NHS
North East and North Cumbria

Item: 9.3

REPORT CLASSIFICATION	✓	CATEGORY OF PAPER	✓
Official	✓	Proposes specific action	✓
Official: Sensitive Commercial		Provides assurance	
Official: Sensitive Personal		For information only	

BOARD 4 JUNE 2024	
Report Title:	**2024/25 Financial and Operational Plans**

Purpose of report

This paper presents the final submitted financial and operational plan for both the ICB and wider ICS for 2024/25, including a summary of changes since the draft plans presented to the Board previously.

Following discussion and agreement at the Board meeting on 30 April 2024, the final plan was submitted to NHS England on 2 May 2024 in line with the national planning timetable and is presented here for formal approval, along with related ICB budgets.

Key points

The first deadline for submission of full plans for 2024/25, covering financial, operational and workforce plans, was 21 March 2024. Final plan submissions were due on 2 May 2024. Relevant updates have been provided to Board on development and update of plans throughout the process.

Financial Plan:

The 2024/25 financial allocations are summarised in the paper. Further detail around financial allocations was included in the paper to Board on 26 March 2024 and has not been replicated in full here. As in 2023/24, the NENC ICB receives lower than average growth funding and a higher convergence adjustment (reduction in funding as part of a move towards 'fair share' funding) as NENC is deemed by NHSE to be overfunded against a fair shares target allocation.

Although a balanced financial position has been delivered across the ICS for 2023/24, this included a significant level of non-recurring efficiencies and other one-off benefits, together with additional non-recurring funding allocations from NHS England (including £35m to offset the planned system deficit).

Work undertaken on the Medium Term Financial Plan (MTFP) across the system identified an underlying recurrent deficit at the end of 2023/24 of over £400m. The MTFP submitted to NHS England in September 2023 set out a "likely recovery trajectory" that suggested the 2024/25 ICS position would be a financial deficit of £176m.

Part A of the paper summarises the final 2024/25 financial plan figures submitted on 2 May 2024, together with details of the movement from the plan submitted in March 2024. The latest financial plan for 2024/25 now shows an overall ICS deficit position of £75.6m. It is important to note this includes the impact of a technical accounting change relating to the treatment of PFI (Public Finance Initiative) expenditure, which is calculated in accordance with UK Generally Accepted Accounting Practice (UK GAAP) in 2024/25 to be consistent with DHSC reporting. Across the ICS we have estimated this

technical change has increased the costs reflected in relevant provider plans by a total of £25.7m compared to the accounting method applied in 2023/24. Work is on-going with NHSE to agree the value and methodology to neutralise the financial plan for this issue.

Excluding the impact of this technical accounting change, the overall ICS position would be a net deficit of £49.9m.

This is an improvement of over £105m to the financial plan submitted in March 2024 which included an overall ICS deficit position of £179.5m (or £155.2m excluding the technical accounting change relating to PFI). This reflects work performed over recent weeks to review organisational positions, including peer review sessions with each individual organisation. Significant additional efficiencies have been assumed within both provider and ICB financial plans which increases the risks to delivery of the plan.

The reported deficit of £75.6m equates to 1% of turnover across the ICS (0.7% excluding the impact of the technical accounting change).

This position assumes delivery of total ICS efficiencies of £519.7m (almost 7% of turnover). This is higher than the efficiencies delivered in 2023/24 (£409.9m) and the risk of under-delivery of efficiency plans is a significant risk to delivery of the plan as a whole.

Within the ICS position, the current financial plan for the ICB for 2024/25 is a surplus of £53.6m. This includes an additional £10m of stretch efficiencies to support the overall ICS position. Work has been ongoing as a priority to review opportunities for efficiencies in commissioned services to deliver this ask and the expectation is this will be met in the main by additional slippage on commissioning budgets for new services such as within Service Development Funding budgets, subject to Quality Impact Assessments.

It is important to note the ICB surplus position is driven by non-recurring benefits, including a significant recurrent efficiency challenge and contains significant potential risks to delivery.

Work is continuing to review the position and identify potential further options to reduce the system deficit beyond 2024/25, including difficult decisions that may need to be considered to ensure the ICS lives within its means. NHSE have asked every ICS to identify what additional measures would need to be taken, and the impact of these, in order to have a break-even plan versus any submitted deficit plan. This work has begun and will be a priority across the system and now forms one of the four key work-streams of the System Recovery Board (the others being Elective, Workforce and Procurement). A formal meeting was held with the NHSE Executive to discuss and review the submitted plan as a whole on 22nd May where the control total of £50m deficit was set and agreed in line with previous papers and approvals of the ICB Board. A verbal update will be provided to Board on the outcome of that meeting.

Activity and Performance:

The North East and North Cumbria operational plan submission demonstrates a planned position for 2024/25 to meet most of the known/anticipated national ambitions. The detail for each of the core metrics is included within Part B of the paper.

Mental Health, People with a Learning Disability and Neurodiversity – the submission includes twelve metrics with four metrics not expected to deliver the national ambition levels. These relate to people accessing specialist community perinatal mental health services, access to children and young people's mental health services, reliance on mental health inpatient care for adults with a learning disability and Talking Therapies Access (24/25 revised definition which now counts number of people who have a course of treatment, 2+ contacts). All other metrics are planned to meet the national ambitions.

Elective Care and Diagnostics – all 65 week waits are planned to be eliminated by September 2024, however although a significant reduction in 52 week waits is planned, there will still be a planned 4,382 patients waiting in excess of 52 weeks by March 2025. This has reduced significantly from the draft submission with one provider showing an increased position. There is a planned improvement in the six week diagnostic metric and there is also a planned delivery of the national ambition for increasing the day

case rate across the ICB. The new outpatient metric for the percentage of outpatient attendances which attract a procedure tariff is not planned to be delivered but there is a planned reduction in the overall waiting list.

Urgent and Emergency Care (UEC) – the submission includes three metrics for UEC, all of which are planned to meet relevant national ambitions.

Cancer – the submission includes three metrics for cancer care, all of which meet the national ambition. The cancer 62 day standard and Faster Diagnosis Standard (FDS) both rely on some significant planned improvements for a number of providers.

Primary Care – the submission includes four metrics (two without specific planning ambitions), all of which are showing improved positions and/or delivering national ambitions.

Discharge and Community Services – the submission includes four metrics (one without a specific planning ambition), three of which are showing improved positions and/or delivering national ambitions. The plan for virtual wards is to increase the number of patients being managed in virtual wards and utilisation will increase from November'24, the average utilisation throughout the year will be slightly below the national ambition of 80%.

Workforce:

The North East and North Cumbria operational final plan submission shows an improved position from the March 24 interim submission and that generally Trusts are forecasting to reduce their workforce which is in line with triangulation of finance and activity.

Final submission on 23rd April 2024 shows an improved position on the March 24 interim submission, moving from a reduction of 0.60% to a reduction of 1.37%. Six trusts have maintained their March 25 planned position in the final submission. Through peer review sessions with trusts and further work on triangulation five trusts have submitted final plans that have further reduced since the March 24 interim submission.

Two trusts are showing workforce growth from their March 24 outturn position. County Durham and Darlington NHS FT (CDDFT) are planning an increase of WTE of 0.68% and NEAS of 6.4%. In contrast Trusts with a small decrease include North Tees and Hartlepool FT of 0.49% and South Tees at 0.53%. There are minimal changes to substantive staff figures with the exception of CDDFT and NEAS that plan to increase their substantive recruitment to reduce agency use.

CDDFT have reported that their slight workforce increase is to decrease their reliance on agency and bank and increase their substantive workforce. NEAS are working to their 3-year investment plan linked to the ambulance capacity funding to support growing their workforce and reduce reliance on third party providers.

Overall, the April 24 final submission shows a much-improved position with a 1.37% efficiency for the North East and North Cumbria.

All Trusts are forecasting a reduction in the use of bank and agency and have agency reduction plans in place which is in line with national requirements and is positive to see.

Sickness and turnover rates for the April 24 final submission have remained stable at 5.17% for sickness and 10.25% for turnover for North East and North Cumbria.

The Primary Care workforce final submission shows no change to the March 24 interim position. There is slight growth planned for GPs and direct patient care roles. There is no workforce growth planned for ARRS funded direct patient care roles, admin and non-clinical staff. There is a planned 4.68% growth in primary care nursing.

There is planned growth within the non-NHS mental health workforce with a slight decrease in staff in post in non-Mental Health Trust workforce. CNTW report a plan for decreases in both staff in post and establishment during 24/25.

Submission:

Final plans were required to be submitted by 2 May 2024. System plans should be triangulated across activity, performance, workforce and finance and must be signed off by the ICB and partner foundation trust boards ahead of submission.

All information contained within the system plan has been signed off by partner Trust Boards ahead of submission to the ICB. Delivery of this report to the ICB Board is to seek formal sign-off of the submission.

Work has been undertaken to test the alignment and triangulation of the three key elements of the plan (Activity, Workforce and Finance) and this will continue post-delivery of this report, including use of the NHSE Triangulation tool. It is acknowledged that given the plan presents a system financial deficit position further work is required on triangulation and this is being supported via the ICB Service Reconfiguration Programme.

By submitting the return, the ICB is confirming that the plan reflects the collective intentions of the system, that finance, activity and workforce plans align and that the plan is agreed by all ICB partners.

Risks and issues

The current planned deficit position has reduced materially since the initial 'flash' reporting in February 2024 and will be extremely challenging to deliver given the scale of efficiencies required in the plan. A number of significant potential financial risks have been identified which are reflected in the plan submission and in section 8 of this paper.

The net unmitigated risk reflected in the draft plan amounts to £160.9m across the system. This risk largely relates to the delivery of required efficiency plans which are higher than those delivered in 2023/24, with the majority of 2023/24 delivery being non-recurrent in nature. Whilst in 2023/24 the ICS also had unmitigated risk of a similar level at the start of the year much of this was mitigated through one-off benefits (such as ERF income being higher than plan). In previous years systems and providers have aimed to have nil unmitigated risk however in the last two years it has not been possible at the start of the year to have plans that have all risk mitigated.

The level of both gross risks across the system and mitigations not yet identified have increased from draft plan submissions in March, reflecting the scale of additional efficiencies assumed within the final plan and resulting increase in risks to delivery.

As work continues to mitigate remaining financial risks consideration is being given, through our impact assessment processes, to the impact these mitigations will have on delivery of the operational plan activity and performance metrics. Changes to workforce plans or numbers are likely to have a direct consequence on both activity and performance metrics.

The PFI accounting adjustment of £25.7m remains an issue and work is on-going with both NHSE and the Trusts involved to resolve this issue.

The capital plan for the ICS is in line with NHSE allocations though further work will take place within the provider collaborative to refine the FT operational plan detail. The ICS has also submitted a request for a further £20m to support the remedial building required at Northumbria Healthcare for which we await confirmation from NHSE.

Assurances

Significant progress has been made in producing and refining operational plans since draft submission including reducing the planned revenue budget deficit to a level agreeable by NHSE.

An ICS wide planning group has helped steer the operational plan production, with leadership from ICB Executives and utilising regular meetings with ICS Boards, the appropriate committees and Chief Executives.

The ICS Directors of Finance have been meeting on at least a weekly basis to oversee production of financial plans.

Regular updates have been provided to the Finance, Performance and Investment Committee and the Board prior to final submission.

The ICB led a peer review process with each provider to review and challenge the assumptions within the draft plan submissions. This has led to several positive changes from the draft to final submissions and a reflection on the deliverability of some of the ambitions in the draft submissions.

All efficiency plans will be subject to Quality Impact Assessments.

Recommendation/action required

The Board is asked to:

- approve the final ICB and ICS financial and operational plans for 2024/25;
- approve the updated ICB revenue budgets for 2024/25 (as per Part A section 6) including those contracts which are above £30m as per appendix 1; and
- approve the ICS capital plan figures (as per Part A section 9).

Acronyms and abbreviations explained

BCF – Better Care Fund
ERF – Elective Recovery Fund
CNST – Clinical Negligence Scheme for Trusts
CUF – Cost Uplift Factor
FT – NHS Provider Foundation Trust
IFRS – International Financial Reporting Standard
MHIS – Mental Health Investment Standard
MTFP – Medium Term Financial Plan
NENC – North East and North Cumbria
NHSE – NHS England
PDC – Public Dividend Capital
PFI – Private Finance Initiative
POD – Pharmacy, Ophthalmic and Dental services
QIA – Quality Impact Assessment
SDF – Service Development Funding
UEC – Urgent and Emergency Care

Executive Committee Approval	N/A
Sponsor/approving executive director	David Chandler, Chief Finance Officer Jacqueline Myers, Executive Chief of Strategy and Operations David Purdue, Chief Nurse, Allied Health Professionals and People Officer
Date approved by executive director	28/05/24
Report author	Richard Henderson, Director of Finance (Corporate) Craig Blair, Director of Strategy and Planning Jayne Aitken, Workforce Lead

Link to ICB corporate aims (please tick all that apply)

CA1: Improve outcomes in population health and healthcare	✓
CA2: tackle inequalities in outcomes, experience and access	✓
CA3: Enhance productivity and value for money	✓
CA4: Help the NHS support broader social and economic development	

Relevant legal/statutory issues

Note any relevant Acts, regulations, national guidelines etc						
Any potential/actual conflicts of interest associated with the paper? (please tick)	**Yes**		**No**	✓	**N/A**	
If yes, please specify						
Equality analysis completed (please tick)	**Yes**		**No**		**N/A**	✓
If there is an expected impact on patient outcomes and/or experience, has a quality impact assessment been undertaken? (please tick)	**Yes**	✓	**No**		**N/A**	

Key implications	
Are additional resources required?	n/a
Has there been/does there need to be appropriate clinical involvement?	Quality impact assessment to be concluded on identified efficiency schemes. Further clinical engagement required on plans across the system, as part of development and delivery of final plans
Has there been/does there need to be any patient and public involvement?	Not at this stage
Has there been/does there need to be partner and/or other stakeholder engagement?	Yes, engagement within the ICB and the wider ICS

Version Control

Version	Date	Author	Update comments
1.0	09/05/24	Richard Henderson	Updated from 30 April Board paper
2.0	10/05/24	Richard Henderson	Appendix 1 added for contracts > £30m
3.0	20/05/24	Richard Henderson	Info added on £10m ICB efficiencies and contract values updated in appendix 1
4.0	28/05/24	David Chandler	Reviewed, minor amends
5.0	28/05/24	Richard Henderson	Minor amends
6.0	28/5/24	David Chandler	Final CFO review and amends. Final version

NHS
North East and
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NHS North East and North Cumbria Integrated Care Board
Draft Financial and Operational Plan 2024/25

1. Purpose of paper

This paper provides a summary of the latest updated financial and operational plan (including activity and performance and workforce) for both the ICB and wider ICS for 2024/25, prior to final submission on 2 May 2024.

The paper summarises changes to the plans since those presented to Board on 26 March 2024.

At the time of writing this report, work is continuing to finalise the 2024/25 financial and operational plan submissions. Any relevant updates will be highlighted to the Board in the meeting on 30 April 2024.

The structure of the paper is as follows:

- PART A – Financial Plans
- PART B – Activity and Performance
- PART C - Workforce
- PART D – Next steps and timeline

PART A – Financial Plans

2. Introduction and context

The draft financial and operational plan paper presented to Board on 26 March 2024 provided a summary of the planning guidance / assumptions and financial allocations for 2024/25, along with detail of the draft financial plans for the ICB and wider ICS.

The contextual information and full detail around financial allocations has not been replicated within this paper. A summary of financial allocations for 2024/25 is included in section 3 below and updates on the latest financial plan values and changes since the draft numbers presented in March 2024 are included.

As a reminder to Board, it is important to highlight that the 2023/24 financial position includes significant non-recurring efficiencies and benefits across both the ICB and provider trusts, including additional non-recurring funding from NHS England.

As well as the additional non-recurring funding received during 2023/24, substantial non-recurring benefits have been realised across the ICS which has helped to mitigate substantial recurring financial pressures. This includes both one-off benefits and non-recurring delivery of efficiency programmes for example. Outturn figures for 2023/24 show 60% of total efficiency programmes across the ICS (£246m) have been delivered on a non-recurring basis.

The non-recurring nature of these savings contributes to a significant financial challenge to develop balanced plans for 2024/25, as illustrated within the Medium Term Financial Plan (MTFP)

which showed an underlying recurrent deficit at the end of 2023/24 of over £400m across the system.

3. Revenue allocations

The majority of the NHS revenue allocations for ICBs for 2024/25 have been published.

Table 1 below summarises total confirmed ICB revenue allocations for 2023/24.

Table 1:

Recurrent allocations	£m
Core programme	6,187.6
Delegated Primary Medical Care	606.1
Other Delegated Primary Care	358.0
Running Costs	50.3
Additional Discharge Allocation	28.4
Additional Physical and virtual capacity funding	31.8
Ambulance Capacity Funding	9.7
Other recurrent allocations	4.0
Recurrent allocation	**7,275.9**

Non-recurrent allocations	£m
Service Development Fund (SDF)	165.3
Elective Recovery Funding (ERF)	147.9
COVID Testing Allocation	4.8
Adult Long COVID Funding	4.6
Delegated ERF	5.9
Depreciation/amortisation – additional ring-fenced funding	11.4
Charge exempt overseas visitor (CEOV) and UK cross border adjustment	(2.0)
Microsoft Licences	(1.6)
Total non Recurrent allocation	**336.4**

Total NENC ICB Allocation	**7,612.3**

Further detail around the make-up of the specific funding allocations and relevant growth and convergence adjustments was included in the paper presented on 26 March 2024 and this has not been replicated in full here.

There are two changes to the funding allocations shown above compared to those outlined previously:

- Service Development Fund (SDF) allocation increased from £156.0m to £165.3m. This is mainly additional notified SDF for Cancer targeted funding (£5.2m) as well as £3.5m related to Medical Examiners.
- Depreciation/amortisation funding increased from £3.9m to £11.4m

All other funding remains in line with values presented in March 2024.

4. Finance Business Rules

The ICB and System finance business rules for 2024/25 are unchanged from the previous year and summarised in the table below:

Rule	ICB	System
Capital resource use		Collective duty to act with a view to ensuring that the capital resource use limit set by NHS England is not exceeded
Revenue resource use	Duty to meet the resource use requirement set by NHS England	Collective duty to act with a view to ensuring that the revenue resource use limit set by NHS England is not exceeded
Breakeven duties (achieve financial balance)	Duty to act with a view to ensuring its expenditure does not exceed the sums it receives	Objective to break even – that is, duty to seek to achieve system financial balance
Financial apportionment	Revenue and capital resources of all trusts apportioned exclusively to a principal ICB	
ICB administration costs	Duty not to exceed the ICB running cost allowance limit set by NHS England	
Risk management	Local contingency decision required to show how financial risks will be managed	
Prior year's under and overspends		Maintain as a cumulative position
Repayment of prior year's overspends		All overspends are subject to repayment
Mental Health Investment Standard	Comply with standard	
Better Care Fund	Comply with minimum contribution	

As in 2023/24, there is a key requirement for the ICB to deliver at least a breakeven position, and collectively for the system to break even. The ICB is also required not to exceed the running cost allowance limit.

5. Planning approach and key assumptions

Contracts

NHS Provider trust contract baselines have been rolled forward from 2023/24 adjusted for non-recurring funding and the impact of any in-year recurrent changes agreed in 2023/24 (including the pay award) to produce a recurrent 2024/25 opening contract baseline. This has then been

adjusted for 2024/25 additions, including for example net inflation uplifts, convergence adjustments, excess inflation funding, ERF.

Contracts will continue to be largely a fixed, block amount, but with a variable element for activity within the scope of elective recovery funding (elective ordinary and day case, outpatient procedures, outpatient first attendances). The variable element will be transacted in-year with activity paid for at 100% of the NHSPS unit price.

Contract Uplifts

Provider contracts are now expected to increase by a net tariff uplift of 0.6%. Draft guidance indicated this would be a net uplift of 0.8% which has now been revised following a reduction in the forecast GDP deflator. The net 0.6% uplift is based on a gross Cost Uplift Factor (CUF) of 1.7%, less a national efficiency ask of 1.1%. The 1.7% CUF is comprised of the following:

Cost	Estimate	Cost weight	Weighted estimate
Pay	2.1%	69.3%	1.5%
Drugs	0.3%	2.4%	0.0%
Capital	0.8%	7.6%	0.1%
Unallocated CNST	0.6%	2.2%	0.0%
Other	0.8%	18.4%	0.2%
Total			1.7%

It should be noted that the percentage values above are based on national averages, and often the actual impact across different cost groups can vary. Key elements to note are as follows:

a) Pay – the pay settlement for 2024/25 is still to be agreed. When this this confirmed, there may be a differential impact depending on grade of staff and whether staff groups are covered by Agenda for Change (AfC) pay-scales or others (e.g. VSM, medical etc).

b) Non-pay – this is likely to impact differentially on organisations depending on elements such as utility contracts and the extent to which some organisations have prices protected, and others don't, for example. It is also highly dependent on other issues such as whether a Trust has PFI contracts, and the mix of non-pay expenditure within their plans.

c) Clinical Negligence Scheme for Trusts (CNST) historically impacts different trusts in different measures depending on factors such as clinical risk, activity.

Efficiency Requirement

The national efficiency 'ask' for 2024/25 built into the national tariff calculation is 1.1% (same as 2023/24). In addition, a convergence adjustment (allocation reduction) has been applied to the system of around 1.09%.

This, combined with the significant underlying financial pressures facing the ICS, result in a true efficiency ask which is far in excess of the 1.1% included in tariff. The MTFP work identified an efficiency requirement of 3.6% as part of the "likely recovery trajectory" which continued to result in a deficit until 2027/28. The "system compliant model" which would have delivered a balanced financial position in 2024/25 would require efficiencies of around 6% to be delivered.

Total efficiencies of around 6% have been delivered in 2023/24 across the ICS, although 60% of this was delivered non-recurrently.

Key planning assumptions

The following key planning assumptions have been applied in the draft ICB and wider ICS financial plan:

- NHS provider contract values are based on:
  - Rolled forward 2023/24 values adjusted for non-recurring funding and any agreed in-year recurrent changes including impact of 2023/24 pay award,
  - Convergence adjustment applied across all baseline contracts, based on relative share of top-up funding,
  - 2023/24 inflationary uplift of 1.7% net of efficiencies of 1.1% to give an overall net uplift of 0.6% (see above),
  - Activity Recovery Support Funding of 0.6% added to acute and ambulance contracts,
  - Excess inflation funding distributed on an updated fair share basis,
  - Transition support funding to manage impact on individual organisations of changes in funding levels,
  - ERF funding allocated based on relative increase in activity targets in 2023/24 compared to 2019/20 baselines.
  - Fairer share of previous years excess inflation funding

- Spend on mental health is planned to increase in line with the Mental Health Investment Standard (4%).

- Better Care Fund growth of 5.7% has been included in line with planning guidance.

- Confirmed Service Development Funding of £165m is included within the financial allocations has been ring-fenced. After a 5% overhead contribution, approx. 7% of non-recurrent slippage is anticipated and required to support the overall ICB and ICS financial plan. The Board are asked to approve the total SDF spend, with detailed plans by individual workstreams to be agreed via Executive Committee in line with delegated financial limits.

- A 0.6% increase has been assumed for community and place budgets, similar to the activity recovery uplift applied to NHS acute and ambulance contracts.

- £2.5m has been allocated as an uplift to Middlesbrough place (to be split across relevant acute, mental health and other place budgets) following analysis at the Resource Allocation Group and a 25% movement towards fair shares funding.

- 2.3% increase in prescribing costs has been assumed in line with national planning assumptions, prior to efficiency assumptions.

- A total of 12% growth has been included in respect of individual packages of care (continuing healthcare and s117 packages) to reflect expected fee increases and potential growth in package numbers. This is higher than the national estimate included within ICB allocation growth (total of 6.2% notified within initial allocations in 2023) but is consistent with growth assumptions applied in 2023/24 with significant budget pressures continuing to be seen in-year.

- Individual ICB budget lines have been calculated based on recurrent expenditure levels wherever possible.

- Total ICB efficiencies of £117.7m are included in the plan (compared to a total of £101.8m efficiencies delivered in 2023/24). Total planned efficiencies across provider trusts within the ICS amount to 5.5% of provider turnover overall (compared to around 4.1% delivered in 2023/24).

6. Draft ICB financial plan and budgets

The latest financial plan submitted on 2 May 2024 shows a surplus position for the ICB of £53.6m.

A summary of the latest draft ICB financial plan and proposed budgets for 2024/25 is shown below:

ICB Financial Plan and Budgets 2024/25	Annual Plan 2024/25 £'000
ICB Allocation	**7,612,311**
ICB Expenditure:	
Acute Service Expenditure	-3,626,060
Mental Health Service Expenditure	-924,298
Community Health Service Expenditure	-718,942
All-age Continuing Care Service Expenditure	-511,082
Primary Care Service Expenditure	-699,460
Other Programme Service Expenditure	-37,247
Other Commissioned Service Expenditure	-19,502
Primary Medical Services Expenditure	-606,063
Delegated Primary Care Expenditure	-363,924
Total ICB Commissioning Service Expenditure	**-7,506,578**
Running Costs	-50,313
Reserves/Contingencies	-1,818
Total ICB Expenditure	**-7,558,709**
Total ICB Net Position Surplus / (Deficit)	**53,602**

The draft financial plan presented in March 2024 included a surplus of £54.2m in total for the ICB which included certain 'system adjustments' including funding which was expected to be reflected in provider plan positions for the final plan submission. Excluding these adjustments, the actual ICB position was expected to be a surplus of £45m. This included a significant efficiency challenge and significant potential risks to delivery.

The final agreed plan position of £53.6m includes an additional £10m of stretch efficiencies to support the overall ICS position. Work has been ongoing as a priority to review opportunities for efficiencies in commissioned services to deliver this ask and the expectation is this will be met in the main by additional slippage on commissioning budgets for new services such as within Service Development Funding budgets, subject to Quality Impact Assessments.

Whilst the ICB agreed a planned surplus of £32m for 2023/24 which has been managed throughout the year, this included a number of significant recurring financial pressures which have been mitigated on a non-recurring basis in-year.

Delivery of the planned surplus of £53.6m includes the following assumptions:

- Delivery of efficiencies totalling £117.7m, approximately 3.5% of relevant budgets, including an additional £10m stretch efficiency target,
- Assumed non-recurrent slippage on commissioning budgets of £15m in total,
- Further non-recurring benefits expected to materialise in year of £18m.

The level of total efficiencies required presents a potential risk to delivery of the plan and as in 2023/24 includes a significant amount of non-recurrent opportunities.

Efficiencies included in the ICB plan reflect the following:

	£000's	£000's	£000's
Efficiency Schemes	**Total**	**Recurrent**	**Non Recurrent**
CHC	18,672	14,496	4,176
Prescribing	21,792	15,564	6,228
Local Delivery Team efficiencies	6,612	-	6,612
Running Costs	10,620	10,620	-
Other non-recurring opportunities	50,016	-	50,016
Additional stretch efficiency	10,000	-	10,000
Total Efficiency	**117,712**	**40,680**	**77,032**
Percentage		**34.6%**	**65.4%**

Latest forecast efficiencies 2023/24	101,775	
Increase required	*15,937*	*16%*

Note – currently the local delivery team efficiencies and additional stretch efficiency are included as non-recurrent within the financial plan whilst detailed specific schemes are identified and agreed.

The underlying recurrent ICB financial position remains a deficit as previously highlighted within the Medium Term Financial Plan. Assuming delivery of planned recurrent efficiencies in 2024/25, it is expected the underlying ICB financial position will improve to a deficit of £51.6m. This underlying deficit continues to be driven by recurrent pressures on prescribing costs and individual packages of care (continuing healthcare and s117 packages) in the main, together with recurrent shortfalls on delegated primary care budgets.

Included within the ICB plan are a number of contracts/agreements with values in excess of £30m. These comprise contracts with local NHS Foundation Trusts (within the ICS), together with certain section 75 agreements with local authorities which are above £30m.

Initial expected contract values were approved by Board in March 2024 in line with delegated financial limits. Appendix 1 highlights those contracts above £30m where values have subsequently increased in the final financial plan. The Board is asked to approve the revised values in appendix 1 as part of the approval of the financial plan and budgets.

Work is ongoing to finalise Better Care Fund (BCF) agreements for 2024/25 however approval of total values in appendix 1 is requested to support initial payments on account being made. As in

2023/24, it is requested that the ICB approval of the BCF is delegated to the Chief Delivery Officer based on recommendations from place sub-committees, with formal approval of BCF agreements required to be via relevant Health and Wellbeing Board, within the budgets set by ICB Board.

7. Draft ICS financial plan

In 2023/24 the ICS agreed a deficit plan with NHSE of £50m.

For 2024/25 the overall ICS position within the latest financial plan is a net deficit of £75.6m (compared to £179.5m in the March 2024 submission). It is important to note this includes the impact of a technical accounting change relating to the treatment of PFI (Public Finance Initiative) expenditure, which is calculated in accordance with UK Generally Accepted Accounting Practice (UK GAAP) in 2024/25 to be consistent with DHSC reporting. Across the ICS we estimate this technical change has increased the costs reflected in relevant provider plans by a total of £25.7m compared to the accounting method applied in 2023/24.

Excluding the impact of this technical accounting change, the overall ICS position would be a net deficit of £49.9m (compared to £155.2m in the March 2024 submission). Hence on a like for like basis the 2024/25 plan position is at the same level as the initial 2023/24 plan, and significantly improved from the March 2024 draft submission.

ICS Financial Plan 2024/25	**Reported Annual Plan Surplus/(deficit) 2024/25 £'000**	***Impact of PFI technical accounting change***	***2024/25 Planned Surplus/(deficit) excluding technical change***
ICB net surplus / (deficit)	53,602	-	*53,602*
Provider trust net surplus / (deficit)	(129,201)	*25,655*	*(103,546)*
Overall ICS surplus / (deficit)	**(75,599)**	***25,655***	***(49,944)***
Surplus / (deficit) as % of allocation	(1.0%)		(0.7%)

The movement in the overall ICS deficit position since that submitted in March and presented to Board on 26 March 2024 is shown below:

ICS Financial Plan 2024/25 Overall Surplus / (Deficit)	***Presented to Board 26 March 2024 £'000***	**Final plan submission 2 May 2024 £'000**
ICB net surplus / (deficit)	*54,247*	53,602
Provider trust net surplus / (deficit)	*(233,708)*	(129,201)
Overall ICS surplus / (deficit)	***(179,461)***	**(75,599)**
Excluding PFI technical accounting change	***(155,154)***	**(49,944)**
Movement		*105,210*

Significant focused work has continued since initial draft plan submissions, led by the Chief Finance Officer working closely with ICS Directors of Finance and Chief Executives to review organisational positions, potential pressures and seek to reduce the deficit position.

Peer review sessions have taken place with all organisations covering finance, performance and workforce to review plans in detail and provide the opportunity for appropriate challenge, shared learning and potential opportunities to be identified.

The net impact of this is an overall reduction in the ICS deficit position of over £105m compared to the plan submitted in March 2024 however the ICS is unable at this juncture to report a plan of break-even as expected by NHSE.

The reduction in the planned system deficit position since March 2024 includes a large amount of additional, unidentified, efficiencies being included in both provider plan positions and the ICB position, increasing the potential risks associated with the plan.

Seven FTs within the ICS are now reporting at least a break-even plan position, with four FTs reporting a deficit plan (compared to three FTs reporting a deficit in 2023/24).

The reported deficit of £75.6m equates to 1% of turnover across the ICS (0.7% excluding the impact of the technical accounting change) and assumes delivery of total efficiencies of almost £520m (7% of turnover).

Total efficiencies included within provider plans amount to £402m (5.5%). This is substantially higher than achieved in 2023/24 and represents a significant potential risk to delivery of plans, particularly as the majority of efficiencies in 2023/24 were delivered on a non-recurring basis.

Work is continuing to review the position and identify potential further options to reduce the system deficit, including potential challenging decisions that may need to be considered if required. NHSE have asked every ICS to identify what additional measures would need to be taken, and the impact of these, in order to have a break-even plan versus any submitted deficit plan. This work has begun and will be a priority across the system over the coming weeks with any resulting output coming back to board for formal approval. A formal meeting was held with the NHSE Executive to discuss and review the submitted plan as a whole on 22nd May where the control total of £50m deficit was set and agreed in line with previous papers and approvals of the ICB Board. A verbal update will be provided to Board on the outcome of that meeting.

8. Key financial risks

There are a number of potential financial risks associated with both the ICB financial plan and wider ICS plan:

Risks and Mitigations in Financial Plan	ICB 2024/25 £'000	Provider Trusts 2024/25 £'000	Total ICS 2024/25 £'000
(Risks)/(Offsets to benefits):			
Additional cost risk (capacity, pressures, winter)	(9,183)	(74,545)	(83,728)
Additional cost risk (inflation)	-	(58,794)	(58,794)
Efficiency risk	(10,000)	(156,886)	(166,886)
Prescribing / CHC	(30,460)		(30,460)
Income risk (excl. ERF)	-	(77,511)	(77,511)
Total Risks	**(49,643)**	**(367,736)**	**(417,379)**
Mitigations/benefits:			
Additional cost control or income (excl. ERF)	3,000	109,631	112,631
Efficiency mitigation	10,000	70,005	80,005
Non-recurrent mitigations	10,000	53,798	63,798
Mitigations not yet identified	26,643	134,302	160,945
Total Mitigations	**49,643**	**367,736**	**417,379**
Total Net Risk (excluding ERF)	**-**	**-**	**-**

Total Unmitigated Net Risk	**(26,643)**	**(134,302)**	**(160,945)**

Within the ICB, the main risks relate to potential growth in prescribing costs as well as growth in continuing healthcare costs, both of which saw significant budget pressures in 2023/24. There is also a risk of additional activity on acute independent sector contracts although this should be funded via elective recovery fund.

Across the wider ICS there are a number of risks relating to cost growth and inflationary pressures together with additional costs associated with capacity pressures. There is also a significant risk around the delivery of required efficiency savings included within the plan, which are higher than efficiencies delivered in 2023/24 which included substantial non-recurring benefits.

Risks have been offset by mitigations within the plan, however a total of £160.9m of mitigations are still to be identified. The level of total risk and mitigations not yet identified have increased from the March 2024 draft plan submission, reflecting the additional efficiency assumptions included in the final plan and resulting increased risk to delivery.

9. NENC Capital Plan

In total, capital allocations for 2024/25 amount to £190.7m across the ICS. This includes baseline allocations (including funding for Aseptics and UEC Ambulance) as well as £4.3m representing the indicative ICS share of additional national funding allocated to systems based on prior year revenue performance. For 2024/25 NENC ICS is expected to receive 50% of its potential fair share of the Revenue Performance Fund based on achieving an agreed deficit plan.

Capital Allocations	2024/25 £'000
Providers:	
Baseline allocation (incl. Aseptics and UEC ambulance)	172,159
Indicative prior year revenue performance allocation	4,261
5% tolerance	8,821
Total provider capital allocation	**185,241**
ICB capital allocation	5,447
Total ICB capital allocation	**5,447**
Total ICS capital allocation 2024/25	**190,688**

As in 2023/24, the provider capital allocation is effectively delegated to the Provider Collaborative to manage, with assurance over delivery of capital plans provided via the Finance, Performance and Investment Committee. The balance of £5m is included as ICB capital within the financial plan submission but this will be allocated across provider trusts with the split to be agreed with the Provider Collaborative.

A potential pressure on capital funding of £20m has been highlighted within the plan, relating to the rectification work with Northumbria Healthcare. This has previously been discussed with NHSE regional and national capital colleagues.

Capital Funding Plans:	2024/25 £'000
Providers:	
South Tyneside and Sunderland NHS Foundation Trust	17,322
North Cumbria Integrated Care NHS Foundation Trust	12,270
Gateshead Health NHS Foundation Trust	9,816
The Newcastle Upon Tyne Hospitals NHS Foundation Trust	32,770
Northumbria Healthcare NHS Foundation Trust	65,176
South Tees Hospitals NHS Foundation Trust	13,989
North Tees and Hartlepool NHS Foundation Trust	12,618
Tees, Esk and Wear Valleys NHS Foundation Trust	8,509
Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust	6,095
North East Ambulance Service NHS Foundation Trust	7,695
County Durham and Darlington NHS Foundation Trust	14,006
Total provider capital	**200,266**
ICB:	
GPIT	4,901
Improvement grants	546
Total ICB capital plans	**5,447**
Balance still to allocate	4,975
Total ICS capital funding plans 2024/25	**210,688**
Total ICS capital allocation (indicative)	**190,688**
Variance to allocation	**(20,000)**

PART B – Activity and Performance

1. Introduction

This section provides an overview of the 2024/25 Operational Plan submission to NHS England relating to activity and performance on 02 May 2024.

The 2024/25 priorities and operational planning guidance was published on 27 March 2024 and this set out the national ambitions for the NHS in England. All changes have been reflected in the submissions by providers and ICB teams.

The North East and North Cumbria submission demonstrates a planned position for 2024/25 to meet most of the known/anticipated national ambitions. Exceptions are highlighted in the respective sections. The overview covers the ICB wide position, drawn from the collated plans and aggregated from individual NHS Trusts and where applicable from ICB teams.

2. Mental Health, People with a Learning Disability and Neurodiversity

The submission includes twelve metrics for mental health, people with a learning disability and neurodiversity. This work is supported by the ICB subcommittee, which includes partner representation.

Ref	Metric	NENC Plan	Meets National Ambition
E.A.5	Active inappropriate adult acute mental health out of areas placements (OAPs)	0 (March'25)	**Yes** (ambition 0)
E.A.4a	Access to NHS talking therapies for anxiety and depression - reliable recovery	50% (March'25)	**Yes** (ambition 48%)
E.A.4b	Access to NHS talking therapies for anxiety and depression - reliable improvement	68.5% (March'25)	**Yes** (ambition 67%)
E.A.4a/4b	Talking therapies: Number of people who are discharged having received at least 2 treatment appointments in the reporting period	35,000	No (35,000 for 2024/25 against national share of 40,517)
E.A.S.1	Estimated diagnosis rate for people with dementia	69.8% (March'25)	**Yes** (ambition 66.7%)
E.H.13	People with severe mental illness receiving a full annual physical health check and follow up interventions	69.5% (March'25)	**Yes** (ambition 60%)
E.H.15	People Accessing Specialist Community Perinatal Mental Health Services	2,500 (March'25)	No (3,156 by March'25)
E.H.31	Overall Access to Transformed Community Mental Health Services for Adults and Older Adults with Severe Mental Illnesses	30,000 (March'25)	**Yes** (23,586 by March'25)
E.H.9	Access to Children and Young People's Mental Health Services	59,632 (March'25)	No (60,897 by March'25)
E.K.1	Reliance on mental health inpatient care for adults with a learning disability and autistic adults	64.8 per million adults (Q4 2024/25)	No (< 30 per million adults)
E.K.1c	Reliance on mental health inpatient care for people with a learning disability and/or autism - Cared for Children	0 per million adults (Q4 2024/25)	**Yes** (12-15 per million adults)
E.K.3	Percentage of people with a learning disability on GP registers receiving an annual health check	75% (Q4 2024/25)	**Yes** (ambition 75%)

2.1 People Accessing Specialist Community Perinatal Mental Health Services

This metric is designed to demonstrate progress in increasing access to NHS funded specialist community Perinatal Mental Health (PMH) services and Maternal Mental Health Services (MMHS). It is a twelve-month rolling aggregate.

The most recent available baseline for this measure is the twelve-month period March 2023 – February 2024 inclusive. The total number of people accessing relevant services was 2, 335.

The plan submission shows a 7% increase on this baseline. However, the plan for 2024/25 only achieves 79% of the national ambition, which for NENC is set at 3, 156.

The latest information from the earlier interim planning submissions showed that systems across England were on average planning to achieve 93% of the national ambition, meaning that NENC is still a negative outlier.

There is potential to over perform against the plan submission. This would require:

- An expansion of the maternal mental health provision to all Consultant led Maternity units (currently the service is only delivered in a small number of pilot sites).
- Expansion of the perinatal service capacity

Both actions require close working between the Local Maternity and Neonatal System (LMNS) and the ICB Transformation and Locality Delivery Teams. The actions would also require agreement of additional investment. The children and young people service development fund (SDF) deployed to the ICB is inclusive of perinatal and maternal mental health. The 2024/25 SDF allocation is not yet fully committed. As such there is a potential funding stream.

2.2 Access to Children and Young People's Mental Health Services

The NHS Long Term Plan (LTP) builds on commitments outlined in the Five Year Forward View for Mental Health to increase the number of children and young people (CYP) accessing help from NHS funded mental health services.

The most recent available baseline for this measure is the twelve-month period March 2023 – February 2024 inclusive. The total number of children and young people accessing relevant services was 57, 205. The plan for 2024/25 is a 4% increase on the baseline.

The latest information from the earlier interim planning submissions showed that systems across England were on average planning to achieve 95% of the national ambition. The 2024/25 plan would achieve 98% of the national ambition allocation for NENC.

There is potential to over perform against the plan submission through targeted deployment of the uncommitted amount within the children and young people service development fund (SDF).

2.3 Talking Therapies

This indicator tracks our ambition to expand NHS Talking Therapies services, formerly known as IAPT. The primary purpose of this indicator is to measure improvements in the number of people who have received a course of psychological therapy (2+ contacts, via NHS Talking Therapies) for people with depression and/or anxiety disorders and achieved reliable improvement and reliable recovery.

The most recent available baseline for this measure is the twelve-month period March 2023 – February 2024 inclusive. The total number of people accessing relevant services was 34, 295. The plan for 2024/25 shows a modest 2% increase on the baseline.

The latest information from the earlier interim planning submissions showed that systems across England were on average planning to achieve 105% of the national ambition. The 2024/25 plan would achieve 86% of the national ambition allocation for NENC, meaning we are a significant negative outlier.

The ICB and partners are actively reviewing the options for recovering this ambition. The service provider, service model, referral pathways, investment level and activity level vary significantly across the Locality Delivery team footprints. Any further over achievement of our final submission will be contingent on our available investment, operational capacity (specifically recruitment and retention) and improving the referral pathway.

There is potential to deploy uncommitted SDF funds and a small element of mental health investment standard to support this recovery.

2.4 Reliance on mental health inpatient care for adults with a learning disability and autistic adults

In the NENC too many autistic people and people with a learning disability are admitted to mental health hospitals. Once in hospital, some people stay much longer than they need to because we do not have the right homes, care, and support in the community.

With partners in local Councils, Trusts, and the Northern Housing Consortium we have developed a Housing, Health and Care strategy which, informed by a community of practice of people with a lived experience, will support the region to develop more suitable accommodation for people with complex needs and disabilities.

The ICB has invested extra resources in our complex case teams and the Trusts clinical intensive support teams, to ensure regular assessments of needs and support within community settings. This will help avoid unnecessary admissions to hospital.

In 2024/25 the ICB will intensely focus with partners on opportunities for those people who are ready for discharge from hospital with the longest lengths of stay. We will hold ourselves to account for achieving these discharges through an Executive Committee.

3. Secondary Care Performance

3.1 Elective Care and Diagnostics

Alongside activity levels (included in section 4), the submission includes eight metrics for elective and diagnostic care.

Ref	Metric	NENC Plan	Meets National Ambition
E.B.3a	The number of incomplete Referral to Treatment (RTT) pathways (waiting list size)	348,310 (Mar25) Reduction of 17,177 from Apr24	**Yes** (ambition to reduce)
E.B.20	Eliminate elective waits over 65 weeks as soon as possible and by September 2024 at the latest	0 (September'24)	**Yes** (ambition 0 by September'24)
E.B.18	The number of incomplete Referral to Treatment (RTT) pathways (patients yet to start treatment) of 52 weeks or more	4,382 (March'25)	Whilst there is no reference within the 24/25 Operational Planning guidance, NENC ICB have an ambition to develop plans that support an overall reduction in 52-week waits
E.B.26	Diagnostic levels that support plans to address elective and cancer backlogs and the diagnostic waiting time ambition (no specific quantified ambition).	107% (2024/25 v 2023/24	*No planning objective*
E.B.28	Increase the percentage of patients that receive a diagnostic test within 6 weeks in line with the March 2025 ambition of 95%	92.4% (March'25)	Increase the percentage of patients that receive a diagnostic test within six weeks in line with the March 2025 ambition of 95% (24/25 ICB trajectories required for 9/15 modalities only)
E.M.34	PIFU as percentage of total outpatient attendances	4.7% (March'25)	*No planning objective*
E.M.38	Increase the proportion of all outpatient attendances that are for first appointments or follow-up appointments attracting a procedure tariff to 46% across 2024/25	44.5%	No (ambition 46%)
	Daycase Rate	87% (2024/25)	**Yes** (ambition 85%)

All Trusts except South Tyneside and Sunderland NHS Foundation Trust (STSFT) plan on delivering a reduction in 52 week waits by March'25 (this has improved from the draft submission). Gateshead Health NHS Foundation Trust (GHFT), Northumbria Healthcare NHS Foundation Trust (NHFT) and County Durham and Darlington NHS Foundation Trust (CDDFT) all plan to eliminate 52+ week waiters by March'25.

With regards to the national ambition to deliver 95% of diagnostic tests within 6 weeks NENC ICB has seen an improvement from the draft submission of 91.3% to 92.4% despite making progress with the implementation of community diagnostic centres and associated increased capacity our plan is not compliant with the national ambition.

The NENC ICB position for the proportion of all outpatient attendances attracting a procedure tariff is also under the national ambition of 46% with a planned performance of 44.5%. There is variation across providers with GHFT 33% and North Cumbria Integrated Care NHS Foundation Trust (NCIC) 55.3%.

3.2 Urgent and Emergency Care

The submission includes three metrics for urgent and emergency care. All NHS Trusts are planning to deliver the national expectation to improve performance to at least 78% for accident and emergency four hour wait by March'25. The NENC ICB position for March'25 is planned to be 81.7% for accident and emergency four hour wait with 29.8 minutes the 2024/25 average for ambulance category 2 response times. Adult general and acute bed occupancy is at 91.6%, slightly below the national ambition.

Ref	Metric	NENC Plan	Meets National Ambition
E.M.13	Improve Accident and Emergency Performance to a minimum of 78% of patients seen within 4 hours by March 2025	81.7% planned March'25	**Yes** (ambition 78%)
E.M.30	Reduce adult general and acute bed occupancy to below 92%.	91.6% (2024/25)	**Yes** (ambition < 92%)
E.B.23c	Improve ambulance category 2 average response times to no more than 30 minutes across 2024/25.	29.8 mins (2024/25 average)	**Yes** (ambition < 30 mins)

As part of the Peer Review process undertaken with all provider Trusts the ICB Team were able to challenge proposed plans based on current and historic levels of performance, testing the realism of plans to deliver both national and local levels of ambition. As a result of this the NUTH position on the Improve Accident and Emergency Performance to a minimum of 78% of patients seen within 4 hours by March 2025 has reduced from a planned level of 85% at the point of the Flash return to 78.95% for the final submission. Both the NUTH and NENC position remain complaint with the national ambition of 78%.

3.3 Cancer

The submission includes three metrics for cancer care, both of which meet the national ambition. This work is supported by the Northern Cancer Alliance which is now formally hosted within the ICB from 01 April 2024.

All providers are planning to deliver the national ambitions for both standards. NCIC are planning to deliver a large improvement in performance for both standards throughout 2024/25.

Ref	Metric	NENC Plan	Meets National Ambition
E.B.35	Improve performance against the 62 day standard to 70% by March 2025.	72.7% planned March'25	**Yes** (ambition 70%)
E.B.27	Improve performance against the faster diagnosis 28 day standard to 77% by March 2025.	79.1% planned March'25	**Yes** (ambition 77%)
E.B.34	Lower GI (at least 80% of referrals accompanied by a FIT result)	80.5% (2024/25)	**Yes** (ambition 80%)

4. Primary and Community Care

4.1 Discharge and Community Services

This submission includes four metrics for discharge and community services with plans to deliver all relevant national ambitions and for the percentage of patients not meeting the criteria to reside, a planned reduction throughout 2024/25. The variation across providers for no criteria to reside shows significant variation, ranging from 6% to 14.6% in March'25.

Although there is a planned reduction in the total number of patients waiting over 52 weeks in community services, further work is required with providers and local delivery teams to develop plans to reduce long waiters in children's community services specifically.

Ref	Metric	NENC Plan	Meets National Ambition
E.M.29	Percentage of beds occupied by patients not meeting the criteria to reside	8.9% (March'25)	*No planning objective* Planned reduction from 9.2% to 8.9%
E.T.5	Virtual ward occupancy	78.25% (average 2024/25)	No (utilisation is consistently above 80%)
E.T.8	Urgent Community Response (UCR) Referrals	7,675 (2024/25 average)	**Yes** Increase referrals to and the capacity of UCR services, whilst still ensuring a timely response
E.T.9	Community waiting list over 52 weeks	825 (March'25)	**Yes** Focus on reducing long waits (>52w)

4.2 Primary Care

This submission includes four metrics for primary care which includes new metrics for dental recovery. The plan is to deliver the national ambition of 85% of GP appointments seen within two weeks and increase the units of dental activity delivered (6% higher on average each quarter in 2024/25).

Ref	Metric	NENC Plan	Meets National Ambition
E.D.21	Percentage of GP appointments seen within two weeks	85.1% (2024/25 average)	**Yes** (ambition 85%)
E.D.22	Percentage of resident population seen by an NHS dentist - adult	43% (2024/25 each quarter)	**Yes** Increase access planned in 2024/25
E.D.23	Percentage of resident population seen by an NHS dentist - child	74% (Q4 2024/25)	**Yes** Increase access planned in 2024/25 Increase from 58% in Q4 2023/24 to 74% in Q4 2024/25
E.D.24	Units of dental activity delivered	1,281,156 (2024/25 quarterly average)	**Yes** (ambition to increase towards pre-pandemic levels) 964,198 average 2023/24

5. Secondary Care Activity and Demand

The submission shows the change in planned activity for some points of delivery in 2024/25 compared to the forecast outturn (baseline) activity in 2023/24, summarised below. This shows a significant increase in planned activity across most points of delivery.

- Consultant led 1st Outpatient (Spec Acute) 101%, Trust Range (92% - 111%)
- Consultant led FU Outpatient (Spec Acute) 92%, Trust Range (85% - 100%)
- Total Elective 105%, Trust Range (97% - 114%)
- Total Non-elective admissions 102%, Trust Range (97% - 114%)
- Total A&E attendances 103%, Trust Range (99% - 107%)
- Total completed referral to treatment pathways 104%
- Provider diagnostic activity 107%

PART C – Workforce

Introduction

This section provides a brief overview of the 23 April 2024 final Operational Plan submission to NHS England relating to Workforce.

The submission has been made on the basis of interim guidance and in the absence of regional ambitions that will be expected in line with the NHS Long Term Workforce Plan (LTWP).

The process of triangulation and the relationship between the activity, workforce and finance has been continued into the final stages of the 24/25 planning round. This work is the golden thread through any transformation /improvement work or service changes to ensure any plans don't have a detrimental impact to any of the planning elements.

Many trusts have seen an increase in their substantive workforce during 23/24 to try to level up to establishment levels, therefore relying less on the temporary workforce. Recruitment is signed off with consideration for the financial implications.

The planning process and contract discussions remain short term and therefore longer-term workforce planning remains a challenge. There is a desire as we look to deliver against the LTWP and NENC People and Culture Strategy that we move to medium and long-term planning to enable pipeline and supply work to be a bigger part of the planning process which will enable to focus planning into particular areas of need over a much longer period of time. To help enable this the ICB have implemented peer review sessions with all FTs which enable better understanding of issues and developments, challenge assumption and plans, identify opportunities for system collaboration and enable the sharing of good practice reducing the duplication of effort. Furthermore, quarterly reviews of progress against individual plans and accompanying narratives will be undertaken throughout 24/25 and this process has been developed collaboratively with Trusts.

Overview of final position

	Total Workforce - Whole Time Equivalent				Substantive Staff in Post			
	Forecast Outturn Mar 24	Interim Plan Mar 25	Final Plan Mar 25	% Difference (FOT & Mar 25)	Forecast Outturn Mar 24	Interim Plan Mar 25	Final Plan Mar 25	% Difference (FOT & Mar 25)
County Durham & Darlington	8,354.46	8,581.57	8,411.66	0.68%	7,753.24	8,010.41	8,012.11	3.34%
Cumbria, Northumberland, Tyne and Wear	8,487.47	8,033.11	8,033.11	-5.35%	8,016.67	7,846.13	7,846.13	-2.13%
Gateshead Healthcare	5,130.58	4,929.10	4,933.10	-3.85%	4,956.61	4,827.92	4,831.92	-2.52%
Newcastle upon Tyne Hospitals	15,396.16	14,714.76	15,080.18	-2.05%	14,843.90	14,193.00	14,558.42	-1.92%
Northumbria Health Care	9,622.54	9,494.38	9,494.38	-1.33%	9,077.20	8,973.76	8,973.76	-1.14%
North Cumbria Integrated Care	6,866.29	6,757.67	6,757.67	-1.58%	6,547.54	6,490.27	6,490.27	-0.87%
North East Ambulance Service	3,155.27	3,357.64	3,357.48	6.41%	3,125.67	3,338.41	3,329.75	6.53%
North Tees & Hartlepool Hospitals	5,527.90	5,499.08	5,500.88	-0.49%	5,219.58	5,228.56	5,230.36	0.21%
South Tees Hospitals	9,559.07	9,508.14	9,508.14	-0.53%	9,121.01	9,095.50	9,095.50	-0.28%
South Tyneside & Sunderland Hospitals	9,568.86	9,587.15	9,486.88	-0.86%	8,941.34	8,975.25	8,942.43	0.01%
Tees, Esk and Wear Valley	7,942.38	7,797.66	7,821.49	-1.52%	7,455.20	7,361.42	7,409.25	-0.62%
NENC	**89,610.99**	**88,260.26**	**88,384.98**	**-1.37%**	**85,057.97**	**84,340.62**	**84,719.91**	**-0.40%**

The submission shows an improved position on the March 24 interim position moving from a planned decrease of -0.60% to -1.37%. 6 Trusts maintained their March 25 planned position in the final submission. Through peer review sessions with trusts and further work on triangulation 5 trusts have submitted plans that have a reduced WTE further to the March 24 interim submission. Two trusts are showing workforce growth from their March 24 outturn position.

The final submission shows Trusts Whole Time Equivalent (WTE) workforce to be of a stable nature with majority looking to reduce their workforce however County Durham and Darlington NHS FT (CDDFT) are planning an increase of 0.68% which is much improved from their March 24 interim position of 2.74%, North East Ambulance Service (NEAS) are showing the largest growth

of 6.41% WTE which is as a result of their 3-year investment plan to support growth in the workforce.

Many Trusts are reporting minimal changes to substantive staff figures from their forecast outturn position. The larger reductions to substantive staff are reported by Gateshead Healthcare (-2.52%) and Cumbria, Northumberland, Tyne & Wear (CNTW) at (2.13%) which is in line with their overall plans following triangulation. The lower numbers of reductions and in some cases the slight increase (NT&H and ST&S) is as a result of planned reductions in the use of temporary staff. CDDFT plan for a 3.34 % increase in their substantive workforce due to agency use being the Trust's biggest staffing challenge.

Bank and Agency

All Trusts are planning reductions in the use of bank and agency staff over the forthcoming year. The most significant % reductions planned are reported by CNTW at -33.54%, Gateshead Health at -41.84% and CDDFT at -33.54%. All Trusts are reporting reduction in agency staff and have an agency reduction plans in place. The largest planned reductions have been reported by CDDFT at -56.06%, NCIC at -52.63 closely followed by NEAS at -37.84. Trusts with the smallest planned decrease in agency include CDDFT (5.0%); NUTH (5.09%) and South Tees (7.67%).

Sickness and Turnover

Interim Plan (Submitted Mar 24)	
Sickness Absence	**NENC**
Mar-24	5.46%
Mar-25	5.16%

Final Plan	
Sickness Absence	**NENC**
Mar-24	5.46%
Mar-25	5.17%

Turnover	**NENC**
Mar-24	10.84%
Mar-25	10.25%

Turnover	**NENC**
Mar-24	10.84%
Mar-25	10.25%

April 24 final submissions remain stable overall in sickness absence and turnover compared with the March 24 Interim position.

Primary Care

The April 24 final Primary care submission shows no change to the March 24 interim submission, there is slight growth planned for GPs and direct patient care roles with a planned 4.68% growth in primary care nursing. There is no growth planned in ARRS funded direct patient care roles, admin and non-clinical staff.

There remain no decreases in the primary care workforce reported.

Mental Health

The final April 24 submission shows there is planned growth within the non-NHS mental health workforce with a slight decrease in staff in post in non-Mental Health Trust workforce. CNTW report a plan for decreases in both staff in post and establishment during 24/25.

PART D – Next steps and timelines

Initial draft financial, operational and workforce plans were submitted on 21st March 2024 with the final plan submitted on 2nd May 2024.

Planning timetable

Date	Key Milestone
21 March	- **Full plan submission**
2 – 12 April	- Plan assurance meetings with system leaders
15 - 26 April	- Targeted follow up meetings
2 May	- **Final plan submission**
wc 13 May	- Plan close-down meetings with NHSE CEO/CFO/COO and RDs
By end of May	- Plan close-down letters issued
By end of June	- **Share and publish updated JFPs and capital resource plans**
By end of July	- **Develop system infrastructure strategies**

In line with the planning timetable, a formal meeting with NHSE Executive team has been scheduled for 22nd May 2024 to review the plan further.

NHSE have asked every ICS to identify what additional measures would need to be taken, and the impact of these, in order to have a break-even plan versus any submitted deficit plan. This work is continuing as a priority across the system over the coming weeks and will be discussed with NHSE on 22nd May, with any resulting output coming back to board for formal approval.

Any updates from the meeting with NHSE on 22 May will be shared with Board.

At this stage no further plan submissions are due, but an update from the meeting with NHSE on 22nd May will be shared at the Board meeting on 4th June.

Further work will continue over coming months to progress efficiency plans across the system and seek to further mitigate potential risks to delivery of the plan.

Recommendations

The Board is asked to:

a) approve the final financial and operational plans for 2024/25;

b) approve the updated ICB revenue budgets for 2024/25 (as per Part A section 6), including those contracts which are above £30m as per appendix 1; and

c) approve the ICS capital plan figures (as per Part A section 9).

Appendix 1 – contracts with an annual value of £30m or above

NHS Foundation Trusts

Provider Name	Service Description	2024/25 Annual Contract Value (£000s)				Note
		Acute and Community	Secondary Dental	Community Dental	Total	
County Durham and Darlington NHS FT	Acute & Community	£558,808	£1,416	£3,170	£563,394	
Gateshead Health NHS FT	Acute	£250,979	-	-	£250,979	
Gateshead Health NHS FT	Community	£21,698	-	-	£21,698	Note 1
The Newcastle Upon Tyne Hospitals NHS FT	Acute & Community	£632,110	£19,071	£2,656	£653,837	
Northumbria Healthcare NHS FT	Acute & Community	£513,392	£1,481	£1,500	£516,373	
South Tyneside and Sunderland NHS FT	Acute & Community	£578,046	£9,617	£5,345	£593,008	
North Tees and Hartlepool NHS FT	Acute & Community	£356,376	£57	£2,498	£358,931	
South Tees Hospitals NHS FT	Acute & Community	£413,606	£7,206	-	£420,812	
North Cumbria Integrated Care NHS FT	Acute & Community	£404,094	£4,582	£3,777	£412,453	
Tees, Esk and Wear Valleys NHS FT	Acute & Community	£258,049	-	-	£258,049	
Cumbria, Northumberland, Tyne and Wear NHS FT	Acute & Community	£352,382	-	-	£352,382	
North East Ambulance Service NHS FT	Ambulance	£209,250	-	-	£209,250	

Note 1 – Gateshead Community Contract is due to end on 30 September 2024. Board approval requested for the extension of the contract from 1 October 2024 for two years under direct award process C of the PSR at an annual contract value of £21,698k. A wider review of community services including this contract will be undertaken across place teams.

Better Care Fund (BCF) Agreements with Local Authorities:

Provider	Place/Area	Service	Expected 2024/25 Annual Contract Value/Budget £000s
Northumberland County Council	Northumberland	BCF - Section 75 Agreement	£52,108
Cumberland Council	North Cumbria	BCF - Section 75 Agreement	£28,018
Westmorland and Furness Council	North Cumbria	BCF - Section 75 Agreement	£4,915
North Tyneside Local Authority	North Tyneside	BCF - Section 75 Agreement	£18,876
South Tyneside Local Authority	South Tyneside	BCF - Section 75 Agreement	£5,771
Sunderland City Council	Sunderland	BCF - Section 75 Agreement	£18,227
Gateshead Council	Gateshead	S256 agreement and BCF Section 75 agreement	£38,747
Newcastle City Council	Newcastle	S256 and S75 (BCF/SALT)	£56,046
Darlington Borough Council	Tees Valley	BCF - Section 75 Agreement	£9,135
Hartlepool Borough Council	Tees Valley	BCF - Section 75 Agreement	£8,493
Stockton Borough Council	Tees Valley	BCF - Section 75 Agreement	£16,638
Redcar & Cleveland Borough Council	Tees Valley	BCF - Section 75 Agreement	£12,980
Middlesbrough Borough Council	Tees Valley	BCF - Section 75 Agreement	£13,448
Durham County Council	County Durham	BCF - Section 75 Agreement	£55,888

**Note, BCF funding may not universally go to Local Authorities (LAs) to spend, as they are pooled budgets and funding is used differently by Places. A significant proportion of BCF funding is instructed to be transferred for use by the LAs however.*