

Integrated Care Board

Date of meeting	11 September 2024
Title of paper	System Recovery and Transformation
Presented by	Sam Proffitt, Deputy Chief Executive and Chief Finance Officer
Author	Sam Proffitt, Deputy Chief Executive and Chief Finance Officer
Agenda item	10
Confidential	No

Executive summary				
<p>Across the ICB and NHS Providers the system needs to deliver £531m of savings in 2024/25 to achieve our deficit plan of £175m as agreed with NHS England.</p> <p>The purpose of this paper is to provide the Integrated Care Board with an update on progress made by the System Recovery and Transformation Programme, including a summary position of the three main components that will deliver our agreed deficit plan: Trust Cost Improvement Plans (CIP), ICB Quality Innovation Productivity Prevention (QIPP) and the additional System Recovery projects necessary to mitigate risks and / or support Providers in their efforts to deliver their savings.</p> <p>This paper also describes the emerging findings for Phase 1 of the NHS England national support programme and the steps to agree the scope of Phase 2.</p>				
Recommendations				
The Integrated Care Board is asked to note this paper.				
Which Strategic Objective/s does the report relate to:				Tick
SO1	Improve quality, including safety, clinical outcomes, and patient experience			X
SO2	To equalise opportunities and clinical outcomes across the area			X
SO3	Make working in Lancashire and South Cumbria an attractive and desirable option for existing and potential employees			X
SO4	Meet financial targets and deliver improved productivity			X
SO5	Meet national and locally determined performance standards and targets			
SO6	To develop and implement ambitious, deliverable strategies			X
Implications				
	Yes	No	N/A	Comments
Associated risks	X			Detailed risk registers will be maintained by each programme in scope of recovery & transformation

Are associated risks detailed on the ICB Risk Register?	X			The scope of work will positively support mitigation of risks 019 (NOF ratings) and 008 System Financial Sustainability)
Financial Implications	X			The benefits delivered by the recovery & transformation programme are an essential contribution to our 3-year financial recovery plan
Where paper has been discussed (list other committees/forums that have discussed this paper)				
Meeting	Date		Outcomes	
System Recovery and Transformation Programme Board	June 2024		The content of this report was noted.	
Conflicts of interest associated with this report				
Not applicable				
Impact assessments				
	Yes	No	N/A	Comments
Quality impact assessment completed			X	Appropriate QIAs will be undertaken by programmes within recovery & transformation scope
Equality impact assessment completed			X	Appropriate EIAs will be undertaken by programmes within recovery & transformation scope
Data privacy impact assessment completed			X	There are no data privacy impacts associated with this paper

Report authorised by:	Sam Proffitt, ICB Deputy Chief Executive and Chief Finance Officer.
------------------------------	---

Integrated Care Board – 11 September 2024

System Recovery and Transformation

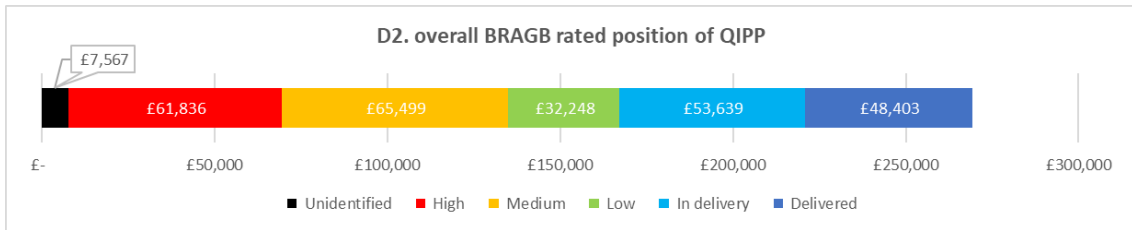
1. Executive Summary

- 1.1 The purpose of the paper is to provide the ICB Board with an update on progress made by the System Recovery and Transformation Programme, including a summary position of the three main components: Provider Cost Improvement Plans (CIP), ICB Quality, Innovation, Productivity and Prevention (QIPP) Plans and the System recovery projects.
- 1.2 The report also describes the emerging findings for Phase 1 of the NHS England national support programme and the steps to agree the scope of Phase 2.
- 1.3 The Integrated Care Board (ICB) has submitted a plan for 2024/25 that requires the delivery of a large portfolio of Provider and ICB savings plans. Achieving this and supporting organisations to deliver against their plans is the focus of the Recovery and Transformation Programme in year.
- 1.4 Work is on-going to develop the plans with oversight from the System Recovery and Transformation Programme Board which meets twice each month.
- 1.5 This shapes the requirements through recovery and transformation enabling the system to achieve its aims to: -
 - reduce waste and duplication,
 - improve quality and
 - transform services to ensure long terms clinical, operational, and financial sustainability.

2 ICB QIPP (Savings) Performance Summary – Month 4

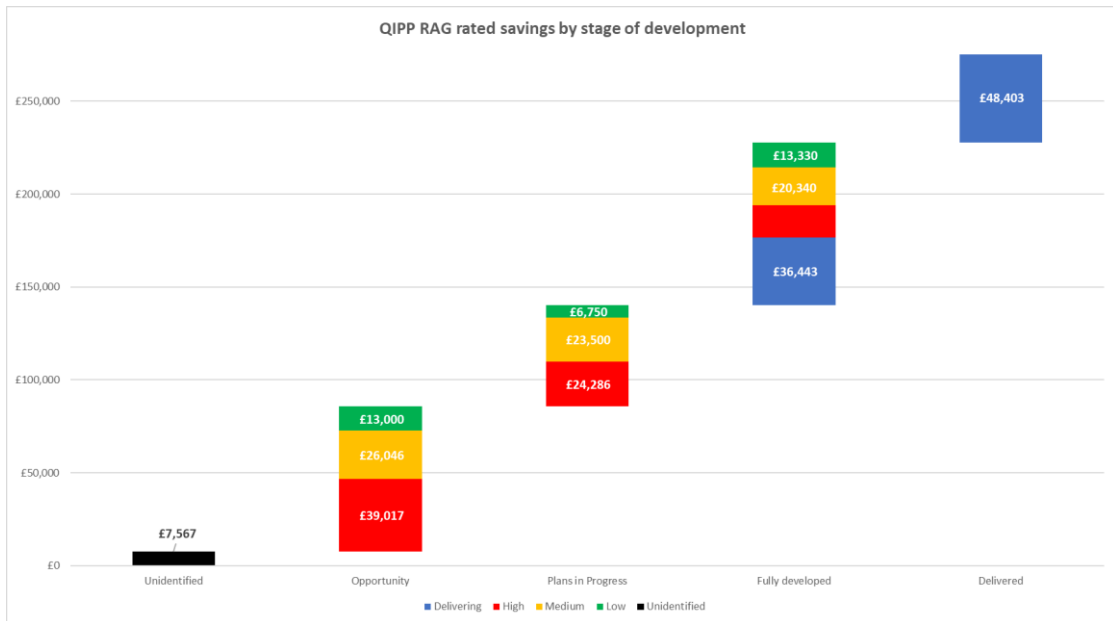
- 2.1 The overall QIPP savings target for the year is £270m.
- 2.2 As can be seen in **Figure 1** £48.4m has been delivered (blue) by month 4 position which is in line with the planned target. Additionally, £53.6m of schemes are now “in delivery”, which means the work has been done and the benefits will materialise each month. A further £32.2m of schemes are rated ‘Green’ with high confidence of delivery, with £65.5m rated “amber” where more work is identified and will be undertaken to ensure delivery.
- 2.3 The level of red risk rated schemes is £61.8m, with a further £7.6m unidentified, creating a total high risk to delivery of £69.4m. The level of risk in the ICB continue to be primarily around review of contracts and demand for all age continuing care (AACC).

Figure 1 – Overall Risk Rating of QIPP – needs updating for latest risk assessment reported to F&P after Execs



2.4 There are a number of schemes in earlier phases, as can be seen in the table below. Ongoing scheme development is progressing demonstrated by movement of schemes at opportunity stage now at £78m, this was over £100m at month 2. Confidence in delivery of these has shifted to towards lower/medium risk due to schemes being further defined and benefits validated with finance teams. However, high risk schemes associated with delivery of the QIPP target account for 25% of total value currently.

Figure 2 – Risk Rating of QIPP by stage of development



2.5 The QIPP oversight group has been established since 12th June and meets fortnightly to review scheme level detail for all current identified schemes. This is improving assurance and deliverability of schemes. The group are proactively engaging with departments and teams across the ICB to identify new opportunities that will deliver further savings reduce existing shortfall of unidentified benefits as well as mitigating current high-risk schemes that may fail to materialise.

3 Trust CIP (Savings) Performance Summary – Month 4

- 3.1 Trusts have identified £261m of CIP, of which £83m (32%) remains a high risk. This continues to reduce with a positive shift of £28m since month 3. The value of delivered and fully developed schemes now stands at £114m. See **figure 3**.
- 3.2 As at month 4, Trusts have delivered savings of £29.7m. Of this, £17.8m was recurrent and £11.9m non-recurrent. This suggest non-recurrent mitigation, but Organisations will need to ensure recurrent schemes which may have slipped are still fully delivered in year.

Figure 3 – Risk Profile of Provider CIPS

	Low	Medium	High	Total	Delivered	Fully Developed	Plans in Progress	Opportunity	Total
BTH	6.3	10.0	47.4	63.7	9.5	8.9	4.4	40.9	63.7
ELHT	24.6	35.1	-	59.7	19.6	4.9	21.7	13.4	59.7
LSCFT	8.8	13.9	4.3	27.0	7.7	1.4	4.0	13.8	27.0
LTHT	37.8	12.1	8.1	58.0	12.2	25.7	12.1	8.1	58.0
NWAS	10.7	3.3	1.0	15.1	11.7	2.3	0.8	0.2	15.1
UHMB	10.4	4.6	22.4	37.3	10.4	-	16.5	10.4	37.3
Total	98.6	78.9	83.2	260.8	71.1	43.3	59.5	86.9	260.8

- 3.3 While the System Recovery and Transformation Programmes will support Trusts to deliver an element the £270m of savings, the accountability for mitigating risk and delivery remains with Providers.

4 Recovery and Transformation Schemes

- 4.1 The Recovery and Transformation Programme Board (RTPB) meets twice each month and receives Triple A (Alert, Advise, Assure) reports from each programme and a dashboard setting out key aspects of each of the main portfolios of work. The report highlights benefits to be delivered through system collaboration over and above Trust CIP and ICB QIPP. This will enable the RTPB to scrutinise pace of delivery and help to support resolution of any risks / issues.
- 4.2 The biggest component of the in-year benefit comes from “One LSC” which is tracking some £42.4m of in-year opportunities, of which £14.4m are already delivered. The Clinical and Fragile Services programme is developing £4.4m of schemes which will be in addition to current Trust savings planned if plans are fully developed. The Elective Recovery programme has delivered almost £2m of benefits with a further £1.7m fully developed or plans in progress.
- 4.3 Given the scale of the escalation costs in the UEC pathway (c£80m), another critical programme is the de-escalation of Urgent and Emergency Care (UEC) Pressures. The draft five-year urgent and emergency care strategy was discussed at an ICB Board development session on 17 July 2024. The proposed final strategy will be presented to the ICB Board meeting on 11 September 2024 for consideration and approval.
- 4.4 Underpinning the strategy are UEC Delivery Board Improvement Plans, the current status of these plans is set out below:

- All UEC delivery boards submitted improvement plans to the ICB on 19 July 2024. Following that, further work has been completed to produce granular improvement plans to set out what will be done by when and who, and to quantify the operational and financial impacts.
- The ICB, trusts and place-based teams have been asked to nominate resources to provide more capacity and capability to accelerate delivery of the plans across our places and system.
- A mapping exercise is being undertaken to fully understand what wider work is underway across commissioning teams and system programmes that may contribute to the delivery of the UEC improvement plans and the de-escalation of capacity and costs.

5 NHS England Support Programme

- 5.1 The Lancashire and Cumbria system is part of the national NHS England support programme and has been working with PA Consulting for the last 6 weeks on “Phase 1” of this programme. In addition, NHS England has also provided the system with an NHSE Nominated lead to work with the system and PA Consulting. The objective of this programme is to ensure delivery of the financial plan, with the Phase 1 (4-6 week) scope being to stress test the plans, assess key process, identification of opportunities, and the distillation of the findings to produce a scope for “Phase 2” (8-12 weeks).
- 5.2 The Phase 1 report is being finalised but the key findings that are emerging and will shape Phase 2 are:
- There is a material risk to delivery of the £175m deficit. This needs to be mitigation by:
 - Acceleration of CIP and QIPP delivery.
 - Increased pace of delivery for Recovery and Transformation programmes.
 - Enhanced grip and control regarding variable pay, discretionary non-pay spend and recruitment controls.
- 5.3 These findings are consistent with what has previously been reported to the ICB Board in terms of a material risk and the actions required. The scope of Phase 2 will target the areas where external support is required to increase traction and accelerate the pace of delivery. The scope will be agreed with system partners and will require sign-off by NHS England. The expectation is this will be done in the first two weeks of September 2024.

6 Conclusion

- 6.1 From the outset, the scale of the CIP/QIPP plans has meant we have a high-risk plan but there are sufficient opportunities to deliver the plan.
- 6.2 All organisations remained committed to delivering the plan but the breadth of initiatives, the management capacity and the current pace of delivery means there is a material risk without urgent action.

- 6.3 The findings from Phase 1 of the national support programme reinforce what has previously been reported to the ICB Board in relation to risk and pace.
- 6.4 Phase 2 of the national support programme will provide targeted and tailored support to mitigate the risks and deliver the plan.

7 Recommendations

- 7.1 The ICB Board is asked to note this update and agree to receive a further update at its next meeting on the mitigation of risks associated with delivery of the deficit plan.

Sam Proffitt

29th August 2024