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(sent via email: liam.donaldson1@nhs.net)

31 July 2024

Dear Sir Liam,

2023/24 NHS North East and North Cumbria Integrated Care Board annual assessment

NHS England is required to conduct a performance assessment of each Integrated Care Board (ICB) with respect to each financial year. This assessment is in line with the Section 14Z59 of the NHS Act 2006 (hereafter referred to as "*the Act*"), as amended by the Health and Care Act 2022.

In making the assessment we have considered evidence from your annual report and accounts; available data; feedback from stakeholders alongside the discussions that we have had with you and your colleagues throughout the year.

This letter sets out the 2023/24 assessment (see Annex A) of the ICB's performance against the objectives set by NHS England and the Secretary of State for Health and Social Care, the statutory duties (as defined in the Act).

We have structured the assessment to consider your role in providing leadership and good governance within your Integrated Care System as well as how you have contributed to each of the four fundamental purposes of an ICS. For each section of the assessment, we have summarised those areas in which we believe your ICB is displaying good or outstanding practice and could act as a peer or an exemplar to others. We have also included any areas in which we feel further progress is required and any support or assistance being supplied by NHS England to facilitate improvement.

This has been a challenging year in many respects and in making the assessment of your performance we have sought to fairly balance the evaluation of how successfully you have delivered against the complex operating landscape in which we are working.

We have also sought to take into account how you have delivered against your local strategic ambitions as detailed in your Joint Forward Plan which you have reviewed and rebaselined. A key element of the success of Integrated Care Systems will be the ability to balance national and local priorities together and we have aimed to highlight where we feel you have achieved this.

We are keen to continue to see progress towards a maturing system of integrated care structured around placing health and care decisions as close as possible to those people impacted by them.



I ask that you share the assessment with your leadership team and consider publishing this alongside your annual report at a public meeting. NHS England will also publish a summary of the outcomes of all ICB performance assessments in line with our statutory obligation.

Can I take this opportunity to thank you and your team for all of your work over this financial year in what remain challenging times for the health and care sector. My team and I look forward to continuing to work with you in the year ahead.

Please let me know if there is anything in this letter that you would like to follow up on.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'T Savage'.

pp.

Robert Cornall
Interim Regional Director
North East & Yorkshire Region

Copy: Sam Allen, Chief Executive, NHS North East and North Cumbria Integrated Care Board

Annex A

1. System leadership and management

In 2023/24 North East and North Cumbria ICB demonstrated that it is providing leadership across all of the duties of the organisation considered as part of this assessment.

To achieve this the ICB has worked closely with partners to ensure governance and partnership arrangements are fit for purpose to improve the health and care outcomes of their population. This has included engagement with partners, regularly briefings and working with Health and Wellbeing Boards, Overview and Scrutiny Committees, Healthwatch organisations and patients' groups, and the Voluntary Community Social Enterprise (VCSE) partnership.

The ICB has clear strategies and plans for services it commissions for its population including acute services, mental health/learning disability and autism services, maternity, cancer services and personalised care.

The North East and North Cumbria system continued to be a relatively strong performer across key operational deliverables including A&E waiting times and elective recovery. However, for the learning disability and autism key performance indicator rate per million for adults in mental health hospitals; NENC is the poorest performer in England.

It has been a challenging year financially in the context of ongoing recovery and periods of industrial action. In 2023/24 the ICB generated a surplus of £4.5million against a planned surplus of £32.4 million. The NHS provider system in North East and North Cumbria for 2023/24 is in a £6.9million deficit against a planned deficit of £47.3million. This means that the ICS generated an overall deficit of £2.4 million against a planned deficit of £14.9million.

The ICS offered and committed in the November 2023 reset exercise to deliver a breakeven position rather than the planned deficit of £14.9 million. The £2.4 million deficit should therefore be measured against breakeven however the provider position included an allowable year-end adjustment of £3.2million for South Tees Hospitals NHSFT which means the system is deemed to have met the financial break-even requirement.

This position was only achieved following the receipt of £25 million non-recurrent support from NHS England, without which the ICS position would have been £27.4 million deficit. It should also be recognised that whilst significant levels of efficiencies were made this year (in line with plan) 59% of efficiency savings were achieved non-recurrently. The ICB acknowledges there is significant further work for the ICB to do with NHS partners to fulfil the commitment to become a financially sustainable health system whilst delivering services and maintaining quality and safety standards.

The North East and North Cumbria Integrated Care Partnership (ICP) published its strategy, Better Health and Wellbeing for All, in December 2022. It is organised around four key goals:

- Longer, healthier lives: reducing the gap between how long people live in the North East and North Cumbria compared to the rest of England.
- Fairer outcomes: everyone does not have the same opportunities for good health, because of where they live, their income, education, and employment.
- Best start in life: enabling children and young people to thrive, have great futures and improve lives for generations to come.
- Better health and care services: high quality services no matter where you live and who you are.

2023/24 became year one of the implementation of the strategy. Delivery of this is supported by the ICB and wider NHS, and partners in local authorities, other public sector organisations, the voluntary, community and social enterprise sector and the independent sector delivering NHS commissioned free at the point of delivery services.

In terms of the wider oversight of the system the ICB has structures in place to support place-to-board oversight, based on National Quality Board guidance. The ICB has established Integrated Place reports, with a standardised quality agenda to ensure a consistent approach. Learning and areas for escalation feed into the ICP quality groups, and are focused on patient experience, patient safety, and clinical effectiveness. Key learning from these four meetings and areas for escalation are discussed at the ICB Non-Executive Director (NED) chaired sub-board Quality and Safety Committee.

During 2023/24 the ICB has continued to review its quality governance arrangements to ensure they remain suitable and appropriate. This includes actions informed by the Patient Safety Incident Response framework (PSIRF) to set up forums to share learning through communities of practice. The ICB has a System Quality Group which is based on best practice guidance from the National Quality Board which reviews a wider than health-focused review of quality across the system. Work is ongoing to strengthen the focus of this group.

The ICB's Quality and Safety Committee reports directly to the ICB Board providing assurance that is delivering its functions in a way that delivers high quality safe patient care in commissioned services and secures continuous improvement in the quality of services, against each of the dimensions of quality set out in the Shared Commitment to Quality and enshrined in the Health and Care Act 2022. This includes reducing inequalities in the quality of care. The ICB is working with stakeholders and the public to co-produce a quality strategy for 2024/25.

The Committee scrutinises the robustness of, and gains and provides assurance to the ICB Board, that there is an effective system of quality governance and internal control that supports it to effectively deliver its strategic objectives and provide sustainable, high-quality care. The system governance arrangements ensure the oversight and delivery of statutory duties of safeguarding and special educational needs and disability (SEND).

The ICBs Local Maternity and Neonatal System (LMNS) has undertaken work to embed the Perinatal Quality Surveillance Model, which supports them to identify areas of risk and priorities for further improvement. The ICB have invested in a Director of Midwifery post which provides system leadership across maternity services and ensures that the LMNS is embedded within ICB leadership.

Regarding the economic factors of decision making the ICB Board receives reports from its relevant committees (Finance Performance & Investment Committee, Executive Committee, Quality & Safety Committee and Audit Committee) providing assurance that the ICB uses its resources economically, efficiently and effectively.

The ICB has an involvement and engagement team that supports commissioners to assess the need for involvement activity as well as practically supporting, advising, planning, project managing and commissioning activity as appropriate.

NHS, Local Authorities and the community, voluntary and social enterprise sectors (VCSE) have come together in the system to develop the Better Health and Wellbeing for All plan to improve health and care in the North East and North Cumbria system. This involvement included the opportunity for stakeholders, partners, and members of the public to help shape this strategy through an online survey and by submitting a direct response.

Significant work on involvement continues to take place in the system. Examples include the Newcastle urgent care review where during 2023/24 the ICB completed the first phase of its listening

exercise with the public, patients, community, voluntary organisations and staff, to help inform the future direction of delivering urgent care services in Newcastle. This included over 1,200 people sharing their views about the service known, through online and paper surveys, and through a series of public face-to-face meetings in community locations across east, central and west Newcastle. Surveys were also distributed through GP practices, urgent treatment centres, the Royal Victoria Infirmary and other key locations (such as libraries and community centres). In addition, over 500 on-street surveys were conducted, and seven independent focus groups were also held.

Involvement actions in relation to Women's health hubs have also taken place during 2023/24. This included in December 2023 the ICB committing £595,000 to fund new women's health hubs in Gateshead, North Cumbria and Sunderland, as part of the NHS's national Women's Health Strategy for England. To help ensure that the design and delivery initiatives are informed by women themselves, including those who have lived experience of particular health conditions, as well as those from diverse communities, there is a key focus on the involvement of key stakeholders. In one of the pilot sites (Gateshead) the ICB is undertaking an independent listening exercise and survey with members of the community, including women from the local Orthodox Jewish Community. In the Sunderland area, there will be some insights work undertaken to inform the communications and branding approach for the hubs.

2. Improving population health and healthcare

The ICBs routine performance assessment has encompassed key elements of the 2023/24 operational planning priorities, NHS Oversight framework (NHS OF) metrics, and the targets as set out in the NHS Constitution, noting nationally the impact of the pandemic. Notable changes in system performance during 2023/24 include:

- **UEC** – Performance against the ambition for patients attending A&E to be seen within 4 hours was below the level required from July 2023 onwards, however, NENC did achieve the national ambition of 76% in March 2024 and when compared nationally is a strong performer. Further work is required to deliver a sustained level of improvement in 2024/25.
- **Ambulance response times** – North East Ambulance Service response times for category 2 calls in 2023/24 were above the national ambition of 30 minutes and in March 2024 reported 33.2 minutes. Further improvement is required in 2024/25.
- **Ambulance Handover delays** – The number of ambulance handovers that exceeded 60 minutes in 2023/24 decreased from 2022/23 levels. Improvement is required in 2024/25.
- **Cancer** – North East & North Cumbria met the national ambition to reduce the number of patients waiting more than 62 days for cancer treatment.
- **Planned care** – The waiting list for elective care across the North East & North Cumbria grew by almost 2.5% during 2023/24. Good progress was made in reducing the number of long wait patients, but the system recognises that this is an area where continued improvement is required in 2024/25.
- **Diagnostics** – Performance across the system against the 6-week diagnostic standard deteriorated slightly in 2023/24. Further improvement is required in 2024/25.
- **Mental health** - Delivery of key ambitions was challenging in 2023/24. The ICB is committed to improve mental health pathways as well as investing in extra support to meet emotional, mental health and wellbeing needs of its population.
- **Dentistry** – The ICB assumed responsibility for commissioning dental services in North East & North Cumbria at the start of 2023/24. The ICB will continue to focus on service transformation with the development and implementation of the ICB dental recovery plan.

The ICB has quality structures in place to support place-to-board oversight, based on National Quality Board guidance. The ICB measures performance utilising a range of performance metrics which are aligned to NHS England's operational planning metrics and encompass a wide range of recovery objectives as well as some NHS Long Term Plan (LTP), NHS People Plan commitments, quality and safety, and health inequality measures. This is underpinned using a statistical process

control (SPC) approach which is considered best practice to understand where there is significant variation and most risk and therefore focus attention on those areas that require improvement support.

The ICB has worked continuously to embed the children and young people's (CYP) transformation programme deliverables as well as implementing and supporting pilots around integration of care, a diabetes transition pilot and diabetes technology pilot, epilepsy specialist nurses and two complications related to excess weight pilots, all of which are contributing to improving the health outcomes of CYP within NENC.

The Finance, Performance and Investment Committee, Executive Committee and Quality and Safety Committees consider the element of risk to achievement of the operational planning priorities within the organisational risk register so that the impact on the quality of care to our patients is minimised.

With regard to NHS England's tiering approach for elective and cancer backlog and Cancer Faster Diagnosis Standard (FDS) positions, the ICB had two trusts placed under the tier escalation process for cancer and three trusts in escalation for elective backlogs. All trusts continue to see improvements through this process, during 2023/24 two trusts were under escalation for elective and cancer, but since April 2024 there is currently one trust under escalation for cancer.

The ICB is working collaboratively with NHSE regional teams to respond to quality challenges within a number of its provider Trusts to oversee, support and assure the necessary improvements. The ICB has invested in a Director of Quality to support in delivery of its duty to improve the quality of services.

The ICB have provided a primary care complaints function since 1 July 2023 and continue to develop their arrangements to embed and sustain clinical review and systematically share learning and improve patient outcomes.

3. Tackling unequal outcomes, access and experience

During 2023/24 the ICB discharged its duties associated with health inequalities primarily through the Healthy and Fairer Programme. This system-wide transformation programme brings key public health and related stakeholders together to collectively consider:

- Prevention
- Healthcare Inequalities
- Broader Social and Economic Determinants

The ICB has supported the development of a programme dashboard that draws upon multiple datasets to provide a contemporary oversight of key metrics and measures of health identified as high priority for the population within NENC. This dashboard includes metrics associated with Alcohol, Cardiovascular Disease, Maternity, Tobacco, and Weight Management. The dashboard allows for the data to be presented at system, place, and (where applicable) Foundation Trust level.

The data being used has demonstrated improvements in key areas with the baseline position recognising inequalities remain and there is significant work on this agenda. Areas demonstrating improvement include:

- Halving the difference in the suicide rate in the NENC compared to England.
- The percentage of patients aged 18 and over with GP recorded atrial fibrillation and a record of a CHA2DS2-VASc score of 2 or more, who are currently treated with anticoagulation drug therapy.
- Reducing smoking from 13% of adults in 2020 to 5% or below

There are areas where the position has worsened compared to baseline indicating the ongoing focus on the inequalities agenda, these being:

- An increase in the number of people with a healthy weight.
- The number of preterm births under 37 weeks.
- The number of severe mental illness (SMI) physical health checks.

The ICBs work on inequalities is underpinned by the healthcare inequalities workstream which supports the delivery of the CORE20PLUS5 for both Adults and Children & Young People through a clinical network-led approach, ensuring that subject matter expertise and whole-system partnerships are at the forefront of delivering the service transformation required to reduce healthcare inequalities, focusing on the most deprived communities within the NENC. This work extends to collaboration with Local Authority Public Health Teams on supporting people with multiple and complex healthcare needs and supporting General Practice working in areas of blanket deprivation through the NENC Deep End Network.

The integration of the Child health and Wellbeing Network into the ICB will support the ICB in strengthening the work across partners in respect of children and young people. This will include a continued focus on emotional and mental wellbeing as well as close working with local Authority partners in respect of local service provision.

Population health management approaches underpin everything that the ICB does in the inequalities arena and have been refined to tackle pockets of deprivation (not just blanket deprivation) and have been instrumental in the:

- Development of the clinical conditions strategic plan identifying priorities for children, young people as well as adult priorities
- Waiting Well actions which demonstrate positive early results and impact on patients on the elective waiting lists - so that patients from the most deprived communities and at risk of greater harm from waits are managed as early as possible
- Expansion of the Waiting Well approach to mental health, learning disabilities and neurodiversity waiting lists in the coming months
- The plan to apply equity lenses to all contracts and service developments across the ICB for 2025/26 and onwards.

Successes within the Healthier Fairer programme include:

- Waiting Well - 11,150 patients on the elective waiting lists were offered support; 3476 accepted support and 84% of these patients who completed support were from Deciles 1 & 2
 - Smoking at time of delivery reduced to 10.0% which is a 2.3% reduction from 2022/23 through the NENC incentive scheme for pregnant women
 - Smoking prevalence in adults reduced to 13% from 14.8% back in 2021
 - Proportion of adult patients on appropriate anti-coagulation atrial fibrillation treatment is now 92%
- Male suicide rates fell by 34% and female suicide rates by 62% on the suicide rate per 100,000 people to 13.7% from 15.1%.

NENC has achieved over 75% of Learning Disability Annual Health Checks and seen improvement in the increase of people identified on Learning disability GP registers, along with ongoing work learning from lives and deaths (LeDeR) programme to reduce health inequalities and equity of access, and improving the awareness of reasonable adjustments through delivery of the Oliver McGowan Mandatory training. An area for development continues to be for Autistic people; for example, diagnostic waiting times, pre and post diagnostic support.

The ICB continues to have high numbers of people with a learning disability and autistic people in mental health and specialist learning disability hospitals (and these numbers have increased since the end of March 2023). There is variation between places, for Dynamic Support Registers and Care Education and Treatment Reviews and limited alternatives to hospital provision therefore an opportunity to share and spread good practice across the ICB, to reduce unnecessary hospital activity and increase community infrastructure would be beneficial. The ICB has developed a quality

transformation plan to redesign services the emphasis of this on creating more opportunities for care and treatment closer to home. This includes a focus on the people with the longest hospital stay and a comprehensive housing strategy to provide additional capacity to meet the specialist needs of some individuals.

Going forward we expect to see measurable progress on improved health outcomes and reduced health inequalities resulting from the actions you are undertaking, and we look forward to seeing these detailed in future annual reports.

4. Enhancing productivity and value for money

The performance of the ICB is monitored against the delivery of the following statutory financial duties:

- Revenue resource use does not exceed the amount specified in Directions
- Revenue administration resource use does not exceed the amount specific in Directions
- Capital resource use does not exceed the amount specified in Directions

The ICB was compliant with all of these statutory financial duties in 2023/24.

Efficiencies totalling £101.8million (compared to a plan of £94.944million) were delivered by the ICB during the year, which has supported delivery of the overall financial position. This has included in particular efficiencies in medicines optimisation and the in year delivery of individual packages of care.

Revenue resource use does not exceed the amount specified in Directions

ICBs are required to manage overall revenue expenditure within the revenue resource limit (the 'break-even duty'). For 2023/24, the ICB originally planned a surplus position, the actual year end position was a surplus of £4.5 million.

Revenue administration resource use does not exceed the amount specific in Directions

A separate running cost allowance is provided to all ICBs to cover the administrative costs of running the ICB. There is a requirement to manage administrative costs within this allowance. Total running costs for the year amounted to £60.8 million, which was within the running cost allowance of £62.4 million.

Capital resource use does not exceed the amount specified in Directions

The ICB is required to manage capital spending within the capital resource limit. The ICB incurred £5.5 million in capital expenditure against a plan of £5.5 million.

The ICB worked collaboratively with the NHSE Regional Finance team and the other three ICBs in North East and Yorkshire Region to best utilise capital resources and successfully deliver the year end capital position. 2023/24 under and over spends at an individual ICB level were as agreed with the Regional Team.

Integrated Care System (ICS)

The original system planned position was £50 million deficit. To enable the system to deliver an aggregate breakeven position, additional non-recurrent funding support of £25 million was provided to the ICB by NHS England at the end of the year, in addition to retaining the one-off PDC benefit. The system actually delivered a deficit of £2.4 million, however this included an allowable year-end adjustment for South Tees NHSFT of £3.2 million. The system is therefore deemed to have delivered the break-even duty. The NHS providers in the ICS delivered actual deficit position of £6.9million (including the adjustment at South Tees).

The system received an operational capital resource limit of £250.6million (including IFRS16 capital for ICB and all providers) and incurred capital expenditure of £255.3million.

The Health Innovation North East North Cumbria (HI NENC), formerly the Academic Health Science Network (AHSN), support regional innovation and research activities and also supported multiple digital transformation programmes projects during the period. Examples of this work comprise; digital inclusion, covering policy reviews and digital inclusion forum activities, and a digital skill working group along with a digital device repurposing initiative.

From a strategic perspective, the Digital Data and Technology (DDaT) Strategy for the region was approved by the ICB board in January 2024, the five key themes within the DDaT strategy.

As a function of the recent ICB organisational change programme the ICB retaining an Executive Director role, with responsibility for Digital, signals the continuous and growing importance of the agenda to the ICB, and to the wider integrated care system.

Examples of programmes of strategic importance include, but are not limited to:

- Primary Care Assess Recovery Plan (PCARP)
- Digitising Social Care (DiSC)
- Frontline Digitisation - improving regional digital maturity levels
- Shared Care Records - Great North Care Record
- Secure Data Environment Programme – secured investment funding to drive regional adoption
- Federated Data Platform (FDP) – wide spread regional adoption of key products such as 'Optica' discharge optimisation
- NHS App – to improve and transform patient centred care
- Digital diagnostics (digital pathology, radiology, and laboratory information management systems)

The above are examples of driven and funded pieces of work to enhance digital maturity across the system and across three key areas of primary care, social care and our secondary care. Having oversight of these programmes of work provides the opportunity to work at scale, look for opportunities for collaboration and identify early risks, issues and interdependencies.

5. Helping the NHS support broader social and economic development

The ICBs vision is better, fairer, health and wellbeing for everyone. This is intended to be an inclusive vision, capturing the need to improve health and broader wellbeing for everyone across North East and North Cumbria. The North East and North Cumbria ICP is a statutory committee of fourteen local authorities and the Integrated Care Board (ICB).

The ICB joint forward plan (JFP) is a delivery plan for the parts of the strategy related to NHS delivered or commissioned services. The Joint forward plan is aligned to the Better Health and Wellbeing for All strategy. Each of these sections of the Plan are interdependent. Priorities are contained within four overarching areas: primary and community care, urgent and emergency care services, planned care, and mental health/learning disabilities/autism. Each sector has six areas of focus, such as access to GPs, end of life care, urgent mental health, ambulance, elective recovery, diagnostics, suicide prevention and drug and alcohol services.

JFP delivery has been influenced by an evolving context and challenges, for example, ongoing industrial action. The ICB Executive Committee has delegated responsibility for the delivery of plans. It has a formal reporting line from all the groups with responsibility of a section of the joint forward plan.

Feedback from North East and North Cumbria Health and Wellbeing boards (HWBs) has been overall positive including with regard to the level of engagement the ICB has with regard the development of the joint local health and wellbeing strategy (JLHWS). Relating to this level of engagement there was a theme in the feedback that it will be important for this to be sustained following the reduced ICB capacity further to the reorganisation during 2023/24.

Another theme from the HWB feedback was the importance of planning at place level and that the ICB does this well and should continue this going forward to ensure a genuine local approach to planning and delivering health and care strategies.

There was a theme from a number of the responses that the reorganisation of the ICB during 2023/24 had led to personnel changes in key roles relating to the joint working with HWBs and other stakeholders but the ICB had continued to work closely with system partners in considering the implementation of the JLHWS, alongside other activity.