NHS England

To: Emma Woollett, Chair
NHS Lancashire and South Cumbria
Integrated Care Board

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Dear Emma

Annual assessment of Lancashire and South Cumbria Integrated Care Board's performance in 2024-25.

I am writing to you pursuant to Section 14Z59 of the NHS Act 2006 (Hereafter referred to as *"The Act"*), as amended by the Health and Care Act 2022. Under the Act NHS England is required to conduct a performance assessment of each Integrated Care Board (ICB) with respect to each financial year. In making my assessment I have considered evidence from your annual report and accounts; available data; feedback from stakeholders and the discussions that my team and I have had with you and your colleagues throughout the year.

This letter sets out my assessment of your organisation's performance against those specific objectives set for it by NHS England and the Secretary of State for Health and Social Care, its statutory duties as defined in the Act and its wider role within your Integrated Care System across the 2024/25 financial year.

I have structured my assessment to consider your role in providing leadership and good governance within your Integrated Care System as well as how you have contributed to each of the four fundamental purposes of an ICS. For each section of my assessment, I have summarised those areas in which I believe your ICB is displaying good or outstanding practice and could act as a peer or an exemplar to others. I have also included any areas in which I feel further progress is required and any support or assistance being supplied by NHS England to facilitate improvement.

In making my assessment I have also sought to take into account how you have delivered against your local strategic ambitions as detailed in your Joint Forward Plan. A key element of the success of Integrated Care Systems will be the ability to balance national and local priorities together and I have aimed to highlight where I feel you have achieved this.

I thank you and your team for all of your work over this financial year in what remain challenging times for the health and care sector, and I look forward to continuing to work with you in the year ahead.

Yours sincerely,

Louise Shepherd CBE
Regional Director (North West)

cc: Sam Proffitt, Chief Executive

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Section 1: System leadership and management

As we progressed through 2024/25 it was clear that significant financial challenges were being faced across the ICS as a whole. The run rate throughout 2024/25 had indicated a likely deficit significantly worse than plan. NHS England had accepted a £175m deficit plan for the system for 2024/25. Despite support instigated through the Investigation and Intervention process, and through other national and regional interventions, the system made no progress in reducing the run rate. At month 9 the system had a year-to-date deficit of £270.6m (excluding deficit support) and without immediate and significant action the system was at risk of ending the year with a deficit of over £360m. Following the completion of a diagnostic review NHS England asked you to work with PricewaterhouseCoopers (PwC) and appointed a system turn around director. In addition, NHS England through its regulatory powers, entered the ICB and three of the system providers (Blackpool Teaching Hospitals NHS Foundation Trust, East Lancashire Hospitals NHS Trust and Lancashire Teaching Hospitals NHS Foundation Trust) in the national Recovery Support programme and NHS Oversight Framework segment 4. NHSE England also agreed enforcement undertakings with the ICB. Your engagement in the process and how you have responded to the additional scrutiny and support has been positive. Although considerable work has been undertaken throughout the start of this year the ICB, and the system as a whole, need to ensure that planning for 2026/27 starts now so that we are not in the same position again next year. NHS England colleagues will continue to support you with this as we progress through the year.

Although the ICB is significantly challenged, , there is evidence of delivery against a number of statutory requirements and a clear focus on improving outcomes and reducing inequalities. This has included significant positive work in several areas including admission avoidance, hypertension, primary care, learning disability and autism and mental health. The Population Health Academy, established by the ICB in 2022, has been a positive and key enabler in supporting the population health and health inequalities agenda.

From a regional review of evidence, and from our engagement with you and your partners over the year, we note the ICB's renewed focus on leadership, partnership working and governance arrangements. However, following reviews undertaken by PwC and the national Recovery Support Team, there is further work required to strengthen your leadership of the system and its engagement with partners. As part of our annual review, we engaged with each Health and Wellbeing Board and with the ICS to request feedback on your engagement with them. Whilst it was disappointing that only one response was received from across LSC the feedback received highlights that further thought, and consideration is required. We will share this feedback with the ICB for review.

We have seen progress in access to health services for all communities in the local population. The commitment to reduce health disparities and provision of services is also

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clear with an example of this being the work undertaken by the Population Health team in Blackpool. This included reviewing how NHS resource is used to prevent illness / prevent existing illness from worsening, focusing on those people in communities in most need. The focus on prevention with place-based working is evident through the narrative within your annual report and regional colleagues understanding of work taking place. This emphasis puts the ICB in a good position and is reflective of the direction of travel regarding the recently published 10-year plan. An example of this is the Shaping Care Together programme, which focuses on improving quality of care and a case for change that details current and future needs of the local population.

The focus of the Quality Committee to ensure continuous improvement across the system is welcome alongside the performance of commissioning services as they relate to patient experience, access and outcomes. We can see evidence that the ICB considers the effects of the decisions it makes in line with the triple aim and that this feeds through to the Quality Committee and wider governance meetings. It is understood that work is underway at pace on delivering the ICB commissioning intentions.

We have noted that the ICB has a long-established foundation for system-wide transformation, learning, and quality improvement, with evidence of innovation and development. The system quality group focuses on quality improvement, learning and has in place a research and innovation collaborative.

It is acknowledged that you have been working on clear governance arrangements including roles and responsibilities of the board and its subcommittees. As part of the work with PwC and the national Recovery Support Team, work is being undertaken to further strengthen these governance arrangements and to support board level development. Over recent months there have been leadership changes which the ICB has successfully managed.

We note that your board draws on diverse individuals, including clinical experts, with a range of backgrounds and perspectives to support decision making that is sensitive to the communities it serves. There is also evidence through the Northwest Specialised Service Joint Committee of bringing together subject matter experts with a commitment to ensure that the ICB commissions effective, high-quality care in relation to delegated specialised commissioning functions.

Section 2: Improving population health and healthcare

We have seen evidence of several initiatives focused on understanding people's experiences, include the large engagement piece undertaken earlier in the year and the work with Healthwatch Blackpool. Detail around the work across the system regarding the ICB duties in relation to safety and effectiveness of services has also been articulated in your annual report.

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The ICB have established a comprehensive population health leadership team with regular reports shared via the Population Health Board. We have also seen evidence of the ICBs approach to population health management linking with the NHS strategic priorities and Core20Plus5.

Throughout 2024/25 the ICB has supported delivery against the operating priorities set out in the NHS planning guidance and progress against local operating KPIs (including the ICBs Integrated Care Strategy), Joint Forward Plan, and the strategic aims of the NHS Long Term Plan.

Whilst there has been improvement, including areas where the ICB has been performing better than others across the region and nationally, performance has been challenged for a number of operational planning metrics. Specifically, the ICB did not meet its plans for A&E performance, delivering 76.0% against a plan of 78.2%. Whilst seeing a significant improvement over the last two months of the year for diagnostics, the ICB failed to deliver its planned position (4% of diagnostic waiting lists over 6 weeks), achieving 18.1% in March 2025. The ICBs referral to treatment (RTT) position was also challenged and did not meet the national expectation of eliminating over 65 week waits by the end of September 2024, with the ICB still having 107 patients waiting over 65 weeks at the end of March 2025.

In relation to moving care from hospital to community we are aware that the ICB has a strategy and mechanisms in place to move this forward. Whilst there is confidence in the current plans, with allocated Senior Responsible Owners, as we progress through this year it would be good to understand the work underway and the specific actions taking place. Robust contracting and commissioning will need to be in place to support the future shifts and meet constitutional standards, alongside the aligned financial allocations

Evidence of the ICB promoting choice and personalisation for patients and their carers and/or representatives has been noted, particularly linked to maternity and continuing health care services and examples of how family carers are involved in decision making.

The ICB demonstrates a strong and effective approach to involving its local population in decision-making, with well-established structures and clear evidence of impact which is noted by regional colleagues.

Section 3: Tackling unequal outcomes, access and experience

We have seen evidence of how the ICB has exercised its functions consistently with NHS England's Statement on Information on Health Inequalities and how it has encouraged its partner trusts to do the same. There is, however, an opportunity for the ICB to build on this to evidence how data is used in decision making and the impact it has across all indicators.

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In relation to the restoration of priority services in an inclusive way, we have noted evidence in this regard, however there are further opportunities to build on this; highlighting the inclusive recovery work in place regarding ethnicity, inclusion health groups, deprivation levels and publishing data related to improvements seen.

From our review of the ICB annual report, and localised work with the ICB, we note the progress that the ICB is making in accelerating preventative programmes aimed at those at increased risk of poor health outcomes and you are effectively delivering against ICB prevention programmes. This includes the commitment to sustaining NHS Tobacco Dependency Treatment services and the partnership work across the system to drive the wider ICB Tobacco Free Lancashire and South Cumbria Strategy 2023-2028. We also note the collective work around cardiovascular disease and work underway across primary care networks on hypertension and the digital weight management programme where the ICB, at the end of January 2025, was the second highest performing ICB in the country.

Section 4: Enhancing productivity and value for money

As noted previously 2024/25, was a significantly challenging year for the ICB. In the draft accounts submission, the system reported a £130m deficit position which was the agreed target position after deficit support funding of £175m. We acknowledge that the ICB delivered a breakeven position, with trusts fully contributing to the £130m overall system deficit position. From a mental health investment standard (MHIS) perspective the ICB submitted a compliant return as part of its draft accounts. This reported a breakeven outturn spend of £452m compared to a plan of £452m. The system also submitted a compliant total capacity position at draft accounts with an underspend of c£2.3m. The system agency ceiling for 2024/25 was set at £91m, with a final outturn at £74m (82% of the target).

ICB efficiency plans for 2024/25 totalled £270m, with a delivery of £91m recurrently against a plan of £71m and £145m non-recurrently against a plan of £199m. Overall system efficiency plans for LSC totalled £531m, with a delivery of £372m. It is acknowledged that the under delivery came from all organisations excluding two trusts who delivered plan (North West Ambulance Service and Lancashire and South Cumbria NHS Foundation Trust). The ICB continues to face pressures in Continuing Health Care, prescribing and out of area placements in terms of both cost and volume. From a CIP perspective for 2024/25 the recurrent CIP plan (£324m) with an under-delivery of £136m and the nonrecurrent CIP plan (£207m) with £185m achieved. This is a significant risk to the system for 2025/26 and increasing those organisations underlying positions / deficits that have failed to meet recurrent CIP targets. We note that the ICB delivered CIP recurrently at 134% with trusts delivering at 37%. In addition, following our conversations over recent months we are aware that CHC and prescribing in particularly are undergoing robust review, scrutiny and challenge in 2025/26 with CIP plans being developed to support significant reductions.

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From a digital maturity perspective, we have seen evidence of digital transformation and digital maturity, particularly around the work underway in relation to levelling up across the system.

From a facilitating, promoting and using research, technology and innovation perspective we have seen some good examples around how investments were made during 2024/25 on a range of capabilities to improve the use of technology across LSC. This has included the nationally recognised Patient Engagement Portal (PEP+) which has been rolled across all 4 acute trusts as part of the Wayfinder Programme.

Section 5: Helping the NHS support broader social and economic development
Throughout the year we have seen evidence that the ICB has demonstrated how it has effectively contributed to the wider strategic priorities of its system, with evidence of partnership working, alignment with system goals, and collaborative delivery in a number of areas. For example, health inequalities, improving urgent and emergency care, supporting Children and Young People and enhancing End-of-life care.

Overall, we feel that the ICB has effectively fulfilled its role as an anchor institution, supporting the health, economic and social wellbeing of its communities through partnership, leadership, and targeted initiatives. Further demonstration in terms of impact data and illustrative examples of this would further enhance the visibility of this important work area.

From a Greener NHS perspective, we acknowledge that the ICB has had a Green Plan in place since 2023. You have set out in your annual report the progress against the nine areas of focus within the plan as well as providing data from the Greener NHS dashboard. It is positive to note that you have worked collaboratively on this agenda across the system, including with Councils across LSC. It is also good to see that you have set priorities for 2025/26.

We note the work that the ICB is undertaking to improve diversity, equality and inclusion as part of the equality objectives that the ICB have set for 2024-27. We can see these are focused on both service delivery and workforce aspects. From an Equality Delivery System (EDS) perspective you have acknowledged that there is more work to be undertaken in several areas and you expect this will be part of the ICBs work programme for 2025/26.

Conclusions
This has been challenging year in many respects and in making my assessment of your performance I have sought to fairly balance my evaluation of how successfully you have delivered against the complex operating landscape in which we are working. It is vital that the ICB leads the system in taking steps towards delivering the agreed financial plan for 2025/26, and NHS England will take such steps it feels are necessary to support this. My

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team and I will continue to work alongside you in the year ahead and we look forward to working with you to support improvement throughout your system, through what will be a transitional year for both ICBs and the regional team.

I ask that you share my assessment with your leadership team and consider publishing this alongside your annual report at a public meeting. NHS England will also publish a summary of the outcomes of all ICB performance assessments in line with our statutory obligations.

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