



CABINET – 13 SEPTEMBER 2019

INTEGRATED CARE SYSTEMS

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to advise on the implications for the County Council of the introduction by NHS England of Integrated Care Systems (ICSs) as set out in the NHS Long Term Plan.

Recommendations

2. It is recommended that:
 - a) the County Council reiterates its recent message to the NHS and other partners, that the County Council:
 - i. strongly supports the integration of health and care services wherever possible and to the benefit of those receiving care in any setting.
 - ii. continues to commit significant resources to that end.
 - iii. in the case of a move to an Integrated Care System (ICS) in Leicester, Leicestershire and Rutland, as required by NHS England, awaits clarification from the NHS as to what this would actually mean in practice before it can indicate its support.
 - b) County Council officers continue to take part in various groups set up by the NHS under the Better Care Together banner;
 - c) in recognition of the County Council's wish to see clarity, the proposal put forward by officers to define 'place' in an ICS as at the level of an upper-tier (social care and public health) authority, with 'system' at the level of the local health economy (Leicester, Leicestershire and Rutland) and 'neighbourhood' at the level of the new primary care networks, be supported, whilst noting that any arrangements for decision making at place level in this context have yet to be determined;

- d) clarity in particular is sought from the NHS in respect of decision-making, statutory responsibilities, accountabilities and performance management in an ICS;
- e) in respect of a proposed ICS partnership board or group, with an independent chair to be appointed by the NHS, the NHS be asked to explain its value and purpose so that the County Council can take an informed decision on an invitation to join; and
- f) the Cabinet's decision be made known to Leicester City and Rutland Councils.

Reasons for Recommendation

- 3. To provide a clear position for the County Council in response to a national policy mandated by NHS England which has potential consequences for service delivery and accountability.

Timetable for Decisions (including Scrutiny)

- 4. The Leicester, Leicestershire and Rutland (LLR) Sustainability and Transformation Partnership known as "*Better Care Together*", which was established prior to the introduction of Sustainability and Transformation Plans (STPs) by NHS England in 2015, is required by NHS England to respond to the NHS Long Term Plan during the autumn of 2019.
- 5. Although not referenced in the NHS Long Term Plan, there will be an important role for Health Overview and Scrutiny and Healthwatch in respect of the delivery of the Plan as a whole, and in representing the voice of patients and the public. Their involvement will also be needed in:
 - Scrutinising the detail of specific commitments within the Plan
 - How these are funded and implemented locally
 - Engagement and consultation with the public
 - The impact on health outcomes and inequalities across Leicestershire.
- 6. Although not recognised by the NHS Long Term Plan, the role of executive members and the Cabinet is clearly important in respect of a national policy initiative with potential consequences for social care and public health.

Policy Framework and Previous Decisions

- 7. In December 2016 the Cabinet noted the publication of a draft STP and the governance arrangements for the oversight and delivery of this. The Chief Executive was authorised to take operational decisions as necessary (there have not been any) to enable delivery of the STP, following consultation with the Cabinet Lead Member for Health. It was confirmed that the Chief Executive would serve on the System Leadership Team (SLT) of the STP; a

joint board of the three CCGs in Leicester, Leicestershire and Rutland set up by the NHS.

8. In April 2018 the Cabinet considered a report regarding the Council's relationship with the NHS. Members agreed that the Council would continue to work in partnership with the NHS in delivering services already provided in partnership and in transforming and integrating health, public health and social care, but with resources remaining under close review. It also agreed that in the event the STP was published in further draft or other form, it should be published as an NHS document with the Council as a consultee, to recommend an external review of governance for the Sustainability and Transformation Partnership ('Partnership' had by then succeeded 'Plan' in the NHS's definition of STP), and to agree to consider the Council's position on Integrated Care Systems further once the NHS provided more detail on the national direction of travel and any emerging local response.
9. The Cabinet received a report at its meeting on 8 February 2019 summarising the key matters arising from the publication of the NHS Long Term Plan in January 2019, including the introduction by the NHS of Integrated Care Systems (ICSs) across the country.
10. A report from the Clinical Commissioning Groups (CCGs) on the implications of the NHS Long Term Plan for the local NHS system was submitted to the Health Overview and Scrutiny Committee at its meeting on 13 March. A further report on the development of NHS Primary Care Networks was considered by the Health Overview and Scrutiny Committee at its meeting on 5 June.

Resource Implications

11. It is not yet possible to quantify the implications that all the elements of the NHS Long Term Plan will have on the resources of the County Council.
12. An existing policy and financial framework (the Better Care Fund) commits the County Council and the County CCGs to joint working via a shared plan and pooled budget of £60m operating at County (place) level, which is subject to a range of national conditions and performance metrics.

Circulation under the Local Issues Alert Procedure

13. None

Officers to Contact

John Sinnott, Chief Executive
 Chief Executive's Department
 Telephone: 0116 305 6000
 Email: john.sinnott@leics.gov.uk

Cheryl Davenport, Director of Health and Care Integration

Chief Executive's Department
Telephone: 0116 305 4212
Email: cheryl.davenport@leics.gov.uk

PART B

Background: Policy and Financial Context

14. The NHS Long Term Plan (January 2019) set out many public commitments to be delivered over a 10-year period. Significant developments included improvements to and investments in mental health and community services, a range of new digital developments, that all areas of the NHS in England will form ICSs by April, 2021, and an expectation of further efficiencies, both at the front line of care and in back office services.
15. The NHS has been allocated a £20.5bn increase in real terms over a five-year period. This represents a 3.4% funding uplift. This only applies to the NHS England element of the NHS budget, meaning this uplift applies to CCG allocations, but excludes, for example, the public health grant or NHS capital allocations. In January 2019, NHS England outlined the profile of the investment over the five-year period (starting from 2019/20), as 3.6%, 3.1%, 3.0%, 3.0% and 4.1%. [At the time of writing, additional expenditure on the NHS was expected to be confirmed in the Spending Review Announcement on 4th September.]
16. It was not clear in the NHS Long Term Plan how all the commitments listed would be funded, if they had all been costed in totality, or what proportion of the overall investment would simply be directed to addressing the current sizeable NHS budgetary deficits, in order to achieve financial balance.
17. However, a number of the commitments had specific milestones and are accompanied by an explicit expectation of a certain level of investment. During 2019 further guidance has been issued to the NHS on specific elements, for example guidance on the community services and mental health investment requirements.
18. Some of the key financial mechanisms in the NHS will change due to the NHS Long Term Plan, for example:
 - a. The NHS will move away from financial control totals by organisation, and work towards a “system level” control total. All local NHS organisations in each STP area will be jointly accountable for delivery of this system control total.
 - b. For LLR these organisations will be the CCGs, Leicestershire Partnership NHS Trust (LPT) and University Hospitals of Leicester NHS Trust (UHL).
 - c. The payment and tariff mechanisms within the NHS will change. Broadly, there will be a shift from activity based payments to population based payments, so the current transactional, activity-based contracts between CCGs and NHS providers and the income assumptions of

NHS Trusts that are currently predicated on this model will be materially affected by this.

19. A national review of the Better Care Fund Policy Framework took place in early 2019. Although the outputs of this have not yet been published, early indications are that the NHS and local authorities will continue to be jointly mandated to support the delivery of integrated health and care.

Integrated Care Systems

20. Appendix 1 includes in full the chapter reference to ICSs in the NHS Long Term Plan. Given the importance which the NHS attaches to ICSs, it is disappointing that the Long Term Plan does not define an ICS in any precise way. That it does not do so suggests that the governance complexities of an ICS, for both NHS commissioner and provider organisations, and for the NHS and local social care and public health authorities looking to work in partnership, have not been thought through. A later definition of an ICS on NHS England's website:

“An integrated care system is an even closer (compared to STPs) collaboration with NHS organisations, in partnership with local councils and others, taking collective responsibility for managing resources, delivering NHS standards, and improving the health of the population they serve.”

avoids the question of how such collective responsibility could be exercised in practice.

21. The NHS had described STPs as “created to bring local health and care leaders together to plan around the long-term needs of local communities”. The County Council was supportive of that planning approach. A draft Sustainability and Transformation Plan for LLR was published in November 2016 for public engagement. Subsequently no final Plan was published and the title/definition of STP was changed by NHS England from Sustainability and Transformation Plan to Sustainability and Transformation Partnership, which was seen to weaken the importance of planning.
22. Against a background of uncertainty around the implications of an ICS, in July 2019 the County Council issued the following statement in line with the Cabinet decision of April 2018 to be displayed on the Better Care Together website and in any associated BCT communications:

“The County Council strongly supports the integration of health and care services wherever possible and to the benefit of those receiving care in any setting. The Council continues to commit significant resources to that end. However, in the case of a move to an Integrated Care System in LLR, as required by NHS England, the County Council is awaiting clarification from the NHS as to what this would actually mean in practice before it can indicate its support.”

23. Some of the key questions which remain unanswered about ICSs are:

- The extent to which ICSs are intended to include and involve local social care and public health authorities given the statutory responsibilities and accountabilities, and separate funding mechanisms, of local authorities? The key features of an ICS listed in paragraph 1.52 (Appendix 1) relate almost entirely to the NHS and its workings.
- Are ICSs intended to over-ride the decision-making responsibilities of CCG Boards and NHS Trusts? Legislation suggests this would not be possible.

[Note. In terms of decision-making, NHS England design guidance (see para. 25) states:

In the absence of a legal basis for statutory (NHS and local council) commissioners to form decision-making committees with statutory providers, the 'board' at place level will normally operate according to an NHS alliance agreement or initially with a lighter touch memorandum of understanding. ICSs will also be expected to work closely with health and wellbeing boards, the established statutory forum that brings together local leaders from different parts of the system, which will often coincide with place level.

The question of place and how it is defined is referred to in para. 24 and Appendix 2. In this case place would be Leicestershire, with separate 'places' of Leicester City and Rutland. What would be the 'board' is unclear. It could not be the Health and Wellbeing Board.

Separately, Section 75 Agreements (National Health Services Act 2006) between NHS bodies and local authorities can include arrangements for pooling resources and delegating certain NHS and local authority health-related functions to the other partner.]

- What is the role and value of a mandatory Partnership Board with a non-executive, independent chair, whose appointment is a matter for the NHS to approve? The NHS Long Term Plan is silent on this.
- Is it intended by the NHS that the ICS's accountability and performance framework should hold local authorities to account? That would be unrealistic.

It is reasonable to conclude at this time that the principal benefit of ICSs is in NHS bodies working more closely together. The County Council has always seen the need for local NHS bodies to show they are integrated as a prerequisite to effective ongoing health and care integration. The title 'Integrated Care System' may therefore be misleading. If an 'Integrated Health and Care system' is intended, then it makes it all the more important to clarify

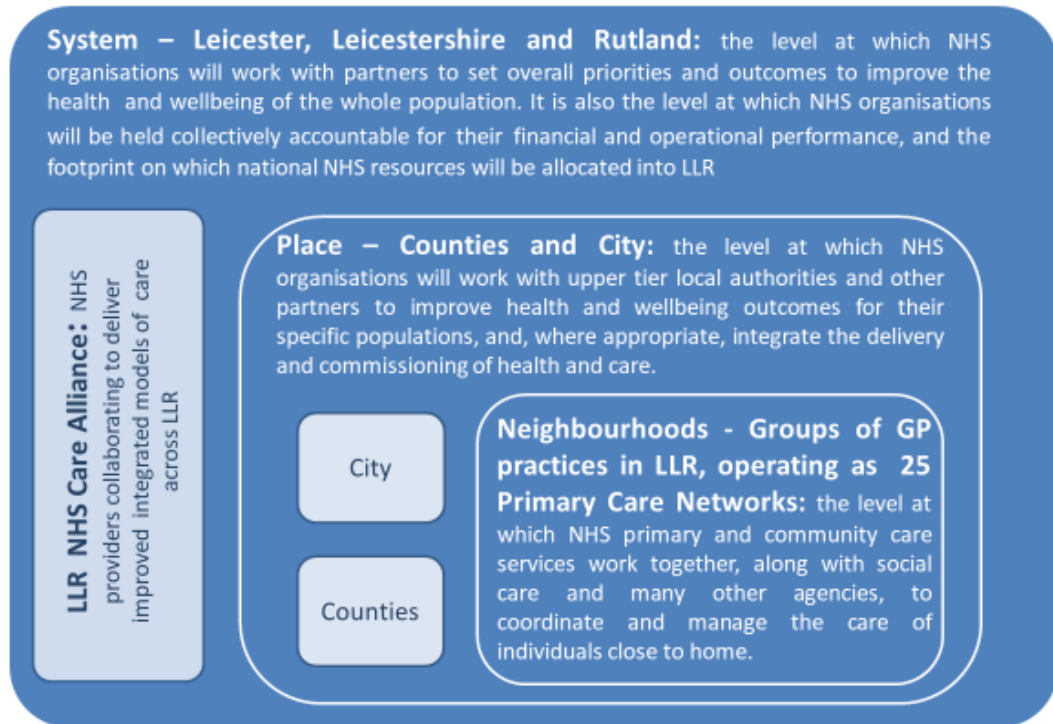
and define the role of local authorities, not just in a way which is understandable to all partners but to service users and the general public.

24. In addition, it can be noted that there is no reference in the Long Term Plan's description of an ICS to the role of overview and scrutiny, at individual local authority or joint committee level. Reference to Health and Wellbeing Boards at the end of para. 1.52 (Appendix 1) does appear to be something of an add-on and there is no recognition of the roles of Lead Members of Children's and Adults' Social Care, the former having statutory responsibilities, as chief officers do in these areas and in public health. It can also be noted that further initiatives to "blend health and social care budgets" will best await the adult social care funding proposals of the new Government.
25. A later NHS document "Designing Integrated Care Systems (ICSs) in England" in June 2019 tended to confirm that 'system' in the sense of leadership, co-ordination and financial management was a reference to the NHS, but engaging with local authorities (and the voluntary sector) would be important. The introduction in that document of a 'System Maturity Index' evaluation suggested the same: 'system' was essentially about the local NHS.
26. Further, the ICS area is the footprint on which NHS England will allocate national resources into each NHS system/area, both in terms of commissioning revenue and capital funds for estates and technology. All the NHS bodies in an ICS, whether commissioners (CCGs) or providers (NHS Trusts) will be held to account jointly by NHS England and NHS Improvement for the overall financial and service quality performance of NHS services in their area.

Governance

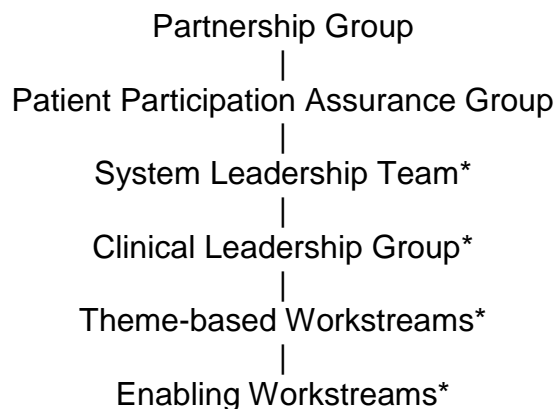
27. Outside national and regional NHS structures, the June 2019 document defined levels at which an ICS should operate. Translating the model into LLR, County Council officers have proposed the following in discussion with NHS officers and officers from the City and Rutland Councils:

Figure 1 – LLR Description of System, Place and Neighbourhood



An accompanying narrative is provided in Appendix 2.

28. The NHS are proposing a governance structure/hierarchy for an ICS for LLR on the following lines:



*already established under the BCT structure and includes some local authority officer involvement.

It is proposed that the County Council continues its membership of the System Leadership Team through the Chief Executive and involvement in the Clinical Leadership Group and Workstreams.

29. It is, however, as stated above, important for any governance structure to address the role of elected members at different levels: Executive, Health and Wellbeing Board, Scrutiny. So far, only the Health and Wellbeing Board role has been (tentatively) addressed by the NHS.

30. As a reminder, the Leicester, Leicestershire and Rutland Joint Health Overview and Scrutiny Commission (JHOSC) is the appropriate body to be consulted by the local NHS on a proposal in accordance with Regulation 30 of the Local Authority (Public Health and Wellbeing Boards and Health Scrutiny) Regulations 2013. The regulation provides that where an NHS body has any proposals for a substantial development or variation of a health service in an area they must consult the local authority. Where the consultation affects more than one local authority in an area the JHOSC will comment upon the proposal and may require a member or employee of the NHS body to attend its meeting and respond to questions in connection with the consultation. The regulations also give local authorities the right to refer such matters to the Secretary of State in particular circumstances.
31. The JHOSC will scrutinise and comment on the exercise by NHS bodies of functions or strategic proposals which affect the areas of all three authorities (Leicestershire County Council, Leicester City Council and Rutland Council). In particular, this includes the Better Care Together Programme, which is a standing item on the JHOSC agenda. The work programme for the JHOSC is regularly reviewed with NHS bodies to ensure that it reflects key service and development matters linked to the Better Care Together Programme.
32. In regard to Executive members, three are on the Health and Wellbeing Board: the Lead Members for Children and Family Services, Adults and Communities, and Health. It is suggested that their membership of the Health and Wellbeing Board, which the Lead Member for Health chairs, is unlikely to be adequate for any engagement in an ICS if that impacts on their areas of responsibility.
33. The current proposal from the local NHS for membership of the Partnership Group is to restrict local authority representation to the Chairman of the Health and Wellbeing Board. Overall membership proposed is 9 NHS, 3 Local Authorities (chairs of 3 Health and Wellbeing Boards), 2 Healthwatch and 1 Patient and Public Assurance Group.
34. Of greater importance is the intended purpose of the Partnership Group. It has been suggested by the local NHS that:
- “The concept behind the proposed Partnership Group (working title) is that it will be a forum for elected, non-executive and lay members of the constituent organisations to provide oversight of and input into the development of the ICS (and other partnership issues) and to provide a conduit for two-way communication between the partnership and the governing bodies of those organisations. In saying this, it is absolutely recognised that there is much more to do to clarify the purpose of an ICS in particular and how it will operate but it is felt that something like a partnership group needs to be established now so as to ensure that the right people are involved in those discussions.”

It is suggested at this stage that clarity from the NHS about the purpose and operation of an ICS, including answers to the questions in paragraph 23,

should be a pre-requisite for the County Council joining the Partnership Group.

Conclusion and Way Forward

35. The introduction of Sustainability and Transformation Plans in 2015 by NHS England was taken at face value to be a welcome planning process to put the NHS on a sustainable financial footing, at least in part through transformation. Four years later and after several name changes – Plan, Partnership, Accountable Care System and now Integrated Care System – there is no medium or long term plan for LLR. If an ICS leads to the production of such a plan it will be welcomed. However, the ICS concept raises more questions than it answers and the County Council is entitled to ask for clarity from the NHS as to its potential involvement as a partner in the delivery of health and care services. For some time, officers have sought answers from the NHS at local, regional and national levels, but without success. It is therefore considered appropriate to have a County Council position on the record, not least because there is a growing risk that the governance consequences in particular of the latest version of a deceptively attractive policy mandated by the NHS are detracting from day-to-day partnership work on a range of successful local health and care integration programmes.
36. NHS England now state that one-third of the country is now covered by ICSs but there is no indication that the type and scale of integration programmes and initiatives introduced in those areas is little or any different from those introduced in Leicestershire and reported to the Health and Wellbeing Board.
37. As a way forward the recommendations to this report recognise the importance which the County Council continues to place on integrated health and care working; the importance of definition of place and decision-making at that level; and the need in a number of important areas for clarity from the NHS as to what an ICS could mean for service delivery and accountability.

Equality and Human Rights Implications

38. There are no equality or human rights implications arising from this report. NHS policy-making, decisions and activities are required to be compliant with the public sector Equality duty.

Background Papers

Cabinet Report, December 2016 (STP) –

<http://politics.leics.gov.uk/documents/s125045/NHS%20Sustainability%20and%20Transformation%20Plan.pdf>

Cabinet Report, April 2018 (STP) –

<http://politics.leics.gov.uk/documents/s136725/Final%20-%20NHS%20STP.pdf>

Cabinet Report, February 2019 (NHS Long Term Plan) –

<http://politics.leics.gov.uk/documents/s144171/NHS%20Long%20Term%20Plan%20Draft%20Cabinet%20Report%20CDRWv.4%20final.pdf>

Health Overview and Scrutiny Report, March 2019 (NHS Long Term Plan) –

<http://politics.leics.gov.uk/documents/s144847/NHS%20Long%20Term%20Plan.pdf>

Health Overview and Scrutiny Report, June 2019 (Primary Care Networks –
http://politics.leics.gov.uk/documents/s146111/HOSC%20paper_Development%20of%20Primary%20Care%20Networks_June%202019.pdf

Appendices

Appendix 1 – NHS Long Term Plan, Chapter Reference to ICSs

Appendix 2 – LLR Description of System, Place and Neighbourhood (Narrative)