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# NHS Standard Contract 2024/25: A consultation

Proposed changes to the NHS Standard Contract for 2024/25

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## Introduction

- 1. This consultation asks for views from stakeholders on changes which NHS England (NHSE) proposes to make to the NHS Standard Contract for 2024/25.
- 2. The NHS Standard Contract (the Contract) is published by NHSE for use by NHS commissioners to contract for all healthcare services other than primary care services. We are now consulting on changes for 2024/25 to both versions of the Contract the full-length version, which is used to commission the bulk of such services by value, and the shorter-form version, which can be used in defined circumstances for certain less complex and typically lower cost services. The updated Contracts are available on the NHS Standard Contract 2024/25 webpage.
- This consultation document describes the material changes and updates we are
  proposing to make to both versions of the Contract. We welcome comments from
  stakeholders on our proposals, along with any other suggestions for improvement.
  Comments on the draft Contracts can be submitted via the <a href="NHS England">NHS England</a>
  Consultation Hub.
- 4. We have published a Stakeholder Response Collation Document in Word on the NHS Standard Contract 2024/25 webpage to help stakeholders collate responses from across their organisation. Please note that responses can only be submitted via the NHS England Consultation Hub.
- 5. The deadline for receipt of responses is Friday 26 January 2024. We will publish the final versions of the generic Contract (both full-length and shorter-form) as soon after that as possible.

## Our review of the Contract

- 6. When we published the draft Contract for 2023/24, we stated that we would "undertake during 2023 a more fundamental review of the purpose and content of the Contract". Our intention was to ensure that the Contract remains fit-for-purpose as collaborative system working becomes embedded in the NHS under the Health and Care Act 2022.
- 7. We have completed our review as planned. It involved extensive engagement with external stakeholders (ICBs and providers from different sectors) via one-to-one structured interviews, group discussions and an engagement survey.
- 8. The review has informed our approach to developing the draft Contract for 2024/25, as follows.

#### **Feedback**

There was strong support from stakeholders for the principle of one model contract, produced at national level, setting consistent national standards of care and providing a level playing field for providers via one set of well-understood contractual rules and processes.



Action

NHSE will continue to publish and mandate use of the NHS Standard Contract.

Stakeholders told us that the Contract must continue to set the right core requirements to safeguard quality of care – referring in an up-to-date and accurate way to the relevant regulatory frameworks, standards, policies and guidance.



We have reviewed the key quality-related provisions and now propose the additions at paragraph 13 below for 2024/25 (the <u>CQC "quality statements"</u>, the <u>Fit and Proper Person Test Framework</u> and the <u>NHS</u> Complaint Standards).

Stakeholders said that we should retain robust provisions in the Contract for managing provider performance, but streamlining these where appropriate to avoid an overly transactional or bureaucratic approach.



Based largely on feedback received to our engagement survey, we propose the specific changes at paragraph 24 below (Information Breaches, activity management, audit, invoicing).

There was support, overall, for continued inclusion in the Contract, from year to year, of new requirements on providers reflecting major new national policy priorities (going beyond core quality of care issues) – as set out in annual Planning Guidance or equivalent publications. But stakeholders indicated that there should also be scope to remove some longstanding policy provisions from the Contract, particularly where they have become "business as usual" requirements.



We have reviewed the national policy priorities included in the current Contract and propose to remove a number of these for 20242/5, where we have concluded that they are no longer needed, as set out in paragraph 25 below.

# Period covered by the Contract

- The iteration of the Contract on which we are consulting is intended to set national terms and conditions applicable for the 2024/25 financial year. If issues arise inyear which require any further amendment to the Contract, NHSE will consult on changes as necessary.
- 10. It is for commissioners to determine locally the period for which they wish to offer each local contract – there is no default duration for an NHS Standard Contract and no bar to a contract duration of longer than one year. National terms and conditions as applicable from time to time are automatically incorporated into each local

contract, whatever its duration. See paragraph 18 of our <u>2024/25 Contract</u> <u>Technical Guidance</u> for further detail.

# Proposed changes to Contract content

- 11. Material changes proposed to the Contract for 2024/25 (whether to the full-length version, the shorter-form version or both) are set out below.
- 12. The topic numbers in the left-hand column in the tables below have been added so that stakeholders can 'read across' more easily to the <u>NHS England Consultation Hub</u>. Numbers 1-5 are not used in this consultation document, as they correspond to stakeholders' name, email address etc on the online feedback form.

#### Core requirements to safeguard quality of care

13. This section sets out proposed changes to ensure that the Contract continues to include all of the core national expectations necessary to safeguard quality of care.

Т	opic	Change	New Contract Reference
6)	Care Quality Commission (CQC) "quality statements"	The Fundamental Standards of Care regulations set out core requirements for all providers, and the Contract already requires services to be provided in accordance with them. But the CQC has now published additional "quality statements" in support of the regulations. The quality statements show in more detail what is needed to deliver high quality care in each of the areas covered by the regulations. We propose to add a specific requirement for all providers to have regard to these quality statements.	Service Condition 1.1-2 (FL) and 1.2 (SF) and Definitions
7)	Fit and Proper Person Test for board members of NHS bodies	NHSE has recently published a Fit and Proper Person Test Framework (FPPT) for board members of NHS organisations. The FPPT is designed to assess the appropriateness of an individual to effectively discharge their duties in the capacity of a board member. It takes into account the requirements of the Fundamental Standards of Care regulations, and of the CQC, in relation to directors being fit and proper persons to perform their roles. We propose to include requirements on providers which are Trusts to comply with the FPPT.	Service Condition 1.4 (FL only) and Definitions
8)	Supervision of the management of services by non-NHS providers	At the same time, mirroring the existing provision in the full-length Contract, we propose to add a requirement to the shorter-form version, under which the identity of the provider's "nominated individual" must be recorded in the Particulars. The nominated individual is the person responsible for supervising the management of the provider's services, as provided for in regulation 6.	Service Condition 1.4 (FL and SF) Particulars

9)	NHS Complaint Standards	The Contract already requires providers to have in place a proper policy for the management of complaints. The Parliamentary and Health Service Ombudsman has recently published <a href="NHS complaint standards">NHS complaint standards</a> . These set out a model complaint handling procedure and guidance describing how organisations providing NHS services should approach complaint handling. We propose to amend the Contract wording to require that each provider's complaints procedure must comply with the Ombudsman's standards.	Service Condition 16.1 (FL and SF) and Definitions
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#### National access and waiting times standards

- 14. National access and waiting times standards are set out in Annex A of the Service Conditions. Our usual practice is to update Annex A to reflect any specific changes to these standards set out in the Planning Guidance – thus ensuring that the contractual requirements on providers each year are consistent with what the Planning Guidance is saying.
- 15. Specific national targets for key access and waiting times standards in 2024/25 have not yet been made available. NHSE will publish updated expectations on these standards for 2024/25 in the New Year, and once published we will reflect them appropriately in the final published version of the Contract.
- 16. For this <u>draft</u> version of the Contract, therefore, the only material changes we have proposed to the access standards in Annex A relate to the changes to cancer standards <u>announced in August 2023</u>, reducing the number of standards from ten to three, as set out below.

Topic	Change	New Contract Reference
10) Cancer waiting times	Changes to national cancer waiting times standards, with effect from 1 October 2023, have been announced, and we now propose to amend the Contract accordingly. For 2024/25, the Contract will therefore include only:  • the 28-day Faster Diagnosis Standard;  • a single headline 31-day decision-to-treat to treatment standard; and  • a single headline 62-day referral to treatment standard.	Service Conditions Annex A (FL only)

#### Service provision – new additions to reflect national priorities

17. This section sets out a limited number of new additions to the Contract which are aimed at promoting improvements in how services are delivered for patients, in line with the latest national policy direction.

Topic	Change	New Contract Reference
11) Diagnostic imaging reporting turnaround times	NHSE has recently published <u>guidance on diagnostic</u> <u>imaging reporting turnaround times</u> . Reporting turnaround time in imaging is the interval between an imaging examination and a verified report being made available to the referring clinician. Keeping turnaround times as short as possible is essential for the timely diagnosis and treatment of patients. The guidance states an overall expectation that no examination should take longer than four weeks to be reported and sets recommended requirements, at a more detailed level, for reporting timescales for different imaging categories and referral categories. We propose to add a new requirement to the Contract for providers of diagnostic imaging services to have regard to the guidance on turnaround times.  Collaborative working between providers, through <u>imaging</u> <u>networks</u> , will be vital in delivering recommended turnaround times.	Service Condition 3.19 (FL) and 3.5 (SF) and Definitions
12) Patient and Carer Race Equality Framework	The Patient and Carer Race Equality Framework has now been published. It describes steps which providers of mental health services should take to improve the experience of care for racialised and ethnically and culturally diverse communities. We propose to include a new requirement in the Contract for providers of mental health services to implement the requirements of the Framework.	Service Condition 13.11 (FL only) and Definitions

#### Service provision – areas where updated Contract wording is needed

18. This section sets out changes which we propose to update existing Contract requirements in order to keep the Contract consistent with published national standards and policies.

Topic	Change	New Contract Reference
13) Maternity and neonatal services	The current Contract requires providers of maternity and neonatal services to comply with the <u>Saving Babies' Lives Care Bundle</u> and the <u>Perinatal Quality Surveillance Model</u> ; to have regard to <u>NICE guideline NG4 (Safe midwifery staffing for maternity settings</u> ); and to implement the requirements of the <u>Ockenden Review</u> and the	Service Condition 3.11 (FL only) and Definitions

	Independent Investigation into East Kent Maternity Services.  All of these expectations are now built into the Three year delivery plan for maternity and neonatal services, published earlier this year. We therefore propose to replace the existing Contract wording with an overarching requirement on providers to implement in a timely manner the actions for providers set out in the delivery plan.	
14) Fit notes	The Contract includes a provision requiring providers to issue fit notes to patients where needed. Changes under the Health and Care Act 2022 now allow fit notes to be issued to patients by doctors, nurses, physiotherapists, pharmacists and occupational therapists, rather than only by doctors. Government Fit Note Guidance has been updated accordingly. There is also a new requirement, under DAPB4011: eMED3 (fit notes) in Secondary Care, for fit notes to be issued to patients electronically as the default. We propose to update the Contract wording accordingly, removing the existing references to medical staff as the only relevant staff group and expanding the Contract definition of Fit Note Guidance to include DAPB4011. Fit note training for staff is available via elearning for healthcare.	Service Condition 11.12 and Definitions (FL only)
15) Antibiotic usage	The Contract has for some years included a provision requiring Trusts to use all reasonable endeavours to reduce their broad-spectrum (UK Watch and Reserve category) antibiotic usage by a specific percentage each year, in accordance with the overall target reduction set out in the UK five-year action plan for antimicrobial resistance 2019 to 2024. This existing five-year plan is now coming to an end, and the Contract provisions need to be revised.  A new national action plan is expected to be published early in 2024 and is likely to continue to focus on reducing use of broad-spectrum antibiotics. For 2024/25, given that the detailed requirements of the new national action plan have not yet been confirmed, we therefore propose to amend the Contract wording to require each Trust to use all reasonable endeavours, consistent with good practice, to minimise its broad-spectrum antibiotic usage, in accordance with the requirements of the new national action plan when published. We will then consider reintroducing specific percentage targets for annual reductions into the Contract for 2025/26 onwards.	Service Condition 21.3 and Definitions (FL only)
16) Emergency Preparedness, Resilience and Response (EPRR)	Recognising the status of ICBs as category 1 responders under the Civil Contingencies Act 2004, we propose to update the provisions relating to EPRR in the full-length version of the Contract, so that providers are specifically required to:	Service Condition 30.2-7 (FL) and 30.2-4 (SF)
	<ul> <li>have in place an Incident Response Plan and provide a copy of this to the commissioner; and</li> </ul>	General Condition

<ul> <li>have in place a Business Continuity Plan, an Exercising Plan and a Commander Training Plan and provide a copy of these to the commissioner on request.</li> </ul>	28.1 (FL and SF) and Definitions
We also propose to strengthen the requirements in the Contract for notification to the commissioner of activation of the provider's Incident Response Plan or Business Continuity Plan, of actual disruption to service and of material risks to imminent disruption of Commissioner Requested Services.	
We have added wording to make it clear that the EPRR requirements operate in parallel with the Force Majeure regime (General Condition 28), and neither qualifies the other.	
(The shorter-form version of the Contract will continue to contain lighter-touch EPRR provisions.)	

### Patient safety

19. This section sets out proposed updates relating to patient safety issues.

Topic	Change	New Contract Reference
17) Patient Safety Incident Response Framework	The current Contract wording requires commissioner and provider to agree a local implementation date, during 2023/24, for the Patient Safety Incident Response Framework (PSIRF). By 1 April 2024, PSIRF should have been adopted by all providers, so we propose to delete the reference to the agreement of an implementation date – and to the NHS Serious Incident Framework, which will no longer apply.	Service Condition 33.2-3 (FL) and 33.2 (SF)
18) Learn From Patient Safety Events Service	In terms of reporting serious incidents, providers are expected to transition during 2023/24 from using the National Reporting and Learning System to using the Learn From Patient Safety Events Service (LFPSE). We propose to amend the Contract so that the requirement from 1 April 2024 is to report via LFPSE.	Service Condition 33.4 (FL only) and Definitions
19) Patient Safety Specialists	The Contract requires the provider to designate one or more Patient Safety Specialists. NHSE has recently commissioned an independent evaluation of the implementation of the Patient Safety Specialist role, and this has uncovered some unwarranted variation across providers, meaning that the role of these Specialists is not uniformly effective. We propose to strengthen the Contract requirement in response, so that it requires providers to designate Patient Safety Specialists in accordance with NHSE's Identifying Patient Safety Specialists guidance.	Service Condition 33.9 (FL only)

## Workforce

20. This section sets out proposed updates relating to workforce issues.

Topic	Change	New Contract Reference
20) NHS Equality, Diversity, and Inclusion Improvement Plan	<ul> <li>The current Contract requires each Trust to</li> <li>publish a five-year action plan on black, Asian and minority ethnic representation among its senior staff and in its board, reflecting the targets set out in the NHS Model Employer Strategy, and publish regular reports on its progress; and</li> <li>publish separate action plans and progress reports in relation to the Workforce Race Equality Standard (WRES) and the Workforce Disability Equality Standard (WDES).</li> <li>The Trust-level targets set in the Model Employer Strategy are now out of date, and NHSE has now published the NHS Equality, Diversity, and Inclusion Improvement Plan (EDI Plan). The EDI Plan aims to address prejudice and discrimination across the NHS workforce in relation to any of the protected characteristics covered in the Equality Act 2010. The EDI Plan sets out six high-impact actions which NHS organisations must take and contains specific success metrics against which they must monitor their progress, including WRES and WDES indicators. Up-to-date data on each metric for every Trust is automatically included in the Model Health System, allowing benchmarking of performance.</li> <li>In this context, we propose to merge the three current separate Contract provisions (Model Employer Strategy, WRES, WDES) into one single updated requirement, under which Trusts must implement the high-impact actions set out in the EDI Plan and measure their progress against the success metrics set out in the EDI Plan, WRES and WDES.</li> </ul>	Service Condition 13.6 Particulars Schedule 6A Definitions (FL only)
21) Mandatory staff training on learning disability and autism	The Health and Care Act 2022 makes provision for mandatory training on learning disability and autism for all staff. The Department of Health and Social Care has recently completed a consultation on a draft code of practice to govern the provision of such training and is expected to publish the final version shortly. The CQC has also updated its guidance for providers in this area. We therefore propose to add a requirement to the Contract for providers to ensure that all staff receive training on learning disability and autism appropriate to their role, in accordance with the code of practice when published in final form and having regard to DHSC's, CQC's and NHSE's recommendation of the Oliver McGowan Mandatory Training on Learning Disability and Autism as the "preferred and recommended" training package.	General Condition 5.5 (FL) and 5.4 (SF) and Definitions

22) NHS Long Term Workforce Plan  General Condition 5.7 already sets out a requirement on each provider to work with NHSE and with local system partners in the development and delivery of healthcare workforce plans and in the planning and provision of education and training for healthcare workers. We propose to update this provision so that it makes specific reference to providers supporting implementation of the NHS Long Term Workforce Plan published this summer.	on .)
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#### Procurement of products and services

21. This section sets out proposed amendments aimed at improving the value delivered through procurement and purchasing of products and services by Trusts.

Topic	Change	New Contract Reference
23) Procurement frameworks for goods and services	We updated the Contract for 2023/24 to include new requirements for Trusts to purchase medicines under frameworks put in place at national level by NHSE. NHSE has now published a new Strategic Framework for NHS Commercial, one element of which is intended to optimise the use by NHS bodies of framework agreements more generally. The aim is to harness NHS purchasing power on a national footprint; if all NHS organisations utilise accredited frameworks where available, this will drive better value for public money across the NHS as a whole. Detailed guidance, to be published shortly in support of the Strategic framework for NHS Commercial, will set out a new process, led by NHSE, for accrediting NHS organisations which will be able to act as "hosts" for frameworks and for accrediting individual frameworks under which specific products and services can be purchased. This guidance will make clear the timetable for confirmation of the first accredited hosts and accredited frameworks. The coverage of accredited frameworks will expand over time, and all the frameworks will be accessible via the NHSE website. The expectation under the guidance will be that, if a Trust is intending to purchase a product or service via a framework, it will always do so via an accredited framework (or, if there is not yet an appropriate accredited framework, via an appropriate framework hosted by an accredited host) where such a framework is available and where the product or service available via the framework is appropriate for the Trust's needs.  We therefore propose to update the Contract wording to reflect this new approach. We have proposed amendments to Service Condition 39 to the effect that, where a Trust intends to use a framework to purchase a particular service or product for a purpose which relates to its provision of healthcare services, its premises or business, and where that service or product (or one similarly suitable) is available	Service Condition 39.2 (FL only) and Definitions

	via an accredited framework (which is defined in the Contract to include, if there is not yet an appropriate accredited framework, an appropriate framework hosted by an accredited host), the Trust must purchase that service or product through that framework. This requirement will not apply, however, where the Trust already has existing stock of the product and/or an existing contractual commitment to buy the relevant product or service.	
24) Nationally Contracted Products Programme / NHS Core List	The Contract has for some years contained a requirement for Trusts to implement the requirements of the Nationally Contracted Products programme. This programme, operated by NHS Supply Chain, has consolidated NHS purchasing power in order to purchase products on a better-value basis for NHS organisations. Under the <a href="Strategic framework for NHS Commercial">Strategic framework for NHS Commercial</a> , the list of products available to purchase is now being renamed as the <a href="NHS Core List">NHS Core List</a> , and we propose to update the Contract wording accordingly, amending it to make clear the requirement that, where a product (or a suitable equivalent alternative) is available on the NHS Core List, the Trust must purchase that product / alternative product via NHS Supply Chain.	Service Condition 39.6 and Definitions (FL only)
25) Agency rules	NHSE has published updated "agency rules", which set out requirements for certain Trusts to:  • assist ICBs to comply with system-level ceilings for total agency expenditure;  • procure all agency staff at or below the price caps; and  • only use approved framework agreements to procure all agency staff.  We propose to include new wording in the Contract to give effect to the agency rules. The rules must be complied with by:  • all NHS Trusts;  • NHS Foundation Trusts receiving interim support from the Department of Health and Social Care; and  • NHS Foundation Trusts in breach of their licence for financial reasons,  whereas other NHS Foundation Trusts must have regard to the rules.	Service Condition 39.8 and Definitions (FL only)
26) Duty to explain purchasing decisions	The existing Contract provisions relating to the purchase of medicines include a requirement for accountability – so that any Trust which breaches its contractual duty to use national medicines frameworks must, on request, provide a written statement to its commissioner, to its public board and/or to NHSE, explaining its purchasing decision and what it will do to ensure compliance with the contractual requirement in future. We now propose to broaden this accountability requirement so that it applies across the main areas now covered by Service Condition 39 – including accredited frameworks generally, high-cost devices, the Core List and the agency rules.	Service Condition 39.9 (FL only)

#### Impact of the new NHS Provider Selection Regime

22. This section sets out changes proposed in anticipation of the intended introduction of the new <a href="NHS Provider Selection Regime">NHS Provider Selection Regime</a> (PSR), which will – subject to the passage of the <a href="Health Care Services">Health Care Services</a> (Provider Selection Regime) Regulations <a href="2023">2023</a> – take effect on 1 January 2024.

Topic	Change	New Contract Reference
27) Permitted Variations	General Condition 13 of the Contract deals with the process for agreeing variations, but has not in the past referred directly to the restrictions which procurement law places on the extent of variations to contracts during their term. With the introduction of the PSR, applicable specifically to healthcare services, we believe it is timely to draw attention to the restrictions on variations under the PSR. We have proposed an addition to General Condition 13 to that effect by including a reference to regulations 13 and 14 of the 2023 PSR Regulations. Regulations 13 and 14 describe criteria for permissible variations (referred to as "modifications" in the regulations), including in relation to changes in scope and value of the contract and to changes which need to be made as a matter of urgency. Note that regulations 13 and 14 will apply to all contracts for healthcare services, whether awarded before or after the PSR comes into effect.	General Condition 13.1 (FL and SF)
28) Termination	The Contract allows for termination by the commissioner in certain specific circumstances envisaged under regulation 73(1)(b) of the Public Contracts Regulations 2015 or "any equivalent provisions under the Procurement Act or the NHS Provider Selection Regime". In anticipation of PSR coming into effect, we propose to update this to refer specifically and solely to the relevant section of the 2023 PSR Regulations, regulation 22(1)(b).	General Condition 17.8 and 17.10.18 (FL) and 17.3 and 17.5.8 (SF)
29) Recording of route through which contract was awarded	<ul> <li>We propose to add a section in the Particulars in which the commissioner must record whether the specific contract was:</li> <li>awarded under the Public Contract Regulations;</li> <li>awarded under one of the different provider selection processes envisaged in the PSR; or</li> <li>called off under a specific framework compliant with regulation 18 of the PSR (such as the Increasing Capacity Framework).</li> <li>We propose this for two reasons.</li> <li>As a general principle, as the NHS transitions from awarding healthcare contracts under the Public Contracts Regulations to doing so under PSR, it will be vital for commissioners to be clear under which process a particular contract has been awarded. The requirements of each regime are different, and the commissioner can of course be challenged for non-compliance.</li> </ul>	Particulars page 2 (FL and SF)

	More specifically, being clear about which process has been used will have a direct bearing on the operation of General Condition 13 ( <i>Variations</i> ). The 2023 PSR Regulations allow (through regulations 13-14 described above) a broader range of "modifications" where the contract has been awarded under PSR direct award process A or B than where the contract has been awarded under other processes (including non-PSR processes).  Note that there can only be one process for the award of a single contract, so the chosen process for award must be the same for all commissioners which are party to the contract in question.	
30) Extension of contract term	The new PSR will govern all changes to healthcare contracts, including extensions to their duration, from 1 January 2024. We have updated the template wording at Schedule 1C of the NHS Standard Contract to give slightly greater flexibility than hitherto allowed under the Contract for the extension of a contract's term, in keeping with the PSR. The Contract wording currently places strict limits on extensions: a contract may be extended at the commissioners' option in accordance with the pre-agreed terms only once. We propose to change this to allow for multiple extensions (if the parties so wish). We also propose to point out the possibility of an extension being effected in combination with other changes to the contract in question, in accordance with the variations process under GC13. Our Contract Technical Guidance gives further guidance on extensions – see paragraph 19.	Particulars Schedule 1C (FL and SF)

## Patient choice of provider

23. This section sets out changes to the arrangements set out in the Contract to support patients' legal right to choose their provider.

Topic	Change	New Contract Reference
31) Patient choice legislation and guidance	The right for patients to choose their healthcare provider is currently enabled through two sets of regulations – the Procurement, Patient Choice and Competition regulations and the Standing Rules regulations. Amendments currently before Parliament and due to take effect on 1 January 2024 will simplify the position, so that a unified patient choice regime is set out in revised Standing Rules regulations. In this context, we propose to strengthen the provisions of the Contract to require compliance with "Patient Choice Legislation and Guidance", defined to include:  • the revised Standing Rules regulations once approved; • the NHS Choice Framework; and • further guidance now published by NHSE in support of the updated Standing Rules.	Service Condition 6.1, 6.10, 6.13-14, 29.2, 29.19 (FL) Service Condition 6.1-3 (SF) and Definitions

32) Acceptance of referrals	Service Condition 6.8 of the full-length version of the Contract requires a provider to accept all referrals which are giving effect to a patient's legal right to choose their provider, even where these referrals are for patients whose responsible commissioner is not a party to the contract with the provider. This provision is an essential underpinning for the operation of patient choice on a "non-contract activity basis".  For reasons of brevity, the same requirement has never been included in the shorter-form version of the Contract. However, the shorter-form version can be used for community-based mental health services, to which the legal right of choice applies – and omission of the requirement risks undermining patients' rights to choose any mental health services provider which holds a contract with an ICB. We therefore propose to include the same requirement – to accept all "choice" referrals, regardless of commissioner – in the shorter-form version of the Contract, where it will form Service Condition 6.2.	Service Condition 6.2 (SF only)
33) Variations for new "choice" services / locations	General Condition 13 makes provision for a local contract to be varied – and the default position is that variations can only proceed where they are mutually agreed between commissioner and provider.  The proposed amendments to the Standing Rules regulations described above will describe the circumstances in which and the process by which a provider of services to which patients' rights of choice apply may ask a commissioner to assess it for the award of a contract – or for its existing contract to be "modified" (i.e. varied) – to allow it to deliver new "choice" services, or to deliver "choice" services which it already delivers from a new location or subject to new accessibility requirements. Where the commissioner's assessment criteria are met, the commissioner must award the provider an appropriate contract or agree an appropriate modification to the existing contract, as the case may be.  We propose to add a new provision to General Condition 13 to make it clear that a commissioner may not refuse to agree a modification to the provider's contract where doing so would be contrary to these amendments to the 2012 Regulations.	General Condition 13.2 (FL and SF)

#### **Contract management processes**

24. As part of our review of the Contract for 2024/25, we have been considering whether and how we can simplify contract management provisions and minimise transactional and burdensome processes. Detailed proposals are set out below; these in large part reflect the broad findings of the online engagement survey we carried out during the summer, as described above.

Topic	Change	New Contract Reference
34) Withholding of funding for Information Breaches	Over time, the Contract has moved away from the concept of "financial sanctions" being applied by commissioners to providers, for instance where the latter fail to achieve national performance standards. In the context of the Health and Care Act 2022, where an ICB and its partner Trusts are working together to achieve system financial balance, small-scale financial sanctions of this kind achieve little. However, the Contract does still make provision for commissioners to withhold funding from providers in specific, limited circumstances, where a provider breach of an important contractual obligation goes unremedied. Withholding is possible under the overall "contract management" provisions in General Condition 9 – or, for breaches of information and reporting requirements specifically, under the "Information Breach" provisions in Service Condition 28.  Feedback to our engagement survey indicated that, although commissioners use this ability to withhold rarely, it is something which they value as a tool to deal with really serious situations. The two withholding regimes are slightly different, however, and our proposal for 2024/25 is to simplify matters. We have therefore removed the separate arrangements for Information Breaches from Service Condition 28, with the intention that breaches of information and reporting requirements will in future be handled under the overall General Condition 9 process, which is already used for managing all other unrectified breaches.	Service Condition 28.18-25 (FL only) and Definitions
35) Activity management	<ul> <li>The Contract contains provisions through which the parties can work together to manage demand for the services and volumes of activity undertaken. We propose to streamline these provisions slightly as follows.</li> <li>We have removed the arrangements for "early warning", by one party to the other, of unexpected or unusual patterns of referrals or activity, because they are very rarely used in practice.</li> <li>We have simplified the wording so that it no longer seeks to distinguish between "activity management" (as being about demand for the services) and "utilisation" (as being about efficient use of the provider's capacity). Instead, the concept of activity management now covers</li> </ul>	Service Condition 29.8-9, 29.12, 29.15, 29.17 and Definitions (FL only)

	both, and an Activity Management Plan under the Contract can be used both:  ➤ as a tool to seek to control activity volumes (via clinically appropriate management of demand, as currently); and  ➤ as a tool to seek to deliver a clinically appropriate increase in activity throughput and volume (to assist with elective recovery generally and especially to deal with a situation where an increased number of referrals have been received).  Of course, it remains the case that that these activity management provisions must not be used to restrict or impede the operation of patients' legal right to choose their provider.  Our Contract Technical Guidance explains the activity management provisions at paragraph 42.	
36) Prior Approval Schemes	The Contract currently permits a commissioner to put in place a Prior Approval Scheme (PAS), which a provider must follow to seek the commissioner's approval for certain locally defined treatments. Used appropriately, PASs are an important and effective tool through which commissioners can ensure that activity which providers undertake is clinically appropriate and in accordance with local commissioning policies and criteria. Our survey demonstrated that PASs continue to be widely used and that many commissioners regard them as important.  But the administration of PASs can also create significant burdens for provider staff, and it is vital that this burden does not outweigh any clinical and financial benefits a PAS may bring. Service Condition 29 already requires commissioners, when implementing new or replacement PASs, to have regard to the burden which these may create for providers. We now propose to strengthen this, so that the requirement:  • specifically refers to administrative and financial burdens; and  • applies on an ongoing basis, including where a commissioner is deciding whether to retain or discontinue an existing PAS, as well as to decisions on whether to introduce new PASs.	Service Condition 29.21 (FL only)
37) Invoice payment files	Historically, payments to providers under the Contract have been made on the basis of an invoice submitted by the provider to the commissioner. This remains the case for non-NHS providers, but payments from commissioners to Trusts are now made on the basis of a different, less burdensome approach, the "invoice payment file" described further in the Revenue, finance and contracting guidance. We propose to amend the Contract wording on payment to allow for this "invoice payment file" approach for Trusts.	Service Condition 36.13, 36.22 and 36.31 (FL) and 36.10, 36.15, 36.23 (SF) and Definitions

38) Audit	The full-length Contract sets out provisions under which the commissioner can arrange for an independent audit of aspects of the provider's performance and reporting and charging practice. The provisions are lengthy, describing quite complex arrangements for how the financial implications of audit findings are to be managed. We propose to amend the arrangements in the full-length Contract so that they match the much simpler and less transactional formulation in the shorter-form Contract.	General Condition 15.8-13 (FL only)
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#### Other smaller updates

25. We plan to remove a number of provisions from the Contract, either because they are out of date and longer required or because they can now reasonably be seen as "business as usual" good practice requirements which no longer merit specific mention in the Contract. Details are set out below. (If you wish to comment on the topics below, please do so under 'any comments' on the feedback form.)

Topic	Detailed change	Former Contract Reference
Cancelled operations	We propose to remove the reference in Service Condition 3.9 to the cancelled operations pledge set out in the NHS Constitution. Compliance with the pledge is listed as a National Quality Requirement in Annex A of the Service Conditions, so the separate reference in Service Condition 3.9 is no longer needed.	Service Condition 3.9 (FL only)
Clinical risk management in IT systems	A specific requirement was included in the Contract some years ago for providers to comply with Information Standards Notice <a href="DCB0160">DCB0160</a> (Clinical Risk Management: its Application in the Deployment and Use of Health IT Systems). Every provider is under a contractual duty (Service Condition 28.2.2) to comply with all relevant Information Standards, so we think it is reasonable for us now to delete the specific reference to DCB0160. Providers must of course continue to comply with DCB0160, as well as with the accompanying standard, <a href="DCB0129">DCB0129</a> (Clinical Risk Management: its Application in the Manufacture of Health IT Systems).	Service Condition 23.8 (FL only)
Urgent Care Data Sharing Agreement	Since 2017, the Contract has included a requirement for providers of urgent and emergency care services to put in place data sharing agreements with each other. The aim was to support commissioners to understand patient referrals, pathways and outcomes across the wider urgent and emergency care system. We think it is reasonable to delete this very specific requirement; data sharing agreements between providers will be needed in many situations, and the Contract does not attempt to list these. Providers must ensure that, where they share data, they do so in accordance with the wider provision of General Condition 21 (Patient Confidentiality, Data Protection, Freedom of Information and Transparency).	Service Condition 23.10 (FL only)

Topic	Detailed change	Former Contract Reference
Health and Social Care Network	At the point when NHS organisations were transitioning from use of the N3 network to the new Health and Social Care Network (HSCN), we included a requirement in the Contract for providers ensure that they had appropriate access to HSCN and had terminated any remaining N3 services. The transition to HSCN is complete, and we think it is now reasonable to delete this requirement.	Service Condition 23.11 (FL only)
Administration of statutory benefits	There is a long-standing provision in the Contract which requires a provider to administer any statutory benefits to which a patient is entitled and invoice its commissioner, monthly, for any sums disbursed. We are not aware of a situation in which this provision is currently required, and so we propose to remove it.	Service Condition 36.24 (FL) and 36.17 (SF)
Patient pocket money	There is a similar provision in the Contract which requires a provider to administer any "patient pocket money" to which a patient is entitled and invoice its commissioner, monthly, for any sums disbursed. Our understanding is that "patient pocket money" may be paid to certain individuals (those transferred from prison and detained in hospital under the Mental Health Act), but that the arrangements are at the discretion of the commissioner, rather than being an entitlement for patients. In addition, the existing requirement for separate monthly invoicing appears unnecessarily burdensome. We therefore propose to remove the current provision from the Contract. Commissioners who wish to do so can still arrange for the payment of pocket money to relevant patients as part of the local terms of their contracts. We would encourage them to treat the financial amounts involved as part of the overall price for the contract, as this will eliminate any need for burdensome separate invoicing.	Service Condition 36.28 (FL only)
E-prescribing systems for chemotherapy	One of the National Quality Requirements in the Contract is for relevant providers to implement an effective e-prescribing system for chemotherapy. This was introduced into the Contract in 2017, to promote the transition to e-prescribing, and we believe that it can now reasonably be deleted. Use of e-prescribing remains a contractual obligation for providers of chemotherapy services under the relevant <a href="mailto:service-services">services</a> under the relevant <a href="mailto:service-services">service</a> specifications in their contracts.	Service Conditions Annex A
Green NHS	The Contract covers "green NHS" issues at Service Condition 18. We propose to remove a number of very detailed requirements for 2024/25, on the basis that implementation should by now be a matter of "business as usual" and because some of them can now be better captured through a single generic reference to NHSE's newly-published Net Zero travel and transport strategy.	Service Condition 18.2-3 and Definitions

26. We propose to make a number of other smaller updates to existing Contract provisions, to ensure that the Contract wording remains current, accurate and robust. (If you wish to comment on the topics below, please do so under 'any comments' on the <a href="feedback form">feedback form</a>.)

Topic	Detailed change	New Contract
Early Intervention in Psychosis Scoring Matrix	The NHS Mental Health Implementation Plan 2019/20 – 2023/24 set a target for providers to achieve compliance with level 3 of the Early Intervention in Psychosis Scoring Matrix effective treatment domain by 2023/24. The most recent national audit shows that (of provider teams audited) around two thirds are now achieving level 3, with the remainder still only at level 2. The Contract currently requires providers to deliver level 2 performance, and we now propose to amend this to level 3 for 2024/25, to reflect the ambition set out in the Implementation Plan.	Service Condition 3.13 (FL only)
Peri-operative care pathways guidance	The Contract requires acute providers to implement a system of early screening, risk assessment and health optimisation for all adult patients waiting for inpatient surgery. We have updated this wording to refer specifically to the <a href="Perioperative Care Pathways Guidance">Perioperative Care Pathways Guidance</a> published earlier this year.	Service Condition 3.18 (FL only)
Essential Services	NHS Trusts have now been brought within scope of the NHS Provider Licence and the Commissioner Requested Services (CRS) regime, alongside NHS Foundation Trusts and non-NHS providers. We have therefore deleted the Contract provisions relating to Essential Services. These applied to NHS Trusts only and created a contractual arrangement which was broadly equivalent to CRS – but this is now no longer required.	Service Conditions 5.2-4 and Particulars Schedules 2D and E (FL and SF)
Hard To Replace providers	At the same time, we have added a requirement, at Service Condition 5.1, for providers to comply with their obligations under the Provider Licence in relation to NHSE's new Hard To Replace Provider regime. Under this regime, NHSE may designate certain providers as "hard to replace" – on the basis that the provider's services are of sufficient scale or complexity nationally or regionally that NHSE considers that their unavailability, due to the provider's insolvency or quality issues, would impact on patients. The 'hard to replace' regime enables NHSE to apply the Continuity of Service licence conditions of a provider's licence, irrespective of whether any individual commissioner has chosen to designate that provider's services as CRS.	Service Condition 5.1 and Definitions (FL and SF)
CETR guidance	The Contract includes provisions relating to Care (Education) and Treatment Reviews (C(E)TRs), including significant detail about the timescales within which initial and repeat reviews must be undertaken. NHSE has now published updated guidance on C(E)TRs in <a href="Dynamic support register">Dynamic support register</a> and Care (Education) and Treatment Review policy and guide. This guidance now sets out all of the necessary detail,	Service Condition 6.15 (FL only) and Definitions

Topic	Detailed change	New Contract Reference
	and we therefore propose to shorten the Contract requirement, so that it simply requires the commissioner and provider to work with each other and with other agencies to implement and comply with the new guidance.	(FL and SF)
Ambulance handover and crew clear standards	<ul> <li>The Contract contains standards for the time taken for ambulance handover to A&amp;E and for ambulance crews to be available again after handover. We propose minor changes to these standards as follows.</li> <li>The definition of the ambulance handover standard is now set out in the AQI System Indicator Specification (page 27), and we have amended the Contract wording to refer to this, rather than to a definition set out in our Contract Technical Guidance.</li> <li>The updated definition makes clear that the handover standards apply not just to handovers to and from A&amp;E departments, but also to handovers involving Urgent Treatment Centres and certain hospital units (such as Same Day Emergency Care Units, Medical Admissions Units and Surgical Admissions Units). We have amended the Contract wording accordingly.</li> <li>We have amended the wording of the crew clear standard to clarify that the standard to be achieved is a delay of no more than 15 minutes.</li> </ul>	Service Conditions Annex A (FL only)
NHS Chaplaincy Guidelines	Service Condition 14 requires Trusts to have regard to NHS Chaplaincy Guidelines on pastoral, spiritual and religious care. A <u>new version of these</u> was published in August 2023, and we have updated the Contract accordingly.	Definitions (FL only)
Health Services Safety Investigations Body	We have updated the definition of the Health Services Safety Investigations Body to reflect that it is now formally established and has replaced the Healthcare Safety Investigation Branch.	Definitions (FL and SF)

27. We have made other minor changes to rationalise and improve the Contract where we have considered it appropriate to do so.

# Consultation responses

- 28. We invite you to review this consultation document and the two draft Contracts (available on the <a href="NHS Standard Contract 2024/25 webpage">NHS Standard Contract 2024/25 webpage</a>) and provide us with feedback on any of our proposals.
- 29. Comments can be submitted <u>only</u> via the NHSE engagement portal through this <u>online feedback form</u>. We have published a Stakeholder Response Collation Document in Word on the <u>NHS Standard Contract 2024/25 webpage</u> to help

stakeholders collate responses from across their organisation. These documents should <u>not</u> be used to submit responses by email, and all responses should be submitted via the online form.

30. The deadline for receipt of responses is Friday 26 January 2024. We will publish the final versions of the generic Contract (both full-length and shorter-form) as soon after that as possible.

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This publication can be made available in a number of alternative formats on request

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