Lancashire and South Cumbria Integrated Care Board

Integrated Care Board

Date of meeting	5 July 2023
Title of paper	System Recovery and Transformation Plan
Presented by	Maggie Oldham, Chief of Transformation and Recovery and Deputy Chief Executive Officer
Author	Maggie Oldham, Chief of Transformation and Recovery and Deputy CEO
Agenda item	11
Confidential	No

Executive summary

The purpose of this paper is to update the ICB Board on proposals for the establishment of a "System Recovery and Transformation Board" (SR & TB) for the Lancashire and South Cumbria (LSC) System, and to take feedback from the Board.

The SR & TB has an important role to play – as set out in the "Context" section of this paper, the LSC System has not had a sufficient track record of delivering recurrent savings, nor the more challenging clinical transformations that are required.

The proposals for the SR & TB have been developed through conversations with the ICB Executive Team, with Chairs and Chief Executives from across the LSC System, as well as through discussions with the Regional Team.

Recommendations

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

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

Implications

	Yes	No	N/A	Comments
Associated risks	✓			The establishment of the SR & TB is intended to help mitigate financial risks, quality risks and

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

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

Meeting	Date	Outcomes
ICB Executive Team meetings	6th June 2023, 20th June 2023	Agreement to develop the design
LCS System Chief Executives	7th June 2023	Agreement to collaboratively continue to progress the design, with the Deputy Chief Executive leading for the ICB and with the provider CEO (UHMB) leading for providers
LCS System Chairs and Chief Executives	21st June 2023	Key recommendations supported
ICB Finance and Performance Committee	26th June 2023	Meeting after submission of this paper
ICB Executive Team meeting	27th June 2023	Meeting after submission of this paper

Conflicts of interest associated with this report

Not applicable

Impact assessments

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

Report authorised by:	Kevin Lavery, Chief Executive

Integrated Care Board – 5th July 2023

System Recovery and Transformation Plan

1. Introduction

1.1 This document sets out the ICB's proposed approach to structuring and scoping the 'System Recovery and Transformation Board' (ST & TB), for discussion with the ICB Executive Team, ICB Board Sub-Committees, and with Chief Executives and Chairs from across the LSC system.

1.2 This document sets out the initial design of the ST & TB, which does not change the legal governance of the system.

1.3 We need to move at pace and demonstrate that we are delivering change which will improve our clinical and financial performance – many of the challenges that our system faces are long-standing. We need to use the evidence of where the greatest opportunities for savings and performance improvement lie, including evidence from work by The PSC and Deloitte in 2021, as well as from the Trusts themselves, and then prioritise workstreams accordingly. We are under national scrutiny, including a review meeting with Julian Kelly on 30th June.

1.4 In parallel with moving at pace, we want to communicate with Executive Teams and Boards, listen to their views, and where appropriate refine the design of the ST & TB, over time.

2. Context

2.1 The Lancashire and South Cumbria (LSC) system has historically been financially troubled, with a system deficit of £170M coming into the COVID pandemic and is one of 14 systems (out of 42) planning a deficit in 2023/24. The system has not recently had a strong track record of delivering recurrent savings

2.2 The system now needs to move at pace on delivering improvements. While the system has delivered improvements both at organisation level and at system level, larger system-level improvements have not yet been delivered at the pace required. As part of establishing the SR & TB, the system will complete a "reset" on objectives and timelines for the key system-wide transformation workstreams

2.3 The LSC system, as every such system in the country, is inherently complex: it has different sectors (primary care, acute, mental health, community, social care), separate legal organisations, distinct professional disciplines, and multiple different patient groups with distinct needs. This inherent complexity leads to two needs: (i) To keep the scope, structure and governance of the

transformation programme simple, and (ii) To ensure that implementation of individual initiatives gets into sufficient detail to ensure successful delivery

2.4 Both nationally and locally, over the last decade there has been an increasing concentration of health and care system expenditure on in-hospital care, and especially acute hospital care. This has included significant expenditure on "failure demand", such as looking after patients who no longer meet the "criteria to reside". Expenditure on service elements such as prevention and primary care have been squeezed

2.5 The LSC system has seen significant organisational change since 2021, with 8 Clinical Commissioning Groups (CCGs) merging into one ICB, together with the development of 4 places, co-terminus with Local Authority boundaries. The role of the ICB as single NHS commissioner for Lancashire & South Cumbria gives an opportunity for commissioning of change, for example in transforming clinical services

2.6 The LSC system has agreed with NHSE to have a 3-year ICB-led "Recovery and transformation programme", requiring LSC to be in an underlying financial breakeven position by 2026/27, giving the ICB 3 years (2023/24, 24/25 & 25/26) to make those improvements via system-wide service reconfiguration changes.

2.7 Alongside this, for each of 2024/25 and 25/26, NHS England (NHSE) is requiring the system to plan for and achieve break-even in-year.

2.8 There is an expectation that the ICB and system partners will improve their 2023/24 year-end financial position, acknowledging that rapid progress will be required to prevent enhanced scrutiny and intervention from NHSE.

2.9 Oversight and performance management of organisations within 'System Oversight Framewok' (SOF)3/ SOF4 has sat with NHSE Regional Teams. In the context of seeking to become a more autonomous, self-managing system, the LSC system has agreed to take on this oversight and assurance role, for organisations in SOF3 and above, from the NHSE Regional Team and starting from Q2 2023/24

3. Vision

3.1 The vision of the LSC system is for its residents to live longer, healthier, happier lives than they currently do

3.2 This vision is supported by an Integrated Care Strategy, and by improvements organisation-by-organisation. Collectively, these seek to help residents to:

- Start well
- Live well
- Work well
- Age well, and

- Die well

3.3 The Integrated Care Strategy is supported by a “Joint Forward Plan”. The role of the SR & TB set out in this document is one part of that Joint Forward Plan.

3.4 Delivering this vision requires rebalancing the focus and expenditure of the system, supporting prevention, early intervention, and independence at home (which implies more expenditure and activity in primary and community services), with hospital-based services configured so as to be high quality, well-staffed, following clinical best practice and delivering high productivity.

3.5 Alongside that rebalancing, the system vision is that all provider Trusts be high performing organisations with SOF 2 or better in NHS England regulatory terms, and scoring “good” or better in Care Quality Commission (CQC) terms.

3.6 The SR & TB should be the vehicle for assuring and enabling delivery of a small number (<10) of the most important system-wide changes, and a vehicle for assuring delivery of organisation-level improvements. The SR & TB should keep its scope of activity narrow enough to ensure it is effective in all that it does.

4. System Recovery and Transformation Board proposed roles, reporting and membership

4.1 The SR & TB will have a time-limited role, with the intention that it operates over a 3-year period. It will not be a formal Board Sub-Committee under the terms of the ICB’s constitution. It will play three distinct roles:

- An **“organizational oversight and assurance role”**: under the transitional arrangements from NHSE to ICBs (and with delegated authority from the ICB Board), assuring organization-level progress on financial, performance and quality metrics, including progress along each organisation’s trajectory to SOF2 and to CQC “Good”, and including to spot and prevent potential deterioration.

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

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

4.2 Through these three roles, the SR & TB will seek the accelerate the progress of the ICS towards meeting its overall vision and objectives.

4.3 The SR & TB will report to the ICB Board, and will use monthly "Improvement and Assurance Group" meetings to support it in its assurance roles, as shown in figure 1 below:

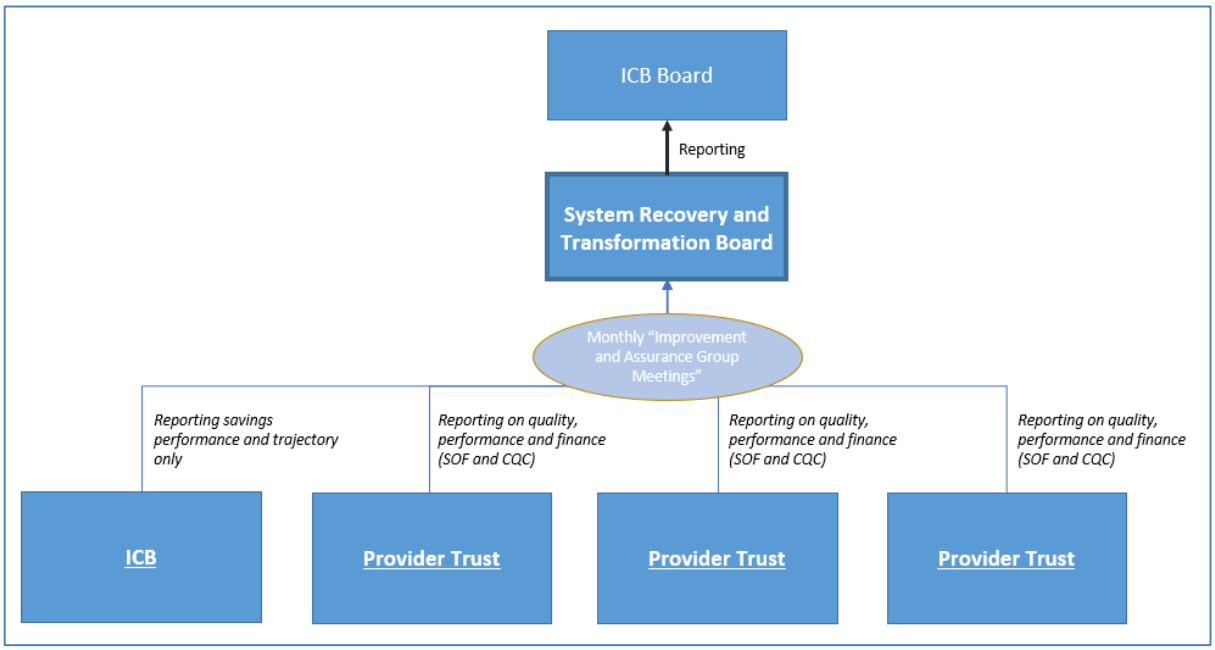

Figure 1: Illustration of reporting for the System Recovery and Transformation Board

4.4 There will be some knock-on implications to the roles of some of the ICB's Board Sub-Committees, and to other monthly meetings such as System Improvement Boards (SIBs), as shown in the table below:

Forum	New/ existing	Commentary
1. Monthly Improvement & Assurance Group meetings	New	1 per month per provider (focused primarily on metrics to move to SOF2), attended by Provider CEO and other exec colleagues as appropriate; chaired by Chief Medical Director or Chief Nursing Officer, and including a representative from Finance and from Performance; each meeting covers all of performance, quality and finance, aligned to SOF2 criteria: For the ICB, there will be one meeting per month focused on savings schemes (with quality in services such as primary care and Continuing HealthCare (CHC) overseen separately by the ICB Quality Committee). From these meetings, there will be a monthly integrated report and escalation from the Medical Director and Chief Nurse to the System Recovery & Transformation Board
2. Monthly ICB Quality Committee	Existing	This is monthly, chaired by Independent Senior Non-Executive; it is a formal Sub-Committee of the ICB Board with terms of reference shown on the ICB's website. There is also national guidance on what the ICB Quality Committee should cover. The ICB Quality Committee will also have a "Primary Care Quality Group" as a sub-committee.

		It is essential that the ICB Quality Committee continues to exist as an ICB Board Sub-Committee.
3. ICB Audit Committee	Existing	This is a monthly meeting, chaired by Non-Executive, and is a formal Sub-Committee of the ICB Board. It is essential that the ICB Audit Committee continues to exist as an ICB Board Sub-Committee.
4. Monthly ICB Finance and Performance Committee	Existing	This is a monthly meeting, chaired by Non-Executive. It is a formal Sub-Committee of the ICB Board with terms of reference shown on the ICB's website. It is not set up to be able to play an "integrated assurance role" in the way that the new monthly Improvement & Assurance Group meetings are, in particular as the Finance & Performance Committee is not set-up to have regular provider attendance It is proposed that the ICB Finance and Performance Committee will continue with revised terms of reference with a focus on ICB Finance, as performance will be reported to the System Recovery & Transformation Board via the Improvement and Assurance Group meetings as shown in Figure 1.
5. SIB meetings	Existing	System improvement board meetings, for SOF3 providers. The expectation is that these should be replaced by the monthly Improvement and Assurance Group (IAG) meetings in the next few months as the IAGs are set up

4.5 For the SR & TB's second role, the **"system-wide transformation workstream oversight role"**, the expected role is illustrated in Figure 2, below:

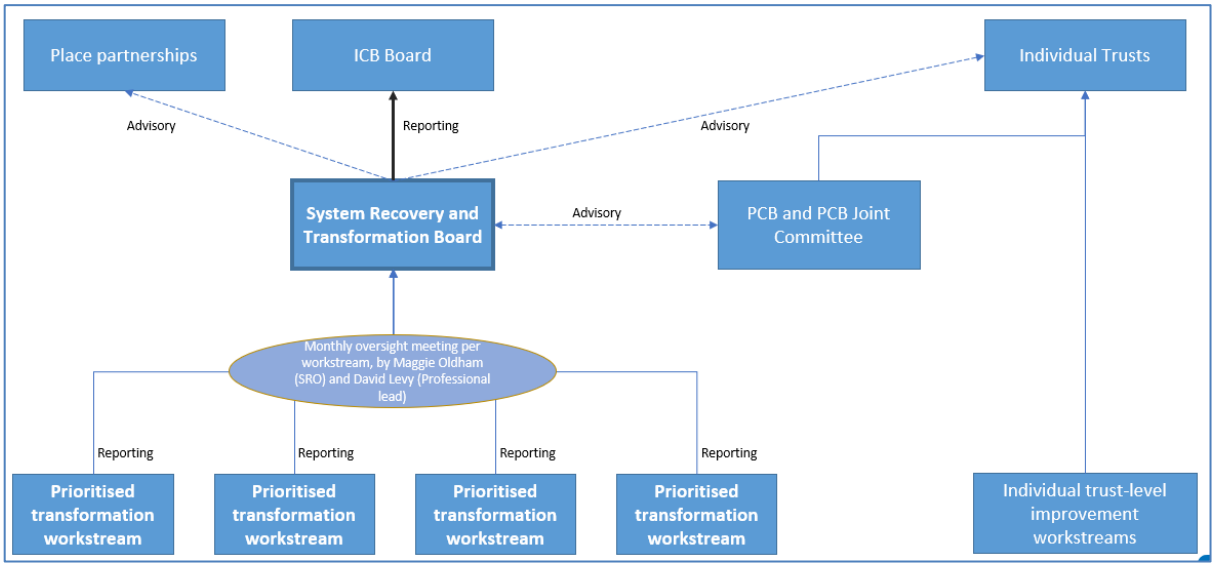

Figure 2: Illustration of transformation workstream oversight role

4.6 The proposed membership of the SR & TB is as shown in the table below

System Recovery and Transformation Board Membership	
Chair	David Flory CBE
Special Advisor	TBC
NHSE	Nikhil Khashu *[Further representative to be confirmed]*
ICB	• Non-Executive Representative: TBC • Chief Executive: Kevin Lavery • Chief Finance Officer: Sam Proffitt
Providers	3 representatives: • 1 Chair; • 1 CEO; • Chair of Joint Committee
Local Government	1 LA CEO
Programme SRO	Chief of planning, performance and strategy, and Deputy CEO: Maggie Oldham
Programme Professional Lead	Chief Medical Director: Dr David Levy

4.7 The key points of the proposed Terms of Reference for the SR & TB are shown in Appendix A to this paper

5. Selection of priority system-wide transformation workstreams

5.1 Section 4 of this paper sets out that the SR & TB will have "a regular **"system-wide transformation workstream oversight role"**, for a small number of workstreams (most likely < 10), holding workstream leads and associated stakeholders to account for high quality, timely delivery of agreed plans.

5.2 The SR & TB should not be the vehicle for:

- routine operational management,
- nor for routine commissioning decisions,
- nor for overseeing, assuring and enabling **all** recovery and transformation activity in Lancashire & South Cumbria.

5.3 The SR & TB should limit its "oversight, assurance and enabling role" to a small enough number of workstreams (probably less than 10) so that it has the capacity to be effective in increasing the likelihood of successful delivery

5.4 The SR & TB should ensure that workstreams are scoped to focus on solving problem root causes and not only symptoms.

5.5 The SR & TB should focus on the performance of the system as a whole, as set out in the vision, and not excessively on in-hospital performance.

5.6 To inform priority workstreams for oversight by the SR & TB, the ICB commissioned The PSC to undertake a "stock-take" of approximately 20 system-wide transformation workstreams.

5.7 This "stock-take" has collated a view of the scheme, the targeted benefits, scope and timelines for each of these workstreams. It also reviewed the extent to which targeted benefits across these workstreams for 2023/24 are consistent with the financial savings that are targeted in the system's financial plan for 2023/24, and reviewed "likelihood of successful delivery" for those benefits.

5.8 In some cases, the "stock-take" has identified the need for a reset of objectives for particular workstreams, so that there is coherence between those objectives, and what the evidence shows about potential financial opportunities, and what the system financial plan needs on savings delivery. The findings of the stock-take will be discussed at the inaugural meeting of the SR & TB.

5.9 The scoping and decisions on which workstreams are overseen by the SR & TB will follow the subsidiarity principle: "localise where possible, centralise where necessary". We will consider that workstreams should potentially be "in scope" for oversight by the SR & TB if the following apply:

- There is evidence that the workstream can have large potential benefits (in quality and financial terms)
- The workstream is difficult to be delivered by a single organisation, in particular if the workstream requires changes in concert across sectors or multiple organisations
- No existing partnership vehicle sufficiently likely to be capable of delivering the workstream at the required pace
- The workstream can deliver substantial tangible benefits within 3 – 5 years
- The likelihood of successful delivery of the workstream through the SR & TB is high

6. Roadmap and next steps

6.1 The short-term roadmap of next steps for July and August 2023 is as listed below:

1. Reconciliation of planned savings within workstreams vs savings in system plan, and evidence from 2021 reviews of opportunity
2. "Reset" objectives and milestones for prioritised workstreams
3. Complete decisions on which system-wide workstreams to be overseen by System Recovery & Transformation Board

4. First meeting of System Recovery & Transformation Board, sign off terms of reference
5. Design monthly IAG meetings (quality, performance and finance elements) including calendar, sequence and reports
6. Design monthly oversight meetings for transformation workstream meetings
7. Complete first cycle of monthly IAG meetings and monthly transformation oversight meetings
8. Assess deployment of ICB-paid project and programme resources vs workstream priorities
9. Re-deploy ICB-paid project and programme resources to highest workstream priorities
10. Complete design and target operating model for System Recovery & Transformation Programme Management Office (PMO), recruit head of PMO

We are currently developing the timeline and resourcing to complete these actions – this will be confirmed in the coming weeks.

7. Conclusion and recommendations

7.1 In order to deliver our financial plan, a step change in the delivery of system-wide transformation workstreams is required.

7.2 It is important that we move at pace to establish the SR & TB so that it can provide oversight and assurance to the ICB Board that a robust system-wide delivery approach is in place.

7.3 During July, a reset of objectives for prioritized system-wide transformation workstreams is required.

7.4 The Chief of Transformation and Delivery will also complete the design and implementation of the system wide PMO.

7.5 The Board is requested to:

1. Note the contents of the report.
2. Support the overall concept of the SR & TB

Maggie Oldham

23rd June 2023

Appendix A: Key elements of proposed terms of reference for the SR & TB

The Terms of Reference will be developed with reference to the following points:

A1: Purpose

A1.1 The purpose of the SR & TB is to support the LSC system to achieve its vision for its residents to live longer, healthier, happier lives than they currently do

A1.2 The LSC system has an Integrated Care Strategy. The Integrated Care Strategy is supported by a "Joint Forward Plan". The role of the SR & TB supports that Joint Forward Plan and the delivery of the Integrated Care Strategy.

A1.3 Delivering this vision requires rebalancing the focus and expenditure of the system, supporting prevention, early intervention and independence at home (which implies more expenditure and activity in primary and community services), with hospital-based services configured so as to be high quality, well-staffed, following clinical best practice and delivering high productivity.

A1.4 Alongside that rebalancing, the SR & TB will support delivery of the system vision that all provider Trusts be high performing organisations with SOF 2 or better in NHS England regulatory terms, and scoring "good" or better in CQC terms.

A2: Accountability and reporting arrangements

A2.1 The SR & TB reports to the ICB Board, and is accountable for delivery of outcomes associated with the three responsibilities set out in A3, below.

A3: Responsibilities

A3.1 The SR & TB will be responsible for delivering three key roles:

- An **"organizational oversight and assurance role"**: under the transitional arrangements from NHS England to ICBs (and with delegated authority from the ICB Board), assuring organization-level progress on financial, performance and quality metrics, including progress along each organisation's trajectory to SOF2 and to CQC "Good", and including to spot and prevent potential deterioration.
- A regular **"system-wide transformation workstream oversight role"**, for a small number of workstreams (most likely < 10), holding workstream leads and associated stakeholders to account for high quality, timely delivery of agreed plans. This role will be both an "assurance role" over the workstreams and in some cases a "supporting and enabling delivery role"
- A periodic (e.g., six-monthly or annual) **"system-wide transformation workstream prioritization, scoping, objective-setting, mobilization and resourcing role"** where the SR & TB, supported by its PMO, has a role to ensure that there is coherence between the objectives of system-wide

transformation workstreams, the evidence about the level of financial improvement that is possible, and the financial savings that are built into system financial plan. Alongside this, the Board's role will include ensuring that the highest priority system-wide transformations are scoped, governed and resourced effectively.

A4: Membership, quorum and decision-making

A4.1 The proposed membership of the SR & TB is as shown in the table below.

System Recovery and Transformation Board Membership	
Chair	David Flory CBE
Special Advisor	TBC
NHSE	Nikhil Khashu *[Further representative to be confirmed]*
ICB	• Non-Executive Representative: TBC • Chief Executive: Kevin Lavery • Chief Finance Officer: Sam Proffitt
Providers	3 representatives: • 1 Chair; • 1 CEO; • Chair of Joint Committee
Local Government	1 Local Authority CEO
Programme SRO	Chief of planning, performance and strategy, and Deputy CEO: Maggie Oldham
Programme Professional Lead	Chief Medical Director: Dr David Levy

A4.2 The quorum for decision-making is a minimum of [5] attendees, of whom at least [1] must be from the ICB and at least [1] must be from an NHS provider

A5: Behaviours and conduct

A5.1 Members of, and those attending, the meeting shall behave in accordance with the NHS Lancashire & South Cumbria ICB Constitution, Standing Orders, and Standards of Business Conduct Policy.

A5.2 All members of the SR & TB are expected to comply with all relevant policies and procedures relating to confidentiality and information governance.

A5.3 Members and attendees must demonstrably consider the equality and diversity

implications of any decisions they make.

A6: Frequency of meetings

A6.1 Meetings of the SR & TB will normally be held monthly

A7: Secretariat and administration

A7.1 There will be a PMO to the SR & TB which will provide secretariat and administrative functions

A8: Duration and review

A8.1 The SR & TB is expected to be time-limited in its role, with an expected time limit of 3 years

A8.2 The role and effectiveness of the SR & TB will be reviewed annually