

*Taxpayers investment used to maximum effect

An additional £20.5bn to address current financial pressures, demand growth and new priorities

	19-20	20-21	21-22	22-23	23-24	Ave
Growth	3.6%	3.1%	3.0%	3.0%	4.1%	3.4%

Plan sets out five key commitments

1. The NHS (including providers) will return to financial balance
 - Continue to balance NHS books at aggregate level
 - Provider sector to balance by 20/21
 - Reduce number of orgs in deficit by >50% in 19/20 and completely by 23/24
2. Cash releasing productivity growth of minimum 1.1% per annum
3. Reduce growth in demand through better integration and prevention
4. Reduce unwarranted variation in performance – standardised evidence based pathways
5. Better use of existing assets and capital investment to drive transformation

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Key deliverables in 19/20

The Long Term Plan highlights **nine key priorities** that are fundamental to achieving further progress in transforming services. The operational planning guidance sets out key deliverables in 19/20 as follows:

1. **Emergency Care** - STPs/ICSS should review assumptions for demand growth to ensure they reflect recent local trends, adjusting as appropriate for demand management and other efficiency schemes that have been agreed within the system, and to reflect delivery of national priorities.
2. **RTT** – patient waiting > 6 months to be offered the option of care at an alternative provider. March 2019 waiting lists expected to be maintained at March 2018 level, and reduced during 2019/20. No patient will wait more than 52 weeks for treatment and no more than 1% of patients should wait > 6 weeks for a diagnostic test. Implement agreed standards as set out in the Clinical Standards Review to be published in spring 2019.
3. **Cancer** - all eight cancer waiting times standards remains a priority – need to increase capacity; encourage effective, cross –organisational working; and broker agreements between providers to balance supply and demand more effectively across the system.
4. **MH – Maintain MHIS plus** additional funding investment in CCG allocations for transformation and expansion of services. CCG must, in association with STPs and ICSSs, commission services that deliver improved services set out in the plan such as community mental health teams for people with Severe Mental Illness (SMI), enhanced crisis services for adults and for children and young people, and perinatal mental health services.
5. **LD and Autism** ensure the ambitions set out in 'Building the Right Support' are met and sustained.

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Key deliverables in 19/20 continued

- 6. Primary Care and community health** – real terms investment in primary medical and community services should grow faster than CCGs overall revenue growth to deliver new service models set out in the LTP to increase resilience and sustainability at a practice level and transform the care and services provided to their local population.
Building on the £3/head CCG investment in 2017/18 and 2018/19, CCGs must commit a recurrent £1.50/head recurrently to developing and maintaining primary care networks so that the target of 100% coverage is achieved by 30 June 2019.
- STPs/ICs must include a primary care strategy as part of the system strategy in Autumn 2019 setting out how they will ensure the sustainability and transformation of primary care and general practice as part of their overarching strategy to improve population health.
- STPs/ICs must ensure that Primary Care Networks are provided with primary care data analytics for population segmentation and risk stratification, according to a national data set, complemented with local data indicator requirements, to allow Primary Care Networks to understand in depth their populations' needs for symptomatic and prevention programmes including screening and immunisation services
- 7. Workforce – Focus on** productivity and transformation - new roles, new ways of working, bank first, eliminate unnecessary agency staff, reduce shift prices for temporary staffing, offer FT employment for qualifying nurses
- 8. Data and technology** – data submissions and to expand the Global Digital Exemplar and Local Health and Care Record Exemplar programmes with more organisations and localities coming on-stream and in 2019. Mandation of core standards (across interoperability, cyber security, design, commercial etc.) for all technology across the NHS and introducing additional controls to ensure that all new technology and systems meet these mandated standards.
- 9. Personal health budgets** - by March 2021, 50,000 to 100,000 people should have a PHB

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CCG allocation formula

CCG Target Formula

Statistical formula (advised by ACRA) is used to derive fair shares of resources to commissioners in order to reflect local healthcare needs and reduces health inequalities - using this method, more resources are directed to areas estimated to have higher health needs, or where health inequalities can be reduced by providing health services - larger populations, more older people, worse health and higher levels of deprivation. Additional funds also support services delivered in high cost areas, due to relative costs of staff and buildings, or unavoidable costs – for example, due to remoteness.

Changes to the Target formula for 19/20 (ACRA recommended)

- **Population and other demographic data** – continue to be based on GP registered lists with future projections based on ONS guides but moving to annual average for the most recent year rather than fixed point
- **Community services formula introduced** – previously based on G&A services but now informed by new CS Dataset which reflects a very different needs distribution for District Nursing services from G&A. Applied to 50% of all community services spend with balance on G&A
- **Mental Health and LD services** – refreshed formula taking account of IAPT activity and linking to GP registration and HES diagnosis
- **Health inequalities and unmet need** – changes to the way SMR<75 for small areas is aggregated to an overall CCG weighting
- **Updated expenditure weights** - combining the different elements of the CCG core target formula to better reflect the services covered by MH formula and to reflect movement of a proportion of PSF funding into CCG allocations
- **Market Forces Factor** – updated method and data for calculating MFF values to be implemented over 5 years (applies to all services except prescribing).

Pace of change applied to overall target allocations, including changes resulting from the updated MFF

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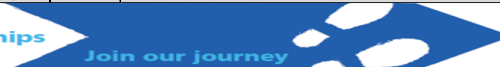
CNE impact of changes to allocation formula

Allocation formula changes increases the CNE share of national allocations by 0.76% to 6.14%.

CNE 19-20 target share of core allocations	6.14%
CNE 18-19 target share of core allocations	6.09%
CNE Change in target share	0.76%
Comprises:	
G&A, Maty, presc weighted population update	0.28%
Year 1 revised MFF index	0.33%
Revised MH/LD model	0.32%
Revised approach to health inequalities SMR <75	0.11%
Revised expenditure weights	1.04%
New community services model	-0.13%
	0.76%

Change to CCG core services target allocation 2018/19 to 2019/20										
Code	CCG, STP, Region name	A	B	C	D	E	F	G	H	I
		2019/20 target share of total CCG core allocations	2019/20 target allocation for CCG core services	Change in target share, from 2018/19 to 2019/20	Impact of moving from previous target share (2018/19) to new target share (2019/20), (population, methodological and formula updates)					
					Impact of G&A, Maternity & Prescribing Weighted population updates	Impact of revised MFF index (year 2019/20 based on glidepath)	Impact of revised Mental Health and Learning Disability model	Impact of revised expenditure weights	Impact of new Community Services model	Impact of revised approach to health inequalities (SMR<75)
00C	NHS Darlington CCG	0.190%	156,211	-2.14%	0.03%	0.47%	-2.35%	-0.07%	-0.02%	-0.19%
00D	NHS Durham, Darlington, Easington and Sedgfield CCG	0.593%	465,842	0.00%	-0.18%	0.40%	-0.22%	-0.11%	0.06%	0.05%
03D	NHS Hambleton, Richmondshire and Whitby CCG	0.244%	191,453	-0.50%	0.27%	0.25%	-0.71%	-0.63%	0.42%	-0.99%
09K	NHS Hartlepool and Stockton-on-Tees CCG	0.568%	445,526	1.22%	-0.13%	0.23%	0.40%	-0.14%	-0.43%	1.28%
13T	NHS Newcastle Gateshead CCG	0.588%	792,458	-0.22%	-0.43%	0.32%	-0.02%	0.17%	-0.33%	0.02%
01H	NHS North Cumbria CCG	0.608%	477,289	0.58%	0.03%	0.45%	0.28%	-0.34%	0.33%	-0.17%
00J	NHS North Durham CCG	0.457%	358,546	-0.79%	0.06%	0.45%	-0.78%	-0.23%	-0.29%	0.00%
06G	NHS North Tyneside CCG	0.417%	327,028	0.81%	-0.62%	0.28%	1.89%	-0.27%	-0.56%	-1.10%
00L	NHS Northumberland CCG	0.626%	491,467	1.56%	0.35%	0.27%	1.66%	-0.40%	-0.08%	-0.23%
00M	NHS South Tees CCG	0.586%	460,428	0.09%	-0.20%	0.22%	-0.12%	0.10%	-0.07%	0.15%
00N	NHS South Tyneside CCG	0.323%	253,926	1.78%	-0.41%	0.30%	1.98%	-0.07%	-0.02%	0.03%
00P	NHS Sunderland CCG	0.562%	440,836	5.30%	4.55%	0.34%	0.63%	-0.22%	-0.15%	0.16%
GHM	Cumbria and North East STP	6.141%	4,821,010	0.76%	0.28%	0.33%	0.32%	-0.15%	-0.13%	0.11%
H3	North East and Yorkshire	15.959%	12,528,663	1.17%	0.85%	0.21%	0.93%	-0.10%	-0.04%	0.13%
Y62	North West	13.884%	10,898,380	-0.19%	-0.10%	0.14%	-0.14%	-0.06%	-0.34%	0.31%
Y60	Midlands	18.569%	14,577,954	-0.05%	-0.04%	0.20%	-0.18%	-0.11%	0.11%	-0.04%
Y61	East of England	11.155%	8,797,252	-0.45%	-0.04%	-0.09%	-0.08%	-0.27%	0.10%	-0.13%
Y56	London	15.917%	12,260,516	-0.07%	0.09%	-0.52%	-0.39%	0.92%	-0.17%	-0.10%
Y59	South East	14.976%	11,756,762	-1.01%	-0.01%	-0.12%	-0.56%	-0.26%	0.05%	-0.11%
Y58	South West	9.840%	7,724,745	0.68%	0.04%	0.15%	0.48%	-0.31%	0.41%	-0.09%
ENG	England	100.000%	78,508,272	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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Pace of change

Pace of change formula prevents movements in target allocations leading to significant volatility in terms of final allocations. Key objectives underpinning pace of change approach:

- No area will be >5% under target by 19/20 or thereafter
- Areas close to target receive equal funding growth per head – this applies to all CCGs between: -2.5% and +5% in 2019/20 (4.85%)
0% and +5% from 20/21
- Areas >5% above target receive lower growth, tapering to floor growth for those more that 10% above
- CCGs >10% above target will receive floor growth = to average growth per head less 1.5%
- PC >10% above target will receive floor growth = to average growth per head less 1.25% (contract limitations)
- An absolute floor of GDP deflation overall funding of 3.6% (i.e. not per head of population)
- 0.1% of CCG programme and PC allocations are distributed on a place based basis

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Draft CCG programme growth and running costs

Overall CCG national programme cash growth is 5.73% in 19/20.

Without the increase in UEC prices and 2018/19 pay deal, overall programme growth would be 3.4%

	2019/20 %	Notes
Activity	2.17%	Activity in all PODs including acute, mental health, community etc
Efficiency programmes	-0.22%	CHC, Evidence Based Interventions
Mental health additional funding	0.23%	To deliver FYFV and LTP commitments
Price (excl. 2018/19 pay)	1.23%	Excludes 19/19 pay and other adjustments detailed separately below
2018/19 pay catch-up	1.06%	AfC and doctors
Emergency prices	1.23%	Transfer of PSF to prices (CCG element)
Litigation	-0.42%	CNST within tariff prices has been reduced compared to 17/19 tariff
Non-tariff medicines	0.29%	Prescribing net of efficiencies (over the counter, low value meds), excluded drugs
Transfers within tariff	-0.10%	Per tariff planning prices e.g. adjustment for other cancer MDTs
Transfers of funding	0.08%	Ambulance winter resilience and paramedic banding
Other	0.02%	HSCN funding, AfC uplift on programme costs, non-tariff centralised procurement
Benefit of reduced CSF	0.16%	Reduction in CSF transferred to general uplift
Total	5.73%	

Of the 5.73%, 5.65% is influenced by pace of change, with 0.08% allocated direct to CCG baselines for Ambulance paramedic re-banding and winter monies

	2019/20 %	Notes
Total growth in quantum	5.73%	As above
Remove transfers applied outside PoC	-0.08%	Ambulance transfers added after pace of change in 2019/20
CCG growth as allocations	5.65%	As per CCG allocation sheets

Running cost allowances - in 2019/20 individual CCG running cost allowances have been maintained in cash terms at the same level as 2018/19, after AfC adjustments. In 20/21 allowances are 20% lower in real terms than in 17/18 after AfC. RCA have not been adjusted for population changes.

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Draft CCG core allocations 19/20

CNE actual growth 5.14%, £240m relative to national average of 5.65% when pace of change rules applied

Code		2018-19	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20	
		Adjusted baseline	Final allocation after place-based pace of change	GP Access /Ambulance funding	Total allocation	Final growth	Final growth	Final per capita growth	Opening DfT per capita	Final closing DfT
		£'000	£'000	£'000	£'000	£'000	%	%	%	%
00C	NHS Darlington CCG	150,656	158,262	744	159,006	7,606	5.05%	5.01%	2.10%	1.47%
00D	NHS Durham Dales, Easington and Sedgfield CCG	458,160	483,146	2,154	485,300	24,986	5.45%	5.12%	4.41%	3.88%
03D	NHS Hambleton, Richmondshire and Whitby CCG	188,560	197,838	959	198,797	9,278	4.92%	4.96%	4.19%	3.50%
00K	NHS Hartlepool and Stockton-on-Tees CCG	412,170	434,076	2,123	436,199	21,906	5.31%	5.02%	-1.83%	-2.42%
13T	NHS Newcastle Gateshead CCG	730,791	769,411	3,791	773,202	38,620	5.28%	4.85%	3.20%	2.41%
01H	NHS North Cumbria CCG	457,978	480,262	739	481,001	22,284	4.87%	5.00%	1.41%	0.78%
00J	NHS North Durham CCG	353,910	372,716	1,697	374,413	18,806	5.31%	5.03%	4.73%	4.12%
99C	NHS North Tyneside CCG	322,026	338,607	1,518	340,125	16,581	5.15%	4.85%	4.50%	3.70%
00L	NHS Northumberland CCG	467,627	491,193	2,295	493,488	23,566	5.04%	5.02%	0.71%	0.10%
00M	NHS South Tees CCG	429,655	451,372	2,260	453,632	21,717	5.05%	4.95%	-1.15%	-1.81%
00N	NHS South Tyneside CCG	250,598	263,465	1,161	264,626	12,867	5.13%	5.03%	4.54%	3.92%
00P	NHS Sunderland CCG	447,968	469,621	2,100	471,721	21,653	4.83%	4.75%	7.63%	6.70%
QHM	Cumbria and North East STP	4,670,099	4,909,969	21,542	4,931,511	239,870	5.14%	4.96%	2.69%	2.01%
Y63	North East and Yorkshire	12,045,901	12,696,622	35,879	12,732,501	650,721	5.40%	5.08%	2.06%	1.50%
Y62	North West	10,327,568	10,898,739	19,468	10,918,207	571,171	5.53%	5.11%	0.68%	0.15%
Y60	Midlands	13,538,271	14,323,913	33,722	14,357,635	785,642	5.80%	5.17%	-1.13%	-1.59%
Y61	East of England	8,205,094	8,678,050	12,716	8,690,766	472,956	5.76%	4.98%	-0.11%	-0.75%
Y56	London	11,766,160	12,446,075	13,418	12,459,493	679,915	5.78%	4.77%	2.54%	1.67%
Y59	South East	11,095,289	11,715,944	29,760	11,745,704	620,655	5.59%	4.93%	0.50%	-0.19%
Y58	South West	7,206,902	7,613,638	23,437	7,637,075	406,736	5.64%	4.93%	-0.59%	-1.28%
ENG	England	74,185,184	78,372,981	168,401	78,541,382	4,187,797	5.65%	4.99%	0.62%	-0.01%

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Core CCG growth and DfT 2019/20 to 2023/24

CNE growth is consistently below national average over 5 year period due to distance from target and population growth rate.

	2019-20	2020-21	2021-22	2022-23	2023-24	2019-20	2020-21	2021-22	2022-23	2023-24	2019-20	2020-21	2021-22	2022-23	2023-24
	Final growth	Final growth	Final growth	Final growth	Final growth	Final growth	Final growth	Final growth	Final growth	Final growth	Final closing DfT	Final closing DfT	Final closing DfT	Final closing DfT	Final closing DfT
Code	£'000	£'000	£'000	£'000	£'000	%	%	%	%	%	%	%	%	%	%
00P NHS Sunderland CCG	21,653	16,470	16,819	16,412	15,703	4.83%	3.50%	3.46%	3.26%	3.02%	6.70%	6.21%	5.79%	5.34%	4.89%
00I NHS North Durham CCG	18,806	14,081	13,883	13,749	13,444	5.31%	3.78%	3.59%	3.43%	3.24%	4.12%	3.49%	2.92%	2.32%	1.77%
00N NHS South Tyneside CCG	12,867	9,554	9,619	9,329	8,939	5.13%	3.62%	3.52%	3.30%	3.06%	3.92%	3.57%	3.25%	2.89%	2.47%
00D NHS Durham Dales, Easington and Sedgfield CCG	24,986	19,018	19,214	18,762	18,066	5.46%	3.93%	3.82%	3.60%	3.34%	3.88%	3.44%	3.02%	2.61%	2.24%
99C NHS North Tyneside CCG	16,581	12,158	12,468	12,336	11,817	5.15%	3.59%	3.55%	3.39%	3.14%	3.70%	3.12%	2.65%	2.25%	1.76%
03D NHS Hambleton, Richmondshire and Whitley CCG	9,278	6,922	6,801	6,555	6,184	4.92%	3.50%	3.32%	3.10%	2.83%	3.50%	2.70%	1.91%	1.12%	0.23%
13T NHS Newcastle Gateshead CCG	38,620	27,988	27,446	26,904	26,248	5.28%	3.64%	3.44%	3.26%	3.08%	2.41%	1.98%	1.54%	1.11%	0.73%
00C NHS Darlington CCG	7,606	5,617	5,610	5,682	5,639	5.05%	5.05%	5.05%	5.05%	5.05%	1.47%	0.74%	0.02%	-0.50%	-0.90%
01H NHS North Cumbria CCG	22,284	16,147	16,152	16,430	16,442	4.87%	3.36%	3.25%	3.20%	3.11%	0.78%	0.11%	-0.59%	-1.14%	-1.57%
00L NHS Northumberland CCG	23,566	17,924	18,679	18,952	19,080	5.04%	3.65%	3.67%	3.59%	3.49%	0.10%	-0.53%	-0.97%	-1.27%	-1.46%
00M NHS South Tees CCG	21,717	17,034	17,418	17,310	16,854	5.05%	3.77%	3.72%	3.56%	3.35%	-1.81%	-1.85%	-1.85%	-1.81%	-1.72%
00K NHS Hartlepool and Stockton-on-Tees CCG	21,906	18,325	18,899	18,831	18,506	5.31%	4.22%	4.17%	3.99%	3.77%	-2.42%	-2.29%	-2.07%	-1.86%	-1.57%
QHM Cumbria and North East STP	239,870	181,237	183,008	181,252	176,922	5.14%	3.69%	3.59%	3.43%	3.24%	2.01%	1.57%	1.18%	0.83%	0.53%
Y63 North East and Yorkshire	650,721	484,249	487,648	480,350	467,919	5.40%	3.81%	3.70%	3.51%	3.31%	1.50%	1.20%	0.95%	0.72%	0.51%
Y62 North West	571,171	422,855	426,759	418,464	405,782	5.53%	3.88%	3.77%	3.56%	3.33%	0.15%	-0.01%	-0.15%	-0.28%	-0.40%
Y60 Midlands	785,642	620,855	629,525	625,217	614,463	5.80%	4.33%	4.21%	4.01%	3.79%	-1.59%	-1.61%	-1.61%	-1.59%	-1.57%
Y61 East of England	472,956	379,939	385,264	380,924	371,252	5.76%	4.38%	4.25%	4.03%	3.78%	-0.75%	-0.60%	-0.43%	-0.28%	-0.12%
Y56 London	679,915	527,338	519,334	496,100	468,696	5.78%	4.23%	4.00%	3.67%	3.35%	1.67%	2.06%	2.35%	2.65%	2.88%
Y59 South East	620,655	486,018	489,597	480,217	466,325	5.59%	4.14%	4.01%	3.78%	3.54%	-0.19%	-0.13%	-0.07%	-0.04%	-0.01%
Y58 South West	406,736	326,098	328,898	328,842	325,623	5.64%	4.28%	4.14%	3.97%	3.78%	-1.28%	-1.38%	-1.47%	-1.57%	-1.63%
ENG England	4,187,797	3,247,351	3,267,025	3,210,114	3,120,060	5.65%	4.14%	4.00%	3.78%	3.54%	-0.01%	-0.01%	-0.01%	0.00%	0.00%

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Other Primary Care allocations

PC Medical allocations for 19/20 for CNE average 6.1% (6.59% nationally)

	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2019-20	2019-20	2020-21	2021-22	2022-23	2023-24	2019-20	2020-21	2021-22	2022-23	2023-24	2019-20	2020-21	2021-22	2022-23	2023-24
Code	£'000	£'000	£'000	£'000	£'000	£'000	%	%	%	%	%	%	%	%	%	%
00C NHS Darlington CCG	15,380	823	567	718	544	618	5.65%	3.69%	4.50%	3.26%	3.59%	1.53%	1.16%	0.82%	0.15%	0.00%
00D NHS Durham Dales, Easington and Sedgfield CCG	46,460	2,423	1,700	2,300	1,824	1,920	5.50%	3.66%	4.78%	3.61%	3.67%	6.75%	6.16%	5.72%	5.40%	5.18%
03D NHS Hambleton, Richmondshire and Whitley CCG	22,803	1,193	829	1,083	829	854	5.52%	3.64%	4.58%	3.35%	3.34%	3.75%	3.14%	2.56%	1.96%	1.38%
00K NHS Hartlepool and Stockton-on-Tees CCG	43,129	2,410	1,828	2,388	1,942	2,033	5.92%	4.24%	5.33%	4.10%	4.12%	-1.91%	-1.77%	-1.55%	-1.29%	-0.98%
13T NHS Newcastle Gateshead CCG	73,270	5,056	4,063	4,781	3,572	3,227	7.41%	5.55%	6.18%	4.35%	3.77%	3.12%	2.48%	1.82%	1.15%	0.48%
01H NHS North Cumbria CCG	49,303	2,554	1,686	2,206	1,658	1,825	5.46%	3.42%	4.33%	3.12%	3.33%	1.89%	1.42%	0.86%	0.35%	0.03%
00J NHS North Durham CCG	36,495	2,038	1,430	1,840	1,467	1,547	5.91%	3.92%	4.85%	3.69%	3.75%	3.96%	3.69%	3.49%	3.32%	3.19%
99C NHS North Tyneside CCG	29,807	2,144	1,783	1,915	1,332	1,367	7.75%	5.98%	6.06%	3.98%	3.92%	-2.48%	-0.77%	0.05%	0.12%	0.11%
00L NHS Northumberland CCG	47,016	2,482	1,631	2,339	1,850	1,954	5.57%	3.47%	4.81%	3.63%	3.70%	1.11%	0.40%	0.07%	-0.20%	-0.42%
00M NHS South Tees CCG	47,011	2,516	1,708	2,280	1,783	1,867	5.65%	3.63%	4.68%	3.50%	3.54%	-0.14%	-0.34%	-0.51%	-0.59%	-0.61%
00N NHS South Tyneside CCG	23,176	1,259	873	1,152	898	933	5.74%	3.77%	4.79%	3.56%	3.57%	0.97%	0.63%	0.21%	0.16%	0.46%
00P NHS Sunderland CCG	43,334	2,516	1,796	2,300	1,786	1,798	6.17%	4.15%	5.10%	3.77%	3.66%	3.62%	3.88%	4.07%	4.17%	4.14%
QHM Cumbria and North East STP	477,154	27,414	19,894	25,312	19,485	19,943	6.19%	4.17%	5.09%	3.73%	3.66%	0.96%	1.07%	1.13%	1.09%	1.00%
Y63 North East and Yorkshire	1,303,971	75,147	52,657	67,368	52,733	54,720	6.12%	4.04%	4.97%	3.70%	3.71%	1.93%	1.82%	1.68%	1.54%	1.42%
Y62 North West	1,080,068	65,875	46,407	58,096	45,459	47,261	6.50%	4.30%	5.16%	3.84%	3.84%	0.06%	0.15%	0.16%	0.11%	0.07%
Y60 Midlands	1,558,740	91,661	66,353	85,429	68,915	71,912	6.25%	4.26%	5.26%	4.03%	4.04%	0.34%	0.19%	0.00%	0.04%	0.02%
Y61 East of England	909,464	57,243	42,419	54,370	43,679	45,226	6.49%	4.52%	5.54%	4.22%	4.19%	-0.12%	-0.16%	-0.21%	-0.29%	-0.35%
Y56 London	1,365,906	85,173	60,538	76,912	61,742	63,227	6.65%	4.43%	5.39%	4.11%	4.04%	1.83%	1.62%	1.43%	1.36%	1.24%
Y59 South East	1,241,898	79,347	58,508	72,422	58,760	60,259	6.83%	4.71%	5.57%	4.28%	4.21%	-1.21%	-1.04%	-0.98%	-0.93%	-0.93%
Y58 South West	779,579	57,179	38,871	47,932	39,274	41,117	7.92%	4.99%	5.86%	4.53%	4.54%	-3.67%	-3.28%	-2.96%	-2.66%	-2.36%
ENG England	8,289,628	511,625	365,753	462,529	370,582	383,722	6.59%	4.42%	5.36%	4.07%	4.05%	0.11%	0.10%	0.07%	0.04%	0.01%

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Specialised Commissioning allocations

Specialised allocations for 19/20 for CNE average 7.64% (8.14% nationally) – reserves held nationally for certain drugs/treatments

Code		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
		2019-20	2019-20	2020-21	2021-22	2022-23	2023-24	2019-20	2020-21	2021-22	2022-23	2023-24	2019-20	2020-21	2021-22	2022-23	2023-24
		Final allocation after place-based pace of change	Final growth	Final growth	Final growth	Final growth	Final growth	Final growth	Final growth	Final growth	Final growth	Final growth	Final closing DfT	Final closing DfT	Final closing DfT	Final closing DfT	Final closing DfT
	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%	%	%	%	%	%
00C	NHS Darlington CCG	29,377	2,049	1,822	1,988	2,281	2,525	7.50%	6.20%	6.37%	6.87%	7.12%	-3.38%	-3.92%	-4.45%	-4.95%	-5.45%
00D	NHS Durham Dales, Easington and Sedgfield CCG	74,647	5,403	4,847	5,331	6,100	6,761	7.80%	6.49%	6.71%	7.19%	7.44%	-7.85%	-8.11%	-8.38%	-8.62%	-8.85%
03D	NHS Hambleton, Richmondshire and Whittby CCG	42,593	2,944	2,643	2,882	3,310	3,673	7.43%	6.21%	6.37%	6.88%	7.14%	-5.37%	-4.75%	-4.12%	-3.55%	-2.99%
00K	NHS Hartlepool and Stockton-on-Tees CCG	78,648	5,664	5,045	5,518	6,320	6,998	7.76%	6.41%	6.59%	7.08%	7.33%	-7.28%	-7.63%	-7.97%	-8.32%	-8.66%
13T	NHS Newcastle Gateshead CCG	157,230	11,519	10,202	11,039	12,670	14,109	7.91%	6.49%	6.59%	7.10%	7.38%	-2.16%	-2.41%	-2.74%	-3.05%	-3.35%
01H	NHS North Cumbria CCG	91,908	6,269	5,524	6,051	6,954	7,707	7.32%	6.01%	6.21%	6.72%	6.98%	-0.44%	-1.10%	-1.72%	-2.33%	-2.89%
00J	NHS North Durham CCG	64,643	4,647	4,143	4,497	5,203	5,822	7.75%	6.41%	6.54%	7.10%	7.42%	-7.03%	-7.39%	-7.74%	-8.07%	-8.34%
99C	NHS North Tyneside CCG	64,261	4,631	4,139	4,543	5,213	5,786	7.77%	6.44%	6.64%	7.15%	7.40%	-5.88%	-6.26%	-6.64%	-7.02%	-7.40%
00L	NHS Northumberland CCG	90,549	6,300	5,590	6,129	7,044	7,810	7.48%	6.17%	6.38%	6.89%	7.14%	-4.79%	-5.43%	-6.03%	-6.59%	-7.13%
00M	NHS South Tees CCG	98,813	6,950	6,119	6,675	7,683	8,496	7.57%	6.19%	6.36%	6.88%	7.12%	-3.95%	-4.35%	-4.75%	-5.12%	-5.51%
00N	NHS South Tyneside CCG	46,188	3,248	2,891	3,174	3,644	4,045	7.56%	6.26%	6.47%	6.97%	7.24%	-6.16%	-6.65%	-7.14%	-7.50%	-7.98%
00P	NHS Sunderland CCG	79,874	5,607	4,971	5,453	6,266	6,942	7.55%	6.22%	6.43%	6.94%	7.19%	-4.32%	-4.72%	-5.10%	-5.46%	-5.82%
QHM	Cumbria and North East STP	918,731	65,231	57,596	63,280	72,688	80,674	7.64%	6.31%	6.48%	6.99%	7.25%	-4.11%	-4.54%	-4.96%	-5.37%	-5.75%
Y63	North East and Yorkshire	2,497,491	180,560	161,045	175,920	201,893	224,252	7.79%	6.45%	6.62%	7.12%	7.39%	-3.66%	-3.97%	-4.28%	-4.58%	-4.86%
Y62	North West	2,386,900	175,048	156,900	171,615	196,560	218,069	7.91%	6.57%	6.75%	7.24%	7.49%	-2.14%	-1.98%	-1.84%	-1.69%	-1.55%
Y60	Midlands	3,188,368	239,199	215,676	236,257	270,848	300,734	8.11%	6.76%	6.94%	7.44%	7.69%	-0.79%	-0.92%	-1.04%	-1.14%	-1.23%
Y61	East of England	1,851,051	141,307	128,103	140,629	160,950	178,664	8.26%	6.92%	7.11%	7.59%	7.83%	-1.31%	-1.18%	-1.04%	-0.90%	-0.75%
Y56	London	3,340,220	261,964	237,145	258,438	293,817	334,343	8.51%	7.10%	7.22%	7.66%	7.85%	1.42%	1.81%	2.18%	2.50%	2.78%
Y58	South East	2,634,035	198,317	179,244	196,482	225,160	250,098	8.14%	6.80%	6.98%	7.48%	7.73%	1.83%	1.90%	2.00%	2.10%	2.21%
Y59	South West	1,622,971	123,029	111,769	121,519	139,474	155,268	8.20%	6.89%	7.01%	7.51%	7.78%	0.04%	-0.03%	-0.12%	-0.22%	-0.27%
ENG	England	17,521,036	1,319,424	1,189,882	1,300,860	1,488,702	1,651,428	8.14%	6.79%	6.95%	7.44%	7.68%	0.00%	0.00%	0.00%	0.00%	0.00%

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Total place based commissioning allocations

Aggregate of CCG Core allocations, PC Medical Services and Specialised Commissioning allocations

Code		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
		2019-20	2019-20	2020-21	2021-22	2022-23	2023-24	2019-20	2020-21	2021-22	2022-23	2023-24	2019-20	2020-21	2021-22	2022-23	2023-24
		Final allocation including other funding	Final Growth	Final Growth	Final Growth	Final Growth	Final Growth	Final growth	Final growth	Final growth	Final growth	Final growth	Final closing DfT	Final closing DfT	Final closing DfT	Final closing DfT	Final closing DfT
	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%	%	%	%	%	%
00C	NHS Darlington CCG	203,763	10,478	8,005	8,316	8,507	8,783	5.44%	3.94%	3.94%	3.88%	3.85%	0.74%	0.06%	-0.64%	-1.17%	-1.59%
00D	NHS Durham Dales, Easington and Sedgfield CCG	606,408	32,812	25,565	26,845	26,687	26,748	5.74%	4.23%	4.26%	4.06%	3.91%	2.48%	2.02%	1.58%	1.16%	0.76%
03D	NHS Hambleton, Richmondshire and Whittby CCG	264,193	13,415	10,394	10,766	10,694	10,710	5.37%	3.95%	3.93%	3.76%	3.63%	3.82%	3.07%	2.33%	1.61%	0.83%
00K	NHS Hartlepool and Stockton-on-Tees CCG	557,976	29,980	25,198	26,815	27,093	27,536	5.70%	4.53%	4.61%	4.46%	4.33%	-3.10%	-3.06%	-2.94%	-2.84%	-2.69%
13T	NHS Newcastle Gateshead CCG	1,003,702	55,195	42,253	43,266	43,146	43,584	5.84%	4.22%	4.15%	3.97%	3.86%	1.25%	0.97%	0.65%	0.30%	-0.00%
01H	NHS North Cumbria CCG	622,212	31,108	23,358	24,409	25,042	25,975	5.27%	3.76%	3.78%	3.74%	3.74%	0.69%	0.03%	-0.65%	-1.21%	-1.67%
00J	NHS North Durham CCG	475,552	25,491	19,653	20,220	20,419	20,813	5.69%	4.15%	4.10%	3.97%	3.89%	2.43%	1.84%	1.29%	0.72%	0.20%
99C	NHS North Tyneside CCG	434,194	23,356	18,080	18,926	18,881	18,970	5.71%	4.18%	4.20%	4.02%	3.88%	1.72%	1.31%	0.91%	0.50%	0.01%
00L	NHS Northumberland CCG	611,053	32,348	25,145	27,147	27,846	28,844	5.42%	4.00%	4.15%	4.09%	4.07%	-0.56%	-1.21%	-1.69%	-2.05%	-2.33%
00M	NHS South Tees CCG	599,456	31,183	24,861	26,374	26,776	27,218	5.51%	4.16%	4.24%	4.13%	4.03%	-2.05%	-2.16%	-2.26%	-2.32%	-2.35%
00N	NHS South Tyneside CCG	333,989	17,373	13,319	13,944	13,872	13,916	5.51%	4.00%	4.03%	3.85%	3.72%	2.19%	1.60%	1.43%	1.02%	0.57%
00P	NHS Sunderland CCG	594,888	29,775	23,237	24,572	24,464	24,443	5.29%	3.92%	3.99%	3.82%	3.67%	0.84%	0.39%	3.98%	3.54%	3.08%
QHM	Cumbria and North East STP	6,327,396	332,515	259,068	271,600	273,426	277,538	5.57%	4.11%	4.13%	4.00%	3.90%	0.99%	0.58%	0.19%	-0.17%	-0.51%
Y63	North East and Yorkshire	16,533,961	906,427	697,952	730,936	734,980	746,892	5.81%	4.23%	4.25%	4.10%	4.00%	0.72%	0.42%	0.14%	-0.12%	-0.37%
Y62	North West	14,385,176	812,095	626,163	656,471	660,482	671,112	5.99%	4.36%	4.38%	4.22%	4.11%	0.47%	0.34%	0.21%	0.09%	-0.01%
Y60	Midlands	19,104,738	1,116,497	902,884	951,212	964,981	987,109	6.22%	4.73%	4.76%	4.61%	4.51%	-1.30%	-1.33%	-1.37%	-1.38%	-1.38%
Y61	East of England	11,481,282	671,507	550,458	580,264	585,551	595,141	6.22%	4.80%	4.83%	4.65%	4.51%	-0.79%	-0.67%	-0.51%	-0.38%	-0.25%
Y56	London	17,165,624	1,027,055	825,022	854,688	851,661	856,265	6.37%	4.81%	4.75%	4.52%	4.35%	1.64%	1.98%	2.24%	2.51%	2.73%
Y58	South East	15,621,637	898,319	723,771	758,502	764,138	776,681	6.11%	4.64%	4.65%	4.47%	4.35%	0.06%	0.14%	0.21%	0.27%	0.32%
Y59	South West	10,039,626	586,944	476,739	498,350	507,590	522,008	6.22%	4.76%	4.75%	4.61%	4.54%	-1.26%	-1.31%	-1.37%	-1.43%	-1.45%
ENG	England	104,332,044	6,018,845	4,802,989	5,030,424	5,069,383	5,155,208	6.13%	4.61%	4.61%	4.44%	4.33%	0.00%	0.00%	0.00%	0.00%	0.00%

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Payment reform and national tariff (consultation)

- National Tariff uplift 3.8% for 2019/20, including AFC pay awards paid directly to relevant providers in 2018/19

Tariff	Estimate	Cost weight	Wtd estimate		
Pay*	5.0%	66.9%	3.4%	Pay*	
Drugs	0.6%	3.7%	0.0%	18/19 AfC	1.6%
Capital	1.8%	6.9%	0.1%	Non AfC above national tariff allowance	0.3%
CNST	-1.0%	2.5%	0.0%	Anticipated 19/20 pressures	3.1%
Other	1.8%	20.0%	0.4%	Total	5.0%
Total		100.0%	3.8%		

- 3.8% excludes:
 - Tariff efficiency for 2019/20 will be 1.1% (material reduction from 2% from 16/17)
 - £1bn PSF transfer into national prices (NEL/XBD tariffs)
 - £330m CNST adjustment (maternity pathways)
 - 1.25% CQUIN transfer (national and local prices)
 - 0.36% impact of centralised procurement overheads (national and local prices)
 - Updated Market Forces Factor (MFF) for 2019/20, implemented over five years (revenue impact to be reflected in provider CTs for 19/20). Full impact of changes to the MFF should not immediately or automatically affect local prices
 - 19/20 Pensions impact
- Default payment approach where UEC activity > £10m - covering NEL admissions, A&E and ambulatory/same day emergency care. Fixed element based on locally agreed planned activity levels taking account of the effects of demographic pressures as well as a realistic assessment of the impact of system efforts to reduce demand; and a variable element, set at 20% of tariff prices. A 'break glass' clause will apply if actual activity is significantly different from the planned level. If unable to agree locally, STP will support and finally national dispute resolution process will apply. NHSE/I will look to resolve disagreements before entering arbitration via the national Independent Arbitration Panel.
- The marginal rate emergency tariff (MRET) and the 30day readmission rule will be abolished as national rules for 2019/20, on a financially neutral basis between providers and commissioners. The contract value will be reduced by the agreed 17/18 values.
- Propose to make the maternity pathway tariffs non-mandatory, but still expect these prices to be used for contracting in 2019/20.

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Efficiency and productivity

The NHS has consistently improved productivity over time and in recent years these improvements have outpaced the wider economy however there remains significant variation in efficiency both within and across the different types of services that the NHS provides. All systems should develop robust efficiency plans taking account of the opportunities identified in the Model Hospital, GIRFT and Rightcare.

Providers and commissioners should work together to deliver transformation, improve clinical effectiveness and accelerate ongoing productivity opportunities. The minimum efficiency ask of the NHS in the next five years is 1.1% per year. Efficiency plans should be appropriately phased and not back-loaded. Delivering at least 1.1% efficiency per year will require a renewed and intensified focus on:

Staffing

- Greater staff productivity - improve the availability and deployment of clinical workforce, including a significant increase in effective implementation of e-rostering and e-job planning standards. Bank first, reducing locum costs and hourly rates, skill mix etc.

Digital/Estate

- Transformative models of delivering services to patients including new digital technology and wider infrastructure
- Improve quality and productivity of services delivered in the community, across physical and mental health, by making mobile devices and digital services available to a significant proportion of staff
- Improving utilisation of NHS estate through the development and delivery of robust, affordable local estates strategies that include delivery of agreed surplus land disposal ambitions. Make best use of the estate including improvements to energy efficiency, clinical space utilisation in hospitals and implementation of modern operating models for community services

Prescribing

- CCGs to implement NHSE guidance on 18 items which should not be routinely prescribed in primary care – saving up to £114 million per year by 2020/21 compared to 2017/18
- CCGs to implement NHSE guidance on over the counter items should not be routinely prescribed in primary care – savings up to £93 million per year compared to 2017/18.
- Secure value from medicines and pharmacy, including implementation of electronic prescribing, removal of low value prescribing and greater use of biosimilars

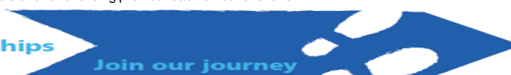
Procurement

- Accelerate the pace of procurement savings by increasing standardisation and aggregation, making use of collective purchasing powers.

Corporate services

- Improve corporate services, including commissioners and providers working together to simplify the contracting processes and reducing the costs of transactional services. Commissioning at scale and rationalising provider back office functions.

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Efficiency and productivity

Rightcare and demand management

- CCGs to implement NHSE guidance on published evidence based Interventions: 17 clinical interventions that are divided into two categories:
 - Four Category 1 interventions not to be commissioned by CCGs or performed unless a successful Individual Funding Request (IFR) and Thirteen Category 2 interventions not to be commissioned by CCGs or performed unless specific clinical criteria are met
- Implement national priority Rightcare initiatives for cardiovascular and respiratory conditions in 2019/20. They will also be expected to address variation and improve care in at least one additional pathway outside of the national priority initiatives.
- CCGs to implement a High Intensity User support offer for demand management in urgent and emergency care
- CCGs to continue using RightCare data to identify opportunities and outliers and increase the focus on the development of primary care service to further reduce referrals and follow ups.
- Work across the STPs/ICSs to develop proposals to transform outpatient services by introducing digitally-enabled operating models to substantially reduce the number of patient visits

Other

- Providers to consider opportunities outlined in GIRFT reports and Lord Carter's reviews of operational productivity, performance and variations in English NHS acute hospitals: mental health and community health services; and NHS ambulance trusts:
- Support and accelerate rollout of pathology and imaging networks
- In addition to efficiency savings, providers have opportunities to grow their external (non-NHS) - is expected that the NHS will work towards securing the benchmarked potential for commercial income growth and overseas visitor cost recovery identified in the Model Hospital.

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