North East London Health & Care Partnership

# NEL Integrated Care System (ICS) update

**March 2022**

# Latest updates

North East London Health & Care Partnership

**Revised timetable**

- A new target date of 1 July has been set for the new statutory arrangements for ICSs to take effect and Integrated Care Boards (ICBs) to be legally and operationally established
- This is to give sufficient time for the Health and Care Bill, which formalises ICSs, to go through its remaining parliamentary stages.
- During the 'extended preparatory period' to the end of June:
  - NEL CCG will remain as a statutory organisation, retaining all duties and functions and conducting its business through its governing body;
  - the CCG's leaders will continue to work with the designate chair and chief executive of the ICB on key decisions that affect future working; and
  - NHSEI will retain all direct commissioning responsibilities not already delegated to the CCG.
- As an ICS we want to maintain the momentum already generated around the design and launch of the ICS so we are committed to completing as much work as possible by the end of March and using April-June as a 'test and learn' phase where we mobilise elements of the ICS in shadow form

**Recruitment to the Integrated Care Board**

- The statutory roles of Chief Medical Officer, Chief Nursing Officer, Chief Finance and Performance Officer are out to advert with interviews taking place in March.
- Three other executive but non-voting board level roles are also being appointed to: Chief Participation Officer, Chief People and Culture Officer and Chief Development Officer.
- Collectively these six roles will report in to the CEO (Zina Etheridge) and form the senior executive team of the ICB
- Three Non-Executive Director roles will also shortly be going out to advert and will be appointed through April in preparation for the anticipated established of the ICB from 1 July.
- Work is underway to establish the wider operating model of the Integrated Care Board ensuring that the right functions and teams are in place to deliver the priorities and requirements of the ICB

The following slides provide a recap and overview of our progress on ICB board and ICP governance along with the latest on the finance framework, including how financial flows and accountability will work.

# Governance requirements for 1 July

- We need to establish governance fit for the new integrated care system (ICS), in line with our principles:
  - a unitary board for the new NHS body – the integrated care board (ICB);
  - an ICB and local authority convened partnership 'committee'/ board of ICS members: the Integrated Care Partnership (ICP) or *NEL Health and Care Partnership*; and
  - a constitution for the ICB board.
- Within and alongside the constitution, we must agree the following in line with national guidance:
  - membership of the ICB board;
  - governance structure – committees and decision-making arrangements, including for place-based partnerships and provider collaboratives;
  - a scheme of reservation and delegation (SoRD) and standing financial instructions (SFIs); and
  - chair and membership of the ICP committee and broader partnership.
- Guidance – much received and considered in developing proposals (e.g. model constitution, key committee terms of reference), but there is more to come, such as appointment process for partner ICB board members and a further version of the constitution.
- Resident, patient, service user and carer participation is central the ICS's way of working. Healthwatch is developing proposals re their participation in system governance.
- We will take an evolutionary approach – testing, reviewing, and building on where we start over year one and beyond.

# ICB and ICP membership

- Proposals were developed collaboratively through a series of standing meetings and working groups including with: council leaders/mayors, HWBB chairs and cabinet members; NHS trust chairs and CCG lay members; Healthwatch leads; and the VCSE umbrella body group. They were confirmed at the system-wide workshop on 3 November 2021.

**Features:**

- Unitary board of the new NHS body – the Integrated Care Board
- Accountable for statutory functions, allocation of funding, and system oversight
- Partner members are nominated by sector – national guidance coming
- Information flows via groups by sector – local authority leaders and members; trust chairs, VCSE leads, and Healthwatch leads
- Members are not representatives of place but we are aiming to cover the NEL patch through the membership

**Integrated Care Board**

**Board Membership (15)**

**Chair:** Independent Chair of ICB/ICS

**Independent non executive members:**

- NED – audit chair
- NED – remuneration chair
- NED – quality and performance

**Partner members:**

- Local authority* – outer NEL
- Local authority* – inner NEL
- NHS Trust** – acute
- NHS Trust** – mental health/community
- Primary care – inner NEL
- Primary care – outer NEL
- VCSE – umbrella body representative (tbc)

**Executive members (ICB):**

- Chief executive
- Chief finance officer
- Chief medical officer
- Chief nurse

**Integrated Care Partnership**

**Membership (30-40)**

**Chair:** Independent Chair of ICB/ICS

- Local authorities x8
- ICB members x TBC
- NHS Trusts x5
- CVS/Umbrella VCS orgs x8
- Healthwatch x8
- Clinical representation across: primary care, allied health professionals, mental health, acute, etc. (via the clinical advisory group (CAG))
- Others as agreed (potentially umbrella business groups)

NB: Further discussion re approach and membership with LAs continuing via working group of five LA elected leads

Agreed: broad overall membership as above, with four partnership-wide sessions each year, one on each of the ICS priorities and overall strategy, plus to establish a 'steering committee'

**Features:**

- Jointly convened by NEL's local authorities and the ICB
- It includes all key system partners
- It develops and agrees system-wide integrated health and care strategy

* NEL's preference is for elected members and updated guidance issued February 22 confirms this is now permissible (it was not previously)

** Trust roles are proposed as non-executive to secure more balance between executives and non-executives. Executives will be at the table to present reports and contribute to discussions.

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# **Summary:** ICB board, ICP, constitution

- **Partnership with local authorities:** regular meetings with elected members and executives and ICB/ICS Chair designate over past year, LA member working group on governance in place since last summer, LA reps in place based partnership development sessions/working groups, LAs within partner workshop sessions of 70+ where ICB board membership and ICP proposals agreed last year.

- **Constitution and ICB board membership engagement:**
  - Model constitution from NHS England (NHSE) must be used, limited discretion to amend. Further version and guidance – by mid Feb.
  - Membership: one LA member required but locally agreed with LA leads for two. NEL preference for elected members, guidance updated mid-February to now allow for this. Members not representatives – there to bring perspective
  - Each partner group – LAs, NHS Trusts, Primary Care – lead process to nominate their members. LAs working with NEL governance lead to agree this. All ICB Chairs required to approve each nominee but no issues anticipated given eligibility criteria will be clear.
  - Advice not to begin nomination process for partner members before end-March when regulations due.
  - Draft constitution shared with LA leaders/mayors, cabinet members, and chief executives in December and met to discuss January.
  - Minimal comments, but reflected in revised draft.  General view to keep constitution light and further detail in governance handbook, for example nominations process for LA members which LAs lead.
- **Integrated care partnership:**
  - Proposals discussed at wider NEL LA meeting and being further developed through working group of LA elected members.
  - Wider discussion with LA leads at meeting in March – very much leading the process with support from CCG as required.
  - More guidance March, building on document produced by Dept. Health and Social Care, Local Government Association and NHSE.

# Financial flows

- We are changing how we work as a system in a number of ways. The expected legislative changes will mean that from July 2022 we are also able to change the way we pass money around the system and fund care. With the temporary regime that has been put in place to respond to Covid, some of these changes have already occurred within NEL.
- We are changing how we operate within NEL, from commissioner-provider to collaboration. This includes moving to all partners having joint ownership of our system goals, with different partners taking the lead for different elements, on behalf of the system.
- There is a significant staffing and infrastructure associated with holding the very large budgets that exist across NEL and any future financial system needs to recognise this capacity and capability and where it sits.

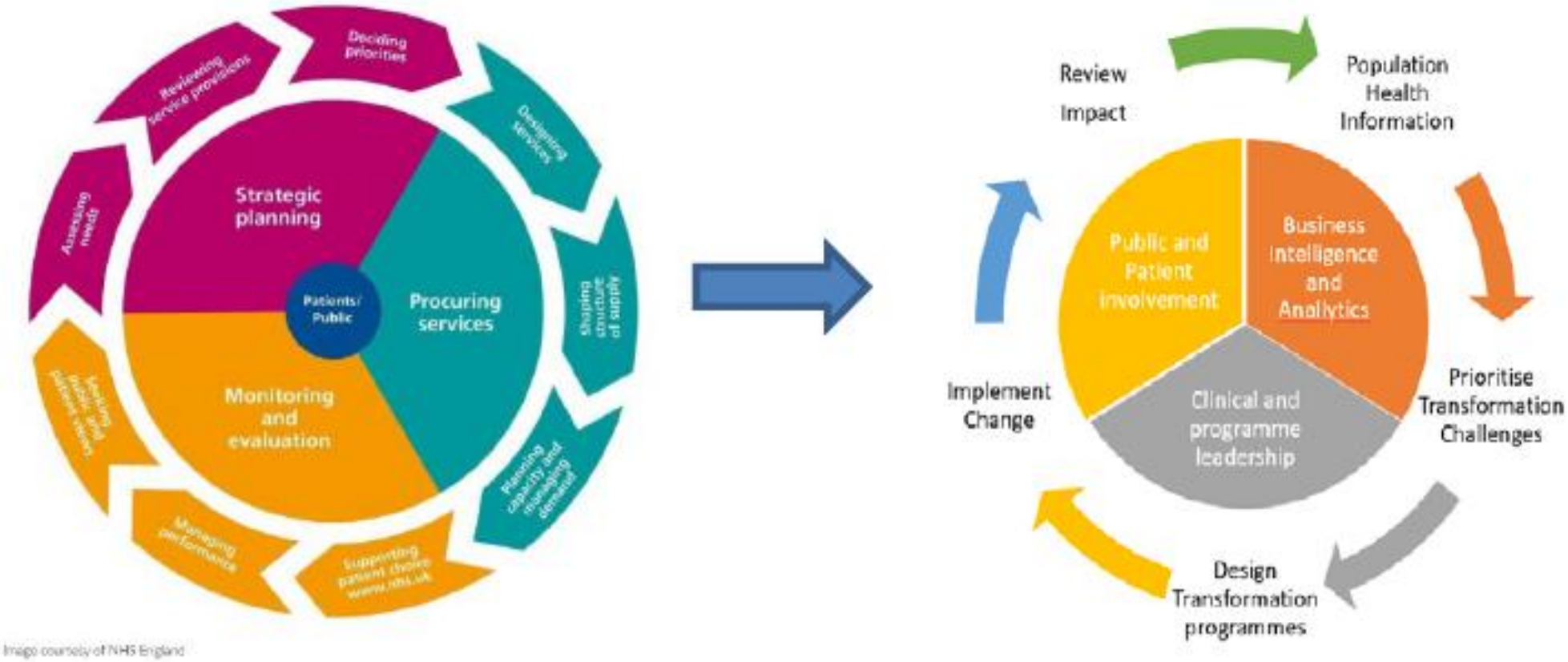


Image courtesy of NHS England

**Diagram:** *Commissioning cycle to collaborative transformation cycle*

# Expected changes to the national framework

We are still awaiting some of the national guidance and final allocations, but we know that it will include:

- **Single system control total** with each constituent member responsible (jointly) for ensuring the system is in financial balance.
- Collective system ownership of financial allocations – **financial performance (including of member trusts) judged as a whole system/ICS**
- Consolidation of many previous funding streams into **a single payment to the ICB.** For 2022/23 some money will continue to flow directly from NHSE to providers (notably for specialised services). The financial performance of providers, and therefore the system, will include these additional budgets (and associated costs).
- A move away **from PbR to a blended payment** (effectively 'block contracts' plus an optional incentive payment) for most secondary care services
- **The ability to delegate responsibility** alongside a budget within a contract (to a trust or a committee of the ICS)

# Our expectations and assumptions

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- **New committees/collaborative arrangements will need to demonstrate**:
  - The benefits for the system that they expect to be able to deliver
  - A shared plan, spanning all relevant partners, for delivery and service change. For the provider collaboratives this includes sign-up by all seven PbPs. For the place-committees this includes sign-up from all relevant trusts.
  - The governance and processes that will ensure that decision-making (among partners) will be effective
  - How the approach will be part of, and enhance, a whole-system approach
- Every budget needs to be held by one part of the system. **Holding the budget (or notional budget in the case of committees) means that part of the system taking responsibility for leading the development of a shared plan (including all relevant partners).**
- **Any contracting continues to be the responsibility of the ICB**. The ICB contracting teams will be directed by decisions reached in a place or provider collaborative committee.
- **Timeframes**. We will need to agree the distribution of funding around the system for April, but the planning round for 2022/23 is predominantly being carried out as we have previously, and any significant changes will take effect during 2022/23, ready for the following year. Any new arrangements will therefore initially focus on plans for transformation funding and any in-year re-distribution of funds.

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# Next steps

- We are developing our **future ways of working**, including:
  - **The criteria/principles** that any committee(s) will use to determine **allocations** and for approval of **transformation funding**
  - **Indicative allocations for future years** (23/24 and 24/25) and **'glidepath' to needs-based allocations**
  - **A shared planning process**
  - **Improving the visibility of how money is spent across the system**, to ensure all partners understand what is spent on each member of our population and what we get for that spend.
  - Ensuring that financial support functions, including **estates** and **procurement**, are organised to make the most of system working.