

Item: 8

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

BOARD

25 MARCH 2025

Report Title:

Chief Executive Report

Purpose of report

The purpose of this report is to provide an overview of recent activity carried out by the ICB team, as well as some key national policy updates.

Key points

The report includes items on:

- System changes
- Securing our sustainable future
- Staff survey results
- Select Committee
- NECS in-housing
- Better Care Fund
- Visit to Hartlepool Community Hub

Risks and issues

This report highlights ongoing areas for action linked to financial pressures, the delivery of the ICB running cost reduction, quality of services and other broader issues that impact on services.

Assurances

This report provides an overview for the Board on key national and local areas of interest and highlights any new risks.

Recommendation/action required

The Board is asked to receive the report for assurance and ask any questions of the Chief Executive.

Acronyms and abbreviations explained

ICB - Integrated Care Board
 ICS - Integrated Care System
 DHSC- Department of Health and Social Care
 NECS - North of England Commissioning Support Unit

NENC - North East and North Cumbria NHSE - National Health Service England						
Sponsor/approving executive director	Professor Sir Liam Donaldson, Chair					
Report author	Samantha Allen, Chief Executive					
Link to ICP strategy priorities (please tick all that apply)						
Longer and Healthier Lives						✓
Fairer Outcomes for All						✓
Better Health and Care Services						✓
Giving Children and Young People the Best Start in Life						✓
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	✓
Essential considerations						
Financial implications and considerations	Not applicable – for information and assurance only.					
Contracting and Procurement	Not applicable – for information and assurance only.					
Local Delivery Team	Not applicable – for information and assurance only.					
Digital implications	Not applicable – for information and assurance only.					
Clinical involvement	Not applicable – for information and assurance only.					
Health inequalities	Not applicable – for information and assurance only.					
Patient and public involvement	Not applicable – for information and assurance only.					
Partner and/or other stakeholder engagement	The ICB continues to engage with all stakeholders on a wide range of subjects.					
Other resources	None noted.					

Chief Executive Report

1. Introduction

The purpose of this report is to provide an overview of work across the Integrated Care Board (ICB) and key national policy updates and reports.

2. National

2.1 System changes

In March, I received a planning update from NHS England (NHSE) which noted the significant financial challenges facing the NHS at present and included an update on significant reduction in NHSE headcount and an announcement that ICBs would also be required to reduce running and programme costs by 50%. Further to this announcement, it was confirmed that NHS England will also be abolished with the functions merged into Department of Health and Social Care (DHSC).

We have not yet had the details of what this will mean in practice, but we anticipate allocations to ICBs will be reduced to reflect this new 50% reduction from Q3 in 2025/26. This will mean a change in what we do and how we do it.

I have taken the time over the past week or so to ensure all our staff and stakeholders are briefed on the national requirement to reduce our running costs. I have also commenced a programme of work that aims to deliver what is expected. We are finalising a support offer to staff to ensure we are doing all we can to support each other during this period of change.

3. ICB Development

3.1 Securing our sustainable future

Our health and care system in the North East and North Cumbria is facing some of the most uncertain times.

The financial challenge for our system and organisations is tough. We need to make over £1b of savings over the next four years to achieve a sustainable financial position. If we do nothing, we predict that our financial deficit will continue to grow by 3% annually. Our increasing debt is unsustainable and our historical funding reductions increase this challenge.

Despite the challenges we face, the performance of our health service is still better than any other region in the country. Whilst this gives us a positive platform to build on, we know that the NHS in its current form is not sustainable and without change will struggle to provide the services needed in our communities.

It is clear that spreading innovation across organisations, including using new technical advances linked to artificial intelligence and pharmaceutical advances like the one we have recently announced with Boehringer Ingelheim, will be an important part of this work and we will continue to work with our innovation partners Health Innovation North East and North Cumbria on this.

We have set up a System Recovery Board to oversee this programme and have set up a number of workstreams whose purpose is to move further faster on areas such as workforce transformation, productivity, service reform and procurement.

The guiding principles of our plans will also align to the three shifts;

- Shift 1: Moving more care from hospitals to communities
- Shift 2: Making better use of technology in health and care
- Shift 3: Focusing on preventing sickness, not just treating it

Finally, since the formation of the NHS over 70 years ago, change has been a constant. Services have evolved as technology and treatment has, this change will continue but will be deeper and quicker than the NHS has experienced before. Our focus throughout this will be on supporting the delivery of better patient outcomes for those services that make a difference. We will focus on what will be the core business of the NHS and difficult decisions will need to be made on those services that are not best value for patient care and investment.

We will continue to update the Board on our progress.

3.2 North East Commissioning Support Unit In-Housing

As previously updated, on the 31st March 2025 aligned NECS team members will transfer into the ICB. The joint programme team leading the process is continuing to meet on a weekly basis and robust arrangements are in place to support the safe and effective transfer of team members and functions. A comprehensive induction programme has been developed to welcome new team members from the 1st April 2025 and this has been shared across the organisation. Work is continuing with NECS to agree the revised Service Level Agreement for 2025/26 as a result of the in-housing.

4. North East and North Cumbria

4.1 Financial Position

As noted within the finance report, at month 10 the Integrated Care System (ICS) is still forecasting delivery of the planned financial position. Whilst there are still some remaining financial risks to manage, we are confident that the planned position will be delivered which is really positive to note after a very challenging year.

Despite this we expect 2025/26 to be the most challenging financially for the NHS. Delivery of the 2024/25 position is supported by substantial non-recurrent benefits across the system and the impact of lower than average growth for 2025/26 (after convergence adjustment), means it is extremely difficult to deliver a balanced financial plan without taking some very difficult decisions.

Currently efficiencies of around 7% of turnover would be required by Trusts to deliver a balanced financial plan for 2025/26. This is significantly higher than what is traditionally deemed as achievable in a single year.

The ICS submitted a non-compliant draft plan in February and work is continuing to review further actions that will need to be taken to reduce the gap in financial plans for 2025/26 and ensure the system can live within its resources. Further information on this will be presented to Board as part of the draft financial and operational plan for submission in March 2025.

4.2 Staff Survey Results

The national NHS staff survey for 2024 closed in November last year and by December the first sets of results were shared with participating employers. 66% of our workforce (411 people) made time to complete the survey. We get many questions and comments about 'what is a good response rate' – the answer is, there is not a definitive threshold level that determines a good response rate.

Our intention is to always encourage and enable as many of our workforce to take part. Response rates should not be viewed as an outcome in themselves, we should be cautious about focusing too heavily on response rates – particularly if this is at the expense of a focus on outcomes that are more important to staff, such as their self-reported engagement, morale, and working experiences.

This is the second national survey we have taken part in and for the first time we are able to drill down to directorate and team level results. We have refreshed our approach this year – last year our actions and responses were all ICB wide with engagement and involvement from our staff through the spring staff conference – Big Ideas work.

Having access to directorate and team level data this year enables greater autonomy for colleagues to consider priorities and improvements at a local level. So, this year our response is two pronged - directorate level resource packs have been developed supported by guidance for teams to work together to identify the priorities and changes they'd like to see day to day. Additionally, our people and culture team will continue to engage and involve staff on ICB wide improvements.

We were really encouraged to see a number of areas in the survey where our workforce report a higher than average experience in our ICB. These results demonstrate our continued commitment and progress towards delivering the people promise principles of we are always learning, we work flexibly, and we are recognised and rewarded. These areas are:

- Appraisal
- Pay/remuneration
- Clinical supervision opportunities
- Career progression
- Flexible working

We do need to make improvements in other areas and the people and culture team will focus on key deliverables that we can continue to measure through the staff survey. Our three overarching themes are:

- Team working – strengthening relationships.
- The NENC way – developing a sense of belonging with shared values and behaviours.
- The best at getting better - developing a co-produced and collective approach to improving how people experience our ICB.

One of our programmes of work for 2024 was appraisal. It is reassuring to see that this has positively impacted the number of colleagues receiving an appraisal in our ICB, however the appraisal process has not resulted in appraisal helping people improve how they do their job, agreeing clear work objectives, or leaving people feel that the organisation values their work. Our People and Culture team have redesigned the appraisal process and colleagues have been invited to provide feedback and take part in testing our new approach. Further training is planned for the spring with updated content for objective setting.

Our people and culture work plan for 2025-26 provides the direction and focus needed to work towards improvement in relation to colleagues recommending our ICB as a place to work. A key change for us in 2025 will be a greater focus on health and wellbeing and the procurement of occupational health provision specific to our needs.

Delivery, monitoring and assurance of this work programme will be led by our Chief People Officer and team, with progress reported to the People and Organisational Development subcommittee and shared with the executive team via quarterly highlight reports.

4.3 Planning Update

Work is continuing across the ICB and broader ICS to develop our plans for 2025/26, with the key challenge remaining development and delivery of a balanced financial plan. To this end work has been undertaken to ensure a robust review of all existing plans and contracting arrangements relating to spend at both a programme and Local Delivery Team level within the ICB, along with the consideration of 'difficult decisions' from a provider and system perspective. The output of the ICB reviews will be presented to the executive team for further consideration and inclusion in plans and we are planning to have a mechanism for Board oversight on this.

Work is continuing across the system to develop a set of final plans ahead of the 27th March 2025 submission date and review/approval by Board (on the 25th March).

4.4 Better Care Fund

The Better Care Fund (BCF) is the main statutory vehicle for the Local Authorities and the ICB to allocate integrate funding within local system plans to improve the health and care outcomes and improve the resilience of the health and care system especially in relation to the flow of patients into and out of hospital. The 2025/26 BCF framework has been updated and details the national policy direction and funding allocations for integrated health and care services. The BCF remains a key mechanism for delivering integrated care across health and social care, supporting the shift from hospital-based care to prevention and home-first models.

Local Authorities and ICBs must jointly agree on a plan, signed off by the Health and Wellbeing Board (HWB and the ICB), to support BCF objectives. The plans must involve local NHS trusts, social care providers, voluntary and community service partners, and local housing authorities.

Key Policy Updates in the 25/26 framework:

- The new framework reinforces the commitment to strengthening neighbourhood services by:
 - Expanding care closer to home.
 - Shifting focus to prevention and proactive care.
 - Harnessing digital transformation in care delivery.
- Health and Wellbeing Boards are required to review their use of the BCF and set local targets for:
 - Reducing unplanned hospital admissions.
 - Minimising delayed discharges.
 - Lowering long-term care home admissions.
- BCF funding will be pooled under Section 75 arrangements, with a focus on improving service integration and sustainability.

There have been some changes to the supporting indicators listed in Planning Requirements document. The focus for 25/26 BCF metrics includes:

1. Unplanned hospital admissions for chronic ambulatory care sensitive conditions.
2. Emergency hospital admissions due to falls in people over 65.
3. Patients not discharged on their discharge ready date (DRD), and discharged within 1 day, 2 to 3 days, 4 to 6 days, 7 to 13 days, 14 to 20 days, and 21 days or more.
4. Average length of delay by discharge pathway.
5. Hospital discharges to usual place of residence.
6. Outcomes from reablement services.

Nationally, the NHS minimum contribution to the BCF for 2025/26 is £5.614bn, ring-fenced by the Secretary of State under the NHS Act 2006.

- Changes to NHS/ICB allocations:
 - For 2025/26 the NHS Discharge Fund is no longer "ring-fenced" and has been absorbed into the NHS minimum contribution for 2025/26.
 - A 3.93% uplift has been applied only to social care funding, while the remaining balance of the BCF allocation has received 0.00% growth. Therefore, the ICB has been given no resource to uplift any schemes within the BCF, that sit outside of the minimum contribution to Social Care.
 - The financial implications of this are being worked through, however in order to provide inflationary uplifts to contracts held in the BCF, funding will be required from within the existing BCF envelope. This will require the use of any contingency or slippage, or the potential de-commissioning of unaffordable schemes.

Health and Wellbeing Boards (HWB) and the ICB are working through the financial implications, ensuring that the existing BCF-funded services are reviewed and prioritised based on impact and sustainability. This includes considering that contract inflationary pressures are addressed within the existing BCF envelope, with contingency funds or decommissioning of services.

The plans are currently being agreed though HWB and will be submitted in March for Local Authority and ICB Chief Executives approval and sign-off.

4.5 People and Culture Strategy

Reflecting strategic and operational changes over the last 12 months, there have been several significant developments which are relevant to our People and Culture Strategy. These include a new government, a workforce strategy for adult social care, the ongoing review of the NHS in England, and the implementation of a 10-year plan with three strategic shifts. Additionally, public sector reform and transformation opportunities have provided the chance to review and consider the current strategy implementation approach for the NENC health and care partnership.

The People and Culture strategy aims to outline a shared vision and move towards a 'one workforce' model for health and care across NENC. It focuses on greater integration, building on existing strong foundations, and committing to making NENC a better place to live and work. This approach supports our ambition to be the employer of choice.

Developed through stakeholder engagement, the strategy needs to be aligned to the recent changes and this therefore has presented a good opportunity to stocktake. It allows us to adapt and reflect meaningful delivery and impact for our workforce and the population that we serve. The strategy also considers emerging strategic workforce issues, including leadership and management, talent management and development, career pathways, and resource challenges

and it is important that these have an implementation plan which embraces the new strategic intent of the recent changes.

The positioning of NENC is crucial. The next steps involve engaging stakeholders to review the current strategy including objectives, governance, impact and opportunities and introducing a delivery/implementation plan that delivers outcomes for our 'one workforce', and compliments locally led activities. There are many non-financial opportunities to engage and support our workforce which can be shared across the NENC footprint which should be scaled to support and reflect the strategic intent of the People and Culture Strategy.

It is timely to consider the strategic leadership of the group to ensure that connections and links are made to wider strategic workforce and skills agenda's and therefore it has been agreed to develop a co-chaired approach between strategic partners and Trudie Davies, Chief Executive Officer of Gateshead Health NHS Foundation Trust and Jonathan Tew, Chief Executive of South Tyneside Council have agreed to take on these roles and regular updates on progress will be provided to the NENC ICB Board and the Strategic Leadership Group as this newly revised arrangement moves forward.

4.6 Select Committee

This month, I was asked to give evidence to the Health Select Committee on Community Mental Health Services. This follows a number of other sessions set up to examine the challenges and opportunities within community mental health services.

The Committee took evidence from lived experience witnesses Eve Mair and Elizabeth Sutton, both of whom articulated clearly the challenges patients have navigating the treatment and support for people with mental health issues. The session also focussed on examining the integration between community mental health services and primary care alongside questioning what policy interventions the Government and NHSE should prioritise, to drive improvements in access to care across the country. The Committee also questioned the funding of mental health services, including the future of the mental health investment standard.

As we move forward with planning Neighbourhood Health models it is imperative that mental health services are included as part of the offer to communities. This is working well in areas such as Hartlepool where Tees, Esk and Wear Valleys (TEWV) NHS Foundation Trust are working with a range of community and NHS partners to provide a community health and wellbeing service. This was heralded as an excellent example at the Committee and I took the opportunity to invite them to visit this service.

4.7 Child Poverty (Dental)

It was pleasing to see the recent announcement from the Department of Health and Social Care about water fluoridation in the North East and future funding to help local authorities in the most deprived areas to support improving children's oral health through a supervised toothbrushing scheme.

Recognising the challenges we have in the NENC and the links between child poverty and poor oral health in children and young people, we are delighted that we are working with our combined authorities and councils in North Cumbria to supplement this through grants of £1.5m with the opportunity for matched funding for schemes to further improve oral health in those in greatest need. The impact of poor oral health in children exacerbates health inequalities, reduces social confidence and is a cause of lost school attendance, ultimately impacting on levels of education and employment.

4.8 Hartlepool Community Hub Visit

I was grateful to spend an afternoon visiting the Community Hub in Hartlepool, where I met with colleagues Linsey Wright, Dr Ranjeet Shah, and Naomi Lonergan. Together, they have been instrumental in realising the Community Mental Health Transformation Programme work taking place within Tees Esk and Wear Foundation Trust; which has received national praise.

The project has focussed on improving ease of access, starting with the policy of 'no wrong door' for all referrals. I spoke with Care Navigators who are based at the hub, located in the library in the centre of Hartlepool. Care Navigators signpost service users to providers from across the NHS, local authority, voluntary, community, and social enterprise sector - ensuring patients can get help from the team they need, at the time and place that they need it.

By taking a whole systems approach, the programme has improved collaboration between primary and secondary care and helped remove barriers between secondary care teams. There are, however, some challenges to meet going forward, including finding ways to make IT systems in different services more interoperable, and undertaking some research to better understand the outcomes being achieved.

Overall, I was struck by the success they've had by focussing on building trust between community partners, and the visionary leadership that was already within the system.

5. Recommendations

The Board is asked to receive the report and ask any questions of the Chief Executive.

Name of Author: Samantha Allen

Name of Sponsoring Director: Professor Sir Liam Donaldson

Date: 18 March 2025

Appendix 1

Between 10 January 2025 – 18 March 2025 the NENC Executive Team have undertaken the following visits:

NENC Organisations	Number Of Visits
NHS Foundation Trust / Providers	24
Local Authority	16
Place (including community and voluntary sector)	20
Community and primary care (including general practice)	23