

Board of Directors (Public)

Item 5.2

Board Report

Subject: Update on RTT Action Plan and Forward Trajectory
Date of meeting: 28th July 2015
Prepared by: Tony Wilding, Chief Operating Officer
Presented by: Tony Wilding, Chief Operating Officer

| Data Quality Rating | BAF Ref | Impact on BAF Risk Rating |
|---------------------|---------|---------------------------|
| Bronze | 3,5,7 | No Impact |

1. Introduction

The aim to this paper is to update the Board of Directors on progress with the 18 week RTT action plan and the current performance in terms of reducing the backlog patient numbers and to provide information on the forward trajectories to reduce the backlog and bring the Trust back to a compliant RTT performance position in July of this financial year. It will also bring colleagues up to date with recent significant changes to the 18 week referral to treatment targets (RTT) and future reporting arrangements.

2. Background and Context

At the Trust Board meeting on 26th May 2015 a paper was presented outlining the 18 week RTT performance and the capacity pressures which had caused an increase in both the surgical and cardiology backlogs and proposed the need to have a “planned” failure of the 18 week RTT during quarter one to support the reduction in numbers of long wait patients. This was supported by the Board of Directors with the clear intention for the Trust to be back in a compliant position by July 2015.

Current Performance on the Backlog Reduction

The performance for the end of Q1 shows that the backlog for surgery has decreased to 82 patients against a forecast of 79 patients and the Cardiology backlog has decreased to 61 patients against a forecast of 50 patients. Whilst we did not hit our forecast numbers we have seen a major reduction in the number of long wait patients from 206 patients at the end of March 2015 to 143 patients at the end of June 2015.

Progress within surgery has been good and whilst there has been some progress within cardiology this has been hampered by consultant sickness which was highlighted in the Board Report at the end of May 2015.

The backlog reduction over Q1 is shown in the tables below:

RTT Backlog Table for Q1

Surgery

| | April | May | June |
|----------|-------|-----|------|
| Forecast | 147 | 113 | 79 |
| Actual | 138 | 113 | 82 |
| Variance | -9 | 0 | +3 |

Cardiology

| | April | May | June |
|----------|-------|-----|------|
| Forecast | 59 | 54 | 50 |
| Actual | 65 | 67 | 61 |
| Variance | +6 | +13 | +11 |

Outsourcing for patients to other Trusts

To support the delivery of our plan we have sent a number of patients to both Stoke and South Manchester for treatment. All the patients who received treatment at other centres were given a choice of where they would be treated and patients opted to go to the other centres. The total number of patients treated at the Stoke during Q1 was 26 and at South Manchester was 17.

Changes to the NHS England 18 week targets

On the 4th June Simon Stevens wrote to the Chief Executives of NHS Providers to inform them that he had accepted the recommendations in a letter put forward by Sir Bruce Keogh to improve the current waiting time standards and reporting arrangements. These recommendations included the abolition of the 18 week admitted and non-admitted targets and that the 18 week incomplete target would be the sole measure of a patients constitutional right to start treatment within 18 weeks.

A subsequent letter (Appendix 1) was received by CEO's on 24th June 2015 explaining that the recommendations on the 18 week targets would take effect from that date and that no Trust would receive any form of sanction, whether in the form of regulator investigation/intervention or financial sanctions for failing the admitted or non-admitted targets in Q1.

The letter further went on to outline that the proposed increased contract sanctions (Appendix 2) for the incomplete pathway would not take effect until 1st October 2015 so that providers have 3 months to improve performance before contract the enhanced contract sanctions began. The option for commissioners to implement contract sanctions for non-compliance, incomplete performance under the current NHS standard contract 2015/6 remains.

3. 18 Week Performance at the end of Q1

Following the reduction in the number of long wait patients our performance against the 18 week incomplete standard at the end of June is as follows:

| 18 Week Target | Target | Performance | Variance |
|---------------------|--------|-------------|----------|
| Incomplete Pathways | 92% | 92.8% | +0.8% |

This means that we start Q2 in a compliant position with the aim of continuing to reduce the number of backlog patients to strengthen our current position. Ironically the changes proposed on 24th June have now changed the way we are scheduling our patients so there is likely to be a decline in performance whilst the patients scheduled under the previous reporting regime are treated.

4. Future Performance and Reporting

To enhance reporting arrangements RTT reporting trajectories have been revised so the Trust have forecasted performance for the next two reporting quarters against the incomplete pathway standard so the Trust are clearly sighted on the expected performance for the next two reporting periods. These trajectories along with the enhanced performance meeting arrangements and new Integrated Performance Committee (IPC) dashboard (Appendix 3) will help LHCH to manage the RTT performance moving forward and to provide assurance to the Board of Directors through the IPC.

5. Key Risks

Whilst we are actively trying to mitigate risks that could hinder our delivery of RTT in quarter 2 there remain some risks that are outside of our control. The main risks are,

- The Trust has seen continued growth in referrals in Q1 with total referrals up 7.2%, DGH referrals up 5.9% and GP referrals up 10.7%.
- A decline in patients agreeing to transfer to either Stoke or Manchester for their treatment.
- An unexpected impact on operating capacity i.e. synergy breakdown.
- An increase above plan of urgent patients requiring treatment which would mean us diverting capacity from our elective work stream.
- Additional consultant sickness above our normal baseline, we currently have 3 consultants off long term sick in Cardiology.

Recommendation

That the Board of Directors note our current performance in reducing the number of long wait patients to achieve a compliant aggregate position at the end of quarter 1 and the proposed enhancements to our reporting arrangements. Also to note the risks to achieving RTT if the current above contract performance on activity fails to the demand of increasing referrals to the Trust in spite of our mitigating actions.

To: CCG Accountable Officers
CCG Clinical Leaders
Chief Executives of NHS Providers

NHS England Publications Gateway Reference: 03615

24th June 2015

Dear Colleague

Changes to the Referral to Treatment (RTT) operational standards and reporting arrangements

Simon Stevens wrote on 4 June 2015 to let you know that he had accepted Sir Bruce Keogh's recommendations on improvements to current waiting time standards and reporting arrangements. This letter sets out the operational arrangements required to enact these changes.

RTT

The admitted and non-admitted operational standards are being abolished, and the incomplete standard will become our sole measure of patients' constitutional right to start treatment within 18 weeks.

This means that from the date of this letter (24th June 2015), no provider or commissioner will receive any form of sanction, whether in the form of regulator investigation/intervention or the levying of financial sanctions, for failing the admitted or non-admitted standards.

Over the course of the year the Department of Health, NHS England, Monitor and the NHS Trust Development Authority will formalise these changes through alterations to the Standing Rules Regulations, the NHS Standard Contract, the CCG Assurance Framework, the Risk Assessment Framework and the Accountability Framework respectively.

Contracts and sanctions

Commissioners should not levy any financial sanctions associated with the admitted and non-admitted standards with effect from 1st April 2015. Where sanctions have already been applied in respect of these two standards in the 2015/16 financial year, commissioners should make arrangements to repay the funding withheld to the relevant providers.

NHS England will shortly consult on a National Variation to make in-year changes to the 2015/16 Contract to formally remove the financial sanctions for the two completed pathway standards. This will also propose increasing the value of the sanction which applies where providers are unable to achieve the incomplete pathway standard, in line with our commitment to the incomplete standard as the single new measure of RTT performance. We intend that the National Variation will be implemented by 1st October 2015. This means that providers have three months to improve their incomplete performance before contract sanctions increase.

As the completed pathway standards are set out specifically in the Standing Rules Regulations, removal of the standards themselves from the Contract will only follow once revised regulations have been passed by Parliament and the standards removed from the Standing Rules Regulations.

The Department of Health is currently preparing to put forward the necessary proposals to remove the admitted and non-admitted standards from the Standing Rules Regulations. Subject to Parliamentary approval, this should be completed by 1 October 2015 and removal of the standards themselves from the NHS Standard Contract will then be taken forward, probably as part of the process of updating the Contract for 2016/17.

Patients' legal right to start non-emergency consultant-led treatment within 18 weeks of referral is unchanged.

At this stage, no changes must be made to Schedule 4A (Operating Standards) in local commissioning contracts (whether signed or unsigned at the date of this letter). Contracts as yet unsigned should be finalised on the basis of the published 2015/16 NHS Standard Contract and signed as soon as possible. NHS England will in due course provide guidance on the implementation of any National Variation. Until the National Variation is put in place, however, we do not expect CCGs to enact contractual sanctions for underperformance against the admitted and non-admitted operational standards.

Commissioners must of course continue to apply contractual sanctions where providers fail to achieve the RTT incomplete pathway standard or the other operational standards and national quality requirements set out in Schedules 4A and 4B of the Contract.

NHS England will also consider whether further changes need to be made to the CCG Quality Premium scheme as a consequence of these changes to RTT standards.

Regulation

Monitor and TDA will be reflecting these changes in their approach to the regulation and oversight of Foundation Trusts and NHS Trusts respectively. Monitor will set out details of the changes required to the Risk Assessment Framework (RAF) when it publishes the outcome of the current consultation on the RAF in early July. Similarly TDA will update the Accountability Framework for NHS Trusts.

Data reporting and publication

Until notified, commissioners and providers should continue to submit all four existing monthly RTT collections. To maintain transparency and safeguard against these changes having unintended consequences, there will be some minor amendments to the monthly RTT collections in due course to remove the adjusted admitted part of the collection and to add some items (number of clock starts, decisions to admit and validation removals) to understand better the waiting list dynamic. Notification will be given as to when these changes will occur.

The collection of information on admitted (unadjusted) and non-admitted pathways will continue alongside the information on incomplete pathways.

The NHS needs this information to ensure that patients are treated fairly and do not have to wait longer than necessary for treatment. CCGs need to ensure the data being reported is a

true and honest reflection of waiting times and highlight where action is needed to reduce inappropriately long waits. In the interests of transparency and fairness, local access policies should accord with the RTT Rules Suite, and be published on provider websites.

Starting with the publication of June data in August, the following statistics will be published monthly on the same date by NHS England: RTT, Cancer, Diagnostics, A&E, Ambulance, NHS 111 and Delayed Transfers of Care.

Changes to cancer and A&E collection

Weekly collection and publication of A&E data will stop from 1st July. NHS England will consult with users shortly on how best to implement these changes. Further detail will be available via Unify2 in due course.

Providers will be required to submit Cancer data for the month of June and Quarter 1 2015/16 by 17.00 on Tuesday 4th August to the Open Exeter Cancer Waiting Times system (this deadline is as currently advertised). The reports generated from these submissions will be used to produce the publication for June data and Q1 data.

Non-reporting

We will also be developing a much more stringent approach to non-reporting of mandatory data, particularly for providers about to undergo Patient Administration System (PAS) upgrades. This is to ensure that ceasing reporting only happens in the most exceptional circumstances and that there is a clear and transparent process to re-commence reporting as quickly as possible.

Summary

We understand that both commissioners and providers are currently under significant pressures. It is our intention that the simplification of RTT standards and reporting requirements will support you in focusing on what really matters in what we all recognise will be a challenging year.

Yours sincerely,



Sarah Pinto-Duschinsky

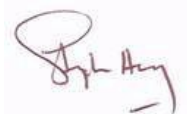
NHS England



Lyn Simpson

NHS Trust Development

Authority



Stephen Hay

Monitor



NHS Standard Contract 2015/16

Consultation on National Variation to change RTT sanctions

NHS Standard Contract 2015/16

Consultation on National Variation to change RTT sanctions

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Document Status

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Contents

| | |
|--|---|
| | 1 |
| Contents..... | 4 |
| 1 Introduction | 5 |
| 2 Background..... | 5 |
| 3 Proposed National Variation | 5 |
| 3.1 Summary..... | 5 |
| 3.2 Increasing the sanction for incomplete pathway performance | 6 |
| 3.3 Implementation..... | 6 |
| 4 Consultation Responses | 7 |

1 Introduction

This document sets out proposals for an in-year National Variation to the NHS Standard Contract in relation to the financial sanctions which apply to 18-week Referral to Treatment (RTT) standards.

2 Background

The NHS Standard Contract currently sets out (in Schedule 4A of the Particulars) three standards in relation to RTT waiting times, with associated financial sanctions where providers fail to deliver the standard. The three standards are

- 90% performance for completed admitted pathways
- 95% performance for completed non-admitted pathways
- 92% performance for incomplete pathways.

On 4 June 2015, Simon Stevens issued a letter to CCG Accountable Officers and Chief Executives of NHS providers (*Improving access and simplifying measurement*, Gateway 03545), announcing that the two RTT measures relating to completed pathways are to be abolished as soon as possible, with the performance focus in the future being solely on the incomplete pathway measure, the only measure which captures the experience of every patient waiting. The full rationale for this decision is set out in an accompanying letter from Sir Bruce Keogh to Simon Stevens (*Making waiting time standards work for patients*). Both letters are available via <http://www.england.nhs.uk/publications/>.

A further letter was sent to NHS commissioners and providers on 24 June 2015 from NHS England, Monitor and NHS TDA (*Changes to the Referral to Treatment (RTT) operational standards and reporting arrangements*, Gateway 03615), setting out the operational arrangements for the implementation of these changes. The letter makes clear that commissioners should not levy any financial sanctions associated with the admitted and non-admitted RTT standards with effect from 1st April 2015 and highlights that NHS England will need to issue an in-year National Variation to the NHS Standard Contract, in order to give formal effect to this change.

3 Proposed National Variation

3.1 Summary

The draft National Variation is attached at Appendix A. It proposes to

- remove the existing financial sanctions for the two completed pathway RTT standards and insert alternative wording making clear that there must be no financial sanctions, or other consequences, for providers who fail to achieve these standards (this is consistent with the approach which commissioners have been instructed to take in the letter of 24 June 2015 referred to above);

- retain a financial sanction in respect of performance against the incomplete pathway RTT standard, increasing the value of the sanction from the current level of £150 per excess breach to £300 per excess breach.

Subject to Parliamentary approval of revised regulations, we will remove the two completed pathway standards themselves from the Contract with effect from no later than 1 April 2016.

3.2 Increasing the sanction for incomplete pathway performance

The intention of financial sanctions within the Contract is to provide a strong incentive for providers to use every effort to achieve core national standards such as those set out in the NHS Constitution. The underlying aim is to create incentives for providers to succeed, not to penalise them for continuing to fail.

We are determined to lock in the achievements which the NHS has made in reducing patient waiting times. It is essential that providers are fully motivated to achieve the incomplete pathway standard on a sustainable monthly basis.

If we simply remove the sanctions for the two completed pathways and retain the existing sanction for incomplete performance, we will effectively halve the overall value of the financial incentive in place for providers to achieve the national RTT requirements.

To maintain a strong incentive, we therefore propose to double the value of the incomplete pathway sanction from £150 to £300 per excess breach. On the basis of past performance, this would maintain the total quantum of RTT sanctions, across all providers, at broadly the current level. Clearly, our aim is to see a significant improvement in performance against the single incomplete pathway measure, with the result that the financial impact in practice is much lower.

We propose that introduction of the higher sanction for incomplete pathways should be from 1 October 2015, and this is therefore the proposed Effective Date of the National Variation.

3.3 Implementation

Subject to the outcome of this consultation, our intention is that a final version of the National Variation will be published over the summer.

Local commissioners would then need to implement the National Variation in all of their relevant local contracts – that is, those contracts primarily with acute providers within which the RTT standards apply. (The NHS Standard Contract sets out, at General Condition 13, a clear mechanism through which National Variations are to be implemented.) Commissioners would need to ensure that the National Variation is introduced into contracts ahead of its proposed Effective Date of 1 October 2015.

4 Consultation Responses

We welcome comments on this proposed in-year National Variation to the 2015/16 NHS Standard Contract. Comments on the proposals should be sent to england.contractsengagement@nhs.net by Friday 24 July 2015.

APPENDIX A

DRAFT NATIONAL VARIATION AGREEMENT

RTT waiting times

Contract/Variation Reference:

Proposed by: Co-ordinating Commissioner on behalf of NHS England

Date of Variation Agreement:

Capitalised words and phrases in this Variation Agreement have the meanings given to them in the Contract referred to above.

1. The Parties have agreed the Variation summarised below:

National Variation to amend Operational Standards in relation to RTT waiting times for non-urgent consultant-led treatment.

Schedule 4A (*Operational Standards*) is varied as follows:

- (a) Operational Standards E.B.1 and E.B.2 are each varied by the deletion of the existing consequence of breach and its replacement by the following:

"There will be no consequence, financial or otherwise, for breach of this Operational Standard."

- (b) Operational Standard E.B.3 is varied by the deletion of the existing consequence of breach and its replacement by the following:

"Where the number of breaches at the end of the month exceeds the tolerance permitted by the threshold, £300 in respect of each excess breach above that threshold"

2. The Parties agree that the Contract is varied accordingly.
3. The Variation takes effect on 1 October 2015.

IN WITNESS OF WHICH the Parties have signed this Variation Agreement on the date(s) shown below

SIGNED by

**[INSERT AUTHORISED
SIGNATORY'S NAME]
for and on behalf of
the Co-ordinating Commissioner**

.....
Signature

.....
Title

.....
Date

SIGNED by

**[INSERT AUTHORISED SIGNATORY'S NAME] for and on behalf of
[INSERT PROVIDER NAME]**

.....
Signature

.....
Title

.....
Date

Appendix 3

18-week Statistics for Backlog Reduction and Incomplete Pathway Compliance Integrated Performance Committee

