

Integrated Care Webinar series 2021/2022



Webinar Seven: ICS Finance - Delivering best value through system collaboration

Tuesday 1 March 2022

NHS England and Improvement System
Transformation, in partnership with the
Social Care Institute for Excellence
(SCIE)

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Your panel today

- Chair and Opening remarks – Ben Day, Director of Strategic Financial Planning, NHSEI
- National overview – Paul Healy, Head of Strategic Finance of NHSEI
- System learning and insight – Jonathan Webb, CFO of NHS Wakefield CCG
- System learning and insight – John Jackson, Lead Adult Social Care Financial Advisor, LGA
- Policy perspective – Siva Anandaciva, Chief Analyst of The King's Fund
- Medical Director System Improvement and Professional Standards, NHSE/I Midlands - Dr Jess Sokolov.

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ICS Finance - Delivering best value through system collaboration

Integrated Care System (ICS) development webinar series

1 March 2022

NHS England and NHS Improvement



Delivering best value through system collaboration



Agenda

In this session, we will cover:

First part

Status of the Bill and update on integration

Ben Day, NHSEI

ICB financial framework and resources

Paul Healy, NHSEI

Local system perspective

Jonathan Webb, NHS West Yorkshire CCG

Panel discussion

Second part

Local government perspective

John Jackson, LGA

Policy and analytical perspective

Siva Anandaciva, The King's Fund

Policy and analytical perspective

Dr Jess Sokolov, NHSEI Midlands







Panel discussion

Status of the Bill and update on integration



Health and Care Bill

- The Bill is at report stage of the House of Lords and is currently **expected to receive Royal Assent in time for implementation on 1 July 2022**. Several amendments are being debated and any voted through by the Lords will need to be confirmed with the Commons.
- Government amendments published so far from the Lords debates include:
 - Requirement on Secretary of State for Health and Social Care to **publish expectations on increase in mental health spending** by Integrated Care Boards
 - **Putting palliative care** into the list of things that ICBs do to meet reasonable requirements of people for whom it has responsibility
 - Amending power for NHS England to impose a limit on capital expenditure of an NHS foundation trust (FT) to require this to be **relating to a single financial year**

 House of Lords	
	1st Reading
	2nd Reading
	Committee
	Report
	3rd Reading

Key changes

- The **Bill creates 42 Integrated Care Boards (ICBs)** as the statutory commissioning units of NHS resources across the country. This will require some ICBs to be formed from multiple CCGs, although most systems already operate on their future footprints.
- Local authority, NHS providers and GPs will be formal partners of ICBs and being a partner requires that they:
 - Jointly nominate **at least one representative to the ICB board**
 - Prepare an agreed system plan on **planned capital resource use for the coming year**
 - Prepare an agreed system plan on **exercise of functions in the next five years**
- The **Bill introduces Integrated Care Partnerships (ICP)** that bring together a wider group of system stakeholders, including the NHS, local government and the third sector. The ICP will be responsible for developing a joint strategy for the system on delivering on the four core purposes.

Key changes

- ICBs will need to bring all partners to come together to form systems with a **collective aim to deliver on the four core purposes of ICBs** to:
 - improve outcomes in population health and healthcare;
 - tackle inequalities in outcomes, experience and access;
 - enhance productivity and value for money and;
 - help support broader social and economic development
- Most ICBs are looking to **manage responsibilities at ‘place’ to maintain local relationships** and all providers will come together through collaboratives across one or more ICB. These are not statutory arrangements and ICBs have the flexibility to establish structures to suit their local circumstances.
- Recent DHSC Integration White Paper suggests direction of travel **towards greater accountability at place**, would build on the ambitions of the Health and Care Bill and is based on the legal framework it creates.

Status of the Bill and update on integration



Key changes

- The Bill creates a collective duty on the ICB and its partner NHS trusts and FTs to **not spend more than the agreed share of NHS resources**. Each system will be expected to deliver a balanced financial system and organisations will be accountable for this as part of their system.
- NHS England will **set NHS allocations for ICBs on broadly the same basis as for CCGs**. These allocations will account for newly delegated commissioning functions, including for specialised, dental, general ophthalmic and pharmacy services. Some ICBs will take on delegation for some primary care services in 2022/23, but all are expected to take on functions in 2023/24.
- NHS England can **impose capital expenditure limits on FTs** for a defined period, which would be published after consultation. This would be intended to support system plans and guidance will set out how this will be applied.
- The target implementation date for establishing ICBs has been **delayed to 1 July 2022**. This means that CCGs will continue to operate for the first three months of 2022/23 and system financial plans will need to reflect the transition in-year.

Status of the Bill and update on integration



Key changes

- NHS FTs could have **capital expenditure limits imposed on them by NHS England** for a defined period, which would be published after consultation. NHS England must publish guidance on how this power would be used.
- NHS trusts will be given the same NHS provider licence as FTs and NHS England can if necessary **add licence condition(s) to reflect the expectation on co-operating** with other NHS bodies and local authorities.
- ICBs and NHS providers will be required to **have regard to all likely effects of decisions in relation to the NHS triple aim** of improving population health, quality of care and control costs. This duty will held by all NHS organisations and NHS England could produce guidance on it.

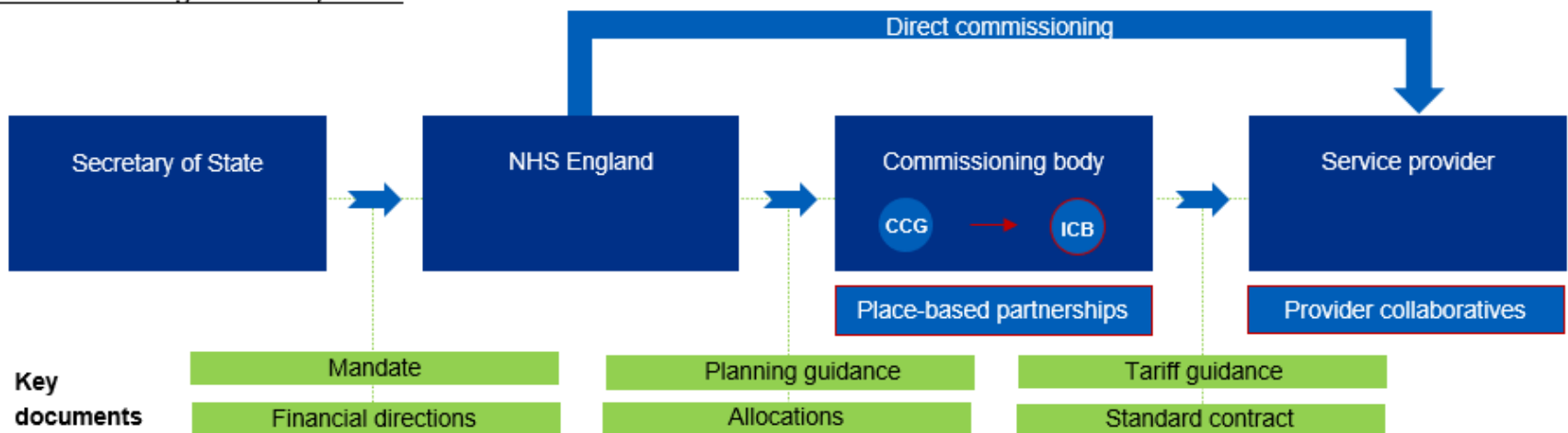
ICB financial framework and resources



Funding flows

- The government will continue to set out its **objectives for the NHS in a mandate** and will confirm overall budgets alongside this each year. ICBs will continue to pool funds with local authorities through the Better Care Fund.
- NHS funding would **flow from NHS England to a local commissioning body** through an allocation distributing the NHS budget to reflect needs.
- ICBs would be expected to **agree contracts with and make payments to NHS trusts and FTs**, in line with the NHS Standard Contract and the NHS National Tariff Payment System.

Flow of funding to local systems



ICB financial framework and resources



Delegation of commissioning functions

- ICBs will **take on many of the commissioning functions currently held nationally by NHS England**. Some ICBs will be delegated these functions upon establishment in 2022/23 as agreed, which will include dentistry, general ophthalmology and pharmacy.

	2021/22	2022/23	2023/24	Functions to be retained by NHSE: <ul style="list-style-type: none">• Responsibility for some highly specialised services• Identifying national priorities, setting outcomes, and national contracts or frameworks• Maintaining national policies and guidance to ICBs in their delegated functions• Delivering support services.
Primary medical	Delegation			
Dentistry	National	Agreed delegation or joint committee	Delegation	
Ophthalmology	National	Agreed delegation or joint committee	Delegation	
Pharmacy	National	Agreed delegation or joint committee	Delegation	
Specialised	National	Joint committee	Delegation	
Public health	National		To be confirmed	
Health and justice	National		To be confirmed	
Armed forces	National			

* 2022/23 is upon establishment of the ICB

General principles

- The focus of the NHS financial framework will continue to be on enabling **systems to collaborate on delivering shared local objectives**. This builds on the approach used in responding to the Covid pandemic and is intending to support recovery, while putting the NHS on a more sustainable financial footing.

Enablers in recent NHS financial frameworks

System funding envelopes

Enabling systems to manage resources within defined funding envelopes for delivering agreed local priorities.

Local system financial planning

Enabling local partners to formalise shared system arrangements and management of financial risk.

Local aligned payments

Enabling systems to develop local payments and manage in-year variations from agreed system plans.

System reporting and oversight

Enabling a focus on tackling wider systemic issues and emphasising overall system financial performance.

General principles

- Local systems will have the **flexibility to arrange their planning and commissioning functions** and many systems are expected to manage resources through Place Based Partnerships. NHS England and NHS Improvement has published guidance with the Local Government Association to support the development of these partnerships.
- There are several models, including:
 - Local consultative forum
 - ICB committee
 - Joint committee
 - Delegated authority to an individual



Key resources on ICB finance

- Several documents and tools are available to systems to support ICB establishment, including on the ICB financial framework. These are all brought together on the **'ICS Guidance' workspace of the FutureNHS Platform** - <https://future.nhs.uk/ICSGuidance>
- Key publications to note for finance are:
 - ICS Design framework – strategic document on the core arrangements expected for each system.
 - Management of NHS resources by ICBs – supporting information on how the NHS financial framework will support system collaboration.
 - Model documents to support new financial governance structures – including on the ICB constitution, scheme of reservation and delegation (SoRD) and committee terms of references.
 - Policy guidance on partner collaborations – including the expectations on developing provider collaboratives and place-based partnerships.
 - Introduction to Population-based Payment - shares learning and ideas used in and produced by the Population Health Management (PHM) Development Programme on approaches to payment
 - ICB place-based allocation tool – providing insight for systems into the variation in need between different areas within ICBs

ICB Place Based NHS Allocation Tool

- This tool provides ICBs with **insight into the local level data underlying their ICB-level NHS resource allocation**. It uses the latest GP Registered Practice Populations as well as the weighted populations calculated from the NHS Allocation model for each of its components.
- It aims to **support an understanding of need for NHS resources below the level of ICB** and enables them to create meaningful sub-ICB places by defining places as a group of GP practices. It produces a weighted capitation and need index for the service area components of NHS allocations.



ICB Place Based Allocation Tool

Last Updated 6th January 2022

Select Place

Default Place

Delete Current Selection



Selected GP Practices: Shepley Health Centre, Honley Surgery, Skelmanthorpe Family Doctors, Kirkburton Health Centre

Relative Need Index

Gen & Acute	Community*	Mental Health	Maternity	Prescribing	Health Inequal	Overall Index
1.07	1.04	0.66	0.59	1.04	0.54	0.94

ICS Finance - Delivering best value through system collaboration

A perspective from West Yorkshire Integrated Care System

Jonathan Webb

**Director of Finance Designate, West Yorkshire
Integrated Care Board**

**Chief Finance Officer/Deputy Chief Officer, NHS
Wakefield CCG**



West Yorkshire Health & Care Partnership Mission

- To improve **outcomes in population health** and healthcare *(and so reduce health inequalities)*
- To **tackle inequalities** in outcomes, experience and access *(and so manage unwarranted variations in care)*
- To **enhance productivity** and value for money *(and so use our collective resources wisely)*
- To help the NHS support broader **social and economic development** *(and so secure the economic and social benefits of investing in health and care)*



West Yorkshire Health and Care Landscape

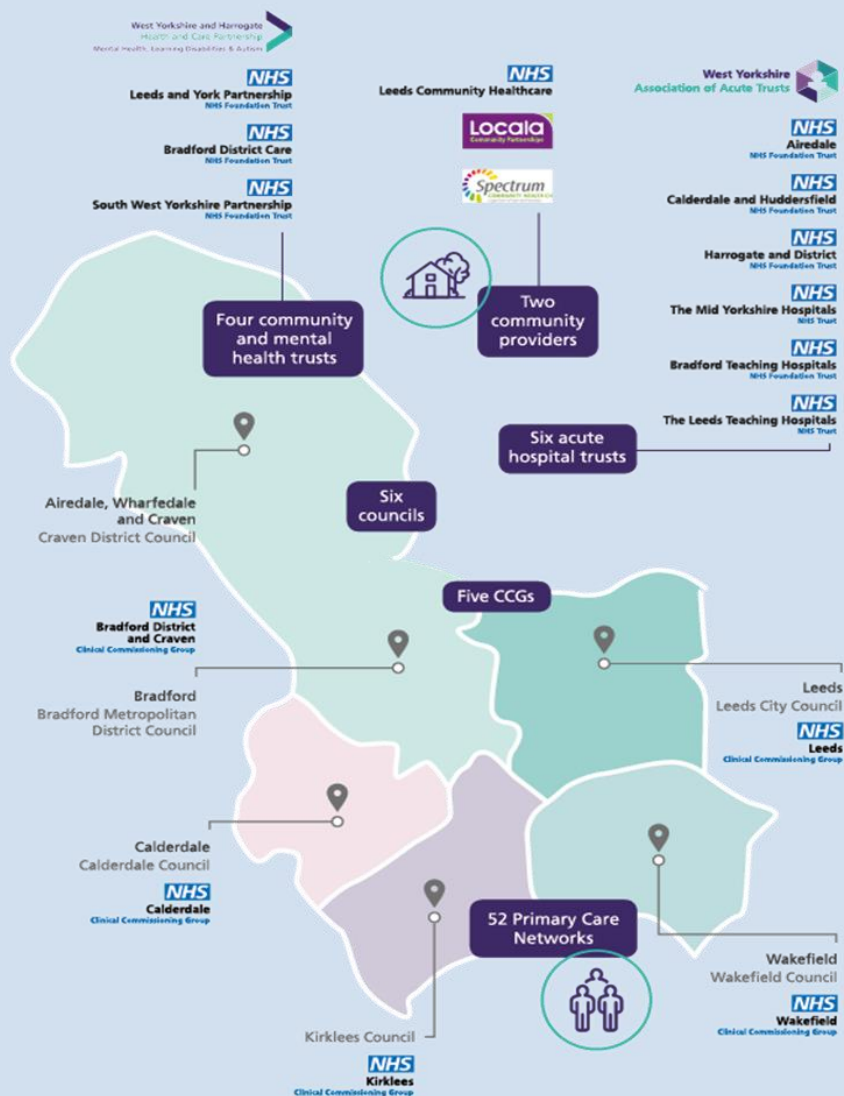
Our health and care landscape

Our councils



- 315 GP practices
- 555 community pharmacies, plus 38 online
- 431 providers of services in people's homes
- More than 442 care homes
- 11 hospices
- 52 primary care networks
- Estimated 11,996 voluntary community social enterprise organisations in West Yorkshire

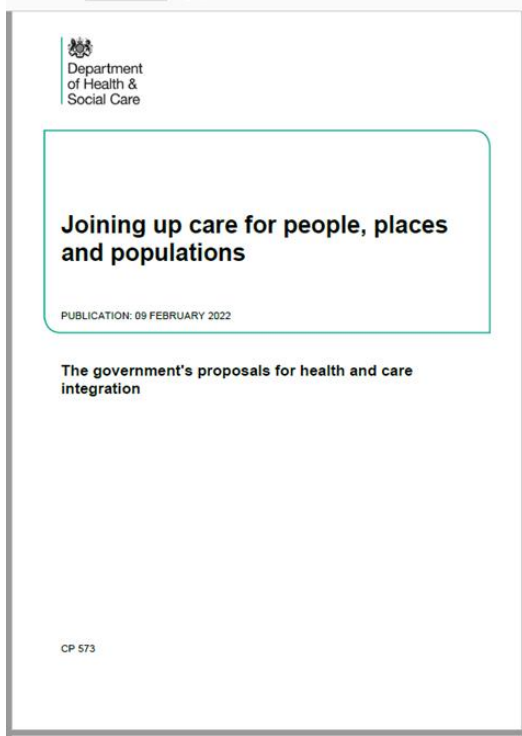
Figures accurate at September 2021.



West Yorkshire Integrated Care Board functions and decisions map



Recent White Paper - finances



- Enabler of integrated care
- “Pooling” and “aligning “ of resources
- Better Care Fund
- Section 75 arrangements
- Ambition to grow (not mandated)



Opportunities/barriers

- Shared values and shared objectives – improving health and wellbeing and reducing inequalities
- Political dimension to decision-making / NHS performance management
- Talking the same language?
- Recognise that “place”/constituencies is key construct - subsidiarity
- “Doing the right thing” and making it meaningful



Where it's worked in Wakefield

- Capital funding arrangement as part of regeneration of local town (3 GP practices, community and social care services)
- Joint investment in specialised housing for vulnerable and disabled children
- Additional benefits advice for low-income households
- Joint services (Connecting Care Hubs)

(New joint leadership appointment across NHS commissioner (CCG), Social Care and NHS community services)



Where it's worked in West Yorkshire

- Shared understanding of issues and commitment to take action
- Integrated (?) finance reporting as part of West Yorkshire governance
- Social care and early introduction of National Living Wage (£12m)
- Warmer homes initiative (£1m)



What's next?

- National policy framework (White Papers on social care, levelling up, and integration) alongside expected Health and Social Care Act
- Focus on shared outcomes, shared leadership, data, and people
- Continue to build/develop trust
- Ensure that financial leaders work together to focus on needs of our population
- Make the new arrangements work for the people of West Yorkshire



Any Questions?



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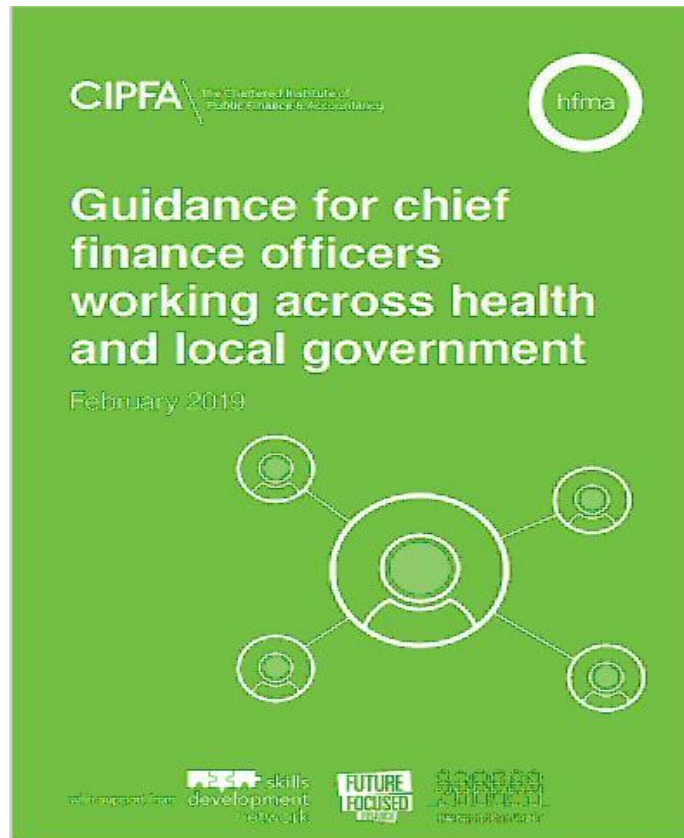
ICS FINANCE - DELIVERING BEST VALUE THROUGH SYSTEM COLLABORATION THE LOCAL AUTHORITY PERSPECTIVE

**John Jackson,
LGA National Care and Health Improvement
Adviser – Finance and Risks**

Financial decision making in local government

- All policy decisions are made by elected politicians – councillors. The role of Officers is to advise and implement decisions. Occasionally, they must warn.
 - Officers' duties are ultimately to all councillors not just the Cabinet or controlling political group.
 - Legally, the budget must be set by the middle of March each year. In practice, it is often set by the end of February.
 - The budget must balance and it must be based on realistic estimates. The Chief Finance Officer has to take action in public if this is not the case.
 - Good authorities like to have Medium Term Financial Plans – for 3 years or even longer. They do this despite the lack of medium term planning by the Government.
 - If the authority is going to overspend during the year, the Chief Finance Officer must take action and ultimately can stop non-essential spending.
-

Further information is available



Challenges which we must consider - and address

- **Relationships** must be right locally. There are differences in understanding, language, culture and behaviour. They can only be addressed through developing strong relationships.
 - We need to recognise **differences** that exist now and won't be changed by the White Paper or legislation going through Parliament: function; geography; accountability; resources.
-

Recognising our differences I

Function:

- The NHS spends much more than local government never mind social care alone. There is a discrepancy of budgets/spending.
- However, local authorities are responsible for much wider range of services beyond social care and public health many of which are crucial – housing, planning, leisure, as community leaders. On average, adult social care is just under 40% of total spending.

Geography:

- ICS areas are often very different to those of local authorities.
 - Many health and social care services need to focus on much smaller areas (e.g. Primary Care Networks).
 - Geography interacts with accountability.
-

Recognising our differences II

Accountability:

- Local authorities are independent legal entities accountable directly through elected councillors to their local residents.
- The NHS is accountable ultimately to Parliament.
- How will Health and Wellbeing Boards work in practice with Integrated Care Partnerships?

Resources:

- The NHS faces huge resource pressures but this is mirrored in local government and may be even worse.
 - The Government has set out ambitious expectations in the Adult Social Care White Paper, the proposals for charging reform and Fair Funding For Care.
 - However, we do not believe that these have been resourced adequately and there are underlying resource pressures facing adult social care which must be addressed.
-

Opportunities – things to build on

- If we get this right, we can improve what service users and their informal carers receive. We can also use limited resources better.
 - There is existing legislation (Section 75) and advice that support joint working. It can be done even under the existing arrangements.
 - Expectation in the Integration White paper that place based partnerships (at the local authority level) will be expected to agree shared outcome plans for improvement of health and care with population health outcomes.
 - Place based partnerships will also be expected to make greater use of pooled or aligned budgets and the Government is committed to reviewing the rules to see how they can be improved.
 - Some areas have achieved a lot already – learn from them.
 - The NHS can benefit from the very wide range of community services that are the responsibility of local government.
-

Delivering better value through system collaboration

SCIE Integrated care webinar series 2021/22

Siva Anandaciva
Chief Analyst

Mar 2022

A premortem in a business setting comes at the beginning of a project rather than the end, so that the project can be improved rather than autopsied...the premortem operates on the assumption that the “patient” has died, and so asks what *did* go wrong. The team members’ task is to generate plausible reasons for the project’s failure.

Gary Klein

What would failure look and feel like in 2025?

- Access, quality and health outcomes are poor
- Inequalities rise
- Productivity and value for money stall
- Services remain fragmented
- National control rather than local agency
- Little frontier-shift, little catch-up in how services are delivered
- Ultimately – a sense of muddling through with largely the existing ways of working

1. Expectations are too high over what collaboration can achieve

Title: Health and Care Bill 2021 Core Measures IA No: 9566 RPC Reference No: RPC-DHSC-5082(1) Lead department or agency: Department of Health and Social Care Other departments or agencies: NHS England and NHS Improvement Ministry for Housing, Communities and Local Government		Impact Assessment (IA) Date: 10/01/2022 Stage: Final Source of intervention: Domestic Type of measure: Primary legislation Contact for enquiries: Not applicable	
Summary: Intervention and Options		RPC Opinion: GREEN	
Cost of Preferred (or more likely) Option (in 2019 prices)			
Total Net Present Social Value	Business Net Present Value	Net cost to business per year	Business Impact Target Status
Unquantified	Unquantified	Unquantified	Non qualifying provision
What is the problem under consideration? Why is government action or intervention necessary? There is stakeholder consensus that greater collaboration within the English health and care system will enable the NHS to deliver effective, timely and continuous care to patients. The need for this is compounded by both the increasing complexity of health care needs of patients and rising demand from an aging population, as well as the challenges of responding, and learning from responses, to health emergencies such as the Covid-19 pandemic. Legislative change alone cannot deliver reform, but it can support new ways of working and remove specific barriers created by existing primary legislation. Removing these barriers will be vital to support the NHS and wider health and care system as it recovers from Covid-19 impacts.			
What are the policy objectives of the action or intervention and the intended effects? This Impact Assessment (IA) mainly covers the subset of legislative changes in the Health and Care Bill that have the unified aim of supporting the effective delivery of the NHS Long Term Plan whilst strengthening democratic accountability. Within this, the individual measures are broadly aimed at: one, enabling closer working between different parts of the health and care systems, such as through joint commissioning or the establishment of Integrated Care Systems; two, reducing bureaucracy to enable services to be arranged to better meet the needs of local populations, lessening the administration associated with procurement; three, strengthening accountability for decision-making whilst improving public confidence. This IA also covers some provisions which are not in the NHS Long Term Plan but are closely linked to the three themes of the Bill, such as data sharing. The Bill also makes some wider legislative changes to tackle known issues with the existing framework; these measures are not covered in this IA.			
What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base) This IA covers legislative changes developed by the Department of Health and Social Care, working with a breadth of stakeholders including NHS England and NHS Improvement, and the Ministry for Housing, Communities and Local Government. These have been developed from horizon scanning of future roadblocks for the health and care system, and build on some of the legislative changes which NHS England and NHS Improvement previously recommended to the Government in autumn 2019; the latter have been developed after extensive public engagement. The new measures also build on learning from ways of working implemented during the Covid-19 response. Given the breadth of the package of measures this IA is focussed primarily on the leading options for each of the proposals and specific legislative changes. Impacts are by default compared against a 'do-nothing' option.			
Will the policy be reviewed? It will be reviewed. If applicable, set review date: Not applicable			
Does implementation go beyond minimum EU requirements?		N/A	
Is this measure likely to impact on international trade and investment?		Yes	
Are any of these organisations in scope?	Micro	Small	Medium
	Yes	Yes	Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)	Traded:	Non-traded:	
	N/A	N/A	
<i>I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.</i>			
Signed by the responsible Minister:		Date: 10/01/2022	

The case for working together and supporting integration

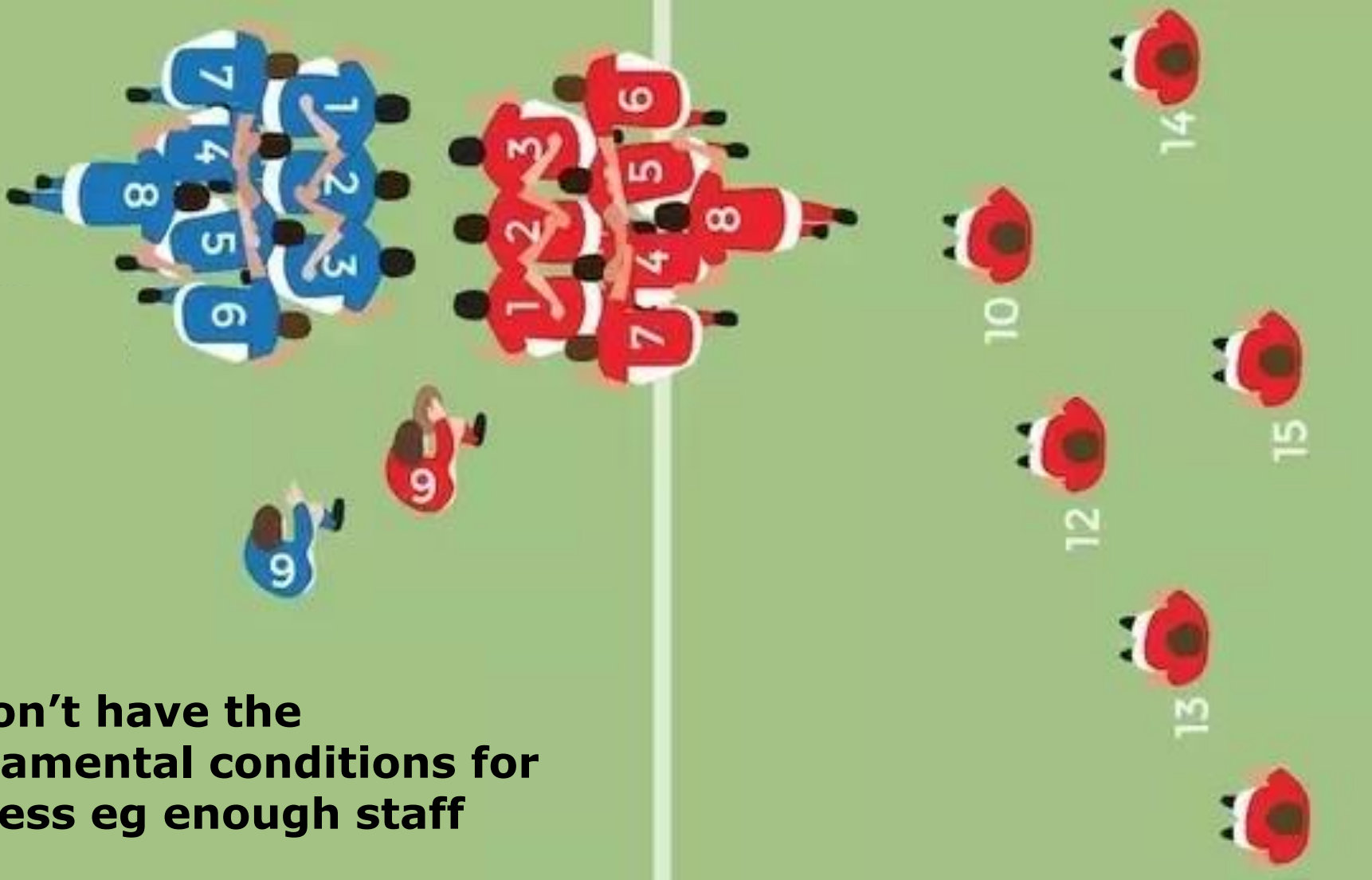
The demands on the health and care system are changing. As people are living longer, they are also living with more health conditions, with one in four adults now estimated to live with two or more morbidities¹¹. As the care of people with multiple morbidities is often complex, this requires the interaction between many parts of the health system. These interactions will become more necessary as the burden of multiple morbidities increases, with number of people in England with four or more conditions predicted to double between 2015 and 2035¹².

There is general agreement across the public sector (and across health systems internationally) that lack of alignment of services is inefficient in delivering services to the public and results in worse user experiences. This may “result in gaps for service users, provision may be duplicated, and citizens may be buffeted between several different agencies of service providers”¹³. The integration provisions within this Bill will allow for more joining up between health, social care and other public services to provide wrap-around care and support that meets individual’s needs.

In health and care, while there is mixed evidence on whether collaboration can provide cost savings in the delivery of services, there is consensus that collaboration between health and care organisations and the reduction of siloed working can and should go further. The evidence for this approach has been set out over an extended period, with collaboration occupying discussions around change in the NHS for many years. This is tied up in the debates around integration of care – although the two terms are sometimes used interchangeably, collaboration between organisations is arguably the *catalyst* enabling the delivery of integrated services to people.

There are mixed results on the impact of collaboration on definitive health improvements, and this prompts further consideration of the benefits of collaboration for structural cohesion, staff, and patient experiences. NHS Improvement has described collaborative approaches as ones which “can improve communication, save time, reduce duplication of effort, improve

**2. Don't have the
fundamental conditions for
success eg enough staff**



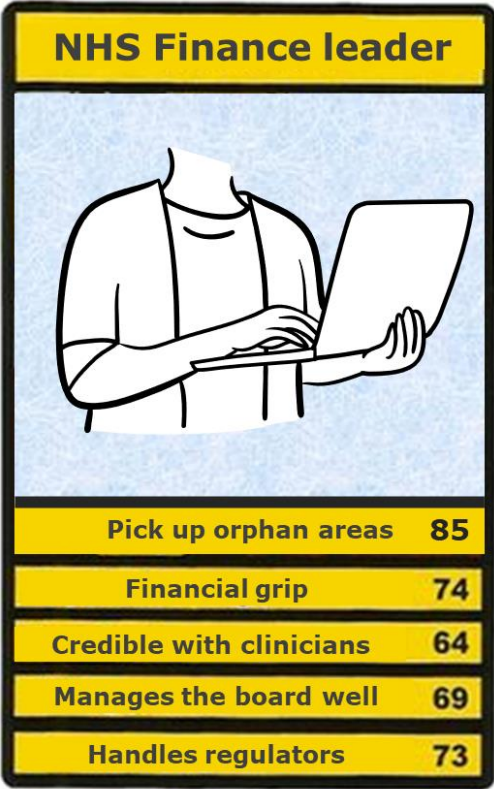
3. Lack of underlying belief and commitment to collaboration



4. Not enough capacity



5. Not enough support to develop right capability





6. The shifting sands of 'policyitis'





1

Have a sense of agency and subsidiarity

- Dragon's den without branding
- Bumble bee – shaped gadgets
- A system should only exist to do the things a system should do

Nicci Briggs, Leicester City CCG CFO



Make the most of the permissive environment

- Being aware that integrated working can be like 'two oceans coming together'
- Pool budgets to solve specific problems

Kathy Roe, Tameside & Glossup CFO



3 Focus on stewardship

- Focus on value and allocative efficiency
- Tactical action on moving from low-value activity to high-value activity
- Alongside bigger ticket thinking on shared pounds
- And ultimately a focus on what you leave behind

Sir Muir Gray

The Ritual Process

Victor W. Turner



“Liminality is a state of transition between one stage and the next, especially between major stages in one's life or during a rite of passage. ... In a general sense, liminality is an in-between period, typically marked by uncertainty.”

Clinical perspective

Dr Jess Sokolov

Medical Director System Improvement and
Professional Standards

NHSE/I Midlands

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Back to basics

- We are all in healthcare with the aim of delivering high quality, effective, safe and timely care to patients when they need it
- The system architecture we are developing is intended to make best use of resources in order to deliver that aim
- The move to ICSs is an opportunity to improve the way we work and therefore the way services are delivered – so we need to set up processes with the aim of delivering high quality care clearly at the forefront

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Experience from the Midlands

- My role is in part to support our 11 systems development, particularly around the Clinical and Care Professional Leadership element
- Established a clinical leads roundtable in the Midlands, been running for over a year, linking into all 11 systems
- In addition, 1:1 discussions with system leads monthly over the last year
- Gives a reasonable level of insight into issues/aspirations and plans



Previous issues – to be improved upon

- The finance : clinical divide – if what we are building for the future does not involve finance and clinical plans being interwoven and integral to each other, it's not built right. Systems need a consistent view of priorities/purpose/plans across finance, quality and service change
- Competing for resource – (*almost*) the tragedy of the commons... Spending so long debating what goes where that nothing happens
- Process that hinders rather than helps – where clinical and non clinical leads are agreed that x is a priority, or y is the improvement needed, a clear and timely process to enable that work

Pleas for the future

- Collaboration across leadership specialties.
- Consistency of approach and prioritisation.
- Enabling the change that supports sustainability as well as better service delivery.
- Clear, simple, navigable processes

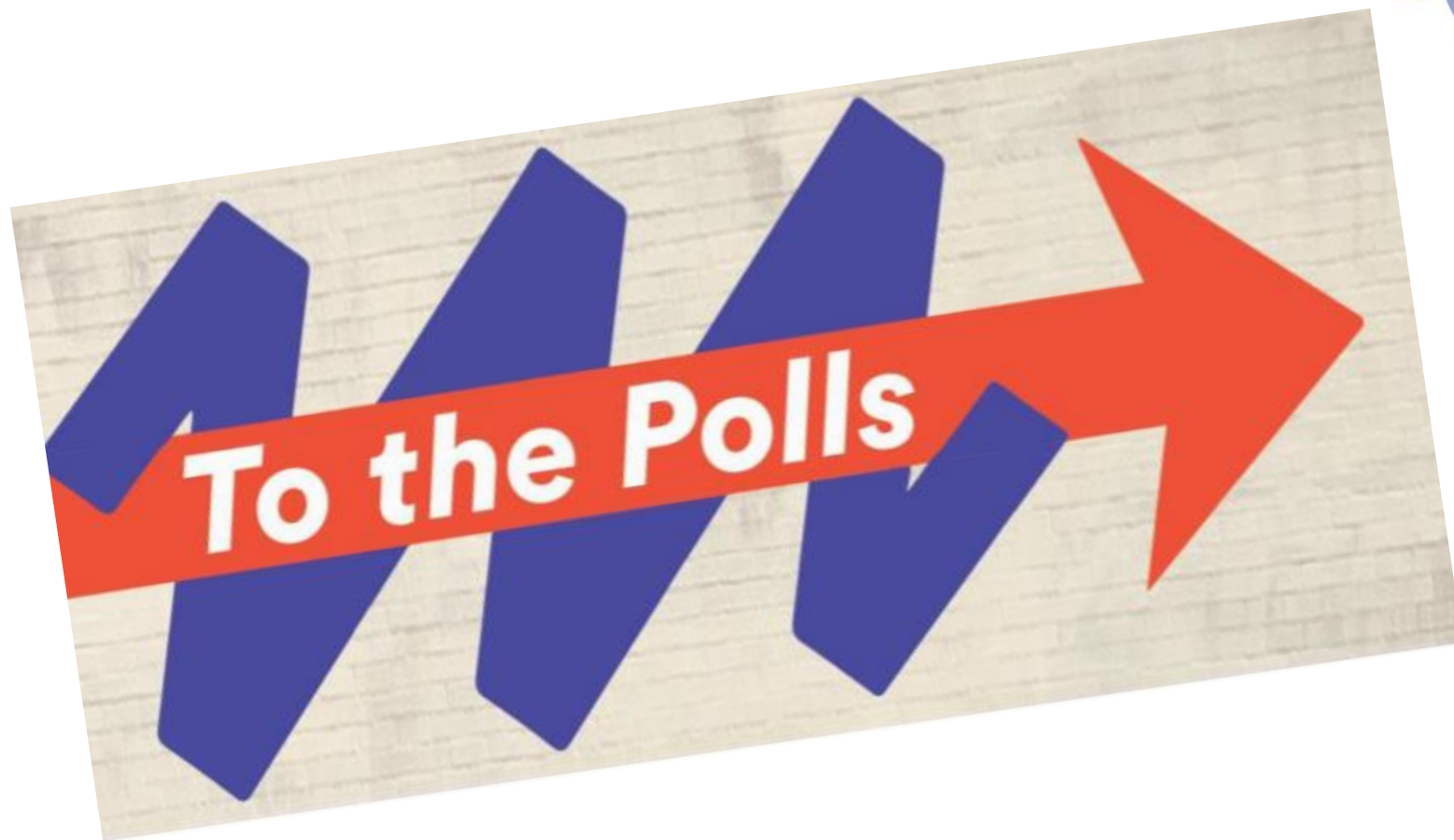
Any Questions?



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Poll 1

How much would you say this webinar has increased your understanding of delivering best value through system collaboration?





Poll 2

Has much would you say this ICS webinar met your expectations?

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A recording of the webinar, slides and resources will be shared on the Integrated Care Learning Network.

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[**integratedcare-manager@future.nhs.uk**](mailto:integratedcare-manager@future.nhs.uk)

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