



**Lancashire and
South Cumbria
Integrated Care Board**

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NHS Lancashire and South Cumbria Integrated Care Board statement of compliance with the Mental Health Investment Standard (MHIS) 2022/2023:

All ICBs were required to plan to achieve the Mental Health Investment Standard in 2022/23 when taking into account spend by their predecessor CCGs in Q1, and ICBs were required to spend greater than or equal to the 2022/23 target spend number provided by NHS England.

As the Accountable Officer of NHS Lancashire and South Cumbria Integrated Care Board, I am responsible for the preparation of the Mental Health Investment Standard Compliance Statement (the "Statement") for the year ended 31 March 2023 and for the financial information that forms the basis of the calculation on which the Statement is derived. This includes the design, implementation and maintenance of internal controls relevant to the preparation of the Statement to ensure that mental health expenditure is correctly classified and included in the calculations, and that the Statement is free from material misstatement, whether due to fraud or error.

To the best of my knowledge and belief I have properly discharged my responsibilities with regard to reporting against the Mental Health Investment Standard.

I consider that NHS Lancashire and South Cumbria Integrated Care Board complied with the requirements of the Mental Health Investment Standard for 2022/23, incorporating spend by its predecessor CCGs in Quarter 1 of that year. The 2022/23 target spend was £377,824k and actual spend was £388,676k.

Sam Proffitt

Chief Finance Officer

NHS Lancashire and South Cumbria Integrated Care Board

(the successor body of NHS Blackburn with Darwen CCG, NHS Blackpool CCG, NHS Chorley and South Ribble CCG, NHS East Lancashire CCG, NHS Fylde and Wyre CCG, NHS Greater Preston CCG, NHS Morecambe Bay CCG and NHS West Lancashire CCG)

Independent Reasonable Assurance Report of KPMG LLP to the Governing Body of Lancashire & South Cumbria ICB and NHS England in connection with the 2022/23 Mental Health Investment Standard compliance statement in respect of Lancashire & South Cumbria ICB and its predecessor CCGs for the year ended 31 March 2023

This reasonable assurance report ("the Report") is made in accordance with the terms of our engagement letter dated 12 January 2024 ("the Engagement Letter") for the purpose of reporting to the Governing Body of Lancashire & South Cumbria ICB ("the ICB") and NHS England in connection with the ICB's Mental Health Investment Standard compliance statement dated 15 March 2024 for the year ended 31 March 2023 ("the Statement"), which is appended to our report. The Statement incorporates spend by the ICB's predecessor CCGs: NHS Blackpool CCG; NHS Fylde & Wyre CCG; NHS Morecambe Bay CCG; NHS Blackburn with Darwen CCG; NHS Chorley & South Ribble CCG; NHS East Lancashire CCG; NHS Greater Preston CCG & NHS West Lancashire CCG ("the predecessor CCGs").

Our report has been prepared for the ICB and NHS England solely in accordance with the terms of our engagement. We have consented to the publication of our report on the ICB's website for the purpose of the ICB showing that it has obtained an independent assurance report in connection with the Mental Health Investment Standard compliance statement.

Our report was designed to meet the agreed requirements of the ICB and NHS England determined by the ICB's and NHS England's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the ICB and NHS England for any purpose or in any context. Any party other than the ICB and NHS England who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.

Responsibilities of the ICB and the ICB's Accountable Officer

The planning guidance for 2022/23 issued by NHS England stated that: "The Mental Health Investment Standard ("MHIS") will apply to ICBs and continue to be subject to an independent review. For 2022/23, the MHIS requires ICBs to increase spend on mental health services by more than ICB programme allocation base growth (prior to the application of the convergence adjustment)".

ICBs are required to publish a statement after the end of the financial year to state whether they consider that they have met their obligations with regard to the MHIS ("the Statement"), including spend by their predecessor CCGs in the period 1 April 2022 to 30 June 2022 ("Quarter 1"). The format and content of the Statement should be in line with the specified wording in the Assurance Engagement of the Mental Health Investment Standard 2022/23 ("the Guidance") issued by NHS England.

The ICB's Accountable Officer is responsible for the proper preparation of the Statement for the ICB for the year ended 31 March 2023, including spend by its predecessor CCGs in Quarter 1, and for the completeness and accuracy of the accounting records and calculations ("the Relevant Information") that forms the basis for the preparation of the Statement. This includes the design, implementation and maintenance of internal controls relevant to the preparation of the Statement to ensure that mental health expenditure is correctly classified and included in the calculations and that the Statement is free from material misstatement, whether due to fraud or error.

The ICB's Accountable Officer was required to provide us with:

- Access to all information of which management is aware that is relevant to the preparation of the Statement, including procuring any such records held by a third party so they were made available to us.
- Additional information that we requested from management for the purpose of the engagement.
- Unrestricted access to persons within the ICB from whom we determined it necessary to obtain evidence.

In this report, references to “management” means the Accountable Officer of the ICB and those employees to whom the Accountable Officer of the ICB has properly delegated day-to-day conduct over matters for which the Accountable Officer of the ICB retains ultimate responsibility.

Relevant Information to be used in the preparation of the Statement

The Relevant Information to be used in the preparation of the Statement is set out in the Guidance. This includes:

- Total expenditure on mental health in the year ended 31 March 2023, applying the definitions used for programme budgeting set out in the Guidance.
- The ICB’s target spend for the year, as confirmed by NHS England (“Target Spend”).

The Guidance sets out what constitutes eligible mental health expenditure for the purpose of the MHIS and the Statement. The Criteria we used to form our conclusion are NHS England’s Criteria as set out at <https://www.england.nhs.uk/long-read/assurance-engagement-of-the-mental-health-investment-standard-2022-23/#criteria-to-be-used-for-the-statement> (“the Criteria”).

Our responsibilities

Our responsibilities are to plan and perform our work to obtain reasonable assurance about whether the Statement has been properly prepared, in all material respects, in accordance with the Criteria set out in the Guidance and to report to the Governing Body of the ICB and NHS England in the form of an independent reasonable assurance conclusion based upon the procedures performed and evidence obtained.

For the purpose of the engagement we have been provided by the ICB with a copy of their MHIS compliance statement showing the eligible MHIS expenditure and its Target Spend for 2022/23, including spend by its predecessor CCGs in Quarter 1, together with a more detailed expenditure summary. The Accountable Officer of the ICB remains solely responsible for the Statement.

Our separate responsibilities in relation to the ICB’s and NHS Blackpool Clinical Commissioning Group’s, NHS Fylde & Wyre Clinical Commissioning Group’s and NHS Morecambe Bay Clinical Commissioning Group’s financial statements

Our audit work on the financial statements of the ICB and NHS Blackpool Clinical Commissioning Group, NHS Fylde & Wyre Clinical Commissioning Group and NHS Morecambe Bay Clinical Commissioning Group (“NHS Blackpool CCG, NHS Fylde & Wyre CCG and NHS Morecambe Bay CCG”) is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as having any effect on our separate duties and responsibilities as the ICB’s and NHS Blackpool CCG’s, NHS Fylde & Wyre CCG’s and NHS Morecambe Bay CCG’s external auditors. Our audit reports on the financial statements of the ICB and of NHS Blackpool CCG, NHS Fylde & Wyre CCG and NHS Morecambe Bay CCG are intended for the sole benefit of the members of the Governing Body of the ICB, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014.

Our audit work has been undertaken so that we might state to the members of the Governing Body of the ICB those matters we are required to state to them in an auditor's report and for no other purpose. Our audits of the ICB's and NHS Blackpool CCG's, NHS Fylde & Wyre CCG's and NHS Morecambe Bay CCG's financial statements are not planned or conducted to address or reflect matters in which anyone other than such members of the Governing Body of the ICB, as a body, may be interested in such purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the ICB and the members of the Governing Body of the ICB, as a body, for our audit work, for our audit reports, or for the opinions we have formed in respect of those audits.

To the fullest extent permitted by law we do not and will not, by virtue of our reports or otherwise, assume or accept any duty of care or liability under this engagement to the ICB and the members of the Governing Body of the ICB, as a body, or NHS England or to any other party, whether in contract, negligence or otherwise in relation to our statutory audits of the ICB's and NHS Blackpool CCG's, NHS Fylde & Wyre CCG's and NHS Morecambe Bay CCG's financial statements.

Assurance standards applied

We conducted our engagement in accordance with International Standard on Assurance Engagements (UK) 3000, Assurance engagements other than audits or reviews of historical financial information ("ISAE (UK) 3000") issued by the Financial Reporting Council. That standard requires us that we obtain sufficient, appropriate evidence on which to base our conclusion.

Independence, professional standards and quality management

The firm applies International Standard on Quality Management 1 (UK) Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements ("ISQM (UK) 1") which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the Institute of Chartered Accountants in England and Wales ("ICAEW") Code of Ethics, which includes independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants .

Summary of work performed

A summary of the work that we performed is as follows:

- Ascertained the method of compilation of the Statement and the MHIS expenditure figures on which it is based.
- Considered the internal controls applied by the ICB over the preparation of the Statement and the MHIS expenditure figures, and evaluated the design of those controls relevant to the engagement to determine whether they had been implemented.
- Identified and assessed the risks of material misstatement in the Mental Health Investment Standard compliance statement as a basis for designing and performing procedures to respond to the assessed risks.

- Agreed the total 2022/23 spend to supporting calculations; and that it is equal or above the target spend as provided by NHS England.
- Carried out testing on the mental health expenditure included in the Statement and supporting expenditure summary to check whether it met the definition of mental health expenditure properly incurred, as set out in the Guidance.
- Agreed the factual accuracy of the compliance statement based on the procedures set out above

We have examined the records of the ICB and its predecessor CCGs, performing such procedures on a sample basis so as to obtain information and explanations which we considered necessary having regard to the Guidance issued by NHS England and received such explanations from the management of the ICB in order to provide us with sufficient appropriate evidence to form our conclusion on the Statement.

The scope of our testing covered the total MHIS expenditure included in the Statement only and does not cover the reporting of spend against individual service lines in the expenditure summary.

In the preparation of the Statement, the ICB uses underlying information provided by a third party or information derived from a third party's system, such as the NHS Business Service Authority, other NHS providers and local authorities ("third-party information"). Under the Guidance, we were not required to, nor have we, performed procedures over the accuracy and completeness of any third-party information provided by the ICB, including for its predecessor CCGs.

Our work was directed to those matters which, in our view, materially affect the Statement and was not directed to the discovery of errors or misstatements that we consider to be immaterial. While we perform our work with reasonable skill and care, it should not be relied upon to identify or disclose all misstatements, fraud or errors that might exist.

Inherent limitations

In the preparation of the Statement, the ICB may make clinical opinions in estimating the proportion of spend which relates to mental health needs, as defined by NHS England in the Guidance, and therefore how much is to be included in the total expenditure on mental health for the year. Under the Guidance we are not required to perform, nor have we performed, any work to assess whether any such clinical opinions, or whether the classifications of services set out by NHS England in the Guidance, are appropriate.

The Reporting Criteria has been developed and published by NHS England. As a result, the ICB's Mental Health Investment Standard compliance statement may not be suitable for another purpose.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report, in particular the inherent limitations and the Report's intended use explained above.

In our opinion, the ICB's Mental Health Investment Standard compliance statement for the year ended 31 March 2023 has been properly prepared, in all material respects, in accordance with the Criteria set out in the Assurance Engagement of the Mental Health Investment Standard 2022/23 – Briefing Guidance published by NHS England.

KPMG LLP

KPMG LLP
Chartered Accountants
1 St Peter's Square
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15 March 2024

