

Written submission

The King's Fund submission to the Public Accounts Committee inquiry on progress in establishing integrated care systems in England

The King's Fund is an independent charitable organisation working to improve health and care in England.

We have long championed a population health approach and the development of integrated care to support the increasing number of people who access support from multiple health and care services. This evidence submission draws on our experience of working closely with local system leaders over several years to support integration and partnership-working, as well as our research on population health and integrated care in England and internationally.

Summary

- There is much to welcome in the introduction of integrated care systems (ICSs). However, they have taken up their formal role at a time of unparalleled operational challenges for health and care and making progress towards their objectives in this context will not be easy.
- To avoid setting up ICSs to fail, the asks of integrated care boards (ICBs) will need to be commensurate with their resources and starting points, and measures used to assess their performance should be balanced, proportionate and realistic. It is also important that ICSs are able to engage in realistic planning processes, and that these are not undermined by unrealistic efficiency assumptions (as happened in some systems when sustainability and transformation plans were first produced in 2016).
- ICSs cannot be expected to quickly overcome fundamental issues such as those caused by years of inadequate workforce planning or by chronic underinvestment, most notably in social care. They can certainly play their part, but while local measures should help, national action is sorely needed on these and other issues.

- Leaders from the NHS and local government have played a major part in shaping the development of ICSs to date, resulting in a high level of support of and commitment to the reforms. Going forward, it will be important for leaders in the national bodies to work alongside ICSs in ways that continue to support this, and to avoid undermining the sense of local ownership that underpins the partnership-working ICSs are attempting to nurture.
- Current pressures risk driving a narrow focus on acute sector waiting times at the expense of work to prioritise prevention, population health and reducing inequalities, and there are concerning indications that ICSs are already finding they have little resource to dedicate to this work. However, local systems will not be able to realise ambitions to put services on a more sustainable footing or support a healthier, more productive population if they do not give greater priority to prevention and population health.
- The integration taking place within local systems needs to be mirrored at the national level with NHS England working closely with the Office for Health Improvement and Disparities, the UK Health Security Agency, the Department for Levelling Up, Housing and Communities and others to join up initiatives that have the potential to improve health and wellbeing.

Introduction

The King's Fund welcomes the National Audit Office's recent report assessing the starting point for ICSs and the challenges and risks to their achieving their objectives. The King's Fund has strongly supported moves to better integrate care and improve population health over many years and has broadly supported the reforms introduced through the Health and Care Act 2022. However, we also recognise that these changes have been enacted at an incredibly challenging time and that making progress towards the objectives of ICSs in this context will not be easy. The National Audit Office report underlines the scale of these challenges and the significant risks to ICSs achieving the objectives that have been set for them.

1 Recognising the context ICSs are operating within

While there is much to welcome in the reforms, the context in which ICSs have taken on their new statutory duties is challenging in the extreme. The National Audit Office report starkly illustrates the scale of both the financial challenge facing the health and care system over the coming months and the workforce shortages that services are grappling with now (National Audit Office 2022). As the report rightly observes, there will also be significant variation in terms of how these challenges play out across different systems.

ICB leaders have launched straight from the task of establishing new organisations into dealing with some of the most difficult operational circumstances the NHS has ever faced. Despite this, in some of the more established systems where close partnership working has been developing over several years, we are seeing local partner organisations rise to the challenge and develop new solutions to these challenges, bringing together their combined resources to do so. However, where the people in post are newer and

relationships and trust are still being built, it will likely be harder for ICSs to have an impact in the short-term.

The problems the system is now facing have been long in the making. ICSs cannot be expected to quickly overcome fundamental issues such as those caused by years of inadequate workforce planning or by chronic underinvestment in social care. ICSs can certainly play their part by using resources differently and supporting the development of new models of care, but while such measures should help, national action is sorely needed on these and other issues.

In this context we welcome the National Audit Office's recommendations that the Department of Health and Social Care should publish as a matter of urgency the work already conducted by Health Education England and NHS England assessing future workforce needs and setting out how the NHS plans to grow and retain its workforce. Transparency on this issue is critical and we have previously argued there should be a requirement for the Department of Health and Social Care to publish workforce projections on a regular basis to assist with local planning. Crucially, national action needs to include a clear plan for the social care workforce, underlined by recent data indicating that the social care workforce has shrunk for the first time in a decade despite growing need (Skills for Care 2022).

2 Ensuring realistic asks of local systems

The risk of starting their life in the context of unparalleled operational challenges is that ICSs will not be given the chance to succeed. The ask of ICBs needs to be commensurate with their resources and they should not be considered to have 'failed' simply because they are assessed against unrealistic aspirations (concerningly, the fact that many ICSs are already off-trajectory on their financial plans suggests this may already be happening). In line with this, we support the National Audit Office's recommendation that NHS England should agree with ICBs what they can realistically deliver against each of their four core aims, taking account of each system's local context and priorities. Within this inquiry, it may be useful to explore with NHS England how they intend to take account of wider pressures facing the health and care system when assessing the progress and performance of individual ICSs.

National targets will play an important role in shaping the focus of ICSs and their constituent organisations, and it is important that these are realistic and achievable. No amount of performance management can make an impossible target achievable, and the risk seen repeatedly in recent years is that unrealistic targets lead to gaming, perverse incentives and a significant waste of time and effort. Setting realistic targets may mean taking account of the different starting points and challenges faced by different systems (as highlighted in the National Audit Office report) and the overall number of national targets should also be kept within a manageable limit to avoid crowding out local priorities that respond to local needs.

Connected to this, an important practical issue is the volume of data reports required by national bodies. In some cases, these are of questionable value particularly relative to the time required to compile them. Efforts should be made to minimise reporting

requirements, focusing on those things which are actually used and acted on. We therefore strongly support the National Audit Office's recommendation for NHS England to consider streamlining its reporting requests. Within the scope of this inquiry, it may be useful to explore what steps NHS England will be taking to ensure its data reporting requests are not placing a disproportionate burden on local systems and organisations.

3 Supporting the development of local system plans

It will be important for ICSs to be able to engage in realistic planning processes in terms of their financial and other resources, and how they intend to change and improve services. In the coming months, integrated care partnerships (ICPs) will be developing their 'integrated care strategy' and each ICB will prepare a five-year system plan. These plans are an important step in setting the agenda for ICSs, and there are potential risks if they are not approached in the right way.

When sustainability and transformation plans were developed in 2016, they were asked to show how they would live within the available NHS financial envelope, and the result was often unpalatable proposals for how that could be achieved including through efficiency measures and bed reductions that seemed unrealistic from the outset. Many of these proposals were never delivered, but nevertheless caused major setbacks to progress in some areas as local government and other partners disengaged and trust had to be rebuilt (Ham *et al* 2017, Kershaw *et al* 2018). There is a risk this pattern could be repeated if ICBs are given unrealistic asks around their five-year plans.

The NHS Long Term Plan refresh had been expected to be published over the autumn. This refresh could be helpful in clarifying national priorities ahead of ICBs preparing their local plans. Within this inquiry it may be useful to explore the current status and expectations around the plan given recent changes in government.

4 An enabling national operating environment

It is highly welcome that NHS England has made a clear national commitment to work with systems in an enabling, permissive way, including through changes to their operating framework (NHS England 2022).

The National Audit Office report (in particular, its survey of senior ICS staff) underlines the widely held support of and commitment to these reforms and their objectives among people working in the health and care system. Unlike previous reorganisations, the development of ICSs was led from within the NHS rather than being centrally imposed, and leaders from the NHS and local government played a major part in shaping the nature of the subsequent legislative changes in partnership with national leaders (Charles *et al* 2018; Ham 2022). This provides a strong foundation to make a success of the new ways of working being pursued through ICSs, as this will ultimately rest on the commitment of leaders and staff working in local systems.

Going forward, it will be important for leaders in the national bodies to work alongside ICSs in ways that continue to support this locally led approach. Within the scope of this inquiry, it may be useful to explore with leaders in the Department of Health and Social

Care and NHS England how they intend to work alongside ICS leaders, including how they plan to engage with them to understand progress, challenges and the support needed.

As ICSs mature over time, national and regional teams will need to evolve in terms of their composition and approach so that the support and accountability they provide matches the needs of the system (Ham 2022). The NHS has a long history of managing performance through top-down chains of command, but while this can be useful under specific circumstances, it is not the approach that will allow ICSs to flourish (Charles and Murray 2022). In our work with ICS leaders over recent months, we have found a mixed picture in terms of how relationships are developing between ICSs and national and regional teams in NHS England. Some ICS leaders have described a positive change of approach in which regional teams are now 'working with' rather than 'talking at' them. However, this does not appear to be consistent across England and we have encountered several reports of national and regional teams resorting to a high level of 'command and control' and prescription in their dealings with ICSs, as well as a tendency to go directly to acute trusts with performance management issues, bypassing ICBs and other local stakeholders.

Putting the locally permissive approach described into practice requires a more enabling, collaborative form of leadership from national and regional teams. This is a cultural change that will involve adapting behaviours and leadership styles, and the importance of supporting people practically to make these changes should not be underestimated (Timmins 2019).

5 Balancing system priorities

A further risk associated with current pressures is that these may drive a narrow focus on the acute sector and short-term measures to drive down waiting times at the expense of other important priorities. The aims set for ICSs underline the importance of focusing on prevention, population health and inequalities and the case for this is well-known (see, for example, Wanless 2002, Buck *et al* 2018). However, there are worrying indications in the National Audit Office report that ICSs are already finding they have little resource to dedicate to this work.

Local systems will not be able to realise their ambitions around changing patterns of demand and supporting a healthier, more productive population if they do not give greater priority to prevention and population health. Moreover, action to reduce inequalities and improve population health, and investment in and transformation of community, primary and social care are likely to be important elements of putting the acute sector back on a sustainable footing. National bodies need to be aware of the risk of crowding out these opportunities if there is highly directive performance management of short-term targets focused on the acute sector. Instead, ICSs need to be given room to balance their priorities across different areas, giving commensurate attention to issues in acute, community, mental health, primary and social care, and to work on prevention and population health.

We support the National Audit Office's recommendation to establish transparent cross-government arrangements to tackle the drivers of poor health outcomes. The King's Fund

has previously argued that the integration taking place within local systems needs to be mirrored at the national level with NHS England working closely with the Office for Health Improvement and Disparities, the UK Health Security Agency, the Department for Levelling Up, Housing and Communities and others to join up initiatives that have the potential to improve health and wellbeing. This should also include following through on existing policy commitments on health that depend on cross-government action such as the promised health disparities white paper and obesity policy.

Finally, evidence from previous attempts to integrate care indicates that these changes will take time to deliver results. Local and national leaders will therefore need to make a long-term commitment to the development of ICSs and avoid the past mistake of moving swiftly to the next reorganisation if desired outcomes are not rapidly achieved.

The King's Fund
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