

Health and Adult Social Care Scrutiny Committee

19 September 2024

Achieving Financial Sustainability in the NHS

Report of the Statutory Scrutiny Officer

1 Purpose

- 1.1 To scrutinise the NHS Nottingham and Nottinghamshire Integrated Care Board's (ICB's) proposals for changes to commissioned services to achieve a balanced budget position within the local NHS healthcare system by the end of March 2026.

2 Action required

- 2.1 The Committee is asked:

- 1) to make any comments or recommendations in response to the report from the ICB on the current financial position within the local NHS and the plans to achieve financial stability by the end of the 2025/26 financial year; and
- 2) to consider whether any further scrutiny of the issue is required (and, if so, to identify the focus and timescales).

3 Background information

- 3.1 The ICB has increased levels of funding this year to sustain the local NHS healthcare system, but service pressures have also increased, meaning that there is an overall requirement for a 6% saving in costs to be delivered. The ICB has agreed a £100 million deficit with NHS England for 2024/25, but there is a regulatory requirement for the ICB to be in a balanced financial position by the end of 2025/26, so a savings programme will be phased over a two-year period. The ICB is seeking to meet its financial duties in a way that minimises the need for front-line service change by maximising efficiency, productivity and financial governance and control to achieve best value for money in NHS services, and this is intended to constitute the majority of the cost-saving proposals.
- 3.2 For the ICB to work within its resources while minimising negative impacts on service users, the following approach is being taken:
- prioritising schemes that enhance efficiency and productivity, as well as reviewing contractual arrangements and value for money in the services that are currently provided;
 - maximising efficiencies in non-patient-facing areas and enhancing financial controls across the system;
 - ensuring compliance with existing NHS funding policies, particularly where thresholds are not being applied in line with policy;

- deferring some investments in services, so that operating costs are not increased and existing services can be kept within affordable levels; and
- concluding pilot activities where clear benefits have not been demonstrated.

- 3.3 The ICB has established process in place to assess the impact on quality and equality of savings plans where services will be changed or ceased. In order to ensure consistency, the ICB will complete an Equality and Quality Impact Assessment (EQIA) screening tool for all schemes to identify whether a full EQIA is required to ensure that the impacts on service users are understood and acknowledged in decision-making. The ICB and other organisation must complete the tool for all savings proposals that are being considered. The consideration of equity impact is a statutory duty, and the addition of quality and population health considerations is intended to provide a wider view of the impact to inform decision-making. The ICB's risk matrix approach also considers whether there is alternative service provision and seeks to identify any risk of unfair or unavoidable differences in health across different groups in society, or poor or worsening health outcomes for individuals or populations.
- 3.4 The ICB has sought to identify which of its current proposals will not have a service impact on Nottingham citizens, which will maintain existing services with minimal impacts on how people access care, and which may result in material service change. Currently, further work is required to fully identify and establish the potential impacts of the more significant service changes proposed.
- 3.5 The ICB initially intended to bring a report on required savings within the local healthcare system to the Committee meeting on 13 June 2024, but this was deferred to the meeting on 11 July at the request of the ICB due to the June meeting falling within the period of sensitivity ahead of the General Election on 4 July. The Chair wrote to the ICB on 10 June (published with the Committee's 11 July meeting papers, along with the ICB's response of 13 June) to seek assurance that the delay to the report coming to the Committee would result in an appropriate pause to the decision-making process before any changes were decided upon and implemented. Following the Committee meeting on 11 July, the Chair also wrote to the ICB on 15 August to set out the current key issues for the Committee, and this letter is appended.

4 List of attached information

- 4.1 Report: Achieving Financial Sustainability in the NHS

5 Background papers, other than published works or those disclosing exempt or confidential information

- 5.1 Letter from the Chair of the Health and Adult Social Care Scrutiny Committee to the Chief Executive of the ICB (15 August 2024) regarding Achieving Financial Sustainability in the NHS

6 Published documents referred to in compiling this report

- 6.1 Reports to, and Minutes of, the Health and Adult Social Care Scrutiny Committee meeting held on [11 July 2024](#)

7 Wards affected

- 7.1 All

8 Contact information

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