NHS England and NHS Improvement Board meetings held in common

Paper Title: Operational performance and finance update

Agenda item: 3 (Public session)

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Paper type: For discussion

Organisation Objective:

NHS Mandate from Government	☐	Statutory item	☐
NHS Long Term Plan	☒	Governance	☐
NHS People Plan	☐		

Action required:
Board members are asked to note the content of this report.

Executive summary:
This paper provides a summary of:

- the latest previously published performance data;
- the work underway and planned to restore critical services in 2020/21; and
- month 2 2020/21 financial performance of the NHS.

Urgent and emergency care

1. During the immediate response to COVID-19, we saw a fall in A&E attendances and emergency admissions, predominantly relating to patients with minor conditions, however we are now seeing an upturn. There were 1,411,312 A&E attendances in June 2020, which is up 54% on April 2020 and up 11.8% on May 2020. Analysis undertaken in April and May 2020 showed that most but not all of the reduction in attendances related to lower-acuity presentations. For every 14 reduced low-acuity presentations there was one intermediate or high acuity non-attendance.

2. At the same time performance against the previous 4 hour standard continues to improve, with performance of 92.8% in June 2020 compared to 86.4% in June 2019. There were 437,535 emergency admissions in June 2020, down 17.3% on the same time last year, up 34% on April 2020 and up 9.8% on May 2020.

3. The latest NHS 111 figures show a return to call volumes that are higher than the demand expected at this time of year, with an average of 362,394 calls per

week in June 2020. This is in line with pre-COVID (early 2020) levels, but 5.8% above call volumes seen in June 2019, showing that the public continue to use the service more. The clinical assessment service continues to support our core 111 services by responding to patients displaying COVID symptoms.

4. For the second consecutive month, all six ambulance response time standards were met nationally in June 2020. Overall incident demand decreased by 3.7% in comparison to June 2019, and by 0.73% from the May 2020 position.

Referral to Treatment

5. The size of the total waiting list fell by 108,000 between April and May 2020, and it is now down by over 600,000 since February. However, the Referral to Treatment (RTT) standard saw 62.2% of patients waiting less than 18 weeks at the end of May 2020, with 26,029 at 52+ weeks.

6. As previously reported, the response to COVID-19, NHS England and NHS Improvement has supported local health systems to deliver a step change in access to telephone and video outpatient consultations. This now means almost every NHS secondary care provider has begun to offer video appointments, and the protection of patient access to care via virtual consultations during a period of social distancing. The broader benefits of this approach, as well as any challenges to be overcome, continue to be monitored and acted upon as the NHS seeks to embed and sustain the option of virtual appointments into the future.

Cancer

7. As previously reported, the number of people coming forward on the 2 week wait pathway fell at the start of the COVID-19 incident, but has been consistently rising since the introduction of our *Help Us Help You* campaign in April which encourages the public to seek help if they experience worrying symptoms. There were 30,000 more urgent referrals in May 2020 compared to the previous month, with over 94% seen by a consultant within two weeks (versus a standard of 93%). In total, two-week urgent referrals accounted for around a third of all referral bookings made in May 2020.

8. We have worked with cancer alliances, regional teams and specialised commissioning teams to support and enable continuation of urgent and essential cancer services throughout the pandemic and have published guidance on the development of ‘hubs’ for surgery. These hubs are now operational in all 21 cancer alliance areas, and we are now building on these models to deliver diagnostic services in protected environments.

Diagnostics

9. Diagnostic activity was scaled back while providers focussed on treatment for acutely ill COVID-19 patients. Activity levels are recovering, with 874,000 tests carried out in May 2020. This is a 43% increase on the number of tests carried out in the previous month. Local systems are taking steps to re-introduce

capacity across the spectrum of diagnostic testing in the light of infection prevention and control requirements.

Primary Care

10. Indicative data shows the average number of GP appointments per working day in May 2020 was 895,789; up 7.9% on April 2020. Guidance on how standard operating procedures should adjust for primary care in the event of a local COVID-19 lockdown, as instigated in Leicester. Following the announcement on the changes to the arrangements for shielded patients, we have extended the medicines delivery service to the end of July 2020 and issued guidance on alternative arrangements, including continued support from NHS Volunteer Responders for medicines delivery from August 2020. We are clarifying the broader approach to extremely clinically-vulnerable patients with DHSC colleagues, so that guidance to GPs can be updated.

Mental Health

11. Delivery of mental health priorities and spending commitments has continued to progress throughout the pandemic, and services have undergone a significant shift to be able to deliver care remotely in line with social distancing guidelines, including rapidly rolling-out digital and telephone support options across multiple care pathways. There is consensus that there will likely be an increase in demand for mental health services in the coming months and work is underway to model likely requirements with partner organisations.

12. Throughout the pandemic, mental health services have remained, and will remain, open for business. Some of our mental health service expansions have been implemented ahead of schedule to help support the response to the pandemic. We have asked all parts of the country to establish 24/7, all-age, open access mental health crisis lines immediately to support people with urgent mental health needs. This, and rapid enhancements in the use of digital and remote support technology, have allowed us to fast-track some of the ambitions we had originally planned to come into effect in 2023/24 to support people during the pandemic.

13. Every STP/ICS in England has an operational community perinatal mental health service exceeding the annual target for additional women cared for.

14. Mental health services have responded quickly to take advantage of technology to ensure continuity of care for children and young people using mental health services during the pandemic. The 34% children and young people's mental health access target for 2019/20 was met, exceeding the ambitions set for 2020/21.

15. All areas have been asked to prioritise CYP Eating Disorder expansion in response to COVID-19, with more work required to achieve the 2020/21 targets of 95%. March 2020 data shows 84.4% of patients accessing treatment within four weeks (routine referrals) and 80.5% within one week (urgent referrals).

16. During March 2020, IAPT waiting time standards continued to be met, with 87.1% of people entering treatment having waited less than six weeks (against a standard of 75%) and 97.7% of people entering treatment having waited less than 18 weeks (against a standard of 95%). Work is ongoing to ensure sufficient workforce expansion to meet the 25% IAPT access rate by March 2021. Whilst referrals dipped in March and April 2020, the number of appointments attended has remained relatively stable throughout. TTo encourage people with mental health problems to come forward, mental health is a focus of the NHS *Help Us Help You* campaign.

17. The national standard for 56% of people to start treatment for Early Intervention in Psychosis (EIP) within two weeks was exceeded in March 2020, with performance of 71.9%. Ongoing improvement work is underway to enhance patients' access to the full range of NICE-recommended treatments in line with our commitments outlined in the Mental Health Implementation Plan.

18. The ambition that a minimum of two-thirds of people aged 65 and over living with dementia should receive a formal diagnosis continues to be met, with performance of 67.4% at the end of March 2020.

People with a learning disability, autism or both

19. The number of people with a learning disability in a specialist setting at the end of June 2020 was 2,085; a decrease from the March 2015 total of 2,890 and May 2020's revised total of 2,100.

20. The number of Care (Education) Treatment Reviews (C(E)TRs) undertaken continues to grow year-on-year. Since April 2016, more than 5,300 community reviews have taken place, including more than 2,020 for children and young people (cumulative figures to end of March 2020). Over 14,700 inpatient reviews have been undertaken since April 2016, of which over 2,575 were for children and young people (cumulative figures to end March 2020). During the pandemic, equipment and guidance have been provided to enable C(E)TRs to continue virtually and 280 CTRs were reported to have taken place in June 2020, 55 more than the number reported in May 2020.

21. The programme of independent C(E)TRs of people in inpatient settings who are in long-term segregation or prolonged seclusion is continuing. As at the end of June 2020, 64 out of 67 reviews had been completed.

22. For 2020/21 we have allocated a further £22 million to support the delivery of community services, to strengthen C(E)TRs and to develop a new keyworker role for children and young people with the most complex needs. The regional 'care room' approach has continued during the pandemic to support admission avoidance and timely discharge.

23. At the end of June 2020, 66% of Learning Disability Mortality Reviews (LeDeR) had been completed and our expectation is that performance on completion for

reviews should approach 100% by December 2020. Learning from these reviews will inform our response to any further wave of the pandemic. The fourth annual LeDeR report was published by the University of Bristol on 16 July 2020 and we published our 'LeDeR: Action from Learning' report at the same time.

24. The work of the quality taskforce established to focus on Children and Adolescent Mental Health Services Tier 4 inpatient care for children and young people has continued during the pandemic. Recent developments include the recruitment of family carers to a panel to support the programme and work to increase the quality and transparency of the reporting of restrictive practices through the Mental Health Service Data Set (MHSDS).

Month 2 2020/21 financial performance

25. Because of the COVID19 pandemic it was necessary to suspend the 2020/21 operational planning round and implement a revised and simplified financial framework for April to July inclusive. The temporary framework is based on the following principles:

- that financial constraints do not stand in the way of taking urgent, immediate and necessary actions;
- that during a period of potentially increased staff absence, transactional and administrative burdens were reduced; and
- that sufficient, and guaranteed levels of cash flowed quickly to providers to maintain supply chains.

26. There are three core elements to provider funding in this period; a block payment based on 2019/20 CCG income, a prospective top up payment based on 2019/20 expenditure run-rate, and a retrospective top up to fund COVID-19 costs and any other additional costs.

27. Alongside this, CCG allocations have been adjusted to reflect the impact of the interim financial regime described above and adjust for any expenditure currently being funded nationally.

28. The provider financial position is compared against the national modelling used to establish the value of block contracts and prospective top ups described above. The commissioner position is compared pro rata with the agreed mandate for 2020/21. We are currently in discussion with government regarding funding for the remainder of the financial year.

Month 2 2020/21	Net expenditure basis				
	Year to Date				
	Plan	Actual	Under/(over) spend		Of which COVID
	£m	£m	£m	%	£m
Commissioning Sector					
Clinical Commissioning Groups	15,160.2	15,720.9	(560.6)	(3.7%)	460.6
CCG Total	**15,160.2**	**15,720.9**	**(560.6)**	**(3.7%)**	**460.6**
Direct Commissioning	4,250.6	4,394.9	(144.3)	(3.3%)	165.6
DC Retrospective	144.3	-	144.3		
Central running & programme costs	922.7	911.3	11.4	1.2%	27.1
NHSE Other	2.2	747.2	(745.0)		746.8
Provider Top Up	584.7	1,788.1	(1,203.3)	0.0%	
Technical & ringfenced adjustments	(5.4)	36.5	(41.9)		
Commissioner Total - non-ringfenced RDEL	**21,059.4**	**23,598.9**	**(2,539.5)**	**(12.4%)**	**1,400.1**
Provider Sector					
Income Excl Top Up	(15,037.3)	(14,581.5)	(455.7)	(3.0%)	460.0
Pay	9,998.1	10,413.2	(415.2)	(4.2%)	477.6
Non Pay	5,538.6	5,643.0	(104.4)	(1.9%)	696.4
Non Operating Items	294.1	313.4	(19.3)	(6.6%)	
Block Top Up	(839.1)	(840.0)	0.9	0.1%	
Retrospective Top Up	-	(948.1)	948.1		
Providers Total - Adjusted Financial Position	**(45.6)**	**(0.0)**	**(45.6)**	**(0.3%)**	**1,634.0**
Technical adjustments					
Providers Total - Adjusted Financial Position	**(45.6)**	**(0.0)**	**(45.6)**		**1,634.0**
Total combined position against Plan	**21,013.8**	**23,598.9**	**(2,585.1)**	**(12.6%)**	**3,034.1**

29. Overall, and consistent with the financial underwriting agreed by the Chancellor, the NHS has incurred additional COVID costs year-to-date of £3.0bn which has resulted in a year to date overspend of £2.6bn. The spend is driven by nationally incurred NHS COVID costs (mobilisation of independent sector contracts at a national level and national purchase of capacity from hospices), top up payments to providers and CCGs overspends, predominantly in relation to additional COVID expenditure incurred. It does not reflect the majority of extra PPE and Testing and Tracing costs, as these are procured, arranged and funded direct by the Department of Health and Social Care.

30. The financial impact on the provider sector to month 2 totals £1.6bn, including £460m of lost income, £478m of additional pay costs, and £696m of other COVID costs, which have been offset by reductions in expenditure in other areas of around £500m.