NHS England and NHS Improvement Board meetings held in common

Paper Title: Presentation of the 2020/21 Annual Report and Accounts

Agenda item: 7 (Public session)

Report by: Julian Kelly, Chief Financial Officer
Mike Ibbetson, Annual Reporting and Policy Manager

Paper type: For noting

Organisation Objective:

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

Executive summary:

The Boards formal presentation of the 2020/21 Annual Report and Accounts to the public, including:

- NHS England's 2020/21 Annual Report and Accounts
- NHS Trust Development Authority's (TDA) 2020/21 Annual Report and Accounts
- Monitor's 2020/21 Annual Report and Accounts
- The 2020/21 Consolidated NHS Provider Accounts (CPA)

Considerations

1. The 2020/21 Annual Report and Accounts for NHS England, NHS Improvement (NHS TDA and Monitor) and the 2020/21 CPA were laid before Parliament w/c 31 January 2022 as part of the laying of the larger DHSC family of Arm's Length Bodies (ALB) reports.

2. The reports were published on Gov.uk and later on the NHS England website during the first week of February 2022.

3. All reports were certified by the National Audit Office (NAO) with a true and fair opinion. All reports received an unqualified regularity opinion, with the exception of NHS England's Annual Report and Accounts that received a qualified opinion on the basis of irregular expenditure relating to a special severance payment made by one CCG. The circumstances leading to this are set out in the Accountability Report (on page 134) and we include a section in the Governance Statement (on page 98) setting out the control weaknesses that led to this occurrence. In this same section we set out proposals to strengthen the controls to prevent reoccurrence.

4. Please find the Chief Executive Officer's overview of NHS England's 2020/21 Annual Report and Accounts at Appendix 1, and the Chief Executive Officer's overview of NHS Improvement's 2020/21 Annual Reports and Accounts at Appendix 2.

Next steps

5. Following work carried out in February 2022, to identify lessons learned from the 2020/21 reporting cycle, planning workshops will be held in March/April 2022 in preparation for the 2021/22 reporting cycle and to set out the timescales and requirements in relation to content provision, review and approval.

6. High level schedule and report structures will be shared with Board members by correspondence in due course.

7. Work is ongoing to understand and prepare for the impacts of a mid-year implementation of the Health and Care Bill on the 2022/23 annual reporting cycle.

Appendix 1. NHS England Chief Executive's overview – Amanda Pritchard

This annual report – my first as Chief Executive of NHS England - covers a period like no other in the health service's history.

A once in a lifetime pandemic changed everyday life for all of us, almost overnight and in some ways, permanently, particularly for all those who have sadly lost loved ones to COVID-19.

The pandemic also changed the way that NHS staff have had to work to deliver services. However, while staff may have had to adapt, COVID-19 has reinforced, rather than changed, the fundamental principles and truths of our NHS; a service for everyone based on their need, sustained by people, problem-solving and partnerships.

First and central amongst those truths is that our colleagues are by far our greatest asset, and one that we must never take for granted.

All 350 professions across the health service have played an important role during the pandemic. And it is their dedication, innovation and 'can do' spirit that meant the NHS could so swiftly respond to the new demands and pressures COVID-19 brought.

They worked to ensure critical care capacity increased drastically to the highest in NHS history, they retrained and deployed to new roles, they rapidly embraced technology to deliver care, and they supported the research that delivered the world's first effective COVID-19 treatment along with improvements in care which have saved countless lives here and around the world.

When vaccines arrived they adjusted again, making history as the NHS became the first health system in the world to deliver both the Pfizer/BioNTech and Oxford/AstraZeneca vaccines outside of clinical trials, and rapidly roll them out to those most vulnerable. Over 26 million doses were delivered by the end of the financial year, despite January and February seeing a second wave of COVID-19 infections which meant 100,000 people needed hospital treatment in January alone.

In all, more than 400,000 of those seriously ill with COVID-19 were treated over the financial year.

As the joint 'lesson learned' report on the pandemic from the Health and Social Care and Science and Technology select committee found: "The NHS responded quickly and strongly to the demands of the pandemic."

But despite the need to manage this new demand, the NHS was never a COVID-19 only service, or even a COVID-19 majority service. At every point during the pandemic there were always at least twice as many inpatients in hospitals for other reasons, and non-COVID-19 outpatient appointments, primary care consultations and community services far outstripped those related to the pandemic.

GPs and their teams delivered 275 million routine appointments, the majority of which were within a day of booking. Urgent and emergency care services, while seeing fewer people coming forward in April and May in particular, still dealt with 8.7 million

ambulance incidents, 17.5 million A&E attendances and over five million emergency admissions.

Elective services, while inevitably impacted by the immediate response and the pressure on critical care beds, still provided over 11 million courses of treatment. Over 18 million diagnostic tests were performed across imaging, endoscopy and physiological measurements (in addition to nearly 16 million PCR tests in hospitals for COVID-19).

Over two million people were urgently referred for suspected cancer, over one million patients accessed Improving Access to Psychological Therapies (IAPT) services, more than 420,000 were treated through NHS-commissioned mental health community services, and over 10,000 started treatment for an eating disorder.

All of this required herculean effort and considerable flexibility and innovation from our staff, but it also required ever greater depths of partnership working. COVID-19 has reminded us of another truth: the NHS is at its best, and achieves more for patients, when teams and services work together – whether across different NHS organisations and providers, or with our local partners like councils, social care and the voluntary sector.

Those partnerships underpinned the initial operational response, our ongoing efforts to help the public stay safe, and the rollout of the vaccine programme too - in particular through the engagement and work with local communities, which has seen so many people come forward and get protected.

It is exactly this partnership-working, within and beyond the NHS family, which will be crucial not just to our ongoing response to COVID-19, but to continuing to deliver on our Long Term Plan priorities in the years to come.

In particular, they will be vital in achieving the step change we want to see in preventing ill health and tackling health inequalities.

The pandemic has reinforced the fact that, if we want to improve outcomes, we need to take different approaches to different communities and groups within them.

There’s a real opportunity again to work in new and different ways, with all our partners locally, just as we have through the COVID-19 vaccination programme, to really reach into communities, earn trust, and co-design campaigns and services with the people we want to benefit from them.

Integrated Care Systems are not the whole extent of this partnership, but they play a central part in our resilience in the face of further COVID-19 waves, and our recovery over the coming years, and it is extremely welcome that the legislation which will provide their statutory underpinning is making good progress through Parliament at the time of writing.

And while the longstanding efficiency and productivity of the NHS has meant that the health service has required significant levels of additional funding during the pandemic in order to safely care for all those who needed it, we remain committed to delivering the

biggest possible patient benefit within the funds allocated by Government and Parliament. This careful stewardship of public funding meant that both NHS England and NHS Improvement as an organisation, and the wider NHS as a whole, reported a slight underspend on allocated capital and revenue funding during the financial year, as we have done for each of the past eight years.

The certainty we have recently received on both capital and revenue budgets for the years ahead provide a welcome basis on which the NHS nationally and locally can now plan. We should however be under no illusions that the challenges ahead – for financial balance and operational performance – are anything other than unprecedented.
My realism on the scale of those challenges is, however, tempered by optimism, rooted in how colleagues have responded since January 2020.

Those achievements have been possible because of exceptional NHS staff up and down the country, and it is right that we thank and take pride in them for all that we have delivered for patients. By doing so, we can allow ourselves to be ambitious for the future of the NHS as an institution, but most importantly for the continued improvement of care and outcomes for patients.

Appendix 2. NHS Improvement Chief Executive's overview – Steven Powis

As the first clinician to serve as Chief Executive of NHS Improvement, it will come as no surprise that I start this overview by paying tribute to every single one of my colleagues – whether in clinical, supporting or managerial roles – for their incredible and inspiring response to COVID-19.

Like Sir Andrew, I have had the privilege of spending many years in and around the NHS in a variety of roles. Over those years I have witnessed incredible advances in clinical care, alongside countless examples of compassion and kindness shown by colleagues to people at some of the most worrying times of their lives.

However, nothing in my career to date has compared to the quantum of pride I have felt in my colleagues during the pandemic. The tenacity we have seen from NHS staff – not just to doggedly keep going in an ever-changing and at times ever-worsening situation, but at all times to try and find ways to improve and innovate, to do things better, and to provide better outcomes and experiences for patients – has been incredible.

It has manifested in many ways: the huge increase in critical care capacity and the upskilling and redeployment of staff to work in them; the remodelling of hospitals and separation of COVID-19 and non- COVID-19 services; the rapid rollout of alternative, safe ways for people to access therapy and support in the community; and the adoption of 111 Online, 111 First, clinical assessment services and far closer working between ambulance trusts and other local services, to ensure that patients have been able to access the right care in the most appropriate place and the discovery and deployment of new treatments discovered and deployed first by the NHS.

Over the 2020/21 financial year colleagues also found a way to respond to 8.7 million ambulance incidents, 17.5 million A&E attendances and over five million emergency admissions, provide over 11 million courses of elective treatment, 18 million diagnostic tests and two million urgent cancer checks, and support millions of adults and children through the full range of mental health services.

This is addition to the incredibly impressive rollout of the COVID-19 vaccine programme – started in hospitals and with much of the early focus on Trust-led large vaccination services, but actually very much a whole-system effort with GPs and then community pharmacists delivered the lion's share of doses, and latterly community providers leveraging their particular expertise in delivering school-based services.

While I know my pride in what the NHS has collectively done is shared by colleagues, I know too that this contribution has come at huge personal cost for so many of them, not least – but certainly not only – those providing direct patient care.

Trusts and other employers have stepped up their health and wellbeing support offers, supplemented by the national health and wellbeing offer and mental health hubs. The NHS has continued to recruit tens of thousands of additional colleagues, but it is an inescapable truth that the pandemic has taken a heavy toll on a workforce which was already running to keep up with rising demand and high vacancy rates.

In common with health services around the world, the NHS now faces the even more difficult challenge of simultaneously continuing to respond to the demands of the pandemic, while also planning and working to recover and improve for the future.

The ambitions set out in the NHS Long Term Plan in January 2019 remain our 'North Star' – in particular our drive to prevent more avoidable deaths and disability through conditions like heart disease and Type 2 diabetes.

In many cases, we have – through the necessity of the pandemic – made much faster progress on some of them than we had planned. In particular, and in addition to those examples cited by Sir Andrew, in the past 18 months we have seen both the power of digital and data solutions, and how quickly we can move to adopt them when we need to.

These have helped us and other staff do their jobs more effectively, like the NHS datastore, and the software to support the vaccination programme, but importantly there's been a strong offer for patients too. We have made years' worth of progress on rolling out the means to help people receive monitoring, support or treatment more easily at home.

COVID-19 oximetry and virtual wards is an obvious example, helping people to recover from the virus in their own home, with the confidence that their condition is being monitored and they will be called in if needed. But we've seen similar innovation in non-COVID-19 care too.

The NHS has made tens of thousands of digital spirometers available, helping children and young people with cystic fibrosis to monitor their condition at home.

By procuring a national video consultation platform for secondary care, we've seen a huge expansion in people choosing this option, avoiding 2.9 million unnecessary hospital attendances and 35,000 Emergency Department (ED) visits in just 12 months, saving patients 2.1 million hours of waiting time in total.

And in primary care, we've rolled out take-home blood pressure monitoring, reducing the time patients need to spend in a GP's surgery, as well as improving the accuracy of readings and therefore the timeliness of interventions.

Inevitably, however, progress on other objectives has been set back. New challenges – such as supporting those suffering Long-COVID-19 and addressing the additional mental health burden caused by all the pandemic has meant for individuals – have come to the fore.

Despite the incredible effort staff have made, the scale of the elective recovery challenge in particular – while an inevitable consequence of a pandemic - is huge and one I am confident as an NHS we will rise to. As a clinician I am acutely aware that every number on the waiting list represents a member of the public potentially living with a painful or life-limiting condition, potentially deteriorating, and almost certainly experiencing anxiety over when they will be seen and treated.

As we look to the future, the NHS will continue to tackle those health inequalities which were surfaced in the public's consciousness by the pandemic and continue to exist in

routine care. We have an opportunity to leverage the learning and tools developed in response to COVID-19 and through the vaccination programme to address this, and in the long term to prevent ill-health and improve outcomes.

NHS staff always find a way through challenges – the pandemic experience is simply the latest and most noticeable example of that. But it's unfair – and ultimately counter-productive – to ask them to keep working at the pace they have for the last two years.

We need the right number and skill mix of staff to be able to deliver the models and quality of care we want to deliver for patients, and we need a workforce plan to deliver that.

The Secretary of State made an important commitment last year to finalise a long-term workforce supply plan by the Spring. It's crucial we get this right, and we will be working very closely with Government and other colleagues, especially in Health Education England, to ensure that it meets the future needs of the NHS, so that the NHS can meet the future needs of patients and the public.