

Integrated Care Board

Date of meeting	13 September 2023
Title of paper	System Recovery and Transformation Approach
Presented by	Kevin Lavery, Chief Executive
Author	Maggie Oldham, Deputy Chief Executive/ Chief of Transformation and Recovery
Agenda item	10
Confidential	No

Executive summary

This paper describes the approach being taken to establish our system recovery and transformation programme, which has a crucial role to play as the L&SC system has not had a sufficiently strong track record of delivering recurrent savings, nor the more challenging clinical transformations that are required.

The approach described within this paper have been developed through conversations with the ICB Executive Team, with Chairs and Chief Executives from across the LSC System, as well as through discussions with the NHSE Regional Team.

Recommendations

The paper is brought to the Board for information and to update members on progress being made.

Which Strategic Objective/s does the report contribute to		Tick
1	Improve quality, including safety, clinical outcomes, and patient experience	✓
2	To equalise opportunities and clinical outcomes across the area	✓
3	Make working in Lancashire and South Cumbria an attractive and desirable option for existing and potential employees	✓
4	Meet financial targets and deliver improved productivity	✓
5	Meet national and locally determined performance standards and targets	✓
6	To develop and implement ambitious, deliverable strategies	✓

Implications

	Yes	No	N/A	Comments
Associated risks	Yes			The establishment of the SR & TB is intended to help mitigate financial risks, quality risks and performance risks that are shown on the risk register

Are associated risks detailed on the ICB Risk Register?	Yes			
Financial Implications	Yes			Improved ability to meet the financial plan that the ICB and that the LSC system as a whole has set for 2023/24, and to enable longer-term financial and clinical sustainability

Where paper has been discussed (list other committees/forums that have discussed this paper)

Meeting	Date	Outcomes
ICB Finance and Performance Committee	29 th August 2023	F&PC supported the proposed approach but wanted additional focus on the in-year opportunities within each programme.
ICB Executive Team meeting	5 th September 2023	Meeting after submission of this paper

Conflicts of interest associated with this report

Not applicable

Impact assessments

	Yes	No	N/A	Comments
Quality impact assessment completed			N/A	
Equality impact assessment completed			N/A	
Data privacy impact assessment completed			N/A	

Report authorised by:

Maggie Oldham, Deputy Chief Executive/ Chief of Transformation and Recovery

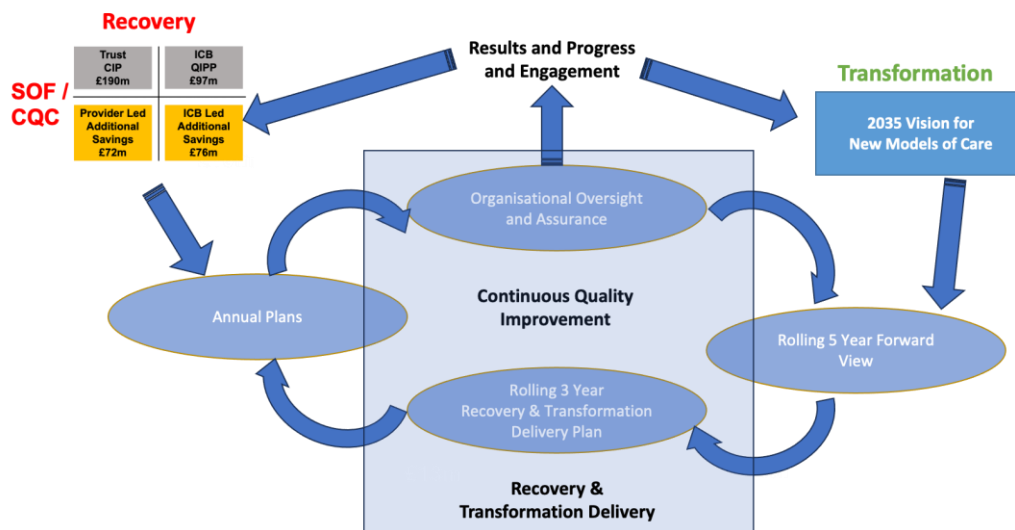
Integrated Care Board – 13 September 2023

System Recovery and Transformation Approach

1. Introduction

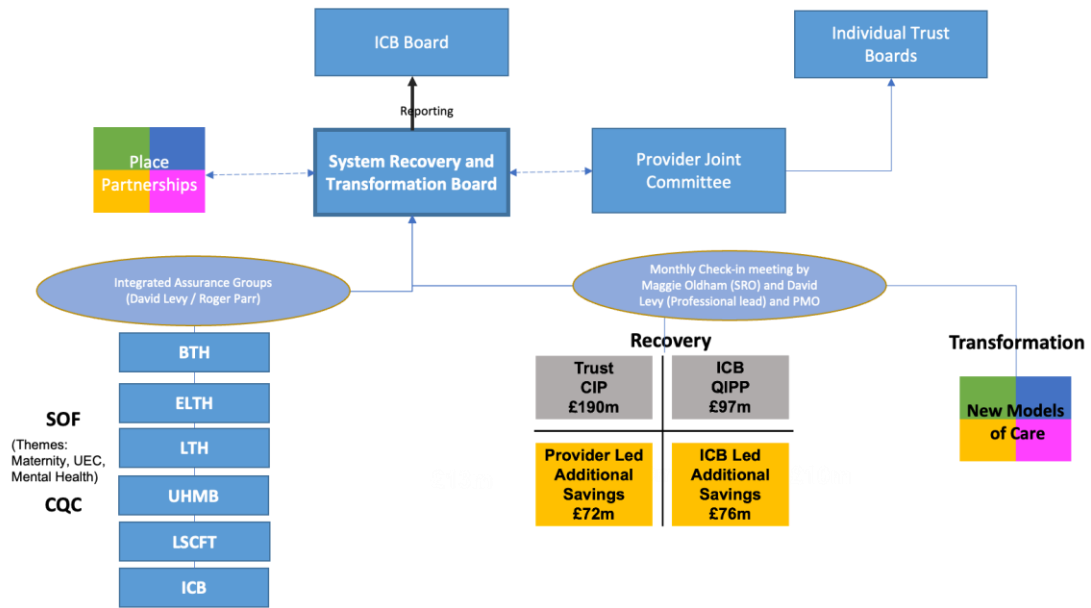
- 1.1 Following the Integrated Care Board’s (ICB’s) approval of establishing our System Recovery & Transformation Programme on the 5th July 2023, this paper sets out the approach and development of a clear plan of delivery to improve operational, clinical and financial performance in 2023/24 and beyond.
- 1.2 Building on a significant improvement in relationships with local government and the voluntary sector, we are re-setting the Provider Collaborative Board (PCB) and ICB arrangements to enhance the pace and scale of improvement.
- 1.3 Our Recovery & Transformation approach will establish a virtuous circle, as illustrated below. Our drivers, both short term ‘burning platform’ and longer-term ‘burning ambition’, will drive annual plans and rolling 5-year forward views. From there, our 3-year delivery planning cycle and organizational oversight and assurance will allow us to maximise delivery and use the results to inform next iterations of plans.

Recovery and Transformation - A virtuous circle



- 1.4 The System Recovery & Transformation Board, with David Flory as Chair, will meet for the first time on 19th September and will fulfill 3 distinct roles, as illustrated below: -

Recovery and Transformation Programme approach



1.4.1 An **“organizational oversight and assurance role”**: under the transitional arrangements from NHSE to ICBs (with the Recovery & Transformation Board providing assurance to the ICB Board), assuring the ICB Board of organization-level progress on financial, performance and quality metrics, including progress along each organisation’s trajectory to SOF2 and to CQC “Good”, and including to spot and prevent potential deterioration. This will be routinely reported on separately to main body of Recovery & Transformation Programme.

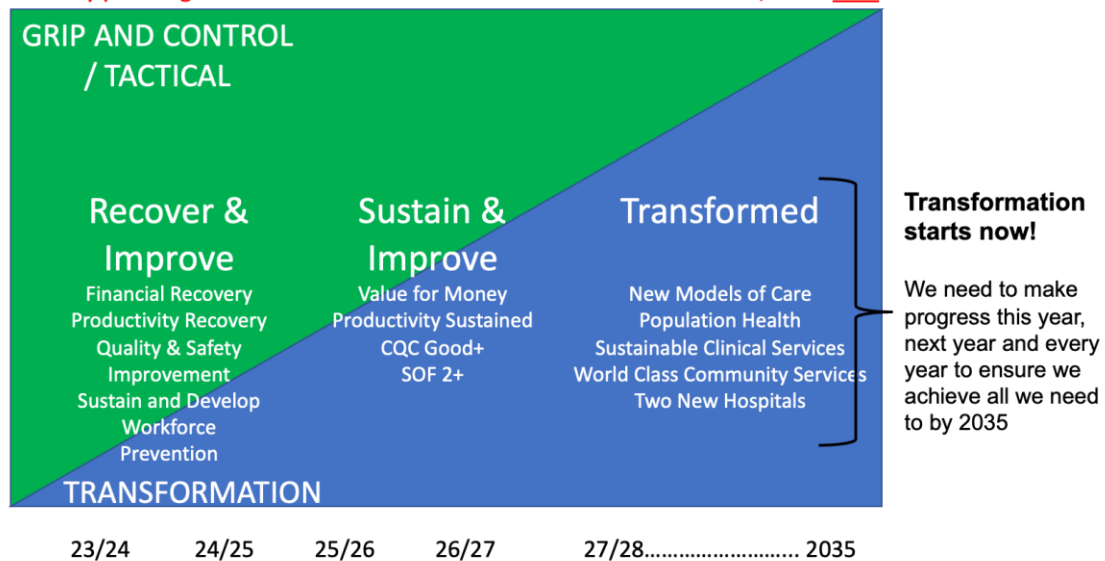
1.4.2 A regular **“system-wide transformation workstream oversight role”**, for a small number of workstreams (most likely < 10), holding workstream leads and associated stakeholders to account for high quality, timely delivery of agreed plans. This role will be both an “assurance role” over the workstreams and in some cases a “supporting and enabling delivery role”.

1.4.3 A role in **reviewing, on a bi-annual basis, the portfolio of system-wide transformation workstreams**. The System Recovery & Transformation Board, supported by its Programme Management Office, will have a role in ensuring coherence between the objectives of system-wide transformation workstreams. The Board’s role will include ensuring that the highest priority system-wide transformations are scoped, governed and resourced effectively.

1.5 As can be seen in the diagram below, our focus in this current year is primarily on the necessary short-term grip and control that will enable us to improve our underlying run-rate, start to deliver recurrent Cost Improvement Plans (CIP) and help us deliver our challenging 23/24 Plan.

Three year clinical, operational and financial recovery plan to get to £££ balance

12 year transformation to new models of health & social care, starts **now!**



- 1.6 As we get to years 2 and 3, we will begin to see some of aspects of our New Models of Care transformational ambitions starting to have some effect, giving us an increasing share of each year's CIP and QIPP through delivery of carefully planned initiatives that have started to progress during year 1.
- 1.7 Ultimately, this 'journey' will take us all the way through to as far as 2035, the date by which we expect the New Hospitals to have completed. We cannot see the New Hospitals as a stand-alone, hospital build programme, but rather as a once in a lifetime catalyst to reimagine new models of care for Lancashire and South Cumbria. Through a series of rolling "5 year forward views" combined with a rolling "3-year recovery & transformation delivery plan", we will combine the need for short term tactical delivery to tackle our burning platform with our desire to achieve our burning ambition for sustainable new models of care.
- 1.8 Section 2 describes some of the short term 'grip and control' progress that has been made, section 3 briefly covers Organizational Assurance and section 4 sets out the initial thoughts on our Recovery & Transformation Programme priorities.

2. Short Term Grip & Control

- 2.1 Following delegation of additional controls to the ICB by NHSE, and endorsement by the ICB Board on 5th July, we have established as part of the Recovery & Transformation approach an ICB Led Vacancy & Contracts Panel (VCP).
- 2.2 Communications have been shared with Provider CEOs & Chairs from Kevin Lavery and Nik Khashu (NHS NW Regional Director of Finance). A further communication has been sent my Maggie Oldham setting out how we plan to operationalise the controls through the establishment of the VCP, and a Terms of Reference for this ICB Led VCP have been drafted and agreed along with a full Quality Impact Assessment that indicates no direct negative impact on Quality / Safety.
- 2.3 We have agreed the basis on which the controls delegated by NHSE in respect of vacancies will be applied, which delegates much of the administration to the

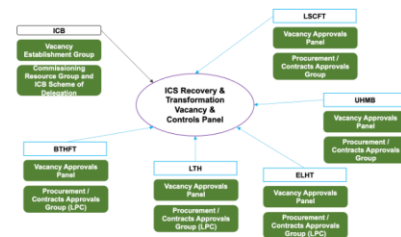
respective organisations through their vacancy and other contract groups, while enabling the VCP to fulfil its core purpose; to ensure full oversight and approval of discretionary, non-clinical spend to maximise our ability to control run-rate.

Very Short-Term Grip & Control Additional Controls delegated by NHSE to ICB

System-wide recovery workstreams: leadership and structure of the system-wide recovery programmes, which include Elective Recovery, Shared Services, Bank and Agency and Clinical Transformation, will be determined by the ICB and they will report into the new System Recovery and Transformation Board.

Immediate establishment of ICB Vacancy and Controls Panel to operationalise additional controls:

- **Recruitment:** Approval for all non-clinical post appointments above band 8b, above band 5 in corporate services, all project teams and new Medical Consultants.
- **Agency Spend:** Adherence with the NHSE price caps with system approval being sought for rates that exceed the cap. Approval for all clinical agency/locum arrangements longer than 1 month in duration & all non-clinical agency.
- **Consultancy Spend:** Approval for all management consultancy spend over £10,000 including from NHS affiliated/hosted organisations.
- **Investments/discretionary Spend:** Deployment of the Protocol "double-lock" process for all investments above £50,000 and Robust controls regarding hospitality, conferences and other areas of non-core spend.
- **Provider Collaborative Board expenditure:** ICB to approve the PCB budget & approve investments > £10k
- **Procurement, Contract Renewals and New Contracts:** Additional approval to ensure that all procurement decisions are considered in the context of the wider collaborative and system-led procurement approach.



2.4 The ICB Executive receive a short read-out immediately after each VCP.

3. Organisational Oversight and Assurance

3.1 The ICB is taking on full System Oversight Framework (SOF) Provider assurance responsibilities from NHSE and has now established a revised governance to discharge its responsibility. NHSE is developing a Memorandum of Understanding that will support the delegation of the Oversight Framework.

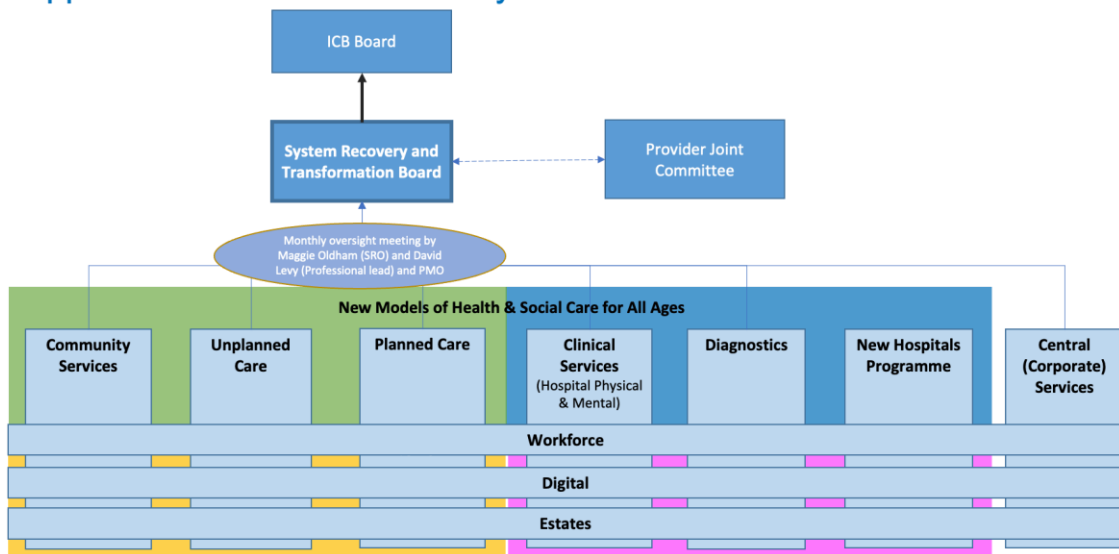
3.2 The ICB has established an internal Oversight Group that considers the position of providers against the System Oversight Framework (SOF) and the progress against the relevant exit plan that supports provider improvement from SOF 3 to SOF 2 segmentation.

3.3 The Oversight Group outcome will inform the agenda for the Improvement and Assurance Groups (IAG) – this is an Executive-to-Executive meeting between ICB and each Provider which will then provider assurance to the ICB Board via the Recovery & Transformation Board. The Oversight Group and the IAG are planned to meet monthly starting in August and will be reported separately to the Recovery & Transformation Board.

4. Recovery and Transformation Programme - Priorities

4.1 Following a stock-take in July, and building on the assets we have, and the momentum built in previous months, we are proposing to establish 7 priority workstreams which together will help us do develop the **new models of care** that are essential to our longer term clinical and financial sustainability. These are illustrated below.

System Recovery and Transformation Programme approach to accelerate delivery

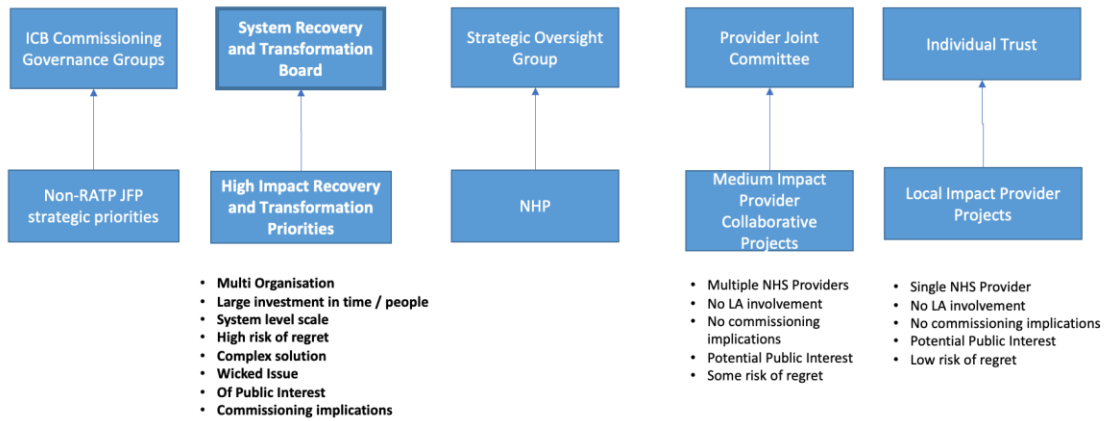


4.2 Work is underway to determine the programmes and projects within these workstreams, using the following guiding criteria to determine.

- There is evidence that the project or programme can have large potential benefits (in quality and/or financial terms), and these can be clearly stated to demonstrate good return on investment.
- The project or programme is difficult / impossible to deliver by a single organisation, in particular the workstream requires collaboration / changes in concert across sectors or multiple organisations.
- There is no existing partnership vehicle sufficiently likely to be capable of delivering the project or programme at the required pace.
- The workstream can deliver substantial tangible benefits within a 3 – 5 year period.
- There is an increased prospect of successful delivery of the project or programme through the System Recovery and Transformation Approach.

4.3 Not everything will be overseen by the System Recovery and Transformation Board. Individual Trusts, and the ICB, will continue to drive continuous improvement and quality improvement initiatives locally to achieve CIP / QIPP and other outcome improvements, and the Providers will continue to collaborate in an increasingly effective way with more and more joint decision making through the joint committee.

System Recovery Transformation Board or System Oversight Group or Provider Collaborative (Joint Committee) or Individual Trust / ICB Commissioning?



4.4 It is the System Recovery and Transformation Programme that will oversee the effective delivery of the major changes that will enable safe & effective reimagining of how we configure our health & care services to see the NHS through to its 100-year birthday and beyond.

5. Conclusion

5.1 The Recovery & Transformation Board will under David Flory's Chair ensure a coherent ICB and Provider collaboration on delivering our agreed priorities for both short term recovery and medium to long term transformation.

6. Recommendations

6.1 The ICB Board is asked to discuss the proposed approach and endorse the stated scope.

Maggie Oldham

30th August 2023