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To: The Chair and Members of the Health and Adult Care Scrutiny Committee

County Hall
Topsham Road
Exeter
Devon
EX2 4QD

Date: 10 March 2021

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HEALTH AND ADULT CARE SCRUTINY COMMITTEE

Thursday, 18th March, 2021

A meeting of the Health and Adult Care Scrutiny Committee is to be held on the above date at 10.30 am at This will be a Virtual Meeting. For the joining instructions please contact the Clerk for further details on attendance and/or public participation. to consider the following matters.

Phil Norrey
Chief Executive

A G E N D A

6 Addendum: ICS Governance Arrangements (Pages 1 - 10)

Report of the Lead Chief Executive for the Devon Sustainability and Transformation Partnership (STP), attached

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Induction Loop available

Health and Social Care Overview and Scrutiny Committee
18 March 2021

ICS Governance, NHS Finance 2020/21, 10 Year Plan including White Paper

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1. **Introduction and Context**
2. **ICS Governance - Current Position in Devon**
3. **White Paper - Integration and innovation: working together to improve health and social care for all**
4. **Long Term Plan**
5. **NHS finance 2020/21**
6. **Conclusion**

1. Introduction and Context

1.1. The NHS Long-Term Plan set the ambition that every part of the country should be an integrated care system (ICS) by 2022. It encourages all organisations in each health and care system to join forces, so they are better able to improve the health of their populations and offer well-coordinated efficient services to those who need them.

1.2. The publication of the Government's 'Integration and Innovation: working together to improve health and social care for all' White Paper on 11 February is the logical next step in the journey. Current proposals will enable us to better deliver higher-quality care to our population, in a way that is less legally bureaucratic, more accountable, and more joined up.

1.3. Devon has been preparing to become an ICS, and the system has made changes to how our organisations work to strengthen partnership working, which means we are in a good position to implement the proposals in the White Paper.

2. ICS Governance - Current position in Devon

2.1. As previously described to the committee, NHS England and NHS Improvement (NHSE/I) set out a consistent approach to how systems are designed, highlighting three levels at which decisions are made and described the broad functions to be undertaken at each level:

- Neighbourhoods (populations circ. 30,000 to 50,000 people) served by groups of GP practices working with NHS community services,
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social care and other providers to deliver more coordinated and proactive services through primary care networks (PCNs).

- Places (populations circ. 250,000 to 500,000 people) served by a set of health and care providers in a town or district, connecting PCNs to broader services including those provided by local councils, community hospitals or voluntary organisations.

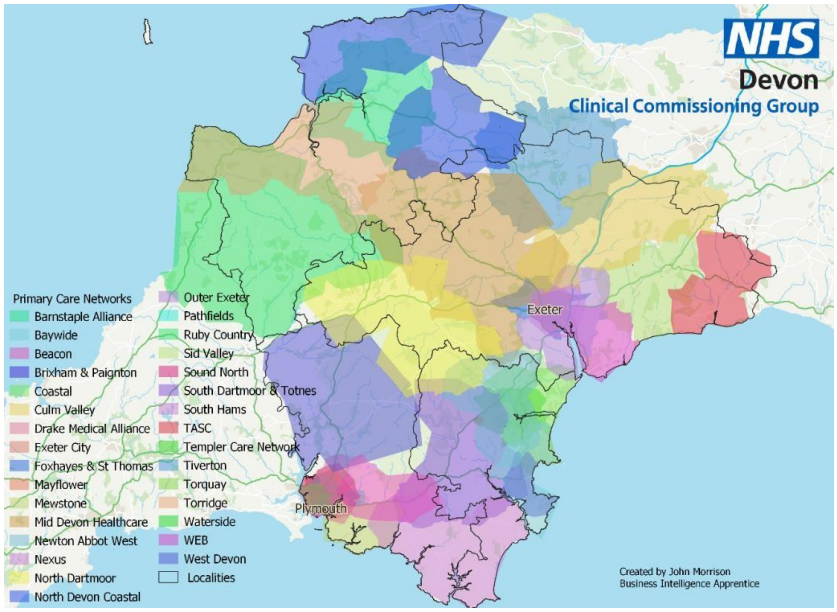
- Systems (populations circa 1 million to 3 million people) in which the whole area's health and care partners in different sectors come together to set strategic direction and to develop economies of scale.

2.2. At system level Devon is currently a Sustainability and Transformation Partnership (STP), the precursor to an ICS, and has been since 2016.

2.3. The development of informal structures for working "at place" is progressing in each of the 5 Local Care Partnership (LCP) areas and there is a clear commitment across the county that place arrangements need to be suited to the circumstances and priorities of each place with a permissive governance framework

Neighbourhood

2.4. From the 1 July 2019, 31 PCNs came into being so creating the "neighbourhood" tier.



2.5. Each PCN has a Clinical Director and within each LCP there is a Primary Care Collaborative Board that brings together all the PCN Clinical Directors in the area to provide an opportunity for collective consideration of issues as required. In the early stages the priority for PCNs is to offer a way of stabilising primary care and improve access for the population.

Place

2.6. The place function in Devon will be carried out by 5 Locality Care Partnerships (LCP) and a development lead has been identified for each of these areas.

2.7. The development leads are working with organisations in their area to establish working arrangements for the LCPs and to begin developing prioritised plans. It is recognised that in order for the LCPs to succeed they will need to take account of different histories, population health and care needs and arrangements for service provision (statutory and non-statutory) and are therefore likely to require different structures and ways of working.

2.8. LCP constituent organisations will take responsibility for a range of functions, previously assigned to providers and commissioners to ensure that services meet the needs of the local population and population health is improved.

System

2.9. The ICS Partnership Board will be established formally from April. It will be responsible for leading the system and setting strategy direction and policy. The Partnership Board consists of the Executive and Non-Executive leaders of Health organisations and Councils alongside clinical leaders. The Partnership will also be responsible for –

- Strategic planning and consideration of the proposed resource allocation
- Strategy Development (e.g. Social Care, Community Care, Procurement (procuring locally))
- Sharing, scaling and spreading good practice
- Solving “wicked system issues” (such as system infrastructure, competing priorities etc.) and enabling development at place.
- Influencing and strengthening Regional and National links
- Championing Equality and Challenging Inequality
- Citizen Engagement working with Place and individual organisations to prevent duplication of effort.

2.10. The Partnership does not replicate the Boards or Cabinets of the Health and Social care organisations as its current role does not include the provision or commissioning of services.

2.11. The ICS structure at system level supports both performance and transformation.

2.12. In 2019 a number of system workstreams had been established to transform services and contribute to 19/20 financial recovery. These reported to a system Programme Board. All system workstreams were set aside when COVID-19 emerged, many have now restarted and are set out in the above diagram.

2.13. In addition to workstreams, system wide committees manage the day to day and strategic issues that require system level attention.

2.14. Finally, subject specific Boards oversee a service or are 'task and finish' to establish a new service or process.

3. Integration and innovation: working together to improve health and social care for all

3.1. On 11 February, the Department of Health and Social Care published the legislative proposals for a Health and Care Bill. The proposals in the white paper are a combination of:

- Proposals developed by NHS England (NHSE) to support the implementation of the NHS Long Term Plan
- Additional proposals that relate to public health, social care, and quality and safety matters, which require primary legislation

3.2. The White Paper emphasises that the legislative proposals should be seen in the context of broader current and planned reforms to the NHS, social care, public health and mental health. It commits to bringing forward detailed proposals for reform on these key policy areas later this year.

3.3. As the committee is aware, Devon has been preparing to become an ICS for the past few years. As part of these preparations, we have made changes to how our organisation works so that we strengthen partnership and system working. These changes mean that we are in a good position to implement the proposals set out in the White Paper.

3.4. The White Paper seeks to underpin two forms of integration with new legislation:

- Integration within the NHS to remove some of the boundaries to collaboration and to make working together an organising principle.
- Greater collaboration between the NHS and local government, and wider delivery partners, to deliver improved outcomes to health and wellbeing for local people.

3.5. To deliver this integration, measures will be brought forward to place Integrated Care Systems (ICS) on a statutory footing. These will be comprised of an **ICS Health and Care Partnership** and an **ICS NHS Body**.

3.6. The **ICS NHS Body** will be responsible for the day to day running of the ICS and will merge some of the functions currently carried out Devon's STP /ICS with the functions of Clinical Commissioning Groups (CCGs). The ICS NHS body will be able to delegate significantly to place level.

3.7. The **ICS Health and Care Partnership** will bring together the NHS, local government and other local partners to support integration and develop a plan to address the systems' health, public health and social care needs. The ICS NHS body and local authorities will have to have regard to that plan when making decisions.

3.8. The ICS will be expected to work closely with local Health and Wellbeing Boards (HWB) and the ICS NHS body will have a formal duty to have regard to the Joint Strategic Needs Assessment (JSNA) and Joint Health and Wellbeing Strategy.

3.9. Integration will be supported by a broad duty to collaborate across the health and care system. A new duty to collaborate will be placed on NHS organisations (both ICSs and providers) and local authorities and will replace two existing duties to cooperate.

3.10. Barriers will be removed to enable the establishment of joint committees between providers and commissioners, collaborative commissioning approaches and better data sharing. This will allow ICSs to enter into collaborative arrangements and support joint commissioning arrangements.

3.11. Although broader proposals concerning social care are expected to be published later this year, additional specific measures for social care and public health are included in the white paper. These include –

- A proposed inspection regime of ASC duties by the CQC
- Legislation on a person centred approach to hospital discharge and a new standalone BCF to support Discharge to Assess

- A new power for local authorities to collect ASC provider data, likely an evolution of the COVID-19 capacity tracker to provide a greater level of oversight into the delivery of social care
- A new legal power to enable the Secretary of State for Health and Social Care (SoS) to make emergency payments directly to social care providers.
- A data strategy for Health and Care which will set out a range of proposals to improve data access and data sharing.
- The SoS has the power to transfer public health functions to NHSE such and tackling obesity through further restrictions on advertising or altering certain food labelling requirements.

3.12. The Government is also proposing to broaden the scope for potential ministerial intervention in reconfigurations, creating a clear line of accountability, by allowing the Secretary of State to intervene at any point of the reconfiguration process. Statutory guidance on how this process will work as well as removing the current local authority referral process will be published at a later date.

3.13. Proposals also seek to remove barriers which prevent NHS organisations and local authorities working together and providing joined up care. Changes to competition law and the procurement system under the Health and Social Care Act 2012 will be required to enable this and will be outlined in the Bill put before parliament.

3.14. A new, bespoke, health service provider selection regime will provide a framework for NHS bodies and local authorities to follow when deciding who should provide healthcare services and commissioners will have more discretion over when to use procurement processes to arrange services. This process is currently out for consultation.

3.15. Overall, the commitment to further integration and the recognition of the importance of place as a building block for integrated care is welcome. The document is in line with the recent policy direction and builds on the closer working and collaboration between the NHS and local government at a system level. These initial proposals will have implications for the whole Devon ICS system. However, the full impact cannot be assessed until the full text of the Bill is published and further guidance is issued.

4. Long Term Plan

4.1. As the committee will be aware, at the beginning of the pandemic response NHS England directed local systems to defer the publication of local Long Term Plans.

4.2. As the system begins to de-escalate further work is continuing on the Long Term Plan. As part of the development of the shadow ICS the road map for meeting the requirements of the National NHS LTP reflecting local service delivery and priorities for action are being reviewed.

4.3. This roadmap for implementation of the Devon LTP will be discussed widely as it develops and will form basis of strategy work going forward including the Health infrastructure projects (HIP2) which are developing in 3 of the localities.

4.4. Progress will be overseen by the shadow ICS Partnership board.

5. NHS FINANCE 2020/21

5.1. The presentation of the Clinical Commissioning Group's (CCGs) financial position in this report seeks to provide the necessary assurance to the Committee.

5.2. In light of the COVID19 pandemic the 2020/21 planning round for the NHS was suspended during March. However, the CCG entered the year with the Governing Body's approval to a draft budget based on the CCG's and STP's plan submission of the 5th March 2020. This was approved as a working budget at the Governing Body on 30th April 2020.

5.3. The draft plan was a deficit position of £47.8m with a savings requirement of £22.6m to deliver that position.

5.4. In May NHS England (NHSE) put in place a temporary financial regime covering the period 1st April to 30th September, resulting in NHSE re-setting the CCG Allocation for a six-month period. The allocation is based on the CCG's forecast outturn expenditure for 19/20 uplifted for NHSE derived growth and inflation assumptions and adjusted for changes made to the NHS and Independent sector funding arrangements during the COVID19 emergency period (The NHSE Model).

5.5. A revised financial framework has been published for the period October 2020 to March 2021 and the allocation calculation methodology for the CCG is generally consistent with the approach used for the first 6 months, although now includes system top-up and COVID19 allocations, previously paid directly to our systems NHS providers. In addition to this CCG's will continue to be reimbursed for eligible costs in relation to the Hospital Discharge Programme (HDP).

5.6. Based on the updated financial framework, at month 10 the CCGs total allocation is £2,219.6m which includes the reimbursement for the

NHSE approved Hospital Discharge Programme (HDP) costs for month 7 and 8. Assuming the CCG is reimbursed for the HDP costs incurred from month 9 onwards we are forecasting a balanced position for the year ended 31st March 2021. NHSE expectation is that providers and CCGs must achieve financial balance within the system funding envelopes. Whilst systems will be expected to breakeven, organisations within them will be permitted by mutual agreement across their system to deliver surplus and deficit positions.

Financial Position

5.7. The following detailed report reflects the budget set by the NHSE model compared with our expectations of commitments against that budget for the period to 31st January and year ending 31st March 2021.

	Budget £'000	Actual £'000	Variance £'000	Additional HDP Allocation £000	Revised Variance £'000
Year to date position	1,835,740	1,842,764	7,024	7,024	0
Year end forecast	2,219,566	2,232,804	13,238	13,238	0

5.8. Overall, subject to the CCG receiving the expected reimbursement from NHSE for the HDP, the CCG is forecast to balance for the year ended 31st March 2021.

Savings Plan

5.9. The CCG's original plan included a saving requirement of £22.6m. The full year budget based on the revised financial framework is based on 19/20 forecast expenditure and by inference does not include an implicit savings target. The CCG is currently reviewing its original planning assumptions and actions to deliver savings.

STP Plan

5.10. The STP has submitted a system plan for the period October 2020 to March 2021 which shows a deficit of £7.8m based on the funding envelope allocated. The short fall relates entirely to lost private and commercial income.

5.11. At month 9, due to 2020/21 untaken staff holidays within Trusts the system forecast outturn moved to a £22.4m deficit for the year ended 31st March 2021. It is currently anticipated that the drivers of the

forecast overspend will either be funded nationally or excluded from the measurement of financial performance against plan.

5.12. Providers and CCGs must achieve financial balance within the funding envelopes. Whilst systems will be expected to breakeven, organisations within them will be permitted by mutual agreement across their system to deliver surplus and deficit positions.

6. Conclusion

6.1. Whilst the Devon system is well placed for the changes set out in the white paper, further information and detail on proposed reforms is awaiting before further analysis on impact can be undertaken.

6.2. It will be important that the incoming committee continue to review the impact of the white paper over the 2021/22 municipal year and to assure itself that –

- increased powers for the Secretary of State to intervene over service change does not undermine or bypass local accountability and democracy;
- that Health and Wellbeing Boards in the STP area maintain influence within the proposed new arrangements;
- decisions taken at System level will be scrutinised locally, alongside the scrutiny of decisions made at the 'place' level;
- public engagement, involvement or accountability is central in ICS development;
- system financial performance and accountability is clearly defined and available for scrutiny;
- the influence and impact of local public health teams is not diminished should responsibilities be transferred to NHS England.
- Subsequent to the publication of the White Paper, opportunities to bring together the integration of the commissioning and provision of Children's services such as CAMHS are not overlooked.

Electoral Divisions: All Division.

Contact for Enquiries: DCCG.CorporateServices@nhs.net

Local Government Act 1972: List of Background Papers

Background Paper **Date** **File Reference** N/A