The Royal Wolverhampton NHS Trust

Trust Board Report

Meeting Date:	31st October 2016
Title:	Operational Planning Update
Executive Summary:	This report provides the Board with an update on the planning guidance jointly issued NHSE and NHSI. The main differences see the planning process brought forward to 23rd December 2016, and move to a two year plan in line with the contract process. The guidance contains detail on what providers must deliver over the period and specifies how the plan needs to align with the STP.
Action Requested:	**To note:** Requirement and timelines for submission **To approve:** The Board Development session to receive a copy of the DRAFT submission on November 14th 2016, and to approve the Chief Executive and Chairman to sign off the final submission before 24th November 2016.
Report of:	Director of Strategic Planning and Performance
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Links to Trust Strategic Objectives	To have an effective and well integrated organisation that operates effectively.
Resource Implications:	3 - None directly as a result of this report. The final plan will detail the financial position for the Trust for 2017-2019.
Risks: BAF/ TRR **(describe risk and current risk score)**	SR9 SR10
Public or Private: **(with reasons if private)**	Public Session
References: **(eg from/to other committees)**	
Appendices/ References/ Background Reading	NHS Operational Planning Documentation: https://www.england.nhs.uk/ourwork/futurenhs/deliver-forward-view/
NHS Constitution: **(How it impacts on any decision-making)**	In determining this matter, the Board should have regard to the core principles contained in the constitution of: • Equality of treatment and access to services • High standards of excellence and professionalism • Service user preferences • Cross community working • Best value • Accountability through local influence and scrutiny

Background

1 The operational planning guidance for England was released late September, 2016. The new guidance differs from previous year's guidance in that:

- The Operational Plan (and contract) now covers a 2 year period
- The deadline has been brought forward to 23rd December 2016 for both elements
- All plans (and finances) have to align with the STP

2 An initial plan must be submitted by 24th November 2016 setting out the operational plan narrative and high level financial, activity, quality and workforce projections for 2017-2019. There are 6 separate submissions to be made:

- A two year plan summary
- Activity plan
- Financial plan
- Workforce plan
- Triangulation form
- Assurance statements and improvement trajectories for national standards

Similarly to 2016, it is envisaged that the Trust's first draft will receive comments from NHSI.

The Trust is required to submit a final plan by 23rd December 2016, as per the NHSI produced planning timeline.

The timescales have been brought forward from March 2017 to December 2016, thus members of the Trust Board will have opportunity in November and December, 2016 to review the plans. A copy of the draft submission will also be provided at the November Trust Board meeting.

Given the planning deadlines do not align with Trust Board meeting dates, the Board is asked to delegate final approval of the plans to the Chief Executive and Chairman.

The planning guidance details the assumptions and requirements that the Trust must plan to deliver over the next two years, critically highlighting the links between the STP and the need for the operational plan to align with this. Appendix 1 highlights the key assumptions and requirements from the planning documentation.

A 'Task and Finish' planning group has been established with a range of Trust senior representatives. This group has been tasked with the production of the plan and corresponding worksheets. The group has agreed to meet regularly over the coming weeks and will provide updates to the Director team throughout the development of the Operational Plan.

Recommendation

The Board is asked to note:

- The process established to develop the Operational Plan for the submission on the 24th November 2016

The Board is asked to approve:

- Delegate authority for the sign off the Draft Operational Plan to the Chief Executive and Chairman to meet the 24th November deadline

Appendix 1 - Overview of Requirements from the Planning Guidance 2017-19

Alignment with STPs

Each STP will have a financial control total. The guidance indicates that this could be the summation of the individual organisational control totals provided to them by NHSE and NHSI. However, it is not yet clear how this can happen given that STPs have financial plans in place that do not show financial balance in every year. STP areas are required to submit local financial plans showing how their systems will achieve financial balance in both 2017/18 and 2018/19. Operational Plans for 2017/18 and 2018/19 are the detailed plans for the first two years of the STP.

The STP needs to identify and demonstrate governance processes to ensure clarity regarding how different organisations are contributing to agreed system working, how progress will be tracked and how organisations will work together to manage crosscutting transformational activity.

Financial system control totals for the STP will be derived from individual control totals for CCGs and provider organisations. Individual organisations will continue to be accountable for managing within their organisational-level control totals. The Trust has been issued with a control total for both 2017-18 and 2018-19. This is still under discussion and has not yet been agreed. The backdrop described in the planning guidance provides the Trust with an unprecedented set of challenges in terms of timescale, complexity and the scale of improvement required.

Developing Operational Plans and Contracts for 2017-19

This year the Operational Plans will need to demonstrate:

- How we will be delivering the 9 'must-dos'
- How we are supporting delivery of the local STP, including milestones and deliverables
- How we intend to reconcile finance with activity and workforce to deliver our control total and the contribution to the system control total
- Robust, stretching and deliverable activity plans which align to the STP, agreed by commissioners, and achieve the relevant performance trajectories
- How local independent sector capacity is factored into capacity planning
- The planned contribution to savings at local and STP level
- How risks have been jointly identified and mitigated with an agreed contingency plan
- The impact of new care models, including how contracts will be adjusted to take account of the introduction of PACS during 2017-19
- The transformation and efficiency plans, including how demand management plans, set out in STPs, will be reflected in individual organisational plans
- The financial activity and workforce plans at Trust level will be aggregated to form the STP level plan
- Accountability for delivery will sit with RWT but we need to demonstrate how plans align with STP objectives and planning assumptions

Plans will need to be agreed by NHSI, with a clear expectation that they must be fully aligned in local contracts. There is clear focus on this, and they have suggested that we run a shared, open-book process to deliver performance and improvement within the funding envelope available.

Priorities

There are 3 key things we need to consider:

- The 9 'must-do' priorities
- The themes contained within the Government's mandate to the NHS
- The metrics contained within the NHS Single Oversight Framework (SOF)

Details about the new SOF have already been shared. The 9 'must-dos' are listed below:

Number	Requirement
1	**STPs - Deliver agreed milestones**
2	**Finance – Achieve control totals**
3	**Primary Care – Implement GP forward view (inc. evening and weekend access)**
4	**Urgent and emergency care – Achieve 4hr standard, implement Urgent and emergency care review**
5	**Referral to treatment & elective care – Achieve 92% threshold and 100% e-referrals**
6	**Cancer – Achieve 62day and implement Cancer Taskforce Report**
7	**Mental Health – Deliver MH 5YFV**
8	**People with LD – Deliver transforming care partnership plans**
9	**Improving Quality in Organisations – Mortality reviews and plans to improve care**

Contracting Round

The 2017-19 operational planning and contracting round will be built out from STPs. Two-year contracts will reflect two-year activity, workforce and performance assumptions that are agreed and affordable within each local STP. There is a two-year tariff for and two-year CQUIN and CCG quality premium schemes. The target deadline is for all 2017-19 contracts to be signed by 23rd December 2016.

The key changes that are required from the contract are:

- Strengthen the requirement for transmitting letters to GPs following clinic attendance. The current 14 days will reduce to 10 days **(From 1st April 2017)** then further reduce to 7 days **(From 1st April 2018)**
- A new requirement for electronic transmission of clinic letters as structured messages using standardised clinical headings **(from 1st October 2018)**
- Stronger requirements on commissioners to facilitate hospital discharge, and on providers to comply with recent NICE guidance **(From April, 2017)**
- Mandated use of the e-Referral system (ERS) **(From April, 2017)**. Non-payment for activity resulting from non-ERS referrals and the right for providers to return such referrals to GPs **(From October, 2018)**
- Mandatory data-sharing agreements for urgent and emergency care providers, enabling commissioners to access cross-provider data regarding utilisation and effectiveness of services **(From April, 2017)**
- The four priority standards for seven-day hospital services for all urgent network specialist services **(From November, 2017)**
- Compliance with new data security standards (From Apr, 2017), new conflicts of interest guidance **(From June, 2017)** and new interoperability requirements for clinical IT systems **(From January, 2019)**

As 2016/2017, if we accept our financial control totals and any associated conditions, we are eligible for STF. As a result, contract sanctions for key performance standards are suspended until April, 2019.

Finance and Efficiency

The Trust need to demonstrate that we are working collaboratively with commissioners and across the STP on the national transformation and efficiency programmes – RightCare, Continuing Healthcare, New Models of Care, Urgent and Emergency Care, Self-Care and Prevention, Getting It Right First Time (GIRFT), and the Carter productivity programme.

Particular focus should be given to:

- Consolidation of pathology and back office functions across STP footprints (possibly wider)
- Compliance with the procurement of items on the mandated list and continuing to submit purchase order information for the Purchasing Price Benchmarking Index and taking action to move to best value items
- Implementing Procurement, Pharmacy and Estates and Facilities Transformation Plans
- Improved rostering systems and job planning to reduce the use of agency and increase clinical productivity, with reference to benchmarks and guidance around Care Hour Per Patient Day and Cost Per Care Hour metrics
- Participating in the Specialised Commissioning savings programme for high cost drugs and devices.
- Fully participating in the clinically led Getting it Right First programme by submitting any necessary data and enacting jointly agreed changes to clinical practice to reduce unwarranted variation

There is now a 2 year tariff which is based on HRG4+. Cost uplifts in the national tariff will be set at 2.1% for 2017/18 and 2.1% for 2018/19. The cost uplifts include revised projections for pay drift, the costs of the apprenticeship levy and pass through drugs. HRG specific uplifts included in tariff prices for the Clinical Negligence Scheme for Trusts (CNST) are excluded. The efficiency deflator will be set at 2% in both years.

Sustainability and Transformation Fund (STF)

The STF is available in 2017/18 and the Trust are expected to use this to help return to financial balance. £1.8bn will be available, split as:

- £1.5bn general fund allocated on the basis of emergency care
- £0.1bn general fund allocated to non-acute providers
- £0.2bn targeted fund

The baseline for 2017/18 trajectories will be the agreed trajectories for 2016/17.

From 2017/18 onwards, different streams of transformation funding will be targeted towards the STPs making most progress. The funding will be focused on full delivery of specific national programme objectives. Transformation funding will only be available to systems whose operational plans meet their required control total and performance trajectories.

CQUIN

This is still worth 2.5%. However, 1.5% is now linked to National Schemes.

The schemes are:

- NHS staff health and wellbeing (all providers)
- Proactive and safe discharge (Acute and Community providers)
- Reducing the impact of serious infections (Acute providers)
- Wound Care (Community providers)
- Improving services for people with Mental Health needs who present to A&E (Acute and Mental Health providers)
- Advice and Guidance services (Acute providers)
- E-referrals (Acute providers, 2017/18 only)
- Preventing ill health from risky behaviours (Acute providers, 2018/19 only)

Of the remaining 1%, 0.5% is linked to the delivery of the control total and is held within the reserve. If we fail to deliver the control totals in 2016/17, the 0.5% CQUIN will be held by the CCG prior to potential release. The monies will not be released until we are back within our control total.

The other 0.5% will be available subject to full engagement and commitment to the STP. This is viewed as a cost free indicator for providers with clear scope for earning the full amount.

As 2016/17, Specialised services are only offering 2% for CQUIN.

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