

Integrated Care Board

Date of meeting	15 May 2024
Title of paper	System Recovery and Transformation
Presented by	Sam Proffitt, Deputy Chief Executive and Chief Finance Officer
Author	Terry Whalley, System Recovery & Transformation Programme Director
Agenda item	10
Confidential	No

Executive summary

The System Recovery and Transformation Board (SRTB) met on the 22nd of April to review proposals for the Lancashire and South Cumbria Integrated Care System's (ICS) recovery and transformation priorities. This will provide improvements for 2024/25 and enable the system to make progress against the 2024/25 financial recovery plan and in future years.

This plan focuses on

1. reducing waste and duplication,
2. improving quality and
3. transforming services to meet the needs of the people we serve.

A Recovery and Transformation Programme Board will commence in May, chaired by the ICB's CFO, to oversee delivery plans and track progress through a number of key measures of performance.

This will build on the good progress in 23/24 establishing the foundations for some of the recovery and transformation projects and assurance framework, and provide more coherence between the ICB and Provider Collaborative Board, and between ICB and Trust savings plans, as we seek to deliver better use of resources while improving quality and outcomes at the same time.

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 Board	16 th April 2024	The proposals tabled and that feature in this report were endorsed.		
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 is no data privacy impacts associated with this paper
Report authorised by:	Sam Proffitt, ICB Deputy Chief Executive and Chief Finance Officer.			

Integrated Care Board – 15 May 2024

System Recovery and Transformation

1. Executive Summary

- 1.1 As previously reported to the ICB Board, The Lancashire and South Cumbria Integrated Care System is facing financial challenges which can only be sustainably improved through a combination of short-term recovery and longer-term transformation.
- 1.2 The ICB Board has previously noted 3 key inter-related arms to the clinical strategy each with a 1–3-year recovery focus and a long-term transformation ambition.
 - New Models of Care (Transforming Care in the Community, with a focus in 24/25 on deescalating Urgent & Emergency Care pressures), further defined in section 4 of this report.
 - Clinical effectiveness (Acute Configuration / Productivity), with a focus in 24/25 on tackling the root cause of fragility, accelerating the reconfiguration of services where consolidation is the right thing to do and on setting out a blueprint and delivery roadmap for the acute services that meet our population needs.
 - Quality Improvement leading to CQC Good or better and SOF 2 or better ratings for our services.
- 1.3 This shapes what we now plan to do through recovery and transformation enabling the system to
 - reduce waste and duplication,
 - improve quality and
 - transform services to ensure long terms clinical, operational and financial sustainability.
- 1.4 Trusts have developed Cost Improvement Plans (CIPs) and the ICB is establishing Quality, Innovation, Productivity and Prevention (QIPP) Plans. Together with additional grip and control actions and the further development of delivery plans associated with the medium-term transformation of clinical and corporate functions, this will support the delivery of financial sustainability.
- 1.5 The decision-making and governance associated with this recovery and transformation portfolio will be strengthened by the establishment of a new Recovery and Transformation Programme Board, chaired by the Deputy CEO and Chief of Finance. This will bring a greater level of scrutiny of the granular plans.

2 Context

2.1 Working collaboratively through our Recovery and Transformation Programme we will tackle the following challenges: -

- Demands and expectations on services and workforce constraints.
- Significant health and wellbeing issues made worse by the COVID-19 pandemic in a population who already had challenged outcomes.
- Widening differences in the quality of life and health outcomes for people living in different areas.
- Some services currently provided with too few staff and resulting high agency/locum costs.
- Fragile services: i.e. Services which are at risk of being unsustainable because of the lack of scale, lack of staff or other resources.
- An expected 20% increase in over 65-year-olds means without change we will need significantly more hospital beds.
- Unwarranted variation across and within community and primary care provision.
- Financial deficit impacted by
 - An increase in capacity since pre covid particularly in the Urgent Care Pathway which has continued following the withdrawal of Covid Funding
 - An historic deficit supported by top up funding during covid for which funding is being reduced each year through Convergence.
 - An ongoing pressure in Out of Area mental Health Beds driven by demand and discharge pressure.
 - Higher costs of Continuing Health Care packages with national benchmarking indicating a spend of £100m more than the 75th percentile.

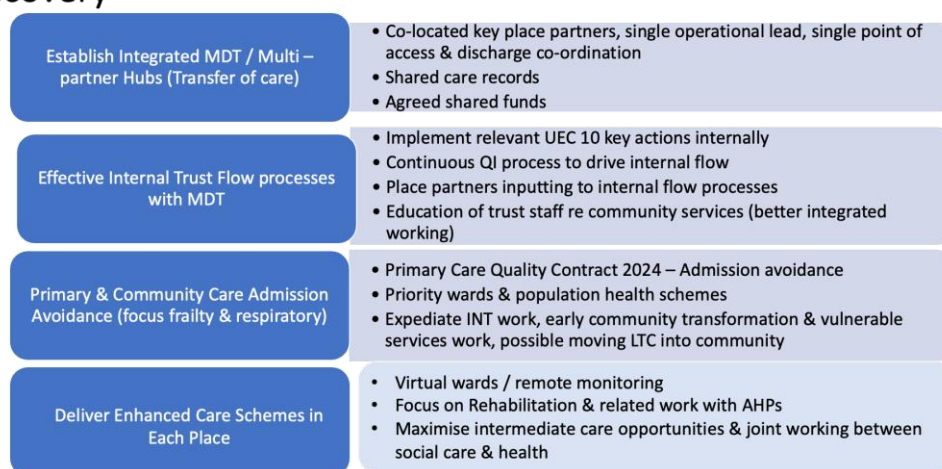
3 Addressing the challenges.

3.1 Through the recovery programme the challenges are being addressed through a combination of reducing waste and duplication while improving quality and transforming services in the longer term.

3.2 **Reduce Waste and Duplication:** This area relates to the ongoing measure all organisations take through their savings programmes to ensure value for money and removal of waste and duplication. These annual plans will cover areas such as better procurement, review of contracts, workforce efficiency, productivity, sharing resources, better value prescribing, efficient use of capital, review of existing expenditure etc. In addition several key expenditure controls continue to be in place including vacancy and non-pay controls and strong internal process controls.

3.3 **Improve Quality:** Urgent and emergency care (UEC) is a major contributor to pressure in our system. Data suggests more than £80m per annum costs are associated with pressures in the emergency departments of our acute hospitals, with staffing of corridor care, additional beds on hospital wards, escalation wards and capacity lost to beds being occupied by those clinically ready for discharge (CRFD). Building on the production of our System UEC Strategy and working closely through and with our Place Directors, plans will accelerate a range of initiatives that will help avoid admissions, eliminate corridor care and ambulance handover delays, address the root causes of service vulnerability and reduce the impact of acute hospital beds being lost to those CRFD.

Key Place Actions & Associated Enablers to Deliver Flow Recovery



3.4 The primary measures of success in this Flow Recovery work are defined as: -

- Reduction in Emergency Department attendances.
- Reduction in the Emergency admissions.
- Reductions in Not Meeting Criteria to Reside (NM2CR) levels.
- Zero Corridor Days.
- Zero Ambulance Delays.
- Improved Productivity as measured by length of stay.

3.5 To deliver these Primary Measures of Success, further key performance indicators (KPIs) are being developed with oversight by the Finance and Performance Committee. They will consider the available metrics to the system and the plan to develop key metrics for consideration by Recovery and Transformation Board and the ICB. Discussions will be held to agree the targets for the Primary Measures of Success and the associated KPIs.

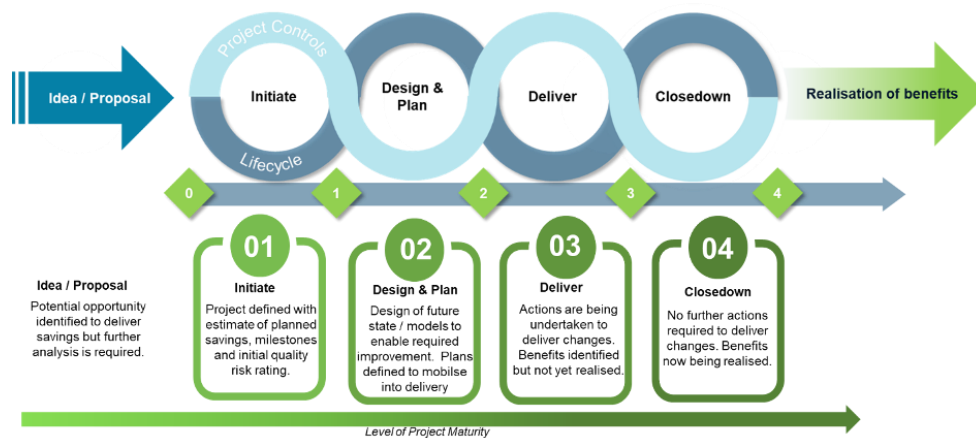
3.6 **Transform our Services.** This provides the opportunity to reimagine the way the needs of our population are met, embracing 21st century technology and ways of working to really tackle inequalities and improve outcomes. This includes how we make the most of the opportunity the two new hospitals will afford us in ensuring we have the best possible configuration of acute services to meet the needs of our population. This will be done while enabling long term

conditions to be better managed in primary care and through improved community services and technology enabled care closer to home. It also includes the acceleration of the establishment of One LSC, our NHS Provider approach to delivering corporate functions that can deliver a better balance of great outcomes and value for money, maximising the L&SC pound available for front line services.

- 3.7 These three areas are not in chronological order as all three of these are being progressed now, but each has a different time line for delivery.
- 3.8 This is a complex piece of work requiring robust use of data, joint strategic needs analysis and capacity to define evidence-based models of future need. This will inform discussions with service users and those colleagues delivering services to inform future models of care.

4 QIPP and CIP Plans

- 4.1 The ICB has developed a 24/25 Quality, Innovation, Productivity and Prevention (QIPP) Plan and other mitigations for areas of spend that are influenceable by budget holders. This is supported by ICB PMO governance and tracking processes, details of which were shared with the Finance and Performance Committee on April 29th. The process includes standardised approaches to Quality and Equality & Diversity Impact Assessments, Prioritisation (based on deliverability and size of opportunity) and decision-making gateways as illustrated in the diagram below.



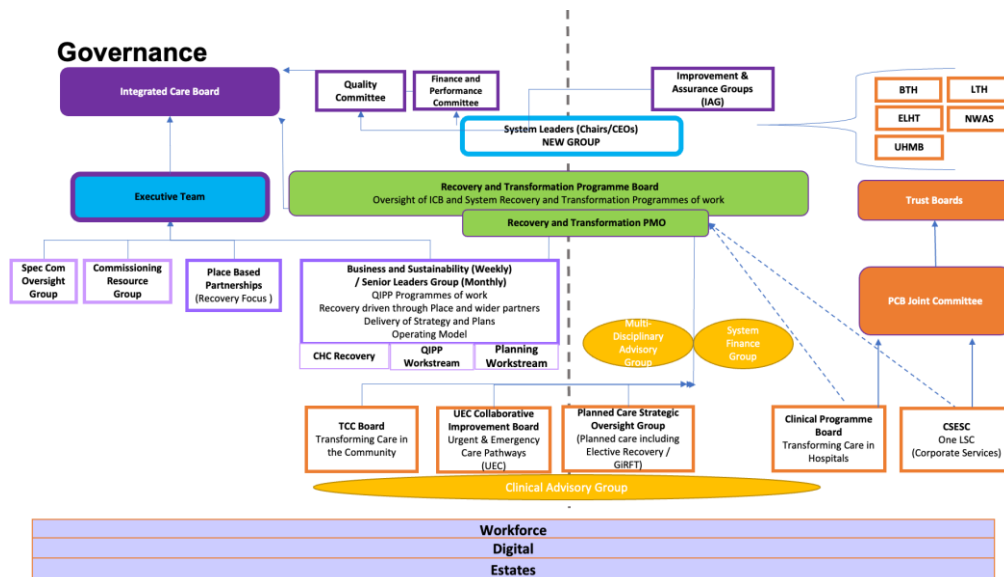
- 4.2 The ICB has a developing portfolio of QIPPs included within the May plan totaling £219.9m. QIPP Schemes totaling £76.8m are expected to be recurrent focusing on Continuing Health Care Review, Prescribing and Contracts. Most schemes are now at the design and plan phase with high levels of risk remaining. Gateway 2 reviews are planned which will further refine the opportunities and move many into the delivery phase.
- 4.3 The Trusts have identified £247.1m of CIP. This is equivalent to around 6.2%. There has also been an improvement in the maturity of these schemes, with £130.3m of plans fully developed or in progress, £104m at opportunity stage to be worked up into detailed plans and £12.7m currently unidentified.
- 4.4 The Trust CIP schemes are being triangulated with Whole Time Equivalent (WTE) movements. The May submission shows that overall, the Providers are

forecasting 1,371 WTE reduction, with 212 increases in substantive numbers offset by a 1,124 reduction in Bank and 460 reductions in Agency.

- 4.5 The plans are monitored throughout the year as part of the Assurance meetings held with Trust and Quality Impact Assessments are asked for as part of this process
- 4.6 In addition to the Trust CIP and ICB QIPP plans, the ICB and the Provider Collaborative are developing a portfolio of System Recovery & Transformation Programmes that includes initiatives aimed at de-escalating Urgent & Emergency Care (UEC) pressures to reduce some of the excess costs currently being incurred, accelerating work on resolving the causes of fragility in some of our acute services and reconfiguring some services where the scale of clinical networking will improve outcomes, access and use of resources and in improving the way in which our corporate functions operate. The Recovery & Transformation Programme Board will receive a full picture of this portfolio at the first meeting in May.

5 Recovery & Transformation Governance

- 5.1 With endorsement from Chairs and CEOs at the April System Recovery and Transformation Board, it has been agreed that the purpose of the System Recovery and Transformation Board will become a more strategic Senior Leadership Oversight Group, under the Chair of the CFO, a bi-weekly Recovery & Transformation Programme Board to ensure a closer level of scrutiny on plans and delivery against those plans.



- 5.2 This Recovery & Transformation Programme Board will have oversight of the portfolios as highlighted in the diagram above, in addition to visibility of QIPP and CIP delivery toward the total financial recovery position, and this will be routinely reported through Finance and Performance Committee and Quality Committees with updates to the ICB Board.

6 Next Steps

- 6.1 The Recovery and Transformation Board will now drive in the coming weeks the actions we take to:

- Set the clear quantified metrics with monthly trajectories and deliverables for each programme to be monitored through the recovery Programme Board.
- Define and agree the focus of Place as part of clear Place implementation planning for measures that will deescalate UEC pressures.
- Agree Programme leads and resources for all key programmes and review current investments and priorities.

7 Recommendations

7.1 The ICB Board is asked to note this update.

Sam Proffitt

3rd May 2024