19th June 2023

From the office of Dale Bywater
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John Turner
Chief Executive
Lincolnshire ICB

Sent via email:

Dear John

LINCOLNSHIRE SYSTEM OPERATION PLAN 2023/24

I am writing to acknowledge receipt of Lincolnshire ICB's final system operating plan for 2023/24 and set out next steps.

The objectives set out in 2023/24 priorities and operational planning guidance are framed around three tasks for the coming year. Our immediate priority is to recover our core services and productivity. Second, as we recover, we need to make progress in delivering the key ambitions in the NHS Long Term Plan. Third, we need to continue transforming the NHS for the future.

You have developed your plan during a period of intense pressure on services and in the context of industrial action and uncertainties around pay and inflation. Systems will receive additional funding for the cost impact of the recently announced 2023/24 pay award. The finance and contracting actions that ICBs and NHS providers should take have been set out in the recently published guidance on the 2023/24 pay award.

We have reviewed your submission in this context, and I have set out below some of the key elements of your plan that you are committed to deliver on as a system. Where appropriate, I have also highlighted issues for you to keep under review and/or that require specific action. Please could you share this letter with your full Board for consideration.

Emergency care and system resilience

The system has delivery plans in place to deliver the ambitions set out in the Urgent and Emergency Care Recovery Plan and improve A&E waiting times so that no less than 76% of patients are seen within four hours by March 2024 with further improvement in 2024/25, with governance arrangements in place.

The plan also references other improvements to flow and potentially free up ambulance crews in a timelier manner.

Additional information on how Category 2 response times will be improved to an average of 30 minutes would be welcomed.

Planning of Virtual Ward capacity requirements is still underway.

There is a plan in place to reduce adult general and acute (G&A) bed occupancy to 92% or below. The additional information provided in the 4 May 2023 submission on how this will be delivered and sustained was appreciated, once the bed 'right sizing' exercise is complete.

The system has a 'falls pick up service', with collaborative working in place with EMAS and Care Home. There is a plan in place for 2023/24 to scale up provision by working with PCNs and identifying people at risk of falls/post fall.

It is positive to see a Clinical Leadership Steering Group is in place to support the launch of the system Frailty Programme, with the ambition to produce a Frailty Strategy by April 2023.
The system has a detailed a range of additional programmes of work including the development of a joint High Intensity User and High Frequency User service , the ability to deliver Mental Health Assessment Units on a long-term basis and a variety of initiatives to continue to support improvements in flow .

The system is currently achieving above 70% referrals seen within two hours, with clear plans to maintain performance in line with increased activity.

NHS England has allocated significant additional resource to increase system capacity for ambulance and emergency care. For 2023/24 Lincolnshire ICB has been allocated £2.0m additional capacity revenue funding. We will continue to work with you to ensure that these investments deliver improvements for patients.

Elective and cancer care

Your final plan submission shows a plan to deliver weighted activity in 2023/24 at 106% of 2019/20, against a target of 106% of 2019/20.

Elective

The system has a plan in place to eliminate waits of over 65 weeks for elective care by March 2024 (except where patients choose to wait longer or in specific specialties) and this is supported by Professor Briggs, National Elective Care Clinical Lead, with the Lincolnshire Elective Activity Coordination Hub (EACH) also in place.

There is a plan forecasting an increase to 115% for follow-up appointments that will not achieve the minimum 25% reduction against 2019/20. System plan is compliant with 5% but appears ambitious based on current delivery.

Cancer

The system is compliant with the planning requirement to continue to reduce the number or patients waiting over 62 days for cancer treatment. The plan provided a

good level of detail as to how this will be achieved and where focus will be to reduce this backlog and improve the timeliness of pathways, with detail on the actions that will be taken throughout the year that can be tracked. The key risk to delivery was noted as potential future non-elective pressures.

There are plans to meet the cancer faster diagnosis standard by March 2024, so that 75% of patients who have been urgently referred by their GP for suspected cancer are diagnosed or have cancer ruled out within 28 days . There is a good level of detail included how the 75% Faster Diagnosis Standard will be achieved throughout the year, with skin, colorectal, prostrate, lung, upper GI and gynaecology all featured, illustrating a good understanding of the pathways and improvements needed to achieve this ambition.

The plan to increase the percentage of cancers diagnosed at stages 1 and 2 in line with the 75% early diagnosis ambition by 2028 has an excellent level of detail. There is a substantial amount of work that needs to take place to achieve this. However, the plan shows a good understanding of where focus needs to be and how ambitions will be achieved.

Diagnostics

There is a clear plan to increase the percentage of patients that receive a diagnostic test within six weeks, in line with the March 2025 ambition of 95%. Primary Care led spirometry, cardiac and respiratory Virtual Wards should have positive impact on reducing inpatient and unplanned demand for diagnostics, though it is felt Non-Obstructive Ultrasound could be challenging to recover to 95%.

There is also a clear aim to deliver diagnostic activity levels that support plans to address elective and cancer backlogs, and the diagnostic waiting time ambition. It was noted Faster Diagnosis Standard assumptions are based on sufficient diagnostic (and reporting) capacity. Any delays to the full opening of Skegness Community Diagnostic Centre could compromise increased capacity assumptions. The plan states an intention to achieve the <13 week wait target for all modalities by June 2023, excluding Echocardiography that will be September 2023.

Mental health and Learning Disability and Autism

It was noted that work is underway to improve access to mental health support for children and young people in line with the national ambition for 345,000 additional individuals aged 0-25 accessing NHS funded services (compared to 2019). Confidence in your ability to deliver against this target was rated as medium/high, though there was greater optimism about full recovery in 2024/25.

There is a requirement to increase the number of adults and older adults accessing IAPT treatment. Investment and digital solutions will contribute toward increased activity. Once again there is medium/high confidence of attaining the plan as a well performing IAPT service because of the improvement work LPFT is undertaking.

The plan to achieve a 5% year on year increase in the number of adults and older adults supported by community mental health services is met. The transformation

has been acknowledged as an excellent journey over the period from Early Implementor to the present.
Good progress has been made to towards eliminating inappropriate adult acute out of area placements.

The system has not yet recovered the dementia diagnosis rate to 66.7%, achieving 64.15% over the previous 12 months, so further work is required to achieve compliance.

It is considered the system has sufficient resource to improve access to perinatal mental health services.

Regarding Learning Disability and Autism services, there is a need to ensure 75% of people aged over 14 on GP learning disability registers receive an annual health check and health action plan by March 2024. The system is compliant with plans and regional colleagues are confident the ICS will deliver against plans submitted. Further, the local LDA Action Plan highlights several specific actions to support delivery, including a Learning Disability health checks user experience review and plans to explore reasons/barriers for 15% not taking up health checks.

There is also a need to reduce reliance on inpatient care, while improving the quality of inpatient care, so that by March 2024 no more than 30 adults with a learning disability and/or who are autistic per million adults are cared for in an inpatient unit. Performance against this is currently a challenge but the system has identified actions on discharge planning, including independent life planning for 11 individuals. The narrative plan identifies LDA as a key focus, improving both productivity & capacity and identifying LPFT demand & capacity modelling as an area of focus. This work includes the adult Learning Disability Services, core CAMHS including CAMHS Learning Disability Services. Inpatient services where staffing is defined by safe staffing models.

A complaint plan was submitted to deliver a reduced reliance on inpatient care, while improving the quality of inpatient care, so that by March 2024 no more than 12–15 under 18s with a learning disability and/or who are autistic per million under 18s are cared for in an inpatient unit.

Workforce

Year 1 plans in the Midlands illustrate WTE change as substantive +4%, bank -12.5% and agency -36.5%, against a national position of substantive +3.2%, bank -15.8% and agency -32.5%. For the Lincolnshire system, substantive growth is +5.8%, bank -35.2% and agency -42.1%. The vacancy rate within Lincolnshire reduces to 5.8% by Mar-24 (Vs 10.4% Mar-23) in this plan.

The modelled estimate for total substantive growth in the Midlands is around 4% (2.8% for nursing). Lincolnshire project 5.8% growth (10.5% nursing).

Achieving these reductions in temporary staffing may help with the systems financial position but does imply risk in recovering and then maintaining service, and the inherent productivity gains required to ensure this plan triangulates. Effective

retention and international recruitment strategies (particularly for nursing) remain common regional themes and are key supply levers to enable system recovery.

Finance

Delivering system-level financial balance remains a key requirement for all ICBs. We note that you have submitted a deficit plan, and that this deficit is in line with the level discussed in the recent meeting with Amanda Pritchard, Julian Kelly and Sir David Sloman/Sarah-Jane Marsh. Given that the level of deficit is in line with expectations the additional inflationary funding we communicated has been added to your allocation.

Although the level of deficit in your plan is in line with our expectations at this stage, we still expect you to work to mitigate this in-year and strive to deliver a break-even out-turn position. Regional teams will continue to monitor progress.

We expect that all systems and providers continue to apply the following conditions stipulated in 2022/23:

- Commit to recurrent delivery of efficiency schemes from quarter 3 to achieve a full year effect in 2024/25 to compensate for any non-recurrent measures required to achieve 23/24 plans. Within this we expect all systems to be able to describe how this will be achieved by the end of quarter 1.
- Fully engage in national pay and non-pay savings initiatives, in particular around national agreements for medicines and other non-pay purchasing.
- Monitoring of agency usage by providers, and compliance with usage and rate limits.
- Any revenue consultancy spend above £50,000 and non-clinical agency usage continue to require prior approval from the NHS England regional team based on agreed regional process.

We also expect that by the end of quarter 2 your system will prepare a medium-term financial plan, demonstrating how recurrent financial sustainability will be delivered. This plan should clearly demonstrate how the recurrent exit run-rate from 2023/24 will be consistent with this, and how this run-rate will be improved through 2023/24.

In addition, because your system did not submit a balanced plan, you will also be required to comply with the following conditions (all of which should be shared with our regional team for oversight and sign-off, with agreed process for assuring implementation):

- Review your current processes and arrangements around pay controls.
- Ensure that you have a vacancy control panel in place for all recruitment.
- That you apply the agency staffing and additional payment controls stipulated in the appendix to this letter.
- Ensure you have an investment oversight panel in place to oversee all non-pay expenditure, with papers shared with NHSE. Within this process we would not expect approval of any non-funded revenue or capital business cases.

- Where revenue or capital cash support is required, the additional conditions described in the appendix to this letter will apply.

As further specific guidance on the detailed requirements and associated assurance processes are issued, we will forward these to you. In the interim should you require further guidance please contact your finance lead.

Triangulation

You are clear on the risks associated with the triangulation between finance and activity, also linking to the additional workforce required.

It is essential to consider the impact on finance when the work to improve performance is being agreed but recognise the fine balance between these and ensuring staffing levels are appropriate. We will continue to work with you in support of this and any associated quality risks.

Next Steps

Where this has not been done already, ICBs must ensure that all contracts are agreed and completed in line with final plans and signed as soon as possible.

We will continue to work with you to address the issues highlighted above and ensure you are able to access the necessary development support to strengthen the system's capability and capacity for delivery.

We will review progress through our regular monitoring meetings.

If you wish to discuss the above or any related issues further, please let me know.

Yours sincerely

Dale Bywater
Regional Director – Midlands

cc: Andrew Morgan, Chief Executive, United Lincolnshire Hospitals NHS Trust
Maz Fosh, Chief Executive, Lincolnshire Community Health Services NHS Trust
Sarah Connery, Chief Executive, Lincolnshire Partnership NHS Trust
Julie Grant, Director of Strategic Transformation (Central Midlands) NHS England

Appendix – Standard Financial Controls

Where the system has not submitted a balanced plan the following standard reviews and controls should be applied across organisations in the system.

1. Pay Controls
Review of Recruitment and Processes
1.1 Produce and review a complete reconciliation of staff increases since 19/20 with full justification for post increases based on outcomes/safety/quality/new service models. A review of the value for money of the outcomes of these new posts should be included. Where value for money is not demonstrated a plan for the removal of the post needs to be in place. The overall plan to be signed off by the Board and the ICB.
1.2 Review all current open vacancies to consider where the removal or freezing of posts is appropriate. This should initially focus on posts which have been vacant for over 6 months with a starting assumption that these should be removed or re-engineered.
1.3 Review the establishment to remove partial posts not required and identify unfunded/unapproved posts which should be removed.
1.4 Review current governance arrangements for recruitment and temporary staffing (panels and sign off at all levels of the organisation including groups, terms of reference, SFIs and sign off rights).
1.5 Ensure workforce plans are in place and that these are in a granular level of detail (e.g. by service, workforce type and substantive / temporary) and align to approved establishment levels and budget.
1.6 Ensure that rigorous illness policy and procedure is in place and consistently applied.
1.7 Ensure that retention processes are reviewed – including exit interviews, flexible working options and retentions schemes.
1.8 Ensure that rota processes are reviewed to provide assurance to the Board that they are embedded and operate as anticipated across the organisation.
General Vacancy Controls
1.9 Ensure that a regular vacancy control panel or equivalent is in place to check and challenge recruitment to ensure all vacancies remain within authorised budgetary limits.
1.10 Ensure Vacancy Control Panel terms of reference enable flexibility to avoid operationally delaying opportunities for savings and considering clinical need.
Non Clinical Posts
1.11 No use of non-clinical agency staff, with exceptions authorised by an executive director and then requiring onward approval by ICB and NHSE regional director.
Nursing
1.12 Review one to one nursing policies, approvals, and tracking process to ensure standardised approach linked to patient need/acuity.
Medical
1.13 Review consultant job planning compliance and policies.

1.14 Benchmark waiting list initiative and other additional payments against local organisations. An enhanced authorisation process for these payments should be in place, ensuring that such payments deliver value for money or are operationally critical before approving.
Agency Controls and Additional Payment Controls
1.15 Established governance process to oversee agency staffing with clear terms of reference (either at overall level or by key staffing group e.g. nursing, medical, corporate) to be chaired by an executive director.
1.16 Limit the authorisation of agency staff to Executives or named senior managers. Executive level sign-off of locum spend and off-framework spend.
1.17 Agree an implementation date for the removal of all non-framework agency staffing with an associated organisation-wide temporary staffing policy.
1.18 Clear Board accountability and reporting of plans and actual spend.
2. Non-pay
2.1 Commitment of additional expenditure over £10,000 which will add to the expenditure run-rate, excluding categories out of scope, to be approved at an executive chaired group.
Non-pay categories of spend out of scope of non-pay controls: Supplies and services - clinical (excl. drugs) Drug costs Clinical negligence fees Audit fees Depreciation and Amortisation
3. Cash
3.1 Where a trust is seeking cash support for their revenue or capital position they will need to continue to provide all of the documentation required as part of this process.