Setting the scene – a national policy update

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Chief Executive, NHS Providers
What we will cover

- Political and strategic context
- Front line
- Next up?
- Our work
- Final reflections
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Our narrative: four fault lines predating the pandemic

1. **Financial**: 2010s saw the longest and deepest funding squeeze in NHS history

2. **Capacity**: increasingly mismatched to demand

3. **Workforce gaps**: due to long-term failures of planning

4. **Social care**: awaits a long term solution

The NHS will remain under real pressure until we address these fundamental issues
Pre election: Government and Labour set out their priorities
Budget prioritises pensions

Fiscal forecasts – mixed picture

• UK expected to avoid a “technical recession”
• Public sector borrowing ~£25bn below November forecast
• But departmental budgets looking increasingly tight from 2024/25
• Largest two-year drop in real living standards since records began

Welcome announcement on pension flexibilities

• Lifetime allowance abolished: major concession to consultants
• Unclear how many NHS staff will return

Unresolved issues include

• Little detail about long term workforce plan
• Lack of reference to resolving industrial action
• New Hospital Programme timetable
Hewitt Review into making ICSs effective published

Key recommendations:

- **A focus on health promotion:** and public health spend
- **Delivering the promise of systems:** fewer national targets; greater autonomy for more mature Integrated Care Systems (ICSs); reconsidering cuts in Integrated Care Board (ICB) funding; improvement support not performance management
- **Resetting the approach to financial management:** consistency in NHS and local government reporting; longer term budgets; review of the capital funding allocation system
- **Unlocking potential of primary and social care:** reviewing GP contracts, workforce plan and parity for social care workforce

Our view:

Welcome focus on system working, improvement, and health promotion as well as observations on capital and joint work with primary and social care.

However, **concerns around:**

- Assumed maturity of ICSs.
- Lack of emphasis on the opportunities provided by provider collaboratives.
- The level of clarity on accountabilities, responsibilities and oversight arrangements between the centre, regions, ICBs, trusts/FTs and other system partners.

**Political commitment is unclear:** Government and NHS England will respond ‘in due course’.

Our view:
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Pressure on staff and industrial action

Staff survey: only 23% of staff report never or rarely experiencing unrealistic time pressures; stress, anxiety and depression cause 520,460 lost days; workforce vacancies

Workforce Race Equality System (WRES): ethnic minority staff more likely to be formally disciplined.

Industrial action: Almost 550,000 appointments affected so far

Impact on trust finance and leadership time and attention

Public support for strikes still high – Govt seeking to introduce Minimum Services Levels Bill. Process ongoing for pay settlement 2023/24

How might these challenges be tackled?

- Long term workforce plan (timed with NHS @75?)
- Shared solutions, eg collaborative working
- Funded pay uplift
Pressure after a winter like no other

- **High demand** across urgent and emergency care, community and mental health sectors
- **Elective care**: catching up, waiting list remains very high
- **Patient flow issues**: long-waits at A&E, delayed discharges
- **Workforce challenges**: industrial action, staff vacancies and staff absences

### Category 1 average response time

- **Category 1 response times**
- **Category 1 target**
- **7 minute target**

### Number of patients spending >12 hours from decision to admit to admission

Note: the axis does not start at 0 to show a clearer picture of how performance has changed over time.
Backlogs persist across sectors – collaboration driving improvements

Backlogs

- 91% reduction in 78 week waits since Sept 21 but waiting list still growing (7.3m).
- 25% of patients waiting >6 weeks for a diagnostic test.
- Increase in cancer activity and national focus on longest waits to start treatment.
- Community services (adult and Children & Young People (CYP)) waiting list: 953,821.
- 1.7m in contact with mental health services, up 27% on pre-pandemic. Unmet demand in community.

What are people doing?

- Reviewing waiting lists through health inequalities lens
- Waiting list initiatives
- Provider collaboratives and systems sharing waiting lists
- Diagnostic and outpatient transformation
- Tackling Do Not Attends

Challenges to manage

- Political pressure
- Workforce gaps
- Industrial action
- Need for capital investment
- Acuity of presentations
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Finances look increasingly challenging

Major financial challenges in 2022/23

- Under delivery of planned efficiency savings
- Increased operational pressures
- Inflationary pressures
- Higher than expected Covid expenditure
- Reliance on agency staff

Is financial balance achievable in 22/23?

- NHSE forecasting a year end deficit across ICSs of at least £500m
- Year to date deficits across provider sector
- ICS forecasts being revised downwards
- Approach regulators will take not yet clear

Does the toughest challenge lie ahead?

- 23/24 is set to be even tougher
- No capacity to absorb further cuts
- Trade-offs: which services may be scaled back?
Uncertainty about access to capital

- Spending review investment delivering productivity improvements
- However trusts are still grappling with impact of underinvestment
- Maintenance backlog growing but operational capital tight
- Clarity needed about role of retained surpluses
- Need for a whole estate approach to strategic investment
- Lack of access to major capital funding outside of the New Hospitals Prog

![Chart showing the Cost to eradicate backlog and Investment to reduce backlog from 2013/14 to 2021/22.](image-url)
Early days for system working:
• ICBs told to cut running costs by 30%

How system working affects councils of governors:
• Statutory role and powers unchanged
• Hold board to account for system cooperation on trust and financial planning (new duties on boards)
• Councils and boards should discuss how councils will be kept informed about the trust’s role in their system(s) and relationships with system partners – so you are able to understand board performance
• Remember that you are representing the interests of a ‘public’ wider than the footprint of your own trust

Integrated Care Systems
Our view:
• ICS maturity and capability is variable.
• Partnerships are still bedding in.
• Members are raising concerns over conflicts of interest.
• Unresolved tension between ICB “partner” and “performance manager” roles.
• Concern that ICBs will be preoccupied with staffing cuts.
Provider collaboratives are key to delivering ambitions

| Permissive framework | • Collaboratives are at different stages of development and maturity: this is to be expected in a flexible system.  
|                      | • Range of governance models and ways of working being developed. |
|                      | • Hopes that working at scale will reduce unwarranted variation, release efficiencies and drive transformation.  
|                      | • Working at place presents opportunities to integrate care. |
| Trusts are optimistic | • Governance, delegation and contracting, improvement and transformation, and population health are key asks.  
|                      | • NHS England and NHS Providers have complimentary roles to play. |
| Collaboratives want support | National policy developments:  
|                            | Innovators – nine collaboratives supported to progress and share learning  
|                            | Maturity matrix – development tool for all collaboratives – in development |
Regulating in a challenging environment

Publicly acknowledged winter pressures in health and care

Only responding to the most serious patient safety risks

Will lead a project to enable innovation in health and care

‘Well-led’ framework

CQC and NHSE working together and with providers to redefine ‘well-led’ for trusts

Working to implement its new operating framework amid Hewitt

Reshaping its approach to support and improvement

Will take context into account when enforcing provider licence
NHS Impact improvement approach: a welcome shift

NHS England’s “delivery and continuous improvement review”

New improvement board will set national priorities for improvement

A welcome shift in tone and approach from NHSE

NHS Impact national approach to improvement

National assurance and accompanying support offer

But change in culture and behaviours will be needed

Components of the new improvement approach:

1. Embedding a quality management system
2. Building improvement capability
3. Developing leadership behaviours
4. Investing in culture and people
5. Building shared purpose and vision
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Over the 2022/23 year the GovernWell programme:

- Delivered 66 events and trained over 800 delegates.
- Over the 10 years of the GovernWell programme, 2021/22 was our busiest with 71 training events and 2022/23 now becomes our second highest.
- **Satisfaction rates remain high** with the overall average score (in-house and open) at 4.6 (out of 5) and 99% of delegates indicated that they would recommend to another governor.
- **Virtual governor workshops** with policy updates and breakout sessions enabling us to reach more governors: 101 attended in January and 95 in February. Next series of workshops 18 and 28 September.

99% of attendees would recommend the programme to a governor

Would definitely recommend this workshop and I hope my trust continues to hold it for new governors in future – Core Skills

A well-informed course to learn how to chair an NHS meeting effectively. It helps me to be a better Chair! Thanks! – Effective chairing

Comprehensive, clear, joined up, group work great, interviewing excellent. The feedback in particular from the interviews was really helpful. – Recruitment
**Strong media presence and influencing wins this quarter**

**Continuing strong media presence**

- 14 op eds, plus blogs
- Coverage across top tier media, radio, and trade press on IA, capital, workforce pressures

**Influencing wins as go-to provider representative**

- Budget win on pensions reform
- Movement from government on industrial action
- Recommendations included in planning guidance and draft long term workforce plan
- Oral evidence to Health and Social Care Committee on ICSs

**Key areas of focus**

- Industrial action, 23/24 pay, Long Term Workforce Plan
- Spring budget, capital
- Community week, Urgent and Emergency Care recovery
- Hewitt review
- Winter Watch
- Mental Health data rapid review
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Final reflections

The NHS has been under a level of pressure never seen before. It is vital that everyone at all levels of the system now focuses on tackling the root causes.

Recovery depends on the workforce: it is vital that gaps are filled, pay disputes are resolved and serious and appropriately funded long term planning begins.

System working – particularly through collaboration between providers and at place level – offers significant opportunities and must be nurtured.

Governors’ role – dialogue and good relationships with your board will support you to effectively hold to account and represent the public interest.
Thank you!