

UNDERTAKINGS

NHS INTEGRATED CARE BOARD

Staffordshire and Stoke-on-Trent Integrated Care Board (“the ICB”)
Stafford Education & Enterprise Park
Weston Road
Stafford
ST18 0BF

DECISION

NHS England, on the basis of the grounds set out below and pursuant to its powers under the National Health Service Act 2006 as amended (NHS Act 2006 and Health and Care Act 2022), has decided to accept these undertakings from the ICB.

GROUNDINGS

NHS England has reasonable grounds to suspect that the ICB is failing or has failed to discharge one or more of its functions, or that there is a significant risk that it will fail to do so, in particular its functions under sections, 14Z33, 223L, and 223M NHS Act 2006.

1. Financial governance

1.1. In particular:

- 1.1.1. The financial performance and reported net financial risk of the Staffordshire and Stoke-on-Trent Integrated Care System (ICS) do not demonstrate financial sustainability as the ICS has reported a month 8 year to date deficit of £79.5m and a year-end forecast outturn deficit of £91.4m against a full year planned breakeven financial outturn. All of the ICS year to date deficit is reported by the Staffordshire and Stoke-on-Trent ICB reflecting overspends in commissioned services including continuing healthcare services and prescribing and the distribution of risk across the system.
- 1.1.2. In addition, since 1 July 2022, each integrated care board (including, in this case, the ICB) and its partner Trusts have been subject to a duty to seek to achieve joint financial objectives set by NHS England (s233L NHS Act 2006). Further, each integrated care board and its partner Trusts have a duty to act with a view to ensuring that their combined resource use does not exceed the capital and revenue resource limits set by NHS England (s233M NHS Act 2006). Each integrated care board must also exercise its functions effectively, efficiently, and economically (s14Z33 NHS Act 2006).
- 1.1.3. The Staffordshire and Stoke-on-Trent Integrated Care Board (ICB) is also showing significant risk to meeting duties to comply with ICB

expenditure limits and ensuring controls are in place on resource use. The ICB has reported significant deficits against planned primary care (including prescribing) and continuing healthcare budgets.

- 1.1.4. These issues pose ongoing concerns regarding the sustainability of Staffordshire and Stoke-on-Trent ICS's financial position and how quickly this can be resolved, and this is reflective of concerns regarding the extent to which the ICB is having regard to efficiency and sustainability when making decisions

NEED FOR ACTION

NHS England believes that the action which the ICB has undertaken to take pursuant to these undertakings, is action required to secure that the failures to comply with the relevant requirements do not continue or recur.

UNDERTAKINGS

NHS England has agreed to accept and the ICB has agreed to give the following undertakings.

2. Financial governance

2.1. Recovery Plan

2.1.1. The ICB will work with its partner NHS trusts and NHS foundation trusts (SSOT system providers) to develop a single Recovery Plan that brings together the ICB, Trusts and additional system wide recovery initiatives. It is likely to include but is not limited to:

2.1.1.1. Actions to address the key financial issues with a financial recovery plan which demonstrates the path to the delivery of a balanced underlying financial position for the system by no later than 31 March 2026.

2.1.1.2. Details of how the system will deploy sufficient resources to ensure implementation of the Recovery Plan.

2.1.1.3. A description of systems and processes the system will use to gain assurance on the delivery of the Recovery Plan with governance arrangements for approval and delivery of the Recovery Plan in line with PWC recommendations.

2.1.1.4. Establishing immediately necessary 'grip and control' actions (including trajectories for monthly improvement to enable effective monitoring), followed by transformational initiatives and options such as financially sustainable clinical services, clinical support services and corporate services. Timescales to be agreed with NHS England.

2.1.2. When developing the Recovery Plan, the ICB will, working with its system providers, engage effectively with key stakeholders and will ensure their views are reflected appropriately in the Recovery Plan.

2.1.3. The ICB will, working with its system providers, ensure that the system demonstrates to NHS England a period of successful implementation of the Recovery Plan and assurance of continued focus, capability and capacity to sustainably maintain financial recovery and deliver the Recovery Plan.

2.1.4. The ICB will, working with the system providers, keep the Recovery Plan under continuous review and will update it as required. Any proposed updates will be subject to the review and approval by NHS England.

2.1.5. The ICB will make reasonable efforts to provide whole system leadership, enabling and ensuring accountability for delivery of the Plan.

2.2. Financial Controls

- 2.2.1. Commit to recurrent delivery of efficiency schemes from quarter 1 2024/25 to achieve a full year effect in year to compensate for any non-recurrent measures required to achieve 23/24 plans.
- 2.2.2. Fully engage in national pay and non-pay savings initiatives, in particular around national agreements for medicines and other non-pay purchasing.
- 2.2.3. Monitoring of agency usage and compliance with usage and rate limits.
- 2.2.4. Any revenue consultancy spend above £50,000 and non-clinical agency usage continue to require prior approval from the NHS England regional team based on agreed regional process.
- 2.2.5. Robust financial controls and processes and reporting must be in place and overseen through appropriate financial governance procedures and a track record of identifying and addressing financial issues when they arise.
- 2.2.6. The ICB should be able to demonstrate internal capabilities around financial resource management (grip and control), and the effectiveness of these controls.

3. Programme management

- 3.1. The ICB will implement sufficient programme management and governance arrangements to enable delivery of these undertakings.
- 3.2. Such programme management and governance arrangements must enable the ICB board to:
 - 3.2.1 obtain clear oversight over the process in delivering these undertakings.
 - 3.2.2 obtain an understanding of the risks to the successful achievement of the undertakings and ensure appropriate mitigation; and
 - 3.2.3 hold individuals to account for the delivery of the undertakings.
- 3.3. The ICB will provide to NHS England direct access to its advisors, programme leads, and board members as needed in relation to matters covered by these undertakings.
- 3.4. The ICB will ensure it has sufficient capacity and capability to deliver the improvement plans referenced above. Where deemed by NHS England to be necessary, the ICB will obtain external support from sources and according to a scope and timescale to be agreed with NHS England.

4. Reporting

- 4.1. The ICB will provide regular reports demonstrating impact of actions and sustained improvements to NHS England on its progress in complying with the undertakings set out above and will attend meetings, or, if NHS England stipulates, conference calls, as required, to discuss its progress in meeting those undertakings.
- 4.2. These meetings will take place once a month unless NHS England otherwise stipulates, at a time and place to be specified by NHS England and with attendees specified by NHS England.
- 4.3. Upon request, the ICB will provide NHS England with the evidence, reports or other information relied on by its Board in relation to assessing its progress in delivering these undertakings.
- 4.4. The ICB will comply with any additional reporting or information requests made by NHS England.
- 4.5. The undertakings set out above are without prejudice to the requirement on the ICB to ensure that it meets its statutory duties.
- 4.6. Any failure to comply with the above undertakings may render the ICB liable to further formal action by NHS England. This could include directions given to the ICB under section 14Z61 of the NHS Act 2006.
- 4.7. Where NHS England is satisfied that the ICB has given inaccurate, misleading or incomplete information in relation to the undertakings: (i) NHS England may treat the ICB as having failed to comply with the undertakings; and (ii) if NHS England decides so to treat the ICB, NHS England must by notice revoke any compliance certificate given to the ICB in respect of compliance with the relevant undertakings.

5. THE INTEGRATED CARE BOARD

Signed



David Pearson

Chair

Staffordshire and Stoke-on-Trent Integrated Care Board



Peter Axon

Chief Executive

Dated: 2 April 2024

NHS ENGLAND

Signed



Rebecca Farmer

**Director of System Coordination and Oversight (West Midlands) and
member of the Regional Support Group (Midlands)**

Dated 1 May 2024

