To: Dame Meg Hillier, Chair of the Public Accounts Committee

Amanda Pritchard
Chief Executive Officer
NHS England
Wellington House
133-155 Waterloo Road
London
SE1 8UG

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Dear Chair,

Thirty Eighth Report on NHS Backlogs and Waiting Times: Recommendations Three and Four

Further to the last committee hearing on 20th April 2023 to discuss the progress we have made on mental health services, Claire Murdoch has written to you responding to the immediate questions from members.

Today, I am writing to you in relation to your recent report on NHS Backlogs and Waiting Times. Alongside the formal Treasury Minute response, you asked NHS England to write to you to provide:

1. Details of the programmes on which we expect the £14 billion allocated between 2022/23 and 2024/25 to improve elective and cancer care over to be spent;

2. Further details on the independent evaluations in place to monitor effectiveness of additional spending;

3. How we expect additional spending to improve NHS productivity; and to

4. Fully describe the real-world impact of community diagnostic centres, surgical hubs, increased use of the independent sector, and the advice and guidance programme. setting out our understanding of the extent to which these initiatives have so far generated genuinely additional activity, rather than displacing activity elsewhere in the NHS.

I will address each of these questions in turn below.

How the £14bn allocated to improve elective and cancer care will be spent

£8bn revenue funding was allocated to systems/providers to fund elective recovery. £6.9bn of the £8bn revenue funding for elective recovery was distributed to ICBs – this was distributed based on each ICB's population as weighted for health care need, and the amount of funding allocated to each ICB is included in this spreadsheet on NHS England's website.

£b	2022/23	2023/24	2024/25	Total
Elective Recovery funding to ICBs	1.855	2.463	2.544	6.861

The remaining funding was allocated to NHS England commissioned services (specialised, armed forces, health and justice and public health). The split between ICB funding and specialised funding reflects the proportion between ICB commissioned and NHS England commissioned activity on services in scope of the Elective Recovery Fund.

As well as this revenue funding, three separate capital funding streams are available to support longer term investment, and productivity improvements:

- Targeted Investment Fund (£1.5bn): to support schemes that promote elective recovery, such as investment in physical capacity to protect the provision of elective activity from emergency and urgent care pressures;
- Digital (£2.1bn): investment in digital transformation plays an essential enabling role in elective recovery and the delivery of broader NHS services and priorities; and
- Diagnostic Transformation (£2.3bn): £1.477bn of this funding supports the set-up of Community Diagnostic Centres, with the remainder funding digital diagnostics, and additional capacity for endoscopy, imaging, and screening services.

Systems bid for capital funding through a business case process and as such, allocations remain ongoing. These business cases are assured and approved at local and regional level, and the subsequent national approvals depends on the value of the scheme. Ongoing monitoring of schemes is carried out following approval.

As a result of this capital and revenue investment:

- Between April 2022 – February 2023, the NHS delivered 101% of the pre-pandemic level of elective treatment with February 2023 delivering 105%.
- In July 2022 the NHS delivered the first Elective Recovery Plan ambition of virtually eliminating long waits of over 104 weeks.
- The NHS has virtually eliminated waits over 78 weeks; and

- The NHS has reduced the cancer backlog by 35% since its peak in May 2020.

How will the additional spending be evaluated

The NHS England Elective Recovery programme carries out ongoing monitoring of progress against its elective recovery goals. Since November 2021, the programme has carried out a weekly review of performance using trust level data and has used this data to identify targeted actions to support delivery improvements.

This programme coordinates appropriate evaluation activity, which focuses on rapid programme learning, improvement of programme delivery, and effectiveness of high priority recovery interventions in collaboration with other national NHS England programmes such as outpatients, cancer, and diagnostics. Monitoring of trust and specialty level data in January 2023 led to a series of Clinical Leadership conversations with 15 providers to identify support and actions for the particular specialties in their trusts, where current performance and data trends indicated the 78 week target would not be met. This led to targeted action and an improvement in the projected 78 week position.

The King's Fund recently observed in its publication 'Strategies to reduce waiting times for elective care' that to date, published literature does not provide sufficient evidence for any single intervention, and that applying individual policy initiatives in isolation rarely leads to a reduction in waiting times. The mix of interventions that need to work hand-in-hand to drive elective recovery and reduce waiting list volumes and patient waiting time as outlined in the 'Delivery plan for tackling the Covid-19 backlog of elective care' is complex and requires the continued coordinated effort of many different national programmes and workstreams as well the successful implementation of these within Integrated Care Boards and providers.

How additional spending is expected to improve NHS productivity

Systems bidding for capital funding are required to demonstrate how their agreed funding will be used, and the outputs they expect to achieve. They are required to use central planning guidance as part of this process, which sets out the elective recovery expectations, that are linked to this funding. This includes expectations around recovering productivity and critical actions which include, but are not limited to, reducing bed occupancy and outpatient follow-ups relative to first appointments; increasing day case rates; and theatre utilisation. As an example, Newcastle upon Tyne Hospitals NHS Foundation Trust received £19.8m of TIF funding (£5m in the financial year 2021/22 and a further £14.8 in 2022/23) to build a new elective Day Treatment Centre (DTC) for adult surgery on the Freeman Hospital site. The Day Treatment Centre will increase the Trust's capacity to address the backlog of patients who have had treatment delayed due to the pandemic. The unit will provide ring-fenced capacity increasing day cases by 3% per year, if operating 7 days per week. It will also allow for the transfer of 4% of day cases from existing theatres. The space freed up in the main operating theatres will be backfilled with Day of Surgery Admissions (DOSA) for in-patient care.

The Real-World Impact of Community Diagnostic Centres

As of the week ending 17 March 2023, 93 CDCs were operational, and 143 CDC schemes were approved. The programme is on course to deliver across England the 165 CDCs outlined in the Delivery Plan. Combined with a rigorous approach to performance management across Integrated Care Boards, Community Diagnostic Centres (CDCs), and other diagnostic investments delivered overall improvement in diagnostic performance:

- By the week ending 19 February 2023, CDCs had delivered over 3.24m tests since the first CDC went live in July 2021. This figure is 10% ahead of that planned for 2022-23.
- In January 2023, the number of tests reported in the monthly diagnostics waiting times and activity return, which accounts for over 95% of all tests delivered, was the highest on record and stood at 105% of the pre-pandemic level.
- CDCs delivered 4.1% of the total diagnostic activity reported in December 2022.

A survey of 212 patients across 4 CDC sites demonstrated remarkably positive results - 97% of patients stated they had a positive experience feeling happy, safe, supported and good or very good in a comfortable environment. This survey will now be rolled out to sites to include staff assessment which is currently in development.

There is anecdotal evidence of positive mental health impact through conversations and interviews with staff. As an example, staff from Barnsley Glassworks CDC reported the experience of working in the CDC having a positive impact on their wellbeing and that they enjoyed working in the environment and the calm and positive experience it gives patients. This was captured in a video that they have used in a recent national CDC workforce ignition event organised by NHSE and HEE.

With the continued surge of unplanned activity in acute trusts, CDCs are an essential cornerstone of recovery.

The Real-World Impact of Surgical Hubs

Extensive work is underway to monitor the impact of Elective Surgical Hubs. NHS England has collated case study evidence showing the positive impact of individual surgical hubs on activity levels and productivity. This has reduced the length of stay and improved the patient experience through streamlined pathways and customised facilities.

Barking Havering and Redbridge Elective Hub is currently delivering around 120% of high-volume low complexity procedures (HVLC) as business as usual compared to the 2019/20 baseline. The HVLC programme is focusing initially on driving improvement in six high-volume specialties – ophthalmology, general surgery, trauma, and orthopaedics (including spinal surgery), gynaecology, ENT and urology. The hub has led to a significant and sustained improvement in theatre productivity with utilisation rates up to 90%, above the target of 85% by 2024/25 set for systems as part of the Getting it Right First Time (GIRFT) HVLC programme.

Croydon Elective Surgical Centre has enabled the physical separation of the emergency and elective theatre unit which has resulted in Croydon running at 128% of 2019/20 activity levels.

In addition to case study evidence initial quantitative analyses demonstrate that trusts with elective hubs have significantly lower lengths of stay are more resilient to maintain activity levels during periods of operational pressure, and carry out more procedures as day-cases

compared to trusts without hubs. The analysis undertaken considers the impact of hubs on the activity levels and performance of all the trusts referring to the surgical hub to get assurance that activity is indeed additional.

To further improve our ability to track the impact of elective hubs, NHS England has issued individual activity codes to all surgical hubs to aid monitoring of their specific impacts on an ongoing basis from April 2023. The GIRFT NHSE team has also agreed to a joint evaluation project of surgical hubs with The Health Foundation over the coming months.

The Real-World Impact of Increased Use of the Independent Sector

Independent Sector weekly activity has been consistently above 90k since September 2022, except for bank holidays, half-term weeks and during periods of industrial action, with 97k total elective activity including diagnostic activity units for the week ending 4/12/22 (vs 68k July 2021 and 88k June 2022).

There are good relationships between NHS systems, Independent Sector (IS) providers, and NHS England. There are facilitated national, targeted support meetings between regions/systems and Independent Sector providers to bring additional capacity at a local level, addressing areas with the greatest demand through the use of the Independent Sector. To support the Mutual Aid (MA) programme and with a specific focus on long waiting patients, a digital mutual aid system (DMAS) has been developed that provides a digital platform for the Independent Sector and NHS to work more efficiently in patient management and transfer.

The Independent Sector is making a key contribution through mutual aid – using IS capacity to treat patients who would have had to wait the longest for NHS treatment, even where this means some travel. The programme has, for example, facilitated the transfer of patients from the Devon system into other NHS hospitals in the South West, London, and South East.

The national mutual aid programme initially focused on those patients who are on an admitted pathway, this is now extended to include non-admitted (outpatients) for the first time.

The Real-World Impact of Advice and Guidance

The Advice and Guidance model of Specialist Advice streamlines the referral pathway, so where clinically appropriate, work that is traditionally carried out by secondary care may shift to a primary, or potentially a community care setting instead. It gives primary care access to expert advice from a range of specialties enabling them to discuss the most appropriate care for a patient before referring them for an outpatient appointment, helping patients to get the right care more quickly.

In Portsmouth and South East Hampshire ICB, over a verifiable 2-year period there was a 26% increase in the number of Advice and Guidance requests in Cardiology, which led to a 47% reduction in GP referrals and an 18% reduction in first outpatient activity, which enabled a different cohort of patients to benefit from this released capacity. The system delivered 105% completed pathways during 2022/23 (April – February).

Overall, from April 2022 to February 2023, there were 1.5m Specialist Advice requests which recommended no onward referral. This is an increase of over 25% compared to the previous year, which means that 375,000 fewer patients had an unnecessary trip to hospital.

Systems focussed on pre-referral Specialist Advice have seen benefits in the number of patients receiving appropriate care outside the traditional referral route, thereby increasing hospital capacity to see patients who most need specialist care.

I trust this information is helpful to the Committee, but please do let me know if you require further information.

Yours sincerely,

Amanda Pritchard
Chief Executive Officer
NHS England