NHS
University Hospitals Tees

Tees Valley Joint Health Scrutiny Committee
2 June 2027

Caring Better Together

National and strategic context

- **National economic pressures.** Persistent challenge across the UK with communities feeling this via increased cost of living and instability in broader job market.
- **The NHS contribution.** NHS is a significant proportion of public sector spend with direct impact on the economy and costs rising at an unsustainable level
- **Declining productivity.** Activity being delivered across the NHS in England is broadly similar to pre COVID 19/20 level but there has been a significant expansion of staff since 2019/20
- **Public satisfaction and confidence in the NHS** is low – imperative this is restored through continued improvements in waiting times, patient experiences
- **Life expectancy** is flat over the last decade (first time not increased in over 100yrs) despite 40% more staff in the NHS. The number of years living in ill health is up over the last decade.
- **Requires a reset.** Consensus need to shift to a more proactive care model aligned to the government's 10 Year Health Plan along with a financial reset across the NHS.
- **Industrial relations** presents further challenge. Multiple professional groups have taken industrial action over the last two years. Resident doctors 15 strikes to date.

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UHT financial and workforce challenge

- UHT workforce growth since 2019/20 is 2,833 whole time equivalents (wte), comprising 843 at NTH and 1,990 at STH)
- The growth broadly breaks down evenly between (1) additional commissioned work; (2) planned increases to address specific quality and safety issues; (3) COVID / other workforce increases
- The Medium-Term Financial Plan for UHT is an ambitious plan to return to financial sustainability. Both trusts had to offer a break even plan in each of the three years
- **From 26/27, we must deliver:**
    - Cost improvement of around **5.9%** year on year across clinical and corporate services
    - Totalling **£250m over 3 years**
    - Of which **£90m cost improvement programme (CIP) in 26/27**
    - Circa 65% of costs relate to staffing
    - Clear requirement to reduce headcount. **558 wte in 26/27**
    - **This includes a programme of Voluntary Redundancy**

Productivity and workforce

- As a headline, both trusts benchmark as the most productive in the North East
- However to deliver the performance and outcomes we want for our population, within our financial resources, we need to seek out and demonstrate productivity improvement wherever there is opportunity.
- The greatest opportunity is in reducing the cost of elective care

Improving use of PIFU will free up 2,900 appointments a month

- Model Hospital and GiRFT benchmarking identifies our opportunities at specialty level
  - Reducing DNAs
  - Reducing New: Review ratio with more use of PIFU
  - Improving theatre utilisation
  - Best practice in day surgery rates
  - Reducing length of stay
- Horizontal integration unlocks new ways of working and fresh perspective on service models to meet demand safely and effectively

Reducing DNA rates will free up 1,200 appointments a month

- We are committed to workforce productivity improvements
  - Reduce use of bank by 10% year on year
  - Reduce use of agency by 30% year on year
  - Support for sickness absence management reduction towards national ambition of 4.1% (our target is 5.5% initially)
  - Reduce our WTE worked to sustainable levels to deliver our cost improvement plan
  - Maintaining and improving quality and safety of services is the overriding priority

Planned workforce reductions in 2026/27

- **Baseline workforce position.** UHT employs around 15,100 staff (c.9,600 at STH and c.5,500 at NTH).
- **Workforce reduction.** A total of 558 WTE posts will be reduced during 2026/27.This represents around 3.7% of our workforce.

- **Alignment with Service Plans.** Reductions are aligned with service redesign, vacancy assumptions, and voluntary exits for realistic delivery, with safe and effective reduction decisions.
- **Stakeholder Engagement.** Comprehensive engagement with staff, unions, and leaders to ensure safe and supported implementation.
- **Guiding principles agreed.** These include prioritising patient safety, delivering through voluntary workforce reductions initially, return on investment, and collaborative decision-making.
- **Digital and corporate services.** A proportion of workforce reductions will be delivered through digital transformation and corporate services redesign, including automation, process standardisation and consolidation of support functions, enabling sustainable WTE reductions without adverse impact on frontline services.
- **Clinical services transformation.** Further workforce reductions will be achieved through clinical consolidation and integration of services as the clinical strategy is implemented, reducing duplication, improving flow and enabling more efficient deployment of clinical and support staff while maintaining safe patient care.
- **Voluntary redundancy (VR) scheme.** Launched in May to qualifying staff. Application period for voluntary redundancy ends on 1 June 2026 and continues to run in parallel with the current vacancy freeze and ongoing cost improvement plans.

Turnover and sickness

- **Workforce turnover rate.** The current turnover rate is 7.1%, indicating a relatively stable workforce compared to NHS standards. Natural turnover is deliberately leveraged to manage workforce size and reduce redundancies effectively.
- **Executive vacancy review.** Vacancies undergo executive scrutiny assessing affordability, service impact, and alignment with future models and strategy.
- **Sickness absence impact.** Sickness absence is 6.5%, posing a productivity challenge but also offering improvement opportunities. The plan assumes a 1% decrease in sickness absence, lowering rates from 6.5% to 5.5%, reflecting measurable goals. Reduction assumption is backed by specific actions and management focus, including early intervention and case management to reduce sickness absence and new sickness policy.
- **Workforce planning integration.** Turnover and sickness metrics are actively integrated into workforce planning to manage vacancies and improve capacity.

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Thank you