagnostics

The headline objectives for 2023/24 are to reduce cancer waiting times and support earlier diagnosis. To achieve those aims, systems are expected to:

- **Implement priority pathway changes** for lower GI, skin and prostate cancer pathways to enable earlier diagnosis. This should improve cancer waiting times as two thirds of patients waiting longer than the 62-day target are accessing treatment across these pathways.
- **Increase diagnostic capacity for cancer by 25% and treatment capacity by 13%** to keep pace with the growth in cancer-related demand.
- **Support early diagnosis** through an expansion of the targeted lung health check programme as well as other non-symptom specific pathways.

Systems must increase the proportion of patients who attend a diagnostic test within six weeks of referral and deliver sufficient levels of diagnostic activity. The ambition is for systems to maximise the pace of roll-out of additional diagnostic capacity, delivering the second year of the three-year investment plan for establishing Community Diagnostic Centres (CDCs) and ensuring timely implementation of new CDC locations and upgrades to existing CDCs.

Systems will be asked to deliver a minimum 10% productivity improvement in pathology and imaging networks by 2024/25 via digital capability enhancements. Following the October 2021 spending review, £2.3bn of capital funding will be made available to systems over 2023/24 and 2024/25 to support diagnostic service transformation.

Maternity and neonatal services

To achieve improved safety standards across maternity and neonatal services, the planning guidance asks for systems to improve the personalisation of care, and to implement local equity action plans to tackle the inequality of outcomes and experiences of Black, Asian and Mixed ethnic groups. NHSE is also investing an additional £72m above the £93m baselined allocation into the maternity programme in 2023/24 to address the actions highlighted in the Ockenden report.

Delivering the key long term plan ambitions and transforming the NHS

Mental health, learning disability and autism

Systems must continue to achieve the Mental Health Investment Standard as an absolute minimum. NHSE has also allocated funding to invest in the growth of the improving access to psychological therapies (IAPT) workforce through offering 60% salary support for new trainees in 2023/24, and will also expand services in line with the LTP's ambitions on mental health. The guidance highlights the need to reduce pressure on mental health inpatient care.

Systems should improve performance across autism diagnostic assessment pathways. They are expected to expand the size and improve the accuracy of GP learning disability registers, with an ambition for 75% of people on the registers to be provided with an annual health check by March 2024. NHSE will support ICBs to develop plans to drive improvements in the quality of mental health and learning disability inpatient services, through an alignment and localisation of services, over a three year period.

Prevention and health inequalities

The guidance encourages systems to revise plans focusing on prevention and for this to be included in joint forward plans (JFPs). Guidance for JFPs has been published today alongside the planning guidance. JFPs should include revised prevention plans, with particular focus on smoking cessation, cardiovascular disease prevention and diabetes. Plans should reflect the five strategic priorities for tackling health inequalities and enable the delivery of the Core20PLUS5 approach.

Workforce

The guidance asks all systems to refresh system workforce plans to increase productivity, deploy staff more flexibly through digital solutions, improve staff experience and retention via a range of national strategies, ensure there is adequate clinical placement capacity, and implement the Kark recommendations.

NHSE also plans to increase workforce education and training investment in real terms in each of the next two years.

Digital

To improve digital capabilities, more providers are expected to operationalise electronic health records and should work towards developing a population health and planning data platform. NHSE will provide targeted funding to enable ICSs to meet minimum digital capabilities and foundations. NHSE will also procure a federated data platform accessible to all ICSs and will improve the functionality of the NHS app.

System working

The guidance expects systems to have local objectives in place which will feed into the national NHS objectives. The review of ICS oversight and governance led by Rt Hon Patricia Hewitt will look to enhance the accountability of systems to ensure the level of oversight systems have is appropriate and proportionate.

Key priorities for the development of ICSs in 2023/24 include:

- Developing ICP integrated care strategies and ICB joint forward plans.
- Maturing ways of working across the system including provider collaboratives and place-based partnership arrangements.

ICBs will soon be given the responsibility of managing population healthcare budgets, and by April 2023 NHSE will fully delegate pharmacy, ophthalmology and dentistry (POD) services. NHSE and ICBs will work cooperatively via joint committees on the commissioning of specialised services from April 2023, and ICBs will take responsibility for commissioning appropriate specialised services from April 2024. ICBs, in collaboration with NHSE, must also identify three to five priority pathways for specialised service transformation.

NHS Providers view

Trusts and their partners will welcome the acknowledgement upfront of how difficult the current context is. We also welcome NHSE's engagement with the sector in co-developing and streamlining these priorities. Below we have outlined our analysis of the ambitions and priorities across operational performance, financial planning, mental health, system working, specialised commissioning and primary care.

Operational performance across core services and improving system flow

The recovery target for A&E looks reasonable and proportionate given current pressures. It is welcome that NHSE is taking a long term view towards recovering the 95%, four hour A&E target over a number of years.

Increasing physical capacity and reducing delayed discharges will be key to freeing up capacity and ensuring bed occupancy does not rise above 92%. However, systems must also work to identify and address the factors underpinning the rising average length of stay, as this a key driver of high occupancy rates and the productivity drag.

Trusts recognise the need to improve whole system flow. Increasing referrals into urgent community response (UCR) from all key routes will require effective collaboration with system partners, and we welcome the aim to expand ambulance capacity. There is also a focus on managing clinical risk which should help reduce conveyance rates. However there remains a need to boost general and acute bed capacity, as increasing ambulance capacity on its own will not improve wider issues of flow, or handover delays.

Pay assumptions

It is unclear whether systems will be provided with additional funding if next year's pay settlement exceeds what has been budgeted. We must not see a repeat of this year, in which NHS England and trusts were forced to deprioritise investment in care improvements following the government's failure to fully fund the pay award. If the NHS is again forced to scale back transformational investment, this will limit the capacity for efficiencies, and will ultimately affect patient care.

We await the pay review bodies' recommendations for the 2023/24 pay award, but remain concerned that additional funding shortfalls may be generated unless government commits to fully funding future pay awards. This will impact on planned spending and, ultimately, services and patients.

Agency spend limits and productivity

For 2023/24 NHSE plans to base agency spend limits on agency spending as a proportion of systems' total pay costs, set at 3.7% of a system's total pay bill. Trust leaders were concerned by the workability of the caps set in 2022/23 and the revised approach to calculation is more appropriate. Systems recognise the need to control agency spend, but it is important that the structural factors that drive agency spending in local health economies are taken into account, and that trusts are not penalised

for workforce constraints outside of their control. It is also important to be clear about the regulatory implications of breaching these limits.

Trusts are committed to improving performance and restoring activity. They are working within their systems to identify and address the causes of lower levels of productivity. However there is no clear or consistent answer to explain the differences in productivity between trusts. It is vital that staff do not become burned out by workforce demands, and that performance targets recognise the workforce pressures associated with achieving pre-pandemic levels of activity.

Mental health

Overall, while we understand the need for a clearer set of national operational priorities, there is a significant and concerning risk that care backlogs for community and mental health services are seen to be deprioritised – and that the core contribution of those services to other existing priorities (particularly on the UEC pathway) is not made explicit.

While it is vital to build up capacity in physical health inpatient settings, it is unclear to what extent systems will be steered to expand capacity across mental health inpatient settings – although we know that the lack of mental health beds is a key contributory factor to long A&E waits.

It is right that systems continue to meet the mental health investment standard by continuing to increase expenditure on mental health services. However mental health providers still face challenges in accessing national funding pots. It will therefore be vital for systems to show genuine commitment to delivering the NHS Mental Health Implementation Plan 2019/20–2023/24 and better enable the provision of local mental healthcare.

System working and specialised commissioning

NHSE has now publicly acknowledged that the delegation of specialised commissioning budgets to ICBs has been pushed back to April 2024 (rather than April 2023 as in previous guidance). The delay presents an opportunity for trusts and local systems to consider and address some of the risks of delegating specialised services. Taking time to get this right is welcome. It will be important to consider capacity and capability at ICB level, mindful that these are new organisations being tasked with a range of complex and important functions, and to ensure that the patient and provider voice is heard as NHSE and ICBs enter into joint commissioning arrangements. We also need ensure that specialised services, which offer life-changing, cutting-edge care and contribute significantly to UK research and development and life sciences, remain a spending priority.

Given planning guidance returns are due at the same time as joint forward plans, and leadership bandwidth is already stretched, trusts will be looking for reassurance that the submission process will be streamlined and proportionate.

Capital spending

It is welcome that the capital envelope for 2023/24 will rise by £300m. Inflation across the construction sector has significantly inflated the cost of building projects. However, it is unclear at this point how effective it will be to link access to capital funding to year-end positions. Trusts and systems have already had to revise their initial forecasts given significant financial challenges in 2022/23, and there remains a need for major operational and strategic capital investment across systems. Investment will support productivity and efficiency and is needed regardless of in-year financial performance.

Primary care

Trusts recognise the problems in general practice are very deep seated and cannot be fixed quickly by one or two interventions. We note the considerable expectations, infrastructure and communication requirements placed on community services to divert patients from going via GP practices. It is however unclear to what extent making it easier for people to contact their GPs will achieve the goal of increasing the number of GP appointments, nor how the NHS will meet its target to recruit 26,000 ARRS roles by the end of March 2024.

Annex – national NHS objectives 2023/24

Area	Objective
Urgent and emergency care	<ul style="list-style-type: none"> Improve A&E waiting times so that at least 76% of patients wait no more than four hours by March 2024 with further improvements in 2024/25 Improve category 2 ambulance response times to an average of 30 minutes across 2023/24, with further improvement towards pre-pandemic levels in 2024/25 Reduce adult general and acute bed occupancy to 92% or below
Community health services	<ul style="list-style-type: none"> Consistently meet or exceed the 70% 2-hour urgent community response (UCR) standard Reduce unnecessary GP appointments and improve patient experience by streamlining direct access and setting up local pathways for direct referrals

Primary care	<ul style="list-style-type: none"> • Make it easier to contact a GP practice, including by supporting general practice to ensure that everyone who needs an appointment with their GP practice gets one within two weeks and those who contact their practice urgently have an assessment the same or next day according to clinical need • Continue on the trajectory to deliver 50 million more appointments in general practice by the end of March 2024 • Continue to recruit 26,000 Additional Roles Reimbursement Scheme (ARRS) roles by the end of March 2024 • Recover dental activity, improving units of dental activity (UDAs) towards pre-pandemic levels
Elective care	<ul style="list-style-type: none"> • Eliminate waits of over 65 weeks for elective care by March 2024 (except where patients choose to wait longer or in specific specialties) • Deliver the system specific activity target (agreed through the operational planning process)
Cancer	<ul style="list-style-type: none"> • Continue to reduce the number of patients waiting over 62 days • Meet the cancer faster diagnosis standard by March 2024, so that 75% of patients who have been urgently referred by their GP for suspected cancer are diagnosed or have cancer ruled out within 28 days • Increase the % of cancers diagnosed at stages 1 and 2 in line with the 75% early diagnosis ambition by 2028
Diagnostics	<ul style="list-style-type: none"> • Increase the % of patients that receive a diagnostic test within six weeks in line with the March 2025 ambition of 95% • Deliver diagnostic activity levels that support plans to address elective and cancer backlogs and the diagnostic waiting time ambition
Maternity	<ul style="list-style-type: none"> • Make progress towards the national safety ambition to reduce stillbirth, neonatal mortality, maternal mortality and serious intrapartum brain injury • Increase fill rates against funded establishment for maternity staff
Use of resources	<ul style="list-style-type: none"> • Deliver a balanced net system financial position for 2023/24
Workforce	<ul style="list-style-type: none"> • Improve retention and staff attendance through a systematic focus on all elements of the NHS People Promise
Mental health	<ul style="list-style-type: none"> • Improve access to mental health support for children and young people in line with the national ambition for 345,000 additional individuals aged 0-25 accessing NHS funded services (compared to 2019) • Increase the number of adults and older adults accessing IAPT treatment • Achieve a 5% year on year increase in the number of adults and older adults supported by community mental health services • Work towards eliminating inappropriate adult acute care out of area placements • Recover the dementia diagnosis rate to 66.7% • Improve access to perinatal mental health services

<p>People with a learning disability and autistic people</p>	<ul style="list-style-type: none"> • Ensure 75% of people aged over 14 on GP learning disability registers receive an annual health check and health action plan by March 2024 • Reduce reliance on inpatient care, while improving the quality of inpatient care, so that by March 2024 no more than 30 adults with a learning disability and/or who are autistic per million adults and no more than 12–15 under 18s with a learning disability and/or who are autistic per million under-18s are cared for in an inpatient unit
<p>Prevention and health inequalities</p>	<ul style="list-style-type: none"> • Increase percentage of patients with hypertension treated to NICE guidance to 77% by March 2024 • Increase the percentage of patients aged between 25 and 84 years with a CVD risk score greater than 20% on lipid lowering therapies to 60%. • Continue to address health inequalities on the CORE20PLUS5 approach

NHSE asks ICBs and providers to review the UEC and general practice access recovery plans, and the single maternity delivery plan for further detail on the objectives above when published.