

# Toward High Quality, Sustainable Services

Planning guidance for NHS Trust Boards  
for 2013/14



# Contents

Introduction	4
Creating an ambitious NHS Trust sector	6
Support and accountability: creating the environment for success	7
Creating a consistent way of doing business	8
Keeping our focus on the medium to long term	10
Creating the right conditions nationally to help you succeed locally	10
Licensing	11
An integrated approach to planning	12
Delivering an integrated plan: high quality services	12
Delivering an integrated plan: the core standards	15
Delivering an integrated plan: workforce	17
Delivering an integrated plan: finance	18
NHS contract and payment system	22
Penalties	22
Commissioning for Quality and Innovation (CQUIN)	23
Delivering an integrated plan: support and development	24
Understanding the planning process: what happens next?	24
Going forward	26



## Foreword

### **This is a critical time for the NHS.**

Delivering high quality and sustainable services in an environment where the NHS has gone through some of the most substantial changes since its inception and in an era where public sector spending levels mean delivering taxpayer value is more important than ever before provides a significant challenge to each and every one of us.

The landscape we inherit is varied on every level: the range of services NHS Trusts provide covers the entire spectrum of healthcare from ambulance services through to community services; the size of organisation varies from very small providers through to some of the largest providers in the NHS, and the point on the journey toward Foundation Trust status is much closer to attain for some Trusts than it is for others.

Despite these variations there is a common focus. Over the last six months, we've worked with hundreds of senior staff from NHS Trusts to develop the model for the NHS TDA that is described in this document and one

clear theme has emerged from every single discussion: the desire to create the environment where NHS Trusts can deliver high quality, sustainable services for the patients and communities they serve.

*Toward High Quality, Sustainable Services: Planning Guidance for NHS Trust Boards for 2013/14* sets out the responsibilities on each of us to create that environment, the structures and systems we need to put in place, the behaviours we need to demonstrate and the aspirations and ambitions we need to share.

Over the coming months we all need to show our commitment to creating that environment, taking pride in what we can deliver in 2013/14 and setting that in the context of a long term journey that will deliver what patients want: high quality services today, secure for tomorrow.

*David Flory*

**David Flory**



## Introduction

- 1 The beginning of the new financial year marks a new departure for the NHS: the reforms to the system radically change the landscape in which we operate, and for the very first time there will be an organisation whose sole focus it is to provide leadership, support and an accountability framework to all NHS Trusts.
- 2 The NHS Trust Development Authority came into being earlier this year with a single ambition: to support NHS Trusts to deliver high quality, sustainable services in the communities they serve.
- 3 The landscape we adopt, which includes NHS Trusts that deliver community, mental health, acute and ambulance services, accounts for around £30 billion of the NHS budget.
- 4 Our inception comes on the back of the most sustained period of improvement the NHS has seen in recent memory but also at a time when the challenges that lie ahead – maintaining strong performance while continuing to deliver some of the most stretching efficiency goals – are greater than we have faced for many years. The publication of the Mid Staffordshire Public Inquiry in 2013 will be a salutary reminder of the fact that while meeting those challenges we have to be relentlessly focussed on ensuring the quality of care we provide meets the very highest standards we would all expect for our own care and that of our families.
- 5 Although Robert Francis has yet to report his findings from the public inquiry, the response from the NHS has already been significant. The National Quality Board products, *Quality in the new health system: maintaining and improving quality from April 2013*, the series of *How To Guides* and the new National Quality Dashboard combine to give clear and practical advice and support to NHS Trust Boards to help them ensure their organisation can focus on delivering high quality services.
- 6 With patients more aware today than ever before of what good quality care looks like, and rightly demanding it in the services they receive from their local providers, the core challenge facing NHS Trust Boards is to be able to meet all of those demands within the resources available and ensure they can continue to provide high quality care well into the future.
- 7 Since we came into being in June this year, we have been working with leaders from across the NHS Trust sector to identify what our new national body can do to offer greater support to NHS Trusts to meet these challenges: how it should be shaped and what success will look like when the NHS TDA ceases to exist in around four years' time.

- 8 What we have heard is that:
- We have a unique opportunity to be a voice for the sector nationally to work to create the environment for NHS Trusts to succeed;
  - We should be ambitious for the sector and use our national position to identify best practice and focus on how we drive up quality standards across NHS Trusts to reduce variation;
  - We should be relentless in pursuing the delivery of core standards – sharing the expectations of patients and communities who rely on NHS Trusts to provide high quality services when they need them.
- 9 This planning guidance sets out our expectations for the sector to deliver on the basics – the core standards which we’re all signed up to providing; identifies ambitions for NHS Trusts which will help drive up standards across all NHS Trusts in the coming years; and outlines the support NHS Trusts can expect on the difficult journey ahead.
- 10 Our aim is to help you deliver a fully-integrated plan which focuses in equal measure on delivering high quality services, living within the resources available and creating the business processes which underpin future sustainability. A plan which looks at the year ahead as well as the medium-to-long term and which is ambitious in what NHS Trusts will deliver for the patients and communities they serve.
- 11 We fully expect that the plans submitted through this process have been wholly endorsed by the relevant NHS Trust Board, are underpinned by proper clinical governance processes and represent the absolute commitment of each NHS Trust to what it will deliver in the coming year and beyond.
- 12 Our commitment is to provide a single way of doing things – an accountability framework that is streamlined, transparent and unambiguous. We will work with national partners, in particular Monitor, to ensure that the systems and processes we put in place mirror or complement, wherever possible, those of the Foundation Trust regime.
- 13 The overall prize is, of course, a fully-autonomous provider landscape in the future. This cannot be achieved simply by focussing on the Foundation Trust application process as an end in itself. It can only be delivered through a relentless focus on consistently delivering core standards, improving the quality of services provided and creating sustainability through sound finance and business planning.
- 14 Finally, the success of the NHS TDA is intertwined completely with the success of NHS Trusts: our central commitment to delivering a fully autonomous provider landscape can only be achieved through your success. The compact we offer is to ensure that wherever possible we support you to deliver your ambitions. In return, our expectation is a simple one: that the agreements you make through this planning round and through locally agreed contracts are delivered in full.
- 15 Achieving this will not only ensure success for the sector, but will drive up the standards of care patients and communities receive today and in the future.

## Creating an ambitious NHS Trust sector

- 16 The NHS TDA is uniquely placed to provide NHS Trusts with bespoke advice and support on key areas such as quality, finance, business planning and governance. We are also able, in a way that hasn't always been possible before, to bring together NHS Trusts from right across the country to share best practice and tackle many of the variations in service that currently exist.
- 17 Harnessing this approach simply to deliver the basic core standards would miss a real opportunity to be truly ambitious on behalf of the NHS Trust sector and to set the bar high on quality, delivery and sustainability.
- 18 This planning guidance sets out clear expectations on:
  - **Quality** – that agreed CQUIN schemes are delivered *in full* and the basic standards on quality outlined in this document and further in the technical guidance are adhered to;
  - **Delivery** – that all the core standards set out in this planning guidance are met and that all contracts are delivered in full;
  - **Sustainability** – that all NHS Trusts show an improvement trajectory for surpluses and Financial Risk Ratings for 2013/14 linked to their overall medium to long term financial plans in their Long Term Financial Model.
- 19 Delivery against these three aspirations – essentially ensuring that NHS Trust Boards meet the core requirements they are commissioned to provide – would ensure that there is real improvement in the quality of care provided by the sector throughout 2013/14.
- 20 However, we believe we can go further than that.
- 21 For too long, significant variation in the quality of care has existed in the NHS, meaning patients in some parts of the NHS Trust sector receive world class care in a particular service while patients in other parts of the system don't.
- 22 Tackling that variation won't just lead to improvements in care provided across the NHS Trust sector; all the evidence suggests it would also make the way we deliver care more efficient.
- 23 We want to support NHS Trusts to close the gap on variation, create the conditions where highly performing NHS Trusts can share best practice with poorer performing organisations, bring the best national expertise to bear on issues which require further support and ensure the local expertise we provide directly through our Delivery and Development teams is on hand to help NHS Trusts when they need it.
- 24 As part of this, we expect every NHS Trust to identify five key areas of delivery where there is a significant variation from the top performers in the NHS and to set out an improvement plan to bridge that gap in the coming year.
- 25 Using the National Quality Dashboard, NHS Trusts will be able to look closely at variation and trends and be able to benchmark with peer organisations to support them to find areas of variation on which they may want to focus. We want to move on from the straightforward delivery of KPI trajectories to ensuring that NHS Trusts intelligently use the data available to them to identify areas where they can improve.
- 26 We won't be prescriptive in setting out how much we expect that variation gap to close, recognising that each NHS Trust



faces its own unique set of challenges, but we will expect the ambitions NHS Trust Boards set themselves to be stretching and deliverable – something we will test when we sign off each NHS Trust plan.

- 27 Keeping pace with the rapid changes in health care treatments, advances in technology and evidence of best practice is going to be key to the success of NHS Trusts.
- 28 *Innovation Health and Wealth* (December 2011) set out an ambitious vision for the NHS in which we maximise the opportunities for patients to benefit from faster access to effective new treatments and for the NHS to benefit from research and development activities that promote economic growth.
- 29 We want NHS Trusts to be active partners in Academic Health Science Networks so that their patients can share in these opportunities, such as by taking part in clinical trials or receiving the most recent innovations in treatment and care. This will also mean that the economic benefits of carefully chosen commercial partnerships can be secured by NHS Trusts – provided always that they are in keeping with the core values of the NHS.
- 30 A key part of the approach to CQUIN incentive payments in 2013/14 is the need to demonstrate that the six high impact innovations identified in Innovation Health

and Wealth have already been implemented in the relevant services and that evidence-based, cost effective treatments published as Technology Appraisals by NICE are available for clinicians to use when appropriate for their patients.

### Support and accountability: creating the environment for success

- 31 Throughout the summer and autumn, we have been working with senior leaders from NHS Trusts through a variety of engagement events to identify how we best shape the NHS TDA to create an environment where NHS Trusts are supported to deliver our ambitions around quality, delivery and sustainability.
- 32 On the back of this we have created an organisation which has central expertise in key areas such as quality, finance, business planning, governance, communication and performance and local support through our four Delivery and Development Directorates.
- 33 Our vision is to be able to use our national expertise to help guide our approach on issues such as healthcare acquired infections or 18 week waiting times, whilst at the same time providing NHS Trusts with locally-based teams to support them in day-to-day delivery.



- 34 Our Clinical & Quality Directorate will, for example, have dedicated teams working on key areas such as patient experience, intelligence and insight, medicines management and workforce assurance, but will also provide locally-based Clinical Quality Directors and Heads of Quality to support teams in NHS Trusts.
- 35 Our aim is to be able to provide leadership support for Medical and Nurse Directors, general support on quality for NHS Trusts and system-wide support on tackling key common issues that a number of organisations may be struggling with.
- 36 The NHS TDA will establish a clinical academy with a range of clinical leaders and experts who will support the NHS TDA in working with NHS Trusts on quality improvement. Academy members will enhance the NHS TDA clinical quality infrastructure and in particular provide a range of support, including for example, providing mentorship for NHS Trust Medical Directors and Nurse Directors, delivering master classes and offering direct expert advice or peer review.
- 37 Similarly, in our Finance Directorate, we will have a central corporate finance function, information and analytics capability and a Business Support team – all bringing their expertise to create a single system to support and hold organisations to account, whilst locally

we will have financial support, business consultants and analyst support to work directly with local NHS Trust teams.

- 38 The new system architecture will create new national bodies to provide support to NHS Trusts, such as the Leadership Academy and the new Improvement Body. We will work closely with these new organisations to ensure the specialist support they can provide is tailored to the needs of NHS Trusts. We will use this planning process to help identify those needs so that we can ensure NHS Trusts have access to the right support as quickly as possible. More can be found on this in our section *Developing an integrated plan: support and development* on page 24.

## Creating a consistent way of doing business

- 39 As the first single national organisation to oversee NHS Trusts, we have a great opportunity to create a clear and consistent way of working right across the sector.
- 40 We want to create an accountability framework that will enable you to have a clear understanding of the system you are working in, at the heart of which is your NHS Trust's integrated plan outlining how you will deliver high quality, sustainable services for the patients and community you serve.

- 41 While this Planning Guidance focuses on the year ahead, it is essential that we create the conditions to ensure your plan to deliver in 2013/14 can be integrated with your long-term plan.
- 42 This planning guidance is the first of five core elements that will impact on your approach to taking your organisation through the pipeline to NHS Foundation Trust status. The other four are:
- **Oversight** – we will create a consistent approach to the way we monitor NHS Trusts on key areas such as quality and finance as well as other key deliverables, including how we assess your progress against plans and how we monitor your trajectory toward becoming a Foundation Trust.
  - **Escalation** – our ambitious approach for the NHS Trust Boards means that we will not sit idly by when organisations fail to deliver on their promises to patients. Our escalation process will set out clear rules that will help us to determine when an NHS Trust needs additional support, further direction or even, in extreme cases, intervention if it is not able to achieve its goals.
  - **Development** – we recognise that the NHS TDA can play a unique role in supporting NHS Trusts on their journey to sustainably improve the quality of care they provide for the patients and communities they serve. The way in which we have designed the NHS TDA – creating local teams to support you in every aspect of your business – reflects this. We will also work closely with other new bodies, such as the Leadership Academy and the new national Improvement Body, to ensure NHS Trusts have access to the best national support available.
- **Approvals** – our aim is, wherever possible, to streamline the approach we take to assessing Foundation Trust applications, proposed transactions and capital projects. We want to make the processes that underpin such approvals as simple and transparent as possible, whilst balancing this with the need to ensure each application is of the highest quality.
- 43 In creating clear processes to underpin planning, oversight, escalation, development and approvals, we aim to ensure that our approach in each of these areas is consistent – enabling NHS Trusts to better understand and navigate the system they operate in.
- 44 We are striving to work with NHS Trusts to create the conditions for success, where there will be no surprises – either from the NHS TDA or from NHS Trusts – and where both delivery and development hold equal priority.
- 45 Our aim is to strike the right balance between supporting NHS Trust Boards and developing them to create a vibrant NHS Trust sector with a clear trajectory to NHS Foundation Trust status and holding organisations to account for the promises they have made to their patients and communities.
- 46 Further guidance on our approach to oversight, escalation, development and approvals will be available between now and the end of the financial year.

## Keeping our focus on the medium to long term

- 47 The current planning round is important – it sets out what NHS Trust Boards intend to deliver for the patients and communities they serve in the coming year. Those plans will need to show the necessary ambition we have outlined elsewhere in this document.
- 48 We want to create vibrant NHS Trust Boards that deliver on their promises: that is the clearest way to creating a full Foundation Trust sector in the future. We recognise, for a whole variety of reasons, that for some NHS Trusts that journey is tougher than for others – which is why we're clear that we will need to tailor our support to each individual NHS Trust.
- 49 For some organisations, however, that journey to becoming a Foundation Trust simply will not be possible, and we recognise that additional support will be necessary as they look to move to another organisational form.
- 50 All NHS Trusts have clear trajectories for moving to Foundation Trust status, set out in the Tripartite Formal Agreement (TFA). The principles which have underpinned this process – namely that the NHS Trust has a clear and deliverable plan, that the plan is agreed nationally, and that the plan is supported locally by commissioners – are important and will remain.
- 51 Our expectation is that the plans submitted for 2013/14 reflect the journey toward Foundation Trust status already identified in the local TFA: they should clearly demonstrate how delivery in the new financial year contributes to the medium to long-term plan the Trust has identified to move through the pipeline.
- 52 We will be working with NHS Trusts through this planning process to test that medium to long term plan and to ensure the trajectory to Foundation Trust status is both credible and deliverable.
- 53 Any plans which don't meet the tests of credibility and deliverability will not be signed off by the NHS TDA, and further discussions between the NHS TDA and the local NHS Trust will be required. Our expectation is that the trajectories NHS Trusts have already identified will be adhered to, and where changes are proposed this can only be done with the agreement of both the NHS Trust and the NHS TDA.
- 54 While we know that many of the TFA dates that organisations have set themselves are challenging, we also know that some NHS Trusts are ambitious to accelerate their applications. Where there are opportunities for NHS Trusts to move to Foundation Trust status faster than originally planned, the NHS TDA will ensure that appropriate additional support is provided to NHS Trusts to meet their ambitions.
- 55 Going forward, our approach to oversight will outline the process by which performance against trajectory will be monitored in future.
- 56 The changes and reforms that the NHS is going through are unparalleled but, if delivered well, should create a more vibrant landscape to support NHS Trusts where there is greater transparency and better collaboration among different parts of the system.

## Creating the right conditions nationally to help you succeed locally



- 57 We recognise that the NHS TDA has an important role to play nationally in ensuring that the conditions are right to enable NHS Trusts to succeed: something which will require us to work closely with key national partners such as Monitor, the NHS Commissioning Board and others.
- 58 The relationships we are developing nationally are focussed on creating clarity in the system around who does what and when, avoiding duplication of effort and delivering new and innovative approaches to working that will support both commissioners and providers to succeed.
- 59 Our expectation is that local NHS Trusts work just as closely with their local commissioning partners, other providers and regulators such as the Care Quality Commission to create the right conditions for local success. The relationships NHS Trusts develop with their commissioners and others will be a key determinant of their success.
- 61 However, in order to ensure coherence and consistency across the system, and to support Trusts in preparing for Foundation Trust status, NHS Trusts will be expected to comply with some licence conditions from April 2013. Compliance with these conditions will be tested as part of the TDA's oversight model with Monitor providing advice to the TDA on any potential breaches of conditions.
- 62 A full list of the licence conditions which apply to NHS Trusts will be set out once the final licence conditions are published by Monitor. The conditions which apply are likely to be:

- Conditions on pricing, which will require NHS Trusts to provide data to support the development of tariff prices and comply with broader tariff rules. Applying these conditions to NHS Trusts is important to ensure that data from the whole provider sector is used in setting prices.
- Conditions on choice, competition and integration, which will require NHS Trusts to support patient choice and comply with rules on preventing anti-competitive behaviour and actions likely to inhibit integration. Applying these conditions to NHS Trusts will ensure a consistent approach to choice and competition across the sector.

## Licensing

- 60 From April 2013, Monitor will begin to introduce the new provider licence to underpin its new role as sector regulator and its specific responsibilities for setting prices, overseeing competition and integration and ensuring continuity of services. NHS Trusts are exempt from the requirement to hold a Monitor licence because of their distinct legal basis and their accountability to the TDA.



- 63 More detail in this area will be provided when the NHS TDA's oversight model is published, but in the meantime NHS Trusts should ensure their plans will support compliance with the conditions set out above.

### An integrated approach to planning

- 64 We are clear that our key areas of focus – quality, delivery and sustainability – are not separate strands of work that stand alone, rather they combine together to create a successful NHS organisation.
- 65 High quality services are essential, but only if they are underpinned by an overarching sustainable business plan.
- 66 We want to ensure that the plans NHS Trusts prepare for 2013/14 show that every organisation has a clear strategy to deliver against each of the key areas of quality, finance and performance which are wrapped up in a medium to long term plan which outlines the trajectory of improvement each NHS Trust will deliver against to see them attain Foundation Trust status.
- 67 The guidance in this section outlines what we will expect from each organisation, with more detail on each area available in the technical guidance that will accompany this document.

### Delivering an integrated plan: high quality services

- 68 The foundations for high standards of health care are set out in the rights and pledges in the NHS Constitution, the expectations and priorities in the Mandate from the Government to the NHS Commissioning Board and the measures in the NHS Outcomes Framework 2013/14.
- 69 We will want to be assured that every NHS Trust Board has active plans to meet these expectations, many of which will be articulated through the quality standards in their contracts with commissioners. Delivery of the quality standards in contracts will lead to the delivery of high quality services for patients.
- 70 The new National Quality Dashboard brings together all of the key indicators that NHS Trust Boards should be monitoring to ensure that they are attaining the high levels of quality needed to deliver against the standards set out in the NHS Constitution and their progress towards delivering against the NHS Outcomes Framework.
- 71 Each NHS Trust Board plan should be underpinned by strong clinical governance processes and we will expect to see clear evidence of adherence to the Quality Governance Framework.

- 72 These three things – a plan to deliver against the standards in the Constitution and make progress toward delivering against the NHS Outcomes Framework, regularly measured using the new National Quality Dashboard, and underpinned by the processes set out in the Quality Governance Framework – will help to ensure that each NHS Trust Board can deliver high quality services for their patients and communities.
- 73 Those patients and communities rightly expect that when they use the services NHS Trusts provide they can rely upon them being high quality, every time. Yet the variation of performance that currently exists between NHS Trusts suggests this isn't always the case.
- 74 Quality isn't just the domain of the Medical and Nurse Director: successful NHS organisations have a focus on quality right through their organisations – starting at the NHS Trust Board and working through every ward, every community setting and every ambulance journey that is made.
- 75 We believe that individual health and care professionals, their ethos, behaviours and actions, are the first line of defence in maintaining quality and that leadership within provider organisations is ultimately responsible for the quality of care being provided by that organisation. Leadership for quality is therefore essential. NHS Trust Board members should be actively engaged on quality with strong underpinning governance systems.
- 76 We will be seeking to ensure that, through the plans submitted by NHS Trust Boards, there is evidence that each organisation will be able to deliver:
- a coherent clinical strategy which supports the provision of high quality care;
  - evidence of a culture which promotes safety and is regularly tested for resilience with evidence of improvement in services for patients and support for staff;
  - evidence of the assessment of quality and productivity plans, cost improvement programmes and workforce plans by Nurse and Medical Directors and the presentation of their quality impact assessments to the Board of the NHS Trust in public for consideration and endorsement;
  - a commitment to supporting prevention, for example, through implementing 'every contact counts'.
- 77 We will expect that all NHS Trusts can demonstrate that they use the National Quality Dashboard and the associated approach to the examination of variance, trends and benchmarking, to monitor their performance on quality from April 2013. It does not provide judgement on the quality of services provided by an NHS Trust but does highlight how it is performing against historical trends and peers or the national norm.
- 78 For community, mental health and ambulance NHS Trusts, the NHS TDA will work with NHS Trusts to identify quality indicators that demonstrate effective and safe services that meet patients' expectations.
- 79 In particular, we will look to seek assurance from all NHS Trust plans that local organisations can show:
- evidence of the delivery and monitoring of key performance indicators for quality;
  - a robust approach to infection control including zero tolerance of MRSA infections and, for Clostridium difficile, an approach to achieve the national objective based on significant reductions in incidence;

- examination of complaints to consider trends, themes and to identify poor practice, with evidence that complaints are used as an opportunity for improvement;
  - plans to deliver agreed CQUIN schemes in full;
  - use of patient and staff feedback by the Board, including the Friends and Family Test and work to capture real time feedback from patients;
  - alignment of clinical audit to NHS Trust priorities on quality as a vehicle for change and improvement in clinical practice and readiness to publish the results for every consultant in the ten specialties identified for publication in 2013;
  - consideration of improvements in access to routine services seven days a week;
  - appropriate systems and processes in place to ensure that Central Alerting System alerts are dealt with efficiently, including timely closure underpinned by the delivery of any remedial action required;
  - robust arrangements for adult and child safeguarding, which adhere to statutory rules and best practice;
  - work to implement as appropriate the recommendations in Transforming Care: A National response to Winterbourne View Hospital and the forthcoming Francis Report into Mid Staffordshire NHS Foundation Trust;
  - completion of quality impact assessments for all cost improvement programmes and Quality, Innovation, Productivity and Prevention (QIPP) schemes, with evidence of associated monitoring of delivery;
  - the NHS Trust Board undertaking regular monitoring of the sustained robustness and relevance of the original quality impact assessments of quality and productivity plans, cost improvement programmes and workforce plans;
  - consideration of workforce metrics by NHS Trust Boards as part of their overall surveillance on quality, using the national workforce assurance tool as it becomes available, to improve the efficacy of plans, gain assurance about quality and act as a reliable early warning sign of potential or actual failures in quality;
  - Board consideration of the Local Supervising Authority Midwifery Officer's report pertaining to the Trust, where appropriate;
  - planning to achieve appraisal of all staff with evidence that continuing professional development plans are completed. All NHS Trusts should ensure that they are compliant with the requirements to undertake medical revalidation;
  - robust staff and clinical engagement plans in place with key milestones for delivery. This should include an active social partnership forum which enables staff engagement and 'voice' on matters of policy and the culture of the organisation;
  - a plan to consider feedback from trainees on a regular basis, including consideration of assurance reports from Health Education England on the quality of the training and education environment at the NHS Trust.
- 80 Clinical Audits are important tools that enable us to collectively identify systemic quality issues that need to be addressed. We would expect that every NHS Trust contributes to all clinical audits for which they are eligible.
- 81 The NHS TDA Clinical & Quality team will also want to ensure that they review every NHS Trust Board Quality Account in 2013/14: Quality Accounts are an important public statement of the quality ambition of each NHS Trust and should reflect both the achievements and aspirations for quality for each NHS Trust Board.

## Delivering an integrated plan: the core standards

- 82 Our aspiration is for NHS Trust Boards that delivers on behalf of their patients and communities – a cornerstone of any organisation’s journey to becoming a Foundation Trust.
- 83 We have already set out our ambitions for NHS Trusts earlier in this document, but those ambitions should rightly build upon each organisation’s ability to deliver the basics.
- 84 Patients have rightly come to expect certain standards from the local hospitals – standards which we must all work hard to maintain and build upon. Achieving these standards – 18 week waits, A&E waiting times, cancer waiting times, cancelled operations – not only helps to ensure that patients are happy with the service they are provided, but offers a key indicator to the health of an organisation.
- 85 We will expect that all plans show a credible and clear approach to delivering
- against all pre-existing operational performance standards set out in **Table One: Operational Performance Standards**, with further detail on these to follow in the technical guidance that will accompany this document.
- 86 We recognise a great deal of variation still exists among NHS Trusts in delivering some of these key national standards, which is why we will use our role as a national organisation to provide NHS Trusts with support and to connect them with parts of the system that have overcome problems with delivery, sharing best practice and driving up standards.
- 87 In every single standard there are high achievers in the NHS Trust sector – we aim to bring the learning from those organisations to bear on those NHS Trusts that struggle to achieve these standards.
- 88 Underpinning this approach will be a clear expectation that improvement plans exist where NHS Trusts are failing to deliver core standards, with clear timescales agreed for implementation and delivery.

Table One: Operational Performance Standards

Commitment	Operational standard
<b>Referral to treatment waiting times for non-urgent consultant-led treatment</b>	
Admitted patients to start treatment within a maximum of 18 weeks from referral	90%
Non-admitted patients to start treatment within a maximum of 18 weeks from referral	95%
Patients on incomplete non-emergency pathways (yet to start treatment) should have been waiting no more than 18 weeks from referral	92%
<b>Diagnostic test waiting times</b>	
Patients waiting for a diagnostic test should have been waiting no more than 6 weeks from referral	99%

*Continued overleaf*

Table One: Operational Performance Standards *(continued)*

Commitment	Operational standard
<b>Accident and Emergency waits</b>	
Patients should be admitted, transferred or discharged within four hours of their arrival at an accident and emergency department	95%
<b>Cancer waits – two week waits</b>	
Maximum two week wait for first outpatient appointment for patients referred urgently with suspected cancer by a GP	93%
Maximum two week wait for first outpatient appointment for patients referred urgently with breast symptoms (where cancer was not initially suspected)	93%
<b>Cancer waits – 31 days</b>	
Maximum one month (31-day) wait from diagnosis to first definitive treatment for all cancers	96%
Maximum 31-day wait for subsequent treatment where that treatment is surgery	94%
Maximum 31-day wait for subsequent treatment where that treatment is an anti-cancer drug regimen	98%
Maximum 31-day wait for subsequent treatment where the treatment is a course of radiotherapy	94%
<b>Cancer waits – 62 days</b>	
Maximum two month (62-day) wait from urgent GP referral to first definitive treatment for cancer	85%
Maximum 62-day wait from referral from an NHS screening service to first definitive treatment for all cancers	90%
Maximum 62-day wait for first definitive treatment following a consultant's decision to upgrade the priority of the patient (all cancers)	no operational standard set
<b>Category A ambulance calls</b>	
Category A calls resulting in an emergency response arriving within eight minutes (target to be met for both Red 1 and Red 2 calls separately)	75%
Category A calls resulting in an ambulance arriving at the scene within 19 minutes	95%
<b>Mixed sex accommodation breaches</b>	
Minimise breaches	Minimise
<b>Mental Health</b>	
Improving Access to Psychological Therapies (IAPT): Of those completing treatment it is expected that at least 50% will recover	50%
Care Programme Approach (CPA): The proportion of people under adult mental illness specialties on the care programme approach who were followed up within seven days of discharge from psychiatric in-patient care during the period	95%

89 All aspirant Foundation Trusts that provide Community Services will be required to confirm that they have systems in place to fully capture all the information required as part of the Community Information Data Set, either through the use of a fully compliant IT system or the use of interim workarounds.

**A focus on:**

- Continuous improvement in the quality of care
- Delivery of service performance targets across all areas
- Outcomes improvement and a reduction in variation
- Use of the National Quality Dashboard

**Delivering an integrated plan: workforce**

90 Staff are the most critical element to the success of any NHS organisation.

91 A motivated workforce, clear about the objectives of their organisation, with a defined role to play in delivering better care, will help to ensure that standards in any NHS organisation are high.

92 Healthy organisations have clear plans for how they will utilise their staff, what training and development they will provide, and the necessary skills to modernise and develop pathways of care. They will have the necessary processes in place to ensure staffing levels are sufficient to deliver safe, high quality and cost effective care.

93 Under the new NHS architecture, Health Education England will be using NHS provider workforce plans to inform their programme of work. They will be responsible for ensuring that education, training and workforce development drives

the highest public health and patient outcomes. These education and training priorities should be incorporated into all NHS Trust plans.

94 Our expectation is that NHS Trusts will be able to demonstrate through their plans that they are managing their workforce in a way which is consistent with commissioning requirements and internal savings plans, and that all workforce plans have been quality assured for their impact on patient care and endorsed by the organisation's Medical and Nurse Directors who must confirm that the clinical staffing profile is commensurate with the delivery of safe care.

95 A number of organisations are currently using the national workforce assurance tool to provide necessary and detailed assurance on a range of indicators around staffing levels.

96 Our aspiration is to ensure that the national workforce assurance tool is rolled out across the NHS Trust sector in 2013/14 and we are currently working with other national partners to deliver this. It is therefore important that every NHS Trust Board familiarises itself with the tool in anticipation of its roll out later in 2013.

97 The tool will help to ensure that NHS Trust Boards have access to a range of measures on workforce which will help them better understand the impact of decisions they make around staffing on areas such as quality and affordability.

98 Ahead of the roll out of the tool, we expect NHS Trust Boards to be able to assure us that:

- They have approved a workforce plan which includes the period 2013/14;
- The workforce plan has been approved by the Medical and Nurse Directors prior to Board 'sign off';

- Workforce metrics, benchmarking, trends and plans, with related quality metrics and intelligence have been used to identify trends, measure performance and inform the workforce plan for 2013/14;
- Workforce changes are consistent with agreed commissioning plans for 2013/14;
- Triangulation of the workforce plan for 2013/14 with financial and activity plans for 2013/14 has been undertaken and that this demonstrates that the workforce plans are consistent with activity and financial plans;
- Workforce plans have been communicated to the Local Education and Training Board and agreed as the basis for the commissioning of education and training in 2013/14 and beyond;
- A system to deliver the workforce plan is in place which provides assurance to the Board;
- The NHS Trust has a register of risks against the workforce plan, underpinned by a reliable monitoring system.

99 Staffing levels, appropriate training, clarity on the objectives and purpose of an NHS Trust should help to ensure that staff have confidence in the work they are doing to improve care for patients. How staff feel about their organisation is a key indication of the health of that organisation, which is why outcomes from the national staff survey will feature in the indicators used by the NHS TDA to assess how well NHS Trusts are performing.

#### **A focus on:**

- Clear deliverable workforce/pay bill plans
- Use of the Workforce Assurance Tool or readiness for rollout

## Delivering an integrated plan: finance

- 100 At a time of major change for the NHS, there is also acute pressure on public finances.
- 101 The financial challenge facing the NHS means that it must deliver high quality sustainable services within the resources available and achieve efficiency savings of up to £20 billion over the period 2011/12 – 2014/15.
- 102 Our aim is to ensure that through the next year, NHS Trusts will maintain a tight grip on finance whilst ensuring continuing stability, improvements in quality and a reduction in the variation of care across the sector.
- 103 Whilst achieving high quality services for patients remains our core ambition, that must be achieved alongside sound business planning and tight financial control if it is to be sustainable into the medium and long term.
- 104 We will support NHS Trusts by producing frameworks and sector-wide advice that will provide clear and detailed guidance and approaches on financial reporting, capital, cash, and financial planning.
- 105 There are a number of high performing NHS Trusts who have developed excellent practice in terms of financial planning. Working nationally and locally through our Delivery & Development Directorates, we will support links with high performing NHS Trusts to ensure good practice and innovative financial solutions can be adopted and spread across the sector.
- 106 Sustainability is critical to ensuring high quality services can continue to be delivered by NHS Trusts well into the future, and therefore it will be essential that each Operating Plan for 2013/14 is



consistent with the Long Term Financial Model (LTFM) of the NHS Trust.

- 107 A key principle of the NHS TDA financial strategy is that every NHS Trust in England has a defined and measurable improvement trajectory in line with its Integrated Business Plan. This approach recognises that every NHS Trust will be in a different place on its journey to become an NHS Foundation Trust.
- 108 For the few organisations that report a deficit in 2012/13 a clear financial recovery plan will be essential and their plans will receive an additional level of scrutiny.
- 109 There is an expectation that no NHS Trust will plan for an operating deficit in 2013/14 or beyond. NHS Trusts are expected to plan for a surplus consistent with their long term financial plan. Breakeven or operating deficit plans will only be accepted where an NHS Trust is in formal recovery.
- 110 Details of the financial planning assumptions used for the 2013/14 plan reflect the expectations of the NTDA in terms of tariff uplift for inflation and efficiency requirements.
- 111 The provider efficiency requirement in the tariff is -4% and pay and prices inflation has been confirmed at 2.7%. This gives a net tariff deflator of -1.3%, which will be the base assumption for discussion on non-tariff services. In addition, tariff prices will increase on average by an additional 0.2% in recognition of changes in the underlying costs faced by providers. The change in tariff services is therefore -1.1%.
- 112 It has not been necessary to account for any embedded efficiency in tariff prices this year, as the design of the new best practice tariffs introduced in 2013/14 means that it is not required.
- 113 Commissioning for Quality and Innovation (CQUIN) is set at 2.5% of contract value. Once an NHS Trust agrees a CQUIN scheme with their commissioner, we would expect that scheme to be implemented fully.
- 114 We would also expect NHS Trusts to implement changes to the scope, structure and business rules in the Payment by Results guidance for 2013/14 subject to the provisions of the NHS Payment by Results code of conduct.
- 115 Where an NHS Trust is being reimbursed at less than 100% of the national tariff, we would expect the relevant provider to be engaged in the reinvestment decision. The 2013/14 tariff guidance has been strengthened to confirm that any reinvestment decisions will be jointly owned by providers and commissioners going forward. The scope of this improved arrangement includes the non payment for emergency readmissions and the marginal rate emergency tariff.



- 116 NHS Trusts will need to identify any legacy issues during the planning process and, as a minimum, identify options for solutions. NHS Trusts must also capture any legacy commitments that have been agreed prior to 2013/14 that impact in this year and beyond. This would include any revenue funding agreed by commissioners above the national tariff for developments or transitional funding to manage the non-recurrent cost of change associated with delivering QIPP.
- 117 To ensure that NHS Trusts are focusing on sustainability, the integrated plans for 2013/14 need to be seen in the context of past performance combined with a forward look into 2014/15 to understand how actions and plans impact in a full year. The planning framework will therefore require outputs from 2011/12 to 2014/15, where appropriate.
- 118 We also want to ensure that NHS Trusts continue to show they are providing taxpayer value, and a core part of that is maintaining a strong record on delivering efficiencies and building on the recent gains we have made in meeting the £20 billion efficiency challenge.
- 119 Efficiency requirements will be driven by three main factors:
- i The tariff deflator;
  - ii Commissioner QIPP schemes in excess of the tariff deflator;
  - iii Internal Trust factors including costs in excess of inflation funding in the tariff and any undelivered efficiency brought forward from previous years.
- 120 The efficiency requirements will be tested in the planning process to assess the alignment of each NHS Trust's plan with Monitor's implied efficiency expectations thereby aiding the Foundation Trust application process.
- 121 Delivering efficiencies – whether that be through identifying waste in an organisation or modernising the way care is delivered – cannot be achieved at the expense of quality. Maintaining delivery of sustainable, high quality services and all operational standards has to be achieved at the same time.

## Social care funding

- 122 In line with national commitments the NHS CB on behalf of Clinical Commissioning Groups will transfer £622 million to social care in 2013/14 using a section 256 agreement. This funding will be in addition to the £300 million reablement funding and be used in a way to benefit health.
- 123 NHS Trusts should be a stakeholder in the discussions on how this funding will be used. NHS Trusts must clearly understand the impact on their services of the outcome measures in the section 256 and other agreements, for example, the impact on delayed transfers of care or reducing inappropriate readmissions.

## Capital plans

- 124 NHS Trusts' capital plans will be an update on the plans agreed in 2012/13. The update will need to reflect any changes in overall strategy or affordability that would result in changes to the plans submitted in the last planning round.
- 125 The NHS TDA will recognise the capital approval decisions made by predecessor organisations but validate those that impact 2013/14 and beyond to ensure they reflect current circumstances and have an appropriate level of consistency.
- 126 It should be noted that access to Public Dividend Capital (PDC) will on an exceptional basis when all other available options to finance capital have been exhausted. The availability of such funding will be severely restricted and no NHS Trust should assume access to public dividend capital in their plan without prior approval from the NHS TDA.
- 127 Any assets that need to move to an NHS Trust as a result of Transforming Community Services (TCS) will be transferred on 1 April 2013 and so NHS Trusts should plan on the basis that capital for community services assets will need to be part of their plans for 2013/14 and resourced from the usual sources.
- 128 It has been agreed that central support for Private Finance Initiative contracts should be provided to a small number of Trusts where affordability of PFI is preventing them from achieving financial sustainability. A total of six NHS Trusts have been identified as requiring central support for PFI contracts through direct funding as follows:
- St Helens and Knowsley Teaching Hospitals NHS Trust
  - Maidstone and Tunbridge Wells NHS Trust
  - Dartford and Gravesham NHS Trust
  - North Cumbria University Hospitals NHS Trust
  - Barking, Havering and Redbridge University Hospitals NHS Trust
  - South London Healthcare NHS Trust
    - Queen Elizabeth, Woolwich
    - Princess Royal, Bromley
- 129 The agreed levels of central support should be assumed in the plans of the six NHS Trusts, recognising that passing the four key tests laid down by the Department of Health to release such funding must be evidenced.
- 130 NHS Trusts should also include in their plans any revenue support for capital schemes above tariff where there is a formal agreement with commissioners or a predecessor organisation.

## Cash plans

- 131 NHS Trusts may require revenue loans for two purposes, either to support operational purposes i.e. to enable creditors to be paid in a reasonable timeframe or for liquidity purposes to deliver the required cash position for a successful Foundation Trust application.
- 132 NHS Trust cash requirements for revenue loans will be identified in their Long Term Financial Model (LTFM) and the financial plans should be consistent with the expected cash position. For NHS Trusts without an LTFM, operational revenue loan requirements need to be consistent with their existing cash plan.

### A focus on:

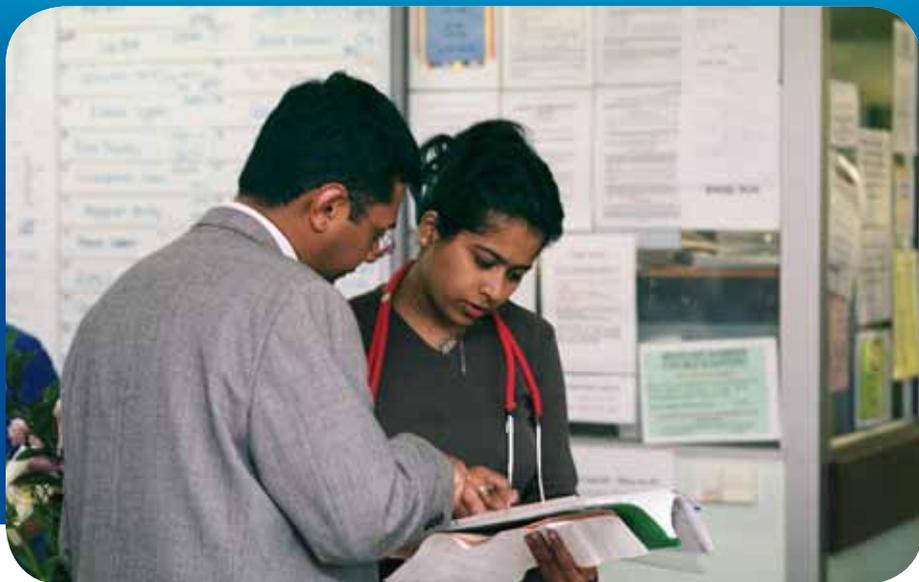
- Robust cash planning and liquidity forecasts
- Non recurrent transitional costs considered
- No new NHS Trust deficit. Those that end 2012/13 in deficit have an improvement trajectory
- QIPP end state well described

## NHS contract and payment system

- 133 A high quality and productive NHS needs a payments system and national contract that offers the right levers and incentives.
- 134 All NHS Trusts will be expected to enter into contracts with their commissioners for the provision of sustainable, high quality services using the NHS Standard Contract.
- 135 Establishing a robust, detailed contract with each commissioner is absolutely essential to realising the vision of a more productive, higher quality NHS. The contract needs to be clear on the volume of activity being commissioned and how that activity has been priced.
- 136 To provide stability, it is recommended that providers and commissioners agree a contract extension of 18 months from the date of provider Foundation Trust authorisation.
- 137 The assessment and mitigation of in-year risk will be a key component in the delivery of sustainable and high quality care during 2013/14. The clear articulation of a risk management strategy in each contract including the responsibilities of the NHS Trust provider will be required. The risk management strategy will be expected to cover:
  - the process by which the requirement for action will be identified;
  - the roles and responsibilities of NHS Trusts; and
  - the financial consequences of the risk management approach.
- 138 To support you in this, the NHS TDA will provide NHS Trusts with a self assessment checklist that should be used in the contracting process when assessing the requirements of Commissioner Quality, Innovation, Productivity and Prevention (QIPP) and other key areas such as risk assessment and mitigation.
- 139 We expect all NHS Trusts to have a signed contract with their commissioners for the provision of NHS services by 31 March 2013. Where an NHS Trust enters into dispute with their commissioners we would expect the NHS Trust Board to resolve the dispute through local negotiation swiftly using the mechanisms in the Standard NHS Contract as appropriate. Failure to reach local resolution would be seen as management failure by both parties.

## Penalties

- 140 The contracts held by NHS Trusts reflect the deal they have brokered with commissioners – the promise they have made to deliver services for the patients and communities they serve.
- 141 Our expectation is that when an NHS Trust signs their contract they are committed to delivering it in full. There will, almost certainly be times when there is pressure in the system and delivering the contract becomes more difficult, and it is a clear sign of an organisation's health how it responds to those pressures.
- 142 The standard national contract does, of course, include a number of mandatory fines that commissioners are required to levy on providers of NHS funded care in response to a limited number of operational standards. No NHS Trust should plan for failure and therefore no plans should assume the application of any mandatory penalties.



## Commissioning for Quality and Innovation (CQUIN)

143 Commissioning for Quality and Innovation (CQUIN) payments will be available for NHS Trusts to earn from commissioners when a level of quality is delivered above the NHS Standard Contract.

144 In 2013/14 CQUIN will be developed for all standard contracts. The value of the CQUIN providers can earn in 2013/14 remains at 2.5% on top of the value of all services commissioned through the NHS Standard Contract.

145 In line with national expectations up to one fifth of the CQUIN payment (0.5%) will be made in line with the national goals on:

- *Friends and Family Test* – where commissioners will be empowered to incentivise high performing Trusts;
- improvement against the *NHS Safety Thermometer* – (excluding VTE), particularly pressure sores;
- *improving dementia care*, including sustained improvement in **F**inding people with dementia, **A**ssessing and **I**nvestigating their symptoms and **R**eferring for support (FAIR); and
- Venous thromboembolism – 95 per cent of patients being risk assessed and achievement of a locally agreed goal for the number of VTE admissions that are reviewed through root cause analysis.

146 In 2013/14 CQUIN payments will only be made to those Trusts who meet the minimum requirements of the six high impact innovations in Innovation, Health and Wealth.

147 NHS Trusts need to agree CQUIN schemes with commissioners and assess the likely impact on their income and expenditure. Each provider's financial plan will need to include the income expected from CQUIN and any additional costs associated with delivering the CQUIN schemes.

### A focus on:

- Clear clinical sign off process of cost improvement programmes to assure appropriate levels
- Progress towards NHS Foundation Trust status or alternative
- Plan to deliver Innovation, Health and Wealth
- CQUIN improvement schemes well defined
- Clarity around arrangements for configuration of services including major service change / development
- Contingency planning identified



## Developing an integrated plan: support and development

- 148 We also want to use the planning process to identify the support that NHS Trusts may require to achieve their goals, a critical part of the role of the NHS TDA. Organisations will have access to a wide range of potential support in the new system, whether it is from the NHS Leadership Academy, the new Improvement Body or from clinical networks and senates, and the NHS TDA itself, although a small organisation, can bring a range of expertise and skills to bear on the challenges facing NHS Trusts.
- 149 To perform this role successfully, we need a fuller and clearer understanding of the support each NHS Trust would find most beneficial given the particular challenges it faces. So as part of the planning process we will be asking each NHS Trust to identify a small number (3-6) of high priority support and development needs. These might include things the NHS TDA can offer directly, such as networking, peer support and access to expertise; or they may include things that the NHS TDA can help NHS Trusts to access elsewhere in the system.

- 150 Once the requirements are identified, the NHS TDA will then work with NHS Trusts during 2013/14 to ensure that those needs are met. Our development model will build on the insight gained during the planning process and ensure there is a consistent approach to supporting NHS Trusts to meet their development needs.

## Understanding the planning process – what happens next?

- 151 Alongside this document, the NHS TDA will publish technical guidance including details on quality, activity, performance, workforce, development, QIPP and finance. The technical guidance will show what specific submissions are required as part of the planning process.
- 152 As part of the submission requirements, an overarching presentation is to be prepared by each NHS Trust which will capture the narrative on the last year and the year ahead, the key challenges and development needs and the plans for the year ahead, alongside the areas of variation where improvement is expected.
- 153 The technical guidance will include a number of checklists, which are designed as an easy way for NHS Trusts to confirm (self-certify) that they meet key requirements. Templates will be provided for the quantitative information on activity and finance and the technical guidance will include the relevant definitions and

guidance for completion of the templates. As far as possible, existing electronic systems will continue to be developed for NHS Trusts to prepare their plans (such as the Trust Financial Management System).

- 154 In submitting the relevant plans and templates, it is important that NHS Trusts use them to demonstrate that they have robust, integrated plans for high quality, sustainable services, backed up by strong management systems and processes. In this way, the plan submissions will be more than 'filling in forms', they will be part of the journey towards being a successful, self-governing organisation, capable of making its way in a challenging environment.
- 155 Our expectation is to receive first cut plans from all NHS Trusts no later than 25 January 2013, which should meet the requirement on quality, activity, workforce, QIPP, development and high-level finance data outlined in this guidance.
- 156 A second submission will be required no later than 28 February 2013 of those NHS Trusts who provide inadequate data through their January submission.
- 157 Throughout the planning process a contract alignment process will be undertaken to ensure that provider and commissioner plans triangulate.
- 158 We expect all contracts to be signed by NHS Trusts by 31 March 2013. The submission of final plans, which include quality, activity trajectories, workforce, QIPP and detailed financial data, will take place by 5 April 2013.

### A focus on:

- Continuous improvement in the quality of care
- Delivery of service performance targets across all areas
- Outcomes improvement and a reduction in variation
- Use of the National Quality Dashboard
- Clear deliverable workforce/pay bill plans
- Use of the Workforce Assurance Tool or readiness for rollout
- Robust cash planning and liquidity forecasts
- Non recurrent transitional costs considered
- No new NHS Trust deficit. Those that end 2012/13 in deficit have an improvement trajectory
- QIPP end state well described
- Clear clinical sign off process of cost improvement programmes to assure appropriate levels
- Progress towards NHS Foundation Trust status or alternative
- Plan to deliver Innovation, Health and Wealth
- CQUIN improvement schemes well defined
- Clarity around arrangements for configuration of services including major service change / development
- Contingency planning identified

## Going forward

- 159 This planning guidance marks the beginning of a new relationship between the centre and NHS Trusts – a relationship which is underpinned by mutual respect, a focus on quality and ambition, and a determination to deliver on the part of patients and communities relying on NHS Trusts for their care.
- 160 It sets out our determination to create a relentless focus on quality, delivery and sustainability underpinned by a recognition that the right levels of support will be needed in the system if we are to succeed.
- 161 Success should be defined as patients would define it: high quality services delivered today and secure for tomorrow, and how we approach delivering the ambition set out in this document is the first step to delivering that.





*Trust Development Authority*



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