

Integrated Care Board

Date of meeting	10 April 2024
Title of paper	Blackburn with Darwen Transaction Programme – transfer of child and adolescent mental health and adult physical health service provision
Presented by	Claire Richardson – Director of Health and Care Integration, Blackburn with Darwen
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Agenda item	Item 4
Confidential	No

Executive summary

The ICB Board has clearly stated their ambition to have a world class, all age, community centric, integrated care system, with the four places at its heart acting as the engine room for driving transformation to improve health outcomes and experiences in response to the needs of our population.

Delivering on these ambitions requires the ICB to organise and deliver care at the most appropriate level and closest to the residents they serve. The integration of community health services (physical and mental), within places and neighbourhoods; with providers that are fully embedded within the geography; who understand the needs of their local people and who have relationships with local health, care and community assets, will ultimately drive more improved outcomes and more responsive service provision.

In line with their strategic objectives and specific objectives of the children and young people’s mental health transformation programme and the transforming community care programme a proposal has now been developed to transfer two key services, Blackburn with Darwen and East Lancashire child and adolescent mental health services (CAMHS) from East Lancashire Hospitals Trust (ELHT) to Lancashire and South Cumbria Foundation Trust (LSCFT) and Blackburn with Darwen adult community services from LSCFT to ELHT.

These benefits are outlined in detail within the attached report and include;

For our residents:

- More people will have access to help, advice and support when they need it
- People will get more help and support in the community to help them remain at home

- Support will be more co-ordinated and less fragmented, making it easier to navigate and get the right support at the right time
- As a result, people's experience of care will be improved

For our system

- Improved patient outcomes and experiences by reducing fragmentation and creating a more resilient service offer;
- Equalising opportunities and clinical outcomes across Lancashire and South Cumbria;
- Improving quality, safety and clinical outcomes through a reduction in unwarranted variation in provision.

The intention of these transfers is to realign clinical service provision to the provider with the respective specialist physical health or mental health expertise with the aim of supporting improved outcomes for patients and wider clinical integration benefits realisation.

Due diligence work to date has identified several areas of both operational and financial risk. Actions to mitigate risks have been identified through discussions across providers with support from ICB teams and will continue to be managed through the mobilisation period. There is still a potential for a residual financial risk, however in-depth work is underway in order to ensure this is mitigated prior to mobilisation. The risks and mitigations as they currently stand are summarised within the report.

Discussions have taken place with NHS England who have confirmed they do not need to be involved in the transaction due to the lift and shift nature and contract values. However they have been kept informed of developments for assurance and to date have offered positive feedback that they are assured as to the robustness of the process that has been undertaken. NHS England reviewed a draft of the business case on 15 March 2024 and confirmed that they felt the business case clearly described the challenges and rationale for the contract modification and that patient benefits were a theme throughout the document and that these were clear.

From a finance perspective, NHS England concluded that affordability was not presented as an issue as all partners have agreed a collaborative approach to managing the proposed service transfers, ensuring, as far as possible, cost neutrality for the system by transferring services as currently configured.

A summary paper is now presented to the ICB Board for consideration and approval to proceed. This paper is also being presented to both provider Boards in April 2024.

Subject to ICB and Trust board approvals and contract modifications being made, the anticipated go live date for the services would be 1 July 2024 for both CAMHS and adult community physical health.

Recommendations

This paper provides an update to ICB Board on the progress of the two service transfers that form part of the BwD transaction programme.

The ICB Board is asked to:

- a) Approve the proposal for the alignment of community (physical and child and adolescent mental) health services for Blackburn with Darwen and East Lancashire;
- b) Approve the contractual transfer of child and adolescent mental health services for Blackburn with Darwen and East Lancashire from their current provider, East Lancashire Hospitals Trust to Lancashire and South Cumbria Foundation Trust;
- c) Approve the contractual transfer of adult physical health services for Blackburn with Darwen from their current provider, Lancashire and South Cumbria Foundation Trust to East Lancashire Hospitals Trust;
- d) Agree to contract modifications being made to enact these transfers, permissible under Regulation 13 of the Provider Selection Regime 2023;
- e) Note that a Provider Selection Regime decision making record will be completed for each contract modification and a confirmation of modification notice will be published on the Find a Tender Service (FTS) website within 30 days of the contract being modified;
- f) Instruct the respective provider Trusts to progress agreement of the finalised Heads of Terms and develop a Business Transfer Agreement for approval by the respective Boards subject to completion of TUPE requirements: to conclude formal agreements with commissioners, regulators and both providers;
- g) Instruct the provider Trusts to consider and approve actions to address and mitigate risks identified through final due diligence;
- h) Note that all parties will enact such governance arrangements as necessary to manage the period between approval of business case and the transfer date;
- i) Agree to an update report outlining progress of mobilisation and current service performance being provided to all Boards within six months of the transfer.

Which Strategic Objective/s does the report relate to:		Tick		
SO1	Improve quality, including safety, clinical outcomes, and patient experience	√		
SO2	To equalise opportunities and clinical outcomes across the area	√		
SO3	Make working in Lancashire and South Cumbria an attractive and desirable option for existing and potential employees	√		
SO4	Meet financial targets and deliver improved productivity			
SO5	Meet national and locally determined performance standards and targets			
SO6	To develop and implement ambitious, deliverable strategies	√		
Implications				
	Yes	No	N/A	Comments
Associated risks	X			A full risk log has been created in order to manage associated risks. Full due diligence has been undertaken by each provider and relevant mitigations for any residual risks are in place. This continues to

				be overseen by the BwD Transaction Board, which escalations through organisational governance as required. Key risks and mitigations are outlined within this report.
Are associated risks detailed on the ICB Risk Register?	X			The financial implications have been escalated as a risk with a proposal to include on the ICB risk register.
Financial Implications	X			<p>The service transfers will be undertaken on a 'lift and shift' basis, transferring services at current costs, and staying within existing contractual financial envelopes and ensuring cost neutrality apart from necessary non-recurrent transaction costs (e.g. legal expenses).</p> <p>Due diligence work has been carried out with a spirit of cooperation, openness, and transparency. Finance teams have reviewed information over several months to validate and understand the costs and any associated benefits or risks.</p> <p>The residual risks and mitigations are outlined within this report. Work is underway with finance leads to mitigate any outstanding risks and proposals will continue to be reviewed up to the date of transfer,</p>
Where paper has been discussed (list other committees/forums that have discussed this paper)				
Meeting	Date		Outcomes	
ICB Executives	26.03.28		Minor amendments made, endorsement to proceed to Board	
Conflicts of interest associated with this report				
Chris Oliver, Partner Member of the ICB Board is the Chief Executive of LSCFT. Whilst Mr Oliver will remain in the meeting, he will refrain from the decision making in relation to this item.				
Impact assessments				
	Yes	No	N/A	Comments
Quality impact assessment completed	X			QIA completed for both CAMHS and adult physical health elements of the transaction, so as to be explicit regarding the implications of each transfer– no changes planned to the service provided. Both QIAs have been endorsed by the QIA panel and signed off by the Medical Director and Chief Nurse.

Equality impact assessment completed	X			Completed and approved as part ICB assurance process - no equalities impact identified
Data privacy impact assessment completed	X			Drafted as part of DPIA by provider trusts but will continue to be updated as mobilisation gets underway

Report authorised by:	Sam Proffitt, Acting Deputy CEO
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Integrated Care Board – 10 April 2024

Blackburn with Darwen Community Transaction –

Alignment of community (adult physical and child and adolescent mental) health services for Blackburn with Darwen and East Lancashire

1 Introduction

- 1.1 The Integrated Care Board (ICB) has clearly stated their ambition to have a world class, all age, community centric, integrated care system, with the four places at its heart acting as the engine room for driving transformation to improve health outcomes and experiences in response to the needs of our population. Delivering on these ambitions requires the ICB to organise and deliver care at the most appropriate level and closest to the residents they serve.
- 1.2 Since inception, the ICB has begun to develop transformational work programmes that will drive long term, sustainable change to health care provision and health outcomes for residents, with a view to moving towards a commissioning for outcomes approach in future. Two notable transformation programmes are the transforming community care programme and the children and young people’s mental health programme. Opportunities to make service changes have now been identified, aligned to these programmes that, if enacted, will support the ICB to develop a strong foundation upon which to further build its transformation, whilst at the same time ensuring variations in service provision, quality and outcomes are addressed for our residents and opportunities for operational and financial efficiencies are seized.
- 1.3 The ICB board has previously discussed the strategy and transformation programme for Child and Adolescent Mental Health Services (CAMHS) in Lancashire and South Cumbria, and has considered how the transfer of those services for Blackburn with Darwen and East Lancashire, through a contract transaction to Lancashire and South Cumbria Foundation Trust (LSCFT) from East Lancashire Hospitals Trust (ELHT), would help strengthen CAMHS services across the wider Lancashire footprint, as serviced by LSCFT.
- 1.4 In May 2023 the Board considered a case for change for adult community health services, with particular focus on the current scale of variation across the ICB and the vulnerability of several community health services in Blackburn with Darwen. At that meeting the Board approved the proposal to stabilise and strengthen the provision of adult community physical health services within Blackburn with Darwen as a core recommendation, through a contract transaction between Lancashire and South Cumbria Foundation Trust (LSCFT) and East Lancashire Hospitals Trust (ELHT).
- 1.5 Following months of background reviews and due diligence assessments with both providers and both service areas, a proposal has now been drafted which outlines the current state in regard to provision for both of these service areas.

This sets out a clear rationale for the proposed transfers, the preparation and due diligence work undertaken by both providers, the mechanism through which the transfers can be enacted and gives assurances as to the intended benefits of the changes.

- 1.6 These transfers aim to align our providers around key areas of specialism and expertise, supporting both the delivery of a consistent service offer for residents, improved overall service sustainability and quality and ultimately improved health outcomes for the local population.
- 1.7 This paper presents the Board with an outline of the rationale, intended benefits, risks and mitigations associated with the proposed transfer. An equality and health inequalities impact risk assessment and quality impact assessment have also been completed to assure the Board that due diligence and risk mitigation has been completed to safeguard the continued provision of services, with no diminution of quality during mobilisation, and as a result of this transaction.
- 1.8 The Board are asked to approve the proposal for the transfer of CAMHS service provision for Blackburn with Darwen and East Lancashire from ELHT to LSCFT and the transfer of adult community physical health services for Blackburn with Darwen from LSCFT to ELHT, through the route of a single contract transaction.

2 Overview of proposals to transfer service providers

- 2.1 At its heart this proposal has come about because the ICB, working with their providers, have recognised that the current model of community service delivery, for both physical and mental health, needs to change, in order to improve outcomes and experiences for residents and reduce inequalities arising as a result of variation in provision.
- 2.2 This proposal aims to align our providers around key areas of expertise, supporting both the delivery of a consistent service offer and improved overall service sustainability for the benefit of patients. This proposal directly contributes to the delivery of the ICB's strategic objectives of:
 - improving quality, including safety, clinical outcomes and patient experience;
 - equalising opportunity and clinical outcomes across the area;
 - make working in LSC an attractive and desirable option for existing and potential employees.
- 2.3 The proposal relates to two service areas:
 1. The transfer of child and adolescent mental health services (CAMHS) for Blackburn with Darwen and East Lancashire from their current provider, East Lancashire Hospitals Trust to Lancashire and South Cumbria Foundation Trust;
 2. The transfer of adult community physical health services for Blackburn with Darwen from their current provider, Lancashire and South Cumbria Foundation Trust to East Lancashire Hospitals Trust.

2.4 A supporting business case has been developed that sets out, in full, the rationale for the proposed service transfers and includes a summary of formal due diligence exercises and key findings and also, importantly, articulates the intended benefits of these transfers for patients, workforce, organisations and the health and care system as a whole. For reasons of commercial sensitivity, the full contents of the business case are not in the public domain, however key elements are extracted and presented below.

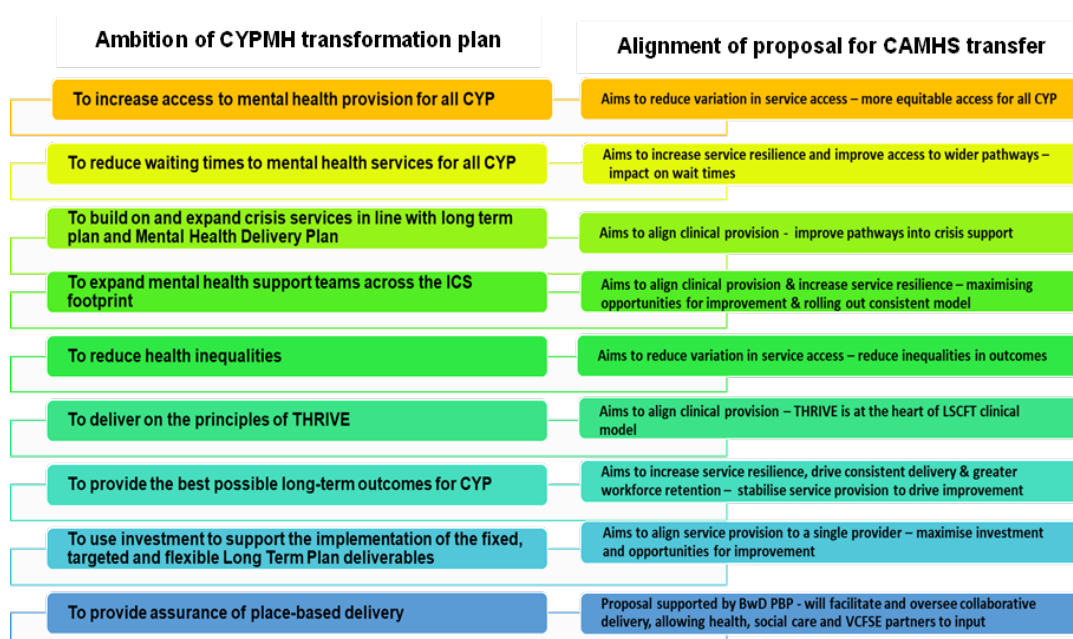
3 Transfer of CAMHS services for Blackburn with Darwen and East Lancashire – rationale and intended benefits

3.1 A summary of the business case proposal for child and adolescent mental health service transfer is outlined below.

Business case summary			
Proposal	Anticipated benefits	Impact for resident	Alignment to ICB strategic objectives
<p>Transfer of BwD/East Lancs CAMHS services currently provided by ELHT (known as ELCAS) to LSCFT</p> <p>Service transfer value £10.2m</p> <p>Cost neutral, “lift and shift” transfer – NHSE confirm no public consultation required</p> <p>To be enacted through contract variation, permissible under Provider Selection Regime</p> <p>Service to transfer on 01 July 2024 (if agreed)</p> <p>Clinical integration team to be established to manage on-boarding and integration of cultures and clinical processes</p> <p>Full due diligence undertaken, key risks mitigated</p> <p>Mobilisation and business continuity plans in place</p> <p>EHIRRA approved 12.02.24/QIA approved 28.03.24</p>	<p>Improved transitions between wider mental health support services, including adult services</p> <p>Ability to provide more holistic support plans</p> <p>Support continuous improvement in LSCFT, learning from and adopting ELCAS good practice</p> <p>Reduced variability in provision across Lancashire (clinical, quality, performance & spend)</p> <p>Workforce have increased access to specialist training and development; career progression and wider specialist support</p> <p>Horizontal integration model of ELCAS is maintained, whilst vertical integration is built</p> <p>First step to wider realignment of CAMHS services in LSC</p>	<p>More CYP will have access to help, advice and signposting when they need it</p> <p>More CYP will get more help or support in the community to help them remain at home</p> <p>More CYP will get the right care, from a trained professional in the right place when they need it</p> <p>More CYP will have improved mental health</p> <p>Care is less fragmented</p>	<p>Equalising opportunity and clinical outcomes across the area</p> <p>Improving quality, including safety, clinical outcomes and patient experience</p> <p>Make working in LSC an attractive and desirable option for existing and potential employees</p> <p>Further embedding the THRIVE model – a LSC system model for CYP mental health</p> <p>Full alignment to ambitions of LSC children’s mental health strategic transformation plan and System recovery & transformation vision “to have a high quality, community-centred health and care system by 2035.”</p>

3.2 Within the framework of children and young people's mental health services, the implementation of the nationally directed service model in LSC faced unique challenges which has led to an unintended variation in the service offer, presenting difficulties for clinicians managing the mental health journey of children and young people, particularly within the acute sector.

3.3 In 2021, the Lancashire and South Cumbria (LSC) Integrated Care System (ICS) agreed a 4-year strategic transformation plan focused on improving the resilience, emotional wellbeing and mental health of children and young people, whilst improving the standard of mental health services and the availability of evidenced based interventions. The LSC strategic transformation plan is focused on improving the resilience, emotional wellbeing and mental health of children and young people, whilst improving the standard of mental health services and the availability of evidenced based interventions. The LSC strategic transformation plan is the overarching vehicle for turning our ambitions to reality, there are nine overarching strategic priorities which partners within the LSC system are working to achieve and oversight of this is through ICB governance arrangements. The proposal to transfer CAMHS services for Blackburn with Darwen and East Lancashire, to LSCFT aligns closely to the priorities within the transformation plan, as outlined below:



Seizing opportunities through integration

3.4 In line with this system transformation plan, the ICB has explored opportunities over the years to consider whether the integration of CAMHS services across LSC, could help to deliver the ambitions of this plan. One such opportunity has now been identified as the potential to transfer CAMHS services currently delivered in Blackburn with Darwen and East Lancashire by ELHT, into LSCFT as the provider of services for the wider Lancashire and South Cumbria area (aside from Blackpool).

3.5 The ICB recognises that LSCFT’s CAMHS services are currently rated as Good by the Care Quality Commission (CQC) and ELHT’s CAMHS service as Outstanding. However, there are variations in the performance of each service, particularly in regard to access and treatment times, with East Lancashire Child and Adolescent Services (ELCAS) performing better than LSCFT CAMHS services in that regard. An improvement plan is already being delivered by LSCFT to address the extended waiting times for Referral to Assessment

(RTA) and Referral to Treatment (RTT) and associated review processes/pathway management practices. This concerted focus is already driving improvements, which will continue to be enhanced over coming months.

3.6 Integration of ELCAS within LSCFT CAMHS services allows for through mirroring and establishing the ELCAS approach to successful patient flow management across the wider localities so that their performance can be enhanced. LSCFT have confirmed that their improvement plan focuses on:

- Develop and monitor performance against clear trajectories;
- Conduct capacity and demand analysis
- Productivity – did not attend/was not brought rate improvement and contacts per Whole Time Equivalent (WTE);
- Improve data quality of waiting lists through a data validation initiative. This will in turn improve the quality of data submissions to NHSE;
- Transform screening/triage administration processes in line with the ELCAS model.

3.7 The ELHT CAMHS service currently benefits from working alongside the Trust's wider community services and a strong interface with paediatric teams, primary care, schools and family hubs within the local area. This has been identified as a particular benefit of the experience for children, young people and families. Feedback from local co-production and insight work undertaken through Family Hubs and wider engagement work across LSC, reflects that the interface across some services, psychology and psychiatry as examples – or transition from children's to adult mental health services, are key concerns for young people and their families in Blackburn with Darwen and East Lancashire. This transfer is intended to help address some of these barriers by facilitating greater alignment with specialist services.

3.8 The consolidation of child and adolescent mental health services within a specialised mental health trust that already offers all age provision, whilst remaining integrated within an acute paediatric environment, will provide a greater service resilience and greater opportunities to enhance and improve transition pathways, as young people progress into adulthood. Consolidating knowledge within the mental health trust also offers opportunity to achieve efficiencies through pathway improvement and consolidation. It allows for removal of associated barriers, such as information and record sharing between child and adult services, which would increase satisfaction for patients, parents and professionals and enhance the experience of these alike.

3.9 It is anticipated that successful transfer of child and adolescent mental health services from ELHT to LSCFT will facilitate a wide range of benefits for residents and for our system and workforce:

Benefits for patients		
<p>Improved transition into adult mental health services</p> <p>Support from wider services is better coordinated</p> <p>Improved quality of life</p> <p>Easier access to a wider range of mental health specialists</p> <p>Less fragmented care through integration of models of care, workforce and commissioning</p> <p>More timely step-up support should needs escalate</p> <p>More holistic support plan</p> <p>Equitable offer across wider system that reflects best practice models of care</p>		
Workforce benefits	Organisational benefits	System benefits
<p>Greater resilience and optimisation of teams</p> <p>Greater clinical and organisational support</p> <p>Transfer of 'Outstanding' leadership – ELCAS to LSCFT</p> <p>Easier to secure wider specialist support e.g. Eating disorder</p> <p>Easier to secure step-up support/rapidly increase level of care and vice-versa as needs reduce</p> <p>Greater career progression opportunities</p> <p>Greater skills development</p> <p>Maintain relationships with ELHT and local system partners to coordinate across physical acute care</p>	<p>Continuous improvement – LSCFT support ELCAS model “take over” and will learn from and adopt best practice</p> <p>Greater resilience of workforce</p> <p>Streamlined services and pathways – opportunities for efficiency</p> <p>Common workforce plan for CAMHS supported by the organisation</p> <p>Alignment to one clinical system to support integration</p> <p>Alignment to Clinical Strategy and THRIVE model</p>	<p>Equity of service provision – levelling up</p> <p>Shared vision for CAMHS across LSC</p> <p>Reduced variability (clinical, quality, performance, spend)</p> <p>Stability of CAMHS provision – critical to wider workstreams</p> <p>Single provider working to deliver consistent high-quality care</p> <p>Improved system interface e.g. neuro-developmental pathway</p> <p>Maintain interface with physical health, education, social care and VCSFE</p> <p>Existing good practice is replicated across a wider footprint</p>
Key performance metrics that will demonstrate impact		
<p>Continue to increase access to children and young people’s mental health services, Increasing mental health support teams (MHSTs) across the system,</p> <p>Expanding timely, age-appropriate crisis services to children and young people and reduce pressures on A&E departments, paediatric wards and ambulance services,</p> <p>Reducing waiting times from referral to assessment and referral to treatment</p> <p>Enable the routine use of outcome measurements and demonstrate improvement in outcomes for children and young people accessing support.</p> <p>Increased stability and growth of the mental health workforce</p> <p><i>ICB commissioning leads will ensure there are appropriate baseline metrics in place to ensure a 6 month and annual review against key deliverables. Progress against these metrics will be monitored closely by the Transaction Board and Place-based Partnership following the transfer.</i></p>		

3.10 During the transfer and the 6-12 month period post-transfer, a CAMHS integration team, formed by senior clinicians and operational managers from both providers will oversee a programme of stabilisation and improvement

internally within LSCFT. The team will work to ensure current best practice in delivery is mirrored across all the LSCFT delivery localities, whilst working collaboratively with all staff teams to build a consistent clinical model. The CAMHS integration team will hold accountability of delivery against key performance indicators to provide assurances on the forecasted benefits and impact of the transaction.

3.11 A benefits tracker/realisation matrix is also in development which will capture and ensure monitoring of the benefits identified within the business case. This will be monitored by the Transaction Board and provide oversight into the ICB via the lead commissioners. A six month and annual update on impact will be provided through to the ICB executive team and Board to provide assurance that the transfer is achieving it's intended objectives. Should the anticipated improvements not be demonstrated, then discussions will be prompted through the Transaction Board in order to understand the reasons for this and ensure that mitigating actions are developed and matters escalated through organisational governance as required.

4. Transfer of adult community physical health services for Blackburn with Darwen – rationale and intended benefits

4.1 A summary of the business case proposal for adult community physical health services transfer is outlined below.

Business case summary			
Proposal	Anticipated benefits	Impact for residents	Alignment to ICB strategic objectives
<p>Transfer of BwD adult physical health services currently provided by LSCFT to ELHT</p> <p>Service transfer value - £11.99m</p> <p>Cost neutral, "lift and shift" transfer – NHSE confirm no public consultation required</p> <p>To be enacted through contract variation, permissible under Provider Selection Regime</p> <p>Service to transfer on 01 July 2024 (if agreed)</p> <p>12 staff TUPE'd ahead on 01.03.24 as part of Vulnerable Services Subcontracting Agreement</p> <p>Full due diligence undertaken, key risks mitigated</p> <p>Mobilisation and business continuity plans in place</p> <p>EHIRRA approved 12.02.24/QIA approved 26.03.24</p>	<p>Seamless pathways for BwD patients across community, intermediate and secondary care, with ability to provide more holistic support plans</p> <p>Reduced variability in provision across BwD and East Lancashire (clinical, quality, performance & spend)</p> <p>Issues of service fragility and low resilience are addressed</p> <p>Opportunities for efficiency and increased productivity</p> <p>Workforce have increased access to specialist training and development; career progression and wider specialist support</p> <p>Horizontal integration model of LSCFT within BwD neighbourhoods is maintained</p>	<p>More people will have access to help, advice and signposting when they need it</p> <p>More people will get more help/support in the community to help them remain at home</p> <p>More people get the right care, from a trained professional, in the right place, when they need it</p> <p>More people will receive intensive, short-term care or longer-term support in the community, which enables them to maintain their independence, or in some cases remain safe</p> <p>Care is less fragmented</p>	<p>Equalising opportunity and clinical outcomes across the area</p> <p>Improving quality, including safety, clinical outcomes and patient experience</p> <p>Make working in LSC an attractive and desirable option for existing and potential employees</p> <p>Full alignment to ICB vision to have "integrated community services across the four LSC places that support and enable people to live healthier lives for longer in their own homes" and System recovery & transformation vision "to have a high quality, community-centred health and care system by 2035."</p>

- 4.2 Historically within LSC, the commissioning approach to community health services varied significantly across the former Clinical Commissioning Groups, resulting in differing models of provision, from vertical integration (with acute trusts) to horizontal integration (with primary care, social care and other partners at place level) or a combination of both.
- 4.3 There is also variation in funding, contractual arrangements and outcomes being achieved for our population. Whilst some of this variation is warranted, there is a recognised need to develop a consistent approach and framework for the transformation, planning and delivery of community health services across the LSC footprint to address historical variations.
- 4.4 Three out of four of the acute trusts within LSC deliver community services and this is associated generally with more effective operational delivery and outcomes are typically better. For example, within East Lancashire, there is a robust model of vertically integrated community services provided by ELHT with high performance in areas such as virtual wards, low levels of 'Not Meeting Medical Criteria to Reside'.
- 4.5 Within Blackburn with Darwen the current community service model is fragmented with some services provided by ELHT in a vertical integration model, such as community physiotherapy and 2-hour urgent community response, yet other elements provided by LSCFT in a horizontal integration model such as, integrated neighbourhood teams, community occupational therapy, district nursing and podiatry.
- 4.6 The horizontal integration within LSCFT, as the specialist mental health service provider for LSC, has historically meant that there have been issues in regard to service resilience within some of its adult community physical health services in Blackburn with Darwen, due to their smaller scale. There have also been variations in how community specialist nursing and allied health professional services are provided into and as part of the Blackburn with Darwen community services, this has been most evident in the variation of service across the stroke pathway. The transfer of services into an acute trust that specialises in adult physical health and has access to a broader staff base, is intended to stabilise this service provision, providing greater quality and continuity of care for patients.
- 4.7 Despite these challenges to current delivery, the LSCFT Blackburn with Darwen community teams have benefited from strong working relationships and integration with primary and social care colleagues within the Blackburn with Darwen Primary Care Neighbourhoods. The teams have been co-located with social care for a number of years and work to a common vision and priorities to benefit patients. ELHT are committed to maintaining and strengthening the neighbourhood delivery model post-transaction, with a view to learning from this good practice and replicating across the East Lancashire footprint.

- 4.8 Over recent years ELHT have developed out of hospital services which support alternatives to admission and facilitate seamless pathways for patients, it has been acknowledged that, for the residents in Blackburn with Darwen, the current configuration of community services does not best deliver the same response, or cater for the same level of health and social care complexity – thus resulting in an unwarranted variation. This will be addressed through the service transfer, as community services will have seamless access to the broader support.
- 4.9 The opportunity arises now, as the ICB moves forward on its community services transformation journey, to learn from the highest performing integrated community service models and to take action to ensure equity of provision and outcomes for the residents of LSC. The aim of the adult community services transfer is to address variation in provision, improve service quality and resilience and create a footprint of community service provision which best fits the natural flow of the majority of patients in and out of hospital care.
- 4.10 It is anticipated that successful transfer of adult community services from LSCFT to ELHT will facilitate a wide range of benefits for residents and for the system and workforce:

Benefits for patients		
<p>More people will receive intensive, short-term care or longer-term support in the community, which enables them to maintain their independence, or in some cases remain safe</p> <p>Easier access to a wider range of physical health specialists</p> <p>Less fragmented care through integration of models of care, workforce and commissioning</p> <p>Equitable service offer with East Lancs residents (many family and friends will be within the footprint)</p> <p>More timely step-up support should needs escalate</p> <p>More holistic support plan</p>		
Workforce benefits	Organisational benefits	System benefits
<p>Greater resilience and optimisation of teams</p> <p>Greater clinical & organisational support</p> <p>Easier to secure wider specialist support</p> <p>Easier to secure step-up support/rapidly increase level of care and vice-versa as needs reduce</p> <p>Greater career progression opportunities</p> <p>Greater skills development</p> <p>Increase the levels of acuity that can be catered for in a community setting via models such as Hospital at Home</p>	<p>Greater resilience of workforce</p> <p>Streamlined services and pathways – opportunities for efficiency</p> <p>Maintain a strategic focus on the further development of community services</p> <p>Alignment to one clinical system to support integration</p> <p>Opportunity to spread learning from good practice across the wider East Lancashire footprint</p> <p>Acute capacity is protected through provision of viable and reliable alternatives to admission and to support earlier discharges in</p>	<p>Reduced variability in clinical skills and expertise</p> <p>More efficient services as duplication of effort and expense is removed</p> <p>Existing good practice is replicated across a wider footprint</p> <p>Acute capacity is protected, impacting positively on UEC system performance</p>

(H@H) which are already delivered by ELHT	conjunction with social care colleagues	
Key performance metrics that will demonstrate impact		
<p>In addressing issues of service fragility and vulnerability, it is likely that more patients will be supported and in a more timely manner, therefore:</p> <p>Improved access to stroke and diabetes support</p> <p>Increase in people aged 65+ population with a GP recorded frailty score who have a care plan</p> <p>Reduction in the number of unplanned hospital admissions for chronic ambulatory care conditions</p> <p>Reduction in emergency admissions due to falls</p> <p>Increase in number of older people at home 91 days after discharge from hospital into reablement/rehabilitation services</p> <p>Increase in number of people receiving a 2hr urgent community response</p> <p><i>ICB commissioning leads will ensure there are appropriate baseline metrics in place to ensure a 6 month and annual review against key deliverables. Progress against these metrics will be monitored closely by the Transaction Board and Place-based Partnership following the transfer.</i></p>		

4.11 A six month and annual update on impact will be provided through to the ICB executive team and Board to provide assurance that the transfer is achieving it's intended objectives.

5 Financial considerations

5.1 One of the biggest challenges raised by system partners has been to ensure the transaction does not contribute to a worsening of the system financial position. Principles were developed and agreed across partners that any transaction should be cost neutral and would require any risk of stranded costs to be fully mitigated and managed.

5.2 Significant work has been undertaken with finance teams to identify the impact of this transaction and to mitigate any residual costs. Collaborative solutions have been identified across partners to make both sides of this transaction deliverable and financially viable for all organisations concerned, however some financial risks remain, and these are summarised below.

5.3 For both transfers, further work will be undertaken post-transfer to identify the opportunities for delivering financial benefits over the medium and long term. This will include monitoring the following factors:

- Better coordination of service delivery across local delivery partners, with greater ability to manage patient demand more effectively
- Operational efficiency via staff productivity
- Potential reductions in management costs
- Transforming models of care in line with best practice and reducing variation
- Creating resilient services and reducing reliance on costly temporary staffing

CAMHS financial risks and benefits

5.4 The following table represents the risks identified from the due diligence process in relation to the ELCAS service, together with the expected mitigation at the time of writing:

Risk	Item	Mitigation
Current Cost transfer value does not cover expected levels of activity/ performance	Mental health in schools ADHD non-recurrent development	Discussions on-going to mitigate
Additional Overhead Costs unless an equivalent transfer of services takes place	Stranded costs in one organisation will reduce the transfer resource value	Transfer of adult community at the same time reduces this risk
Indirect staff Costs	Staff resource not transferring for adjacent functions e.g Safeguarding	Fully mitigated via operational solution

5.5 Transferring ELHT CAMHS services to LSCFT enables a further consolidation of CAMHS services within LSCFT and supports economies of scale across CAMHS services, increasing resilience and enabling greater delivery of challenging CIPs going forward.

Adult Community Services financial risks and benefits

5.6 The following table represents the risks identified from the due diligence/planning process in relation to adult community services, together with the expected mitigation at the time of writing:

Cost Area	Issue	Mitigation
Digital	Transfer of kit and compliance with 'receiver' IT system	Fully mitigated via collaborative working solution
Indirect staff Costs	Staff resource not transferring for adjacent functions e.g Safeguarding	Fully mitigated via operational solution
Direct Staff Costs	Configuration of existing nursing teams & fit with 'receiver' model	Fully mitigated via operational solution
Current Cost transfer value does not cover expected levels of activity/performance	Reconciliation of establishment and vacancy rates	Discussions on-going to clarify forecast outturns and agree mitigations for any residual risk

5.7 Transferring adult community services to ELHT enables a consolidation of community services across the Blackburn with Darwen and East Lancashire area. This creates a more resilient service which can benefit the LSC system over the long-term by reducing service vulnerability, increasing operational efficiency and less reliance on agency / temporary staff. This will help support

delivery of very challenging Cost Improvement Programme targets going forward.

- 5.8 Both service transfers aim to be undertaken on a 'lift and shift' cost-neutral basis, ensuring that patient safety, quality and continuity of services is not compromised. Although there are some financial risks associated with the transaction, these have largely been, and continue to be, mitigated by a strong approach to collaborative working and problem-solving between both providers and ICB colleagues.
- 5.9 Whilst there is a clear rationale and benefits for residents in undertaking both transfers in their own right, undertaking the transfers as part of a single contract transaction, within the same financial year, means that providers are able to mitigate and offset residual/stranded costs, thus ensuring the principle of cost-neutrality to the system.

6 Risks and mitigations

- 6.1 Both Trusts, utilising NHS England transaction guidance, have undertaken full due diligence work across a broad range of factors including workforce, estates, IT, quality and finance. Due diligence reports have been endorsed by both provider Finance and Performance Committees, who are assured that risks have been mitigated as far as practically possible and have also been scrutinised by ICB offers. The due diligence reports have informed the completion of the quality impact assessment which supports this proposal.
- 6.2 A robust risk register, informed by the due diligence work, is in existence and is overseen by the Blackburn with Darwen Transaction Board managing this programme. An excerpt of the themes of that register is set out below describing some of the mitigating actions that are in place to address the risks.

Risk area	Description	Mitigation
Impact on staff	Risk of impacting staff resilience, wellbeing and retention.	Comprehensive communications and engagement programme and offers of health and wellbeing support. TUPE process is set out with clear opportunities for staff to engage with managers.
Quality of services and regulatory assessment	Risk of impacting the quality of services provided to patients, leading to increase in complaints, waiting times, reduction in reported outcomes etc and possible impact on regulatory assessment	A business continuity workstream has been established. Any issues will be escalated through to the Steering Group and Transaction Board which is planned to continue for a period post transaction. Current service model to remain post transfer including how and where the services are delivered to patients, and the interface with wider services inc. primary and social care etc.
Patient and public concerns	Risk of patient and public challenge to the transfer of services and change in service providers.	Communications plan aligned to the decision processes. Current service models to remain post transfer, with no change to how and where the services are delivered to patients.

		Key Stakeholders, including MPs and Councillors, have been briefed and will continue to be updated as this process proceeds.
Financial impact	Risk of negative impact on any one organisation or the system financial position	Shared financial principles developed between all organisations to manage and mitigate the risks. Financial due diligence exercise has generated an indicative financial position and has identified areas of financial risk which organisations are seeking to mitigate.

7 Programme Governance and Timelines

- 7.1 As outlined to the Board previously, a Blackburn with Darwen Transaction Board has been established with Claire Richardson, ICB Director of Health and Care Integration (DHCI) as the Senior Responsible Officer (SRO), with Trust Executive representation through Tony McDonald (ELHT) and Emma McGuigan (LSCFT). This work is supported by ICB team members across finance, commissioning, contracting, transformation and the place teams. Sub-groups are established around workforce, finance, communications, governance, and ICT.
- 7.2 As set out in the January Board paper the due diligence process was delayed which meant that achieving the go live date of 1 April 2024 was no longer possible. Reviewing governance timelines and mobilisation plans this proposal is now presented to ICB Board at their meeting on 10 April 2024 and ELHT and LSCFT Trust boards in April 2024.
- 7.3 This would then be followed by a formal period of TUPE engagement with staff and then, subject to no significant issues arising, the transfer of adult community services would occur on 1 July 2024 with mobilisation and readiness during the first quarter of 2024/25. It is also proposed that the transfer of CAMHS services would occur at the same time 1 July 2024 (subject to endorsement by provider boards).
- 7.4 Legal advice has been sought by both Trusts to ensure all legal risks of transfer are identified and mitigation plans put in place. Reports have been considered at Trust committees and the final position is included within the business case.
- 7.5 The due diligence information and legal advice will form the basis of the business transfer agreement which will be used to create the variation to the contract setting out clearly assets, liabilities etc. This contract variation will be completed as soon as the business case is approved by all parties, the two trusts and the ICB, and when a discussion with NHS England to seek their assurance of due process has taken place.
- 7.6 Discussions with NHS England to date have been positive with feedback that they are assured as to the robustness of the process that has been undertaken. NHS England reviewed a draft of the business case on 15 March 2024 and confirmed that they felt the business case clearly described the challenges and

rationale for the contract modification and that patient benefits were a theme throughout the document and that these were clear. From a finance perspective, NHS England concluded that affordability was not presented as an issue as all partners have agreed a collaborative approach to managing the proposed service transfers, ensuring, as far as possible, cost neutrality for the system by transferring services as currently configured.

- 7.7 Both Trusts are now developing robust mobilisation / demobilisation plans and are working through the issues they need to address to ensure safe transfer of staff services.
- 7.8 ICB colleagues identified by the Transaction Board, have closely scrutinised these mobilisation plans to ensure due process is being undertaken, and that assurance can be given to NHS England that the ICB is comfortable to support the transaction.

8 Enacting the service transfer

- 8.1 As the proposals for service transfer only relate to changing current provider arrangements and do not involve any other changes to services including how and where they are delivered, legal advisors and NHSE have confirmed that adherence to this as a core requirement would ensure that there would not be a requirement for public consultation.
- 8.2 Subject to the business case being approved by the ICB Board and agreement by both providers, the transfer of child and adolescent mental health services from ELHT to LSCFT and Blackburn with Darwen adult community physical health services from LSCFT to ELHT, will be enacted in the form of a contract modification permitted under regulation 13 of the Provider Selection Regime (PSR), which came into force on 1 January 2024.
- 8.3 The basis of this transfer has been checked with legal advisors, procurement and contracting colleagues and shared by NHS England with their advisory team. All are happy that the transaction process being followed is aligned with the requirements of the Provider Selection Regime.

9 Conclusion

- 9.1 Delivering improvements in health and wellbeing and putting the population's needs first is at the heart of everything that the ICB does. With a population of over 1.8million people, living in coastal towns, rural villages and urban centres, the demographics of Lancashire and South Cumbria are varied, diverse and complex. Differential service offers, inherited by the ICB on its establishment, often mean that our communities experience different standards of access and outcomes relating to their healthcare.
- 9.2 If the ICB is to deliver on its ambition to have a world class, all age, community centric, integrated care system, it must work with healthcare providers to support them to be as strong and as stable as possible, capable of delivering to

the top of their required standards and excelling in patient care. The proposals outlined within this report aim to ensure that vulnerable services in Blackburn with Darwen, an area with some of the greatest health needs in Lancashire and South Cumbria, are stabilised; that variations in current provision and outcomes are addressed for residents and that two prominent provider Trusts are able to learn from each other's good practice to drive continuous improvement across their services.

10 Recommendations

10.1 The ICB Board are requested to:

- a) Approve the proposal for the alignment of community (physical and child and adolescent mental) health services for Blackburn with Darwen and East Lancashire;
- b) Approve the contractual transfer of child and adolescent mental health services for Blackburn with Darwen and East Lancashire from their current provider, East Lancashire Hospitals Trust to Lancashire and South Cumbria Foundation Trust;
- c) Approve the contractual transfer of adult physical health services for Blackburn with Darwen from their current provider, Lancashire and South Cumbria Foundation Trust to East Lancashire Hospitals Trust;
- d) Agree to contract modifications being made to enact these transfers, permissible under Regulation 13 of the Provider Selection Regime 2024;
- e) Note that a Provider Selection Regime decision making record will be completed for each contract modification and a confirmation of modification notice will be published on the Find a Tender Service (FTS) website within 30 days of the contract being modified;
- f) Instruct the respective provider Trusts to progress agreement of the finalised Heads of Terms and develop a Business Transfer Agreement for approval by the respective Boards subject to completion of TUPE requirements: to conclude formal agreements with commissioners, regulators and both providers;
- g) Instruct the provider Trusts to consider and approve actions to address and mitigate risks identified through final due diligence;
- h) Note that all parties will enact such governance arrangements as necessary to manage the period between approval of business case and the transfer date;
- i) Agree to an update report outlining progress of mobilisation and current service performance being provided to all Boards within six months of the transfer.

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20 March 2024

