

# Integrated Care Board

<b>Date of meeting</b>	27 <sup>th</sup> July 2022
<b>Title of paper</b>	Establishing the Integrated Care Board, system diagnostic: Inherited risks and issues, strategic aims and early priorities for the Integrated Care Board
<b>Presented by</b>	Kevin Lavery, Chief Executive
<b>Authors</b>	Andrew Bennett, Debra Atkinson
<b>Agenda item</b>	5
<b>Confidential</b>	No

## **Purpose of the paper**

This paper identifies a number of risks and challenges inherited by the new Integrated Care Board (ICB) for Lancashire and South Cumbria.

The paper also contains proposals for a set of strategic aims for the organisation and confirms that plans are now being developed by the Executive to take action against a defined group of early priorities.

## **Executive summary**

The Health and Care Act 2022 has established a statutory Integrated Care Board (ICB) from 1<sup>st</sup> July 2022. The ICB is now a key system partner within the Lancashire and South Cumbria Integrated Care System.

This paper confirms that the Chief Executive and ICB Executive team have undertaken a diagnostic of the major challenges facing the new organisation and wider health and care system. The Executives have also developed a number of strategic aims for the ICB and have identified a group of early priorities for the organisation.

## **Recommendations**

The Board is asked to:

- Discuss the challenges facing the new Integrated Care Board and wider Integrated Care System.
- Endorse the strategic aims and early priorities which are proposed for the ICB.
- Note that action plans are now being developed under the direction of the Executive Team to address these priorities.
- Agree to receive regular progress reports on the priorities as part of a board workplan of business.

## **Governance and reporting (list other forums that have discussed this paper)**

<b>Meeting</b>	<b>Date</b>	<b>Outcomes</b>
N/A		

<b>Conflicts of interest identified</b>				
Not applicable				
<b>Implications</b>				
<i>If yes, please provide a brief risk description and reference number</i>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
Quality impact assessment completed			x	
Equality impact assessment completed			x	
Privacy impact assessment completed			x	
Financial impact assessment completed			x	
Associated risks	x			
Are associated risks detailed on the ICS Risk Register?	x			The risks identified in this paper will be cross-checked with the ICB assurance framework and risk register.

<b>Report authorised by:</b>	Kevin Lavery, Chief Executive
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# Integrated Care Board – 27<sup>th</sup> July 2022

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## **Establishing the Integrated Care Board, system diagnostic: Inherited risks and issues, strategic aims and early priorities for the Integrated Care Board**

### **1. Introduction**

The Health and Care Act 2022 has established a statutory Integrated Care Board (ICB) from 1<sup>st</sup> July 2022. The ICB is now a key system partner within the Lancashire and South Cumbria Integrated Care System.

This paper confirms that the Chief Executive and ICB Executive team have undertaken a diagnostic of the major challenges which are being inherited by the new organisation and wider health and care system. The Executives have also developed a number of strategic aims for the ICB.

The Board is asked to:

- Discuss the challenges facing the new Integrated Care Board and wider Integrated Care System.
- Endorse the strategic aims and early priorities which are proposed for the ICB.
- Note that action plans are now being developed under the direction of the Executive Team to address these priorities.
- Agree to receive regular progress reports on the priorities as part of a board workplan of business.

### **2. Key Challenges**

#### **Crisis and opportunity**

- 2.1 It is clear that the legislative changes to create Integrated Care Boards and Integrated Care Systems have taken place at the height of a global health crisis. Covid 19 has had a massive impact on our communities in Lancashire and South Cumbria, on our partner organisations and, of course, on the NHS itself.
- 2.2 Health outcomes have worsened. Inequalities have deteriorated further. There is a huge backlog of elective work. Long term conditions have worsened. The health and social care system has never been more fragile. The workforce is tired. Morale is low and the threat of a winter of discontent is growing. The cost of living crisis will mean a further deterioration in inequalities and health outcomes.
- 2.3 With these challenges come opportunities. Collaboration and system thinking can make a big difference to health outcomes and inequalities. We can secure a step change in the acute system; we can have much more impact on the determinants of health; we can integrate health and care faster, better, smarter, and cheaper and strengthen primary care system to be the best it can be.

2.4 At the height of the crisis the NHS came into its own. Our hospitals, general practices and community services helped thousands of people recover from Covid. The NHS pioneered the most ambitious, swift vaccination programme in the world. This saved hundreds of thousands of lives. The task facing the Integrated Care Board now is to convert this crisis into an amazing opportunity. To do this we need to retain the spirit and approach we adopted in “wartime” (during the height of Covid) and apply it in “peacetime” for the people of Lancashire and South Cumbria

### System diagnostic

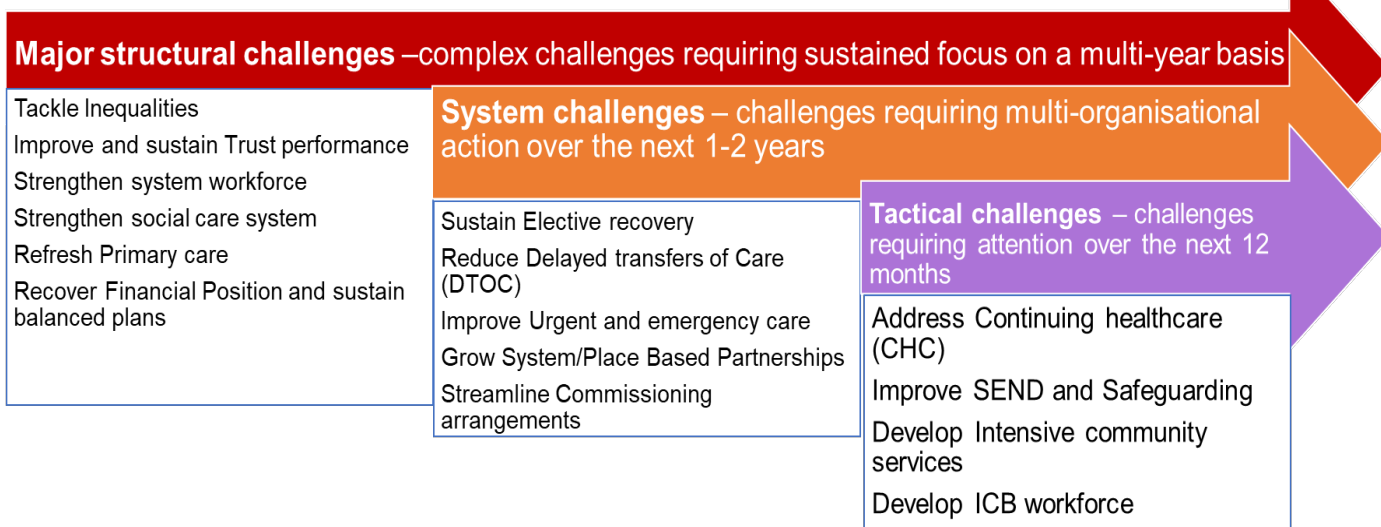
2.5 Over the course of the last three months, the Chief Executive and ICB Executive Directors have undertaken a series of visits and meetings with partner organisations and leaders across the system. This “system diagnostic” process has identified a number of risks and issues which are being inherited by the new organisation. These are now presented as key challenges which can be considered by the Board. These challenges can be summarised under three headings and are shown in in Figure 1 below. More details are set out in Appendix 1:

- **Major structural challenges** –complex challenges requiring sustained focus on a multi-year basis
- **System challenges** – challenges requiring multi-organisational action over the next 1-2 years
- **Tactical challenges** – challenges requiring specific attention over the next 12-18 months

**Figure 1: System Diagnostic outlining key challenges for the ICB and ICS**

#### Key Risks and Challenges: System Diagnostic

The “system diagnostic” process has identified a number of risks and issues which are being inherited by the new organisation:



### **3. Strategic Aims**

- 3.1 The ICB Executive team is working to shape the functions, structures and priorities of the new Integrated Care Board to ensure the organisation is able to discharge its statutory duties.
- 3.2 Having completed the system diagnostic process, the Executives are proposing that the Integrated Care Board will be guided by four strategic aims. These are drawn directly from the fundamental purposes of integrated care systems as set out in the ICS Design Framework (June 2021). The strategic aims are as follows:
- improve outcomes in population health and healthcare;
  - tackle inequalities in outcomes, experience and access;
  - enhance productivity and value for money;
  - help the NHS support broader social and economic development.
- 3.3 It is the intention of the Executive that all of the work programmes of the Board will be mapped against these four strategic aims.

### **4. Developing the ICB's Priorities**

- 4.1 Having completed the diagnostic process and after reviewing the challenges facing the organisation, the Executive team is recommending that the ICB takes a systematic and phased approach to setting priorities.
- 4.2 This approach will have a clear strategic direction founded on the strategic aims set out above. The ICB will continue to make a thorough assessment of its inherited legacy and the current outcomes and health inequalities present across Lancashire and South Cumbria.
- 4.3 The Executive team is devising a strategy to take the organisation forward through its first year of operation – focusing on ambitious objectives, realistic expectations and a small number of key priorities. These will be carefully sequenced with the necessary project structures and resource arrangements in order to support implementation. Over January-March 2023, it is expected that this work will culminate in the production of a 10-year plan and a 3 year budget.
- 4.4 The major themes which are emerging through the analysis of inherited challenges and key priorities include:
- Further action to improve the system's performance on the key measures of urgent and emergency care, discharge and elective care recovery;
  - A focus on delivering a challenging budget for the remainder of the financial year 2022/23. Actions here are being guided through a series of

major projects to improve productivity and deliver recurrent financial savings;

- Agreement of an ambitious integration programme for community health and social care service which includes investment in domiciliary care and intermediate beds to relieve pressure on hospitals and improve capacity of the social care system. This is dependent on coterminous boundaries with Local Government;
- Primary care development (based on the implementation of recommendations contained in the national Fuller stocktake);
- Unwavering focus on improving quality and performance of our NHS Trust providers;
- Focus on small number of prevention priorities;
- Actions to integrate health equity into our plans at both “place” and system levels which are agreed jointly with our partners.

4.5 It is further proposed to adopt three phases of activity:

- **Stabilisation** phase – actions required in the next 12-18 months
- **Recovery** phase – actions required in the next 1-3 years
- **Transformation** phase – actions to progress in years 4-7

#### **Stabilisation phase (up to 12-18 months)**

4.6 A small group of urgent priorities are already “in progress” with a particular focus on improving the financial stability of the ICB and wider system. Priorities here include reducing the dependency on agency staffing, improving continuing healthcare, sustaining medicines optimisation and sharing corporate services.

4.7 Given the emphasis on stabilisation, the Executive team has revisited some programmes of work, pushing back timescales for delivery until there is more capacity to give them due priority. Examples include the development of a “lead provider” model for mental health services, the delegation of budgets to place partnerships and the timing for delegation of responsibilities for specialised services commissioning from NHS England.

#### **Recovery phase (1-3 years)**

4.8 It is proposed to establish an Improvement Hub which will be able to support priorities with a medium term focus. Priorities here include action to agree more consistent care pathways and reduce the number of fragile services, introducing networked models of care where appropriate.

## **Transformation phase (4-7 years)**

- 4.9 There are a small number of broad and complex transformation priorities which can only be taken forwards on a long term basis. Specific examples include the New Hospitals programme, population health programme, workforce transformation programme and actions taken with local authorities to integrate health and care services.

## **5. Delivering the ICB's priorities**

- 5.1 Having identified a number of obvious challenges and established its aims and early priorities, the ICB must establish a credible and effective approach to the delivery of these priorities. The new organisation will be tested as this agenda takes shape and there are three significant aspects of its capability which are deemed crucial to its future success.

### **Oversight of the Board**

- 5.2 It is vital that the Board is able to retain oversight on these major priority areas, receiving regular reports on progress, risks and issues. To support this process, a formal work plan outlining when specific priorities will be reported to the Board has been developed. This is shown below as **Appendix 2**. This approach has been modelled into the Board agenda for 27<sup>th</sup> July 2022 with items addressing priorities relating to Continuing Healthcare, Primary Care and Finance.
- 5.3 It is also proposed to develop a balanced scorecard for the Board which will track progress of priorities over time. This is the subject of a separate item (item 10) on the Board agenda.

### **Act as an effective partner**

- 5.4 The ICB will operate as a statutory NHS organisation with a unitary Board. However, the key to success for several of the priorities identified above will be for the organisation to work effectively with other system partners. The ICB Executive will ensure that our partnership structures including the Integrated Care Partnership, Place Based Partnerships, Provider Collaborative and People Board will be utilised to deliver the relevant priorities.

### **Use our freedoms and flexibilities**

- 5.5 The advent of ICBs offers new freedoms and flexibilities to deliver improved outcomes for the citizens, taxpayers and patients. In Lancashire and South Cumbria, the ICB will take action where appropriate to reduce the bureaucracy of decision-making. Every effort will be made to move from short term,

transactional relationships based around the annual contract cycle to devise longer term agreements which combine accountability with effective partnership working. The Executive team will also focus on the execution of the ICB's key priorities by making sure that individual programmes have the resources and leadership they need to be successful.

## **6. Recommendations**

The Board is asked to:

- Discuss the challenges facing the new Integrated Care Board and wider Integrated Care System.
- Endorse the strategic aims and early priorities which are proposed for the ICB.
- Note that action plans are now being developed under the direction of the Executive Team to address these priorities.
- Agree to receive regular progress reports on the strategic priorities as part of a board workplan of business.

**Kevin Lavery**  
**Chief Executive**



## Appendix 1: Key Risks and Challenges: System Diagnostic

Major Structural Challenges	Diagnostic headlines
Tackle Health Inequalities	<p>Wide-ranging health inequalities across Lancashire and South Cumbria</p> <p>Evidence that Covid 19 has widened inequalities in some areas</p> <p>Cost of living crisis expected to increase risks</p> <p>Root causes largely outside the NHS</p> <p>Requires long term commitment to change</p>
Improve and Sustain NHS Trust Performance	<p>Variable trust performance against national oversight framework</p> <p>Operational challenges remain and create volatility</p> <p>UHMB remains in national support programme as a “SOF 4” Trust</p> <p>Signs of improvement through individual organisations and provider collaborations</p>
Strengthen System Workforce	<p>High levels of vacancies across the system with recruitment difficulties in many professions and localities</p> <p>High agency use at considerable cost to the taxpayer</p> <p>Ageing workforce</p> <p>Some positive evidence of retention</p> <p>Opportunities for workforce transformation</p>
Strengthen Social Care System	<p>Limited amount of health and care integration in Lancashire and South Cumbria</p> <p>Sector has been underfunded for well over two decades</p> <p>Lack of investment and capacity in domiciliary care services</p> <p>Delivery is largely by private organisations and fragile</p> <p>Both Cumbria and Lancashire still have in-house provision</p> <p>Significant opportunities for deeper integration between health and care</p>
Refresh Primary Care	<p>Major issues around demand and access</p> <p>Major recruitment and retention challenges</p> <p>ICS reforms have created a sense of disempowerment in some areas</p> <p>Fuller Stocktake offers positive opportunities for change</p>

	ICB will take on commissioning responsibility for optometry, dental and pharmacy from NHS England from April 2023.
Recover Finance Position	Significant underlying deficit with Covid funding levels to taper over 3 years Finance position high risk for 2022/23 Finance pressures in all Trusts within the ICS System needs to be able to make collective decisions about a significant number of efficiency opportunities - and deliver consistently
<b>System Challenges</b>	<b>Diagnostic headlines</b>
Sustain Elective Recovery	System has been working through a major backlog of 2-year waiters – next challenge is to reduce waiting list to maximum of 78 weeks by end of March 2023 Several opportunities for innovation, mutual aid and development of “green” surgical capacity in Lancashire and South Cumbria Elective recovery important for financial position too
Reduce Delayed Transfers of Care (DTC)	Rates of DTC are highly variable – ranging from 5% in Pennine Lancashire to 22% in Morecambe Bay Variations in discharge teams, intermediate bed capacity, community services and capacity of domiciliary care Take up of virtual wards model is variable
Improve Urgent and Emergency Care	Number of challenging operational pressures in urgent and emergency care ambulance performance well below target Overcrowded A&Es result in delays, which can lead to longer hospital stays for patients Still too many low priority cases and mental health cases presenting at A&E Opportunities to improve include factors in primary care, social care, mental health and acute services.
Grow Place based partnerships and the Integrated Care Partnership for Lancashire and South Cumbria	Landscape for partnerships with ICB, ICP and four Health and Wellbeing Boards not aligned

	<p>Integration at place level and consideration of new arrangements based on coterminous boundaries needs to be a priority</p> <p>CQC will be inspecting arrangements from April 2023</p> <p>New leadership at place level will bring opportunities for a fresh approach</p> <p>Opportunities for investment in community and intermediate services and quick wins on discharge and prevention</p>
Streamline Commissioning Arrangements	<p>Bureaucratic and expensive system with large number of short-term contracts</p> <p>Utilises significant staffing resource in the ICB and in providers</p> <p>Opportunities to use new freedoms and flexibilities to create longer term partnership agreements with public bodies – creating a dividend to shift resources from contract management to frontline services</p>
<b>Tactical challenges</b>	<b>Diagnostic headlines</b>
Address Continuing Healthcare	<p>Significant backlog of cases requiring assessment</p> <p>ICB not achieving the 28 day target for assessment using the Decision Support Tool</p> <p>Opportunity to review the delivery models across the ICB</p> <p>Plans to resolve legacy disagreement with Local Authorities</p>
Improve SEND and safeguarding	<p>Need for stronger partnerships and more effective systems with each upper tier council on SEND and safeguarding issues</p> <p>Urgent progress required on long waiting times for specific support services</p> <p>Evidence of progress required for CQC and Ofsted inspection</p>
Develop Intensive Community Services	<p>Varied existing models and variable performance including all 5 NHS Trusts and an independent provider in one locality</p> <p>Opportunities for greater consistency across Lancashire and South Cumbria</p> <p>Limited take up of virtual wards</p> <p>Will require complementary investment in intermediate care and domiciliary care capacity</p>
Develop ICB Workforce	<p>Low morale among staff leading into the legislative changes – need to strengthen communications and engagement activities</p>

	<p>High dependence on CSU model for core functions Need alignment between current skill sets and future requirements Need to develop a new multi-disciplinary model of clinical leadership Opportunities to build in-house HR function and launch a tailored programme of OD</p>
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