

NHS Bristol, North Somerset and South Gloucestershire Integrated Care Board

Auditor's Annual Report for the
year ended 31 March 2024

28 June 2024



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We are required under Section 21(2A)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Integrated Care Board has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Integrated Care Board's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction



Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for NHS Bristol, North Somerset and South Gloucestershire Integrated Care Board (the ICB) during 2023/24 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. Here we draw the reader's attention to relevant issues, recommendations arising from our work and how the ICB has responded to recommendations made in previous years. The responsibilities of the ICB are set out in Appendix A.

Responsibilities of the appointed auditor

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Integrated Care Board as at 31 March 2024 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023/24, and
- have been prepared in accordance with the requirements of the National Health Service Act 2006, as amended by the Health and Care Act 2022

We also consider the Annual Governance Statement, the relevant disclosures within the Annual Report including the remuneration report and undertake work relating to the Whole of Government consolidation exercise.

Value for money

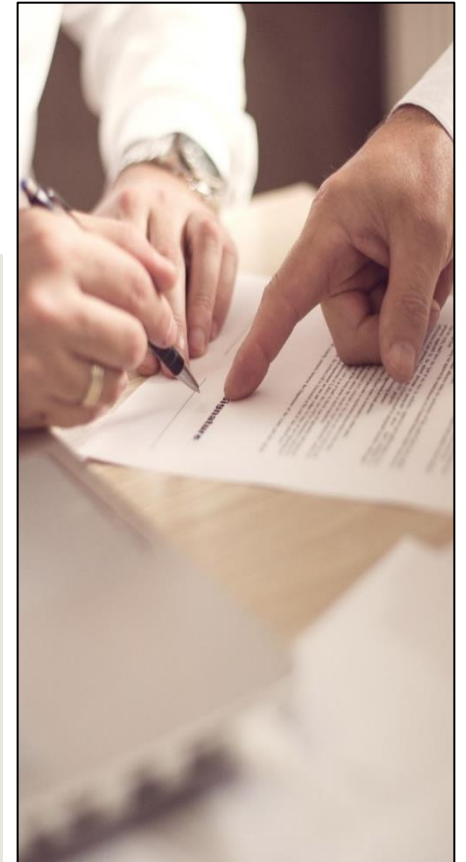
We report our judgements on whether the Integrated Care Board has proper arrangements in place regarding arrangements under the three specified criteria:

- financial sustainability
- governance
- Improving economy, efficiency and effectiveness

Other powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of an NHS body has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State. They may also issue:

- A referral to the Secretary of State for Health and Social Care regarding a breach in regulations
- Statutory written recommendations to the Integrated Care Board which they must consider publicly.
- A Public Interest Report (PIR)



The Value for Money Auditor responsibilities are set out in Appendix B.

Executive summary



Executive summary

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Integrated Care Board has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas as set out below.



Financial sustainability

The ICB and wider system (ICS) has sound financial planning arrangements, underpinned by mature and constructive relationships. The ICB and the provider trusts were all able to achieve financial balance in 2023/24, but this was dependent on non recurrent items. This means that the underlying system-wide deficit has increased to £140.2m compared to a planned £98m. For 2024/25, the system plans to deliver £101.4m of recurrent savings – double the level achieved in 2023/24. The ICB share of this is £33m. Whilst Cost Improvement Plans (CIPS) are reasonably well developed, the ICB needs to build on the existing strong system-wide arrangements and relationships to work with provider trusts to ensure that CIPS are delivered in full on a recurrent basis and we have identified this as an improvement opportunity.



Governance

Our financial statements work identified that the agreements reviewed as part of the audit did not consistently have sufficiently robust governance arrangements in place when making grants to external bodies. It does not have appropriate oversight over the decision making process or to ensure that funding awarded is spent as intended. This represents a significant weakness and we have raised a key recommendation.

The ICB has revised its Risk Management Framework during the year and this now excludes a Board Assurance Framework (BAF). Strategic Risks are reported to the ICB Board, but there is scope for the arrangements to be further enhanced by linking to strategic objectives and identifying and mapping the key sources of assurance within the organisation that supports its assessment on governance, risk management and control processes for the ICB as a whole, in order to support delivery of the strategic objectives. The ICB has appropriate arrangements in place for internal audit, counter fraud, informed decision making and ensuring it complies with legislative and regulatory standards.

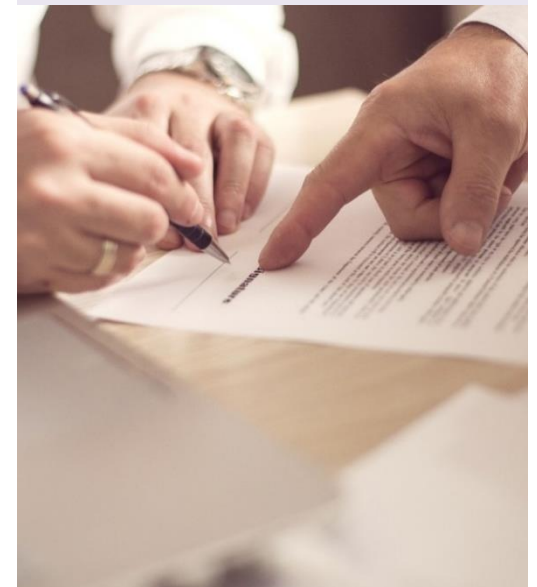


Improving economy, efficiency and effectiveness

The ICB has appropriate arrangements in place to report Quality and Performance to Board. However, reports do not explain what corrective action is being taken for missed targets and our prior year recommendation is carried forward. There is also an opportunity to report progress against the metrics set out in the Joint Forward Plan, and we have raised an improvement opportunity. The ICB has appropriate arrangements in place for ensuring recommendations arising from local and national inspections are progressed.



We have completed our audit of your financial statements and issued an unqualified audit opinion on 28 June 2024. Our findings are set out in further detail on pages 9 and 10.



Executive summary (continued)



Overall summary of our Value for Money assessment of the Integrated Care Board's arrangements

Criteria	2023/24 Risk assessment	2023/24 Auditor judgement on arrangements	2022/23 Auditor judgement on arrangements
Financial sustainability	We will review the arrangements the ICB has in place to work across the system to ensure that the whole system achieves financial balance and is sustainable. This will include the work the ICB does with other bodies to both support and challenge their financial plans and to ensure that, across the system, savings plans are realistic and achievable.	A No significant weaknesses in arrangements identified, but one improvement opportunity identified to support the ICB in building on the existing strong system-wide arrangements and relationships to work with provider trusts to ensure that Cost Improvement Plans are delivered in full on a recurrent basis. Both prior year improvement recommendation have been partly addressed and are carried forward.	A No significant weaknesses in arrangements identified, but two improvement recommendations made to support the ICB in improving arrangements for working across the system to ensure a financial balanced position without the need for recurrent items.
Governance	No risks of significant weakness identified	R One significant weakness in governance arrangements when making grants to external bodies identified and a key recommendation raised. One improvement opportunity identified to support the ICB in strengthening its risk management arrangements to provide assurances to Board on risks impacting delivery of its strategic objectives. All three prior year improvement recommendations have been addressed.	A No significant weaknesses in arrangements identified, but two improvement recommendations made to support the ICB in improving arrangements for ensuring stakeholders are involved in decisions affecting them and that the latest policies are publicly available. We have made one further recommendation in respect of clinical governance.
Improving economy, efficiency and effectiveness	We will review the arrangements in place around workforce planning and oversight of commissioned services.	A No significant weaknesses in arrangements identified, but one improvement opportunity identified to support the ICB in improving arrangements for reporting progress against the Joint Forward Plan. Both prior year improvement recommendation have been partly addressed and are carried forward.	A No significant weaknesses in arrangements identified, but two improvement recommendations made to support the ICB in improving arrangements for performance and health inequalities progress reporting.

G No significant weaknesses in arrangements identified or improvement recommendation made.

A No significant weaknesses in arrangements identified, but improvement recommendations made.

R Significant weaknesses in arrangements identified and key recommendations made.

Executive summary (continued)



Significant weakness identified in Governance

We reviewed the ICB's arrangements for how it ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from the Audit and Risk Committee.

Ensuring properly informed decisions

Whilst awarding some grants to external organisations to support in the delivery of the ICB and system objectives the ICB is acting within NHS guidance, and using local organisations to support objectives is appropriate, however our work has identified through review of a few specific grant payments, that the ICB does not consistently have sufficiently robust governance arrangements in place. As part of our 2023/24 financial statements audit we found that, in awarding a grant of £3m in mid March 2024, the ICB did not use the appropriate NHS national template and the ICB has not been able to provide sufficient evidence of oversight of the expenditure against other grants previously made, including through appropriate Committees.

We also note that a grant awarded in the previous financial year was returned to the ICB, unspent, by the grant recipient, but that the ICB itself was not aware that the funding had not been spent and would be returned.

While we recognise the ICB's action to involve the third sector, this action with limited governance arrangements puts public money at risk. There is also a further risk that the ICB and system objectives are not achieved as planned when oversight is not present. We have therefore identified this as a significant weakness in arrangements and raised a key recommendation.

Key recommendation

R1. To ensure that the ICB has appropriate approval and oversight arrangements in place when awarding grants to all external bodies, thereby providing assurance that public money is spent in accordance with the intended purposes, the ICB needs to:

- ensure that it uses the appropriate national NHS template agreement;
- monitor expenditure against grants, requiring recipients to provide supporting evidence;
- maintain a grant register; and
- ensure senior officer and appropriate Committee oversight and that this is documented.

Opinion on the financial statements and use of auditor's powers



Opinion on the financial statements



Audit opinion on the financial statements

We issued an unqualified opinion on the ICB's financial statements on 28 June 2024.

The full opinion will be included in the ICB's Annual Report for 2023/24, which can be obtained from the ICB's website.

Grant Thornton provides an independent opinion on whether the ICB's financial statements:

- give a true and fair view of the financial position of the ICB as at 31 March 2024 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023/24, and
- have been prepared in accordance with the requirements of the National Health Service Act 2006, as amended by the Health and Care Act 2022

We conducted our audit in accordance with:

- International Standards on Auditing (UK)
- the Code of Audit Practice (2020) published by the National Audit Office, and
- applicable law

We are independent of the ICB in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The ICB provided draft accounts in line with the national deadline.

Draft financial statements were of a reasonable standard and supported by detailed working papers.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report.

Key findings include:

- 1 adjustment to the statement of net comprehensive income.
- A small number of unadjusted misstatements, which remain unadjusted due to their immateriality
- A small number of presentational amendments, which were adjusted for by the ICB.

A final version of our report was presented to the ICB's Audit and Risk Committee on 25 June 2024. Requests for this Audit Findings Report should be directed to the ICB.



Other reporting requirements and use of auditor's powers



Remuneration and Staff Report

Under the Code of Audit Practice (2020) published by the National Audit Office, we are required to audit specified parts of the Remuneration and Staff Report included in the ICB's Annual Report for 2023/24. These specified parts of the Remuneration and Staff Report have been properly prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2023-24.

Annual Governance Statement

Under the Code of Audit Practice (2020) published by the National Audit Office, we are required to consider whether the Annual Governance Statement included in the ICB's Annual Report for 2023/24 does not comply with the guidance issued by NHS England, or is misleading or inconsistent with the information of which we are aware from our audit. We have nothing to report in this regard.

Annual Report

Under the Code of Audit Practice (2020) published by the National Audit Office, we are required to consider whether, based on the work undertaken in the course of the audit of the ICB's financial statements for 2023/24, the other information published together with the financial statements in the ICB's Annual Report for 2023/24 is consistent with the financial statements. We have nothing to report in this regard.

Whole of Government Accounts

To support the audit of Consolidated NHS Provider Accounts, the Department of Health and Social Care group accounts, and the Whole of Government Accounts, we are required to examine and report on the consistency of the ICB's consolidation schedules with their audited financial statements. This work includes performing specified procedures under group audit instructions issued by the National Audit Office. Our work did not identify any significant issues.

We bring the following matters to your attention:

Referrals to the Secretary of State

In all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions in the financial statements conform to the authorities which govern them.

We did not issue a section 30 referral to the Secretary of State for Health and Social Care regarding the ICB's break even duty. We do not consider that any unlawful expenditure has been made or planned for.

Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body.

We did not issue any statutory recommendations to the ICB in 2023/24.

Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a report in the Public Interest with regard to arrangements at Bristol, North Somerset and South Gloucestershire ICB for 2023/24.

Value for Money Commentary on arrangements



The current NHS landscape



National context

In 2023/24, the NHS has continued to show commitment to patient care and service delivery. Advancements in digital health technologies including virtual wards have the potential to support service redesign, reduce waiting times, and improve patient outcomes. Data published by NHS England in April 2024 indicates that performance against key metrics for elective waiting times, diagnostic tests access, and A&E 4 hour waits all improved year on year, though performance is still some way from target. These achievements demonstrate the resilience and adaptability of NHS staff amidst ongoing pressures.

Integrated Care Systems, established on 1st July 2022, remain at varying stages of maturity. Some systems have developed changes to patient pathways designed to improve outcomes, create efficiencies, tailor services to the needs of their local population and address local health inequalities. Most systems continue to face significant challenges, including workforce shortages, rising demand for healthcare services, and efficient resource management, all resulting in financial sustainability uncertainties.

Pay and productivity remain key challenges nationally. Staffing numbers have increased significantly since 2019/20 with staff costs now exceeding the funding available in many systems, exacerbated by industrial action costs. At the same time, activity growth has not kept pace, leaving a “productivity gap” that is not yet fully understood. This is further hampered by staff absences and pressures in social care staffing. NHS England has requested that all systems formally review the workforce increases seen over recent years. Many NHS bodies are already recognising an urgent need to manage down their temporary and agency staff costs, and recruit and retain the substantive staff they need to deliver services. There also needs to be a continued focus on quality and ensuring system governance is sound. Learning from public inquiry reports and maintaining high standards of behaviour is key to improving patient safety and building public trust.

These challenges are likely to make 2024/25 another challenging year for all local health services. However, the NHS is focusing on the recovery of core services through continuous improvement in access, quality, and productivity whilst transforming the way care is delivered and creating stronger foundations for the future.

The current NHS landscape



Local context

Bristol, North Somerset and South Gloucestershire is home to about 1.1 million people and the diverse population has varied health needs. The numbers of people aged between 15 and 24 years old and people over the age of 60 years are growing, and the population predicted to increase most significantly over the next 25 years is those aged 85 and over. There are significant pockets of deprivation across Bristol, North Somerset and South Gloucestershire, with around one in ten people living in a deprived area. Average life expectancy varies between those living in the most and least deprived areas by around six years, with some places seeing a 15-year difference.

The system financial deficit at the start of 2023/24 was £112.3m, with a plan to reduce this to £98m at year end. Use of non-recurrent items to achieve breakeven across the system and each NHS body, plus additional cost in some areas, meant that the deficit increased to £140.2m. The system-wide Medium Term Financial Plan envisages the deficit being eliminated by 2027/28.

Key achievements in 2023/24 include:

- Achieved delivery of a break-even position in line with the financial plan, at both system, and constituent NHS partner organisations, leading to the write off of £117m cumulative historic debt, and securing an additional £2.5m of capital funding into the system in 2024/25.
- Delivered continued improvements in elective recovery trajectories despite the challenge of significant industrial action.
- Delivered a capital expenditure plan of £111.7m, including new investments of £12.1m related to the elective care centre, £5.1m in Urgent & Emergency Care capacity, £3.4m in front-line digitisation, and £7m in Mental Health & Learning Disabilities in both capacity and safety improvements.
- Improved Category 2 ambulance response times by 44% in BNSSG, reducing from 54 minutes in 2022/23 to 30.2 minutes in 2023/24 and delivered a significant improvement in A&E 4 hour wait performance. However, performance in both of these areas is still slightly worse than the national targets and the ICB is maintaining focus in these areas.

It is within this context that we set out our commentary on the ICB's value for money arrangements in 2023/24 and make recommendations where any significant weaknesses or improvement opportunities in arrangements have been identified to support management in 2024/25.

Financial sustainability



We considered how the ICB:

Commentary on arrangements

Assessment

<p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>The ICB and wider system (ICS) has sound financial planning processes in place, underpinned by a Medium Term Financial Plan (MTFP) which was approved in September 2023 and runs until 2027/28. The MTFP shows how the underlying system deficit will be eliminated, including an analysis by each organisation. The plan includes investments to meet local and national priorities and expected pressures. Both the ICB (£8k surplus) and ICS (£74k surplus) achieved financial breakeven in 2023/24, with all provider trusts reporting a small surplus. However, the need to rely on non-recurrent measures meant that the ICS underlying deficit is now £140.2m compared to a plan of £98m. The ICS recognises the need to move to recurrent balance. For 2024/25 the system will need to deliver £101.4m recurrent savings - double the level achieved in 2023/24. Two prior year improvement recommendations have been partly addressed and are carried forward.</p>	<p>A</p>
<p>plans to bridge its funding gaps and identify achievable savings</p>	<p>Through the system-wide Medium Term Financial Plan the ICB has been able to develop efficiency programmes which were planned to generate £12.5m savings in 2023/24. It has identified further savings through the life of the Plan, but recognises that some schemes needed further development. The ICB oversees system wide efficiencies and works positively with providers to mitigate and address challenges. In 2024/25 the ICB anticipates that it and the ICS will achieve financial balance through benefits realisation and cost rationalisation and is aware of the key areas for focus. The final financial plan for 2024/25 shows ICB efficiencies of £33m, all of which is recurrent, and none of which is "Unidentified", with £21.6m being "Fully Developed". The provider recurrent efficiency is £64.4m, plus non-recurrent of £15.2m, totalling £79.6m, of which £5.0m is "unidentified". The system position is therefore total efficiencies of £101.4m, of which £86.2m is recurrent and £15.2m non-recurrent, with only £5.0m not being identified. Owing to the worsening of the underlying deficit and increased financial challenge in 2024/25 and reliance on non-recurrent funding we have made an improvement recommendation.</p>	<p>A</p>

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Financial sustainability



We considered how the ICB:

Commentary on arrangements

Assessment

plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The ICB is effective in working with providers to ensure that services are sustainable. This includes engaging with NHSE to use appropriate tools (Getting It Right First Time) and the local Acute Provider Collaborative, both of which are reported to Board. The ICB has led the system approach to planning, ensuring a joined-up approach which recognises the financial and performance challenges and links budget setting to strategic and NHSE priorities. The ICB recognises the need to address the underlying system financial deficit which is expected to be £145.9m at the start of 2024/25, £47.9m adverse to the MTFP.	G
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	The ICB has appropriate arrangements in place to ensure that its financial plan is consistent with other plans including workforce, capital, investment, and other operational planning. The ICB works in a mature and constructive way across the ICS. This includes working with providers to ensure an appropriate workforce is in place and bringing forward system changes to address the challenge of increasing co-morbidities and the associated cost of care.	G
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	The ICB has appropriate arrangements in place to identify and manage financial risks, with appropriate reporting to Committees and Trust Board. The MTFP clearly sets out the impact of different scenarios, for example, a 1% unfunded inflation pressure would have a £30m impact on the ICS.	G

G No significant weaknesses in arrangements identified or improvement recommendation made.

A No significant weaknesses in arrangements identified, but improvement recommendations made.

R Significant weaknesses in arrangements identified and key recommendations made.

Financial sustainability



2023/24 Outturn performance

ICB financial and efficiency performance

The ICB met its target to achieve breakeven. Its outturn position was a surplus of £0.008m.

System financial and efficiency performance

The National Health Service Act 2006, as amended by the Health and Care Act 2022, sets out the statutory financial duties of NHS England, ICBs, NHS foundation trusts and NHS trusts. ICBs have a statutory duty to contain system expenditure within the limits directed by NHS England and work with NHS partners to deliver financial balance at a system level.

The system as a whole delivered a breakeven position. This was attributable to each of the provider Trusts delivering a surplus, totalling £0.066m. Each trust was dependent on non-recurrent income, some of which was to compensate for the additional costs and reduced income arising from the impact of industrial action during the year.

2023/24 Outturn position				
		Plan	Actual	Variance
Financial position	ICB	£0m	£0.008m	£0.008m
	Providers	£0m	£0.066m	£0.066m
	Total	£0m	£0.074m	£0.074m
Efficiency targets	ICB	£22.035m	£26.651m	£4.526m
	Providers	£62.250m	£43.436m	(£18.814m)
	Total	£84.285m	£69.997m	(£14.288m)

2024/25 financial plan

ICB financial plan and efficiency targets

The ICB plans to breakeven in 2024/25. In order to do this it will need to deliver an efficiency target of £33.0m. This represents 1.6% of its revenue and is a 24% increase on what was delivered in 2023/24 (£26.651m). We consider that efficiency savings of this scale are deliverable based upon the ICB's arrangements in place.

System financial plan and efficiency targets

The wider system plan is to deliver a breakeven position. To do this however provider Trusts will each have to breakeven, as they did in 2023/24. Provider efficiency targets total £79.6m. We have considered this in more detail on the next page and raised an improvement recommendation.

2024/25 financial plan				
		Plan	High risk	High risk
Financial plan	ICB	£0m		
	Providers	£0m		
	Total	£0m		
Efficiency targets	ICB	£33.0m	£6.5m	20%
	Providers	£79.6m	£23.9m	30%
	ICB impact on Providers	(£11.2m)	N/A	N/A
	Total	£101.4m	£30.4m	30%

Financial sustainability



Areas for improvement

The ICB and wider system achieved financial breakeven in 2023/24, but this was dependent on non-recurring items. The underlying deficit and financial challenge for 2024/25 has therefore increased. For 2024/25 the system is forecasting that it will breakeven, but has to achieve £101.4m efficiencies, £86.2m of which is recurrent, with the planned use of £15.2m non-recurrent efficiencies. The use of non-recurrent items to achieve financial balance is not sustainable.

Improvement opportunity 1 – The ICB needs to ensure that the financial plan submitted to NHSE in May 2024 is delivered and that it works with provider trusts to deliver financial balance on a recurrent basis. This should include working with provider trusts to build on the existing strong relationships to ensure that provider trusts deliver their planned Cost Improvement Plans (CIPs) in full on a recurrent basis.

Ongoing Prior Year Improvement Recommendations

In our prior year report we made two improvement recommendations to support the ICB in improving arrangements for working across the system to ensure a financial balanced position without the need for non-recurrent items. One recommendation related to the system deficit and the other to workforce issues, including agency staff use. Both of these recommendations have been addressed in part, and are carried forward. Please see Appendix C.



Cost Improvement Plans

- CIPs are individual trusts' efficiency targets, which are reported to NHS England and aggregated up to give a national figure
- The efficiency targets are set at the beginning of the financial year based upon the expected costs set against the projected income for each trust
- CIPs can be delivered from reducing costs or improving productivity
- CIPs can also be recurrent (delivered every year going forward), or non-recurrent (made in one year but incurred in the following year)
- They can also be cash releasing or non-cash releasing
- Over the past decade, Trusts have never delivered more than 5% on average
- The danger of a national efficiency assumption historically is that it has been treated as the 'balancing item' against the overall financial allocation for the service

Governance – commentary on arrangements



We considered how the Integrated Care Board:

Commentary on arrangements

Assessment

<p>monitors and assesses risk and how the Integrated Care Board gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p>	<p>The ICB has a revised Risk Management Framework that details procedures for managing risks and maintaining risk registers. Significant risks are communicated to the ICB Board in the ICS Risk Register. However, the absence of the Board Assurance Framework (BAF) and removal of most references in the Risk Management Framework suggests potential governance gaps in managing strategic risks, raising concerns about transparency and thoroughness. We have identified this as an improvement opportunity. RSM UK provides comprehensive Internal Audit Services, covering clinical and non-clinical areas, and delivers annual assurance to the Board. Additionally, a dedicated Local Counter Fraud Specialist (LCFS) focuses on preventive and detective measures against fraud, reporting directly to the Audit Committee and regularly updating on fraud investigations.</p>	<p style="text-align: center; background-color: #FFD700;">A</p>
<p>approaches and carries out its annual budget setting process</p>	<p>The ICB has appropriate annual budget setting arrangements in place, both internally and across the system. The ICB has progressed the improvement areas identified through completion of the HFMA financial sustainability checklist in 2022/23 - Of the 35 actions, 29 have been completed, 5 in progress and 1 outstanding. Remaining actions are clearly set out in reports to the Audit & Risk Committee. None of the incomplete recommendations relate to budget setting. The ICB also ensures early engagement with system partners to align financial plans and budgets to strategic and NHSE priorities.</p>	<p style="text-align: center; background-color: #90EE90;">G</p>

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Governance – commentary on arrangements continued



We considered how the Integrated Care Board:

Commentary on arrangements

Assessment

<p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>The budget monitoring report provides a clear summary of the ICB and the System's financial position to the Board. Sufficient evidence has been included to evidence the financial and non-financial performance with variances explained largely as a result of industrial action. Other cost pressures to further explain any other reasons for current and potential future variances would be beneficial.</p>	<p>G</p>
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>The ICB does not consistently have appropriate arrangements in place when awarding grants to external bodies and in ensuring that they are spent on the purposes intended. This represents a significant weakness in arrangements and we have raised a key recommendation. The ICB ensures informed decisions by holding structured meetings with detailed updates and evidence. Clear agendas distinguish decision items, fostering focused discussions. Transparency is upheld through shared minutes, that document challenge. This framework supports the development of well-informed decisions open to scrutiny. The CEO's report reflects a healthy tone from the top.</p>	<p>R</p>
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour</p>	<p>The ICB ensures compliance with legislative and regulatory standards with clear procedures for officer and member conduct, ensuring transparency and accountability. Detailed reporting mechanisms enable the ICB to monitor and manage compliance effectively. This system ensures that all activities are conducted in line with established legal and ethical standards, including waivers of normal tendering arrangements when required. The ICB manages conflicts of interest, with specific policies to ensure that all declarations are properly reported to ensure that it meets legislative and regulatory standards where it procures or commissions services.</p>	<p>G</p>

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

Governance



Areas for improvement

The July 2022 version of the ICB's Risk Management Framework explicitly documented the Board Assurance Framework (BAF) as a vital component in supporting effective risk management and assurance to the Board, with regular reviews scheduled within the governance structure. A revised version of this framework was presented to the December 2023 Audit & Risk Committee and subsequently to the ICB Board in February 2024. The revised version contained minimal references to a BAF indicating its removal from the arrangements.

The March 2024 Board minutes of the December Audit & Risk Committee meeting make no mention of the removal of BAF references from the revised Risk Management Framework document. However, despite these updates and the significance of the removal of references to the BAF, there appears to be no mention of the removal or agreement to dispense with a BAF within these discussions. Given the BAF's critical role in NHS governance for effective oversight and risk management, we recommend that any changes involving its removal be explicitly highlighted, documented and approved by the Board, and have identified an improvement opportunity.

The ICB Board receives risk registers on both strategic and operational risks. The distinction between strategic and operational risks in the risk registers presented to the ICB Board shows that while both categories are addressed, they are handled with different levels of detail and structural approach compared to a traditional BAF. The format used in the risk registers lacks some of the detailed assurance mechanisms typically seen in a BAF. For example, in a BAF, each strategic risk is linked to specific objectives of the organisation, with clear metrics for assurance and control effectiveness, gaps in controls, and detailed mitigation actions. While the ICB's risk registers categorise and provide some level of detail on strategic and operational risks, they do not incorporate the structured assurance and control effectiveness evaluations found in a BAF. This could potentially limit the Board's ability to fully assess the adequacy of risk management practices against the organisation's strategic goals. We recognise that the ICB has taken a Board level decision not to have a BAF. However, there is scope to further develop risk management arrangements to incorporate some of the attributes of a BAF.

This could include aligning risk management with strategic objectives to enhance governance and accountability. This would support the risk registers maintained by the ICB in fulfilling the comprehensive oversight function provided by a BAF which provides strategic risk alignment, governance integrity, and accountability oversight. We have identified this as an improvement opportunity.

Improvement opportunity 2 – The ICB should:

- Obtain explicit documented discussion and approval from the Board for the removal or alteration of the Board Assurance Framework (BAF) from the risk management framework considering a BAF is widely recommended within the NHS framework for effective oversight and risk management.
- Further develop risk management arrangements to align risk registers with strategic goals with clear metrics for assurance and control effectiveness, gaps in controls, and detailed mitigation actions.



Board Assurance Frameworks (BAFs)

Distinguishing between the BAF and risk registers, the former provides consolidated assurance on risk management, control, and governance processes to the Board, while the latter are operational tools for detailed risk tracking and management. While NHS Trusts have been mandated to maintain a BAF since 2001, the 2023 "Primary Care Commissioning Assurance Framework" from NHS England does not explicitly require ICBs to maintain a BAF. However, ICBs are generally expected to have a BAF as part of good governance practices within the NHS. The BAF ensures strategic risks are effectively identified, assessed, managed, and monitored, aligning closely with NHS governance requirements and demonstrating fulfilment of statutory duties, particularly regarding patient safety, quality of care, and financial management. Though not legally mandated, the use of a BAF is widely recommended within the NHS framework for effective oversight and risk management.

Improving economy, efficiency and effectiveness – commentary on arrangements



We considered how the Integrated Care Board:

Commentary on arrangements

Assessment

<p>uses financial and performance information to assess performance to identify areas for improvement</p>	<p>The ICB reports Quality and Performance to each Board. There are a number of indicators that have consistently missed the target throughout the year. These include 4 hour A&E waits, 12 hours A&E breaches, 18 week RTT target, and several cancer targets. Reports do not explain what corrective action is being taken with partners to address underperforming areas, and our prior year improvement recommendations are carried forward.</p> <p>The ICB performance reports show appropriate use of benchmarking across the South West. Identification of areas for improvement is supported through the Getting It Right First Time (GIRFT) process and a Pan-South Collaborative.</p>	<p>A</p>
<p>evaluates the services it provides to assess performance and identify areas for improvement</p>	<p>The ICB has sound governance arrangements for ensuring recommendations arising from inspections are progressed and reported. For example, Local Maternity and Neonatal System reports are regularly presented to Board, setting out the position at both of the two trusts providing maternity services, including progress on implementing recommendations arising from the national Ockenden and Kirkup reports, as well as local CQC inspections. The ICB also has appropriate arrangements in place to work with trusts on their National Oversight Framework (NOF) assessment.</p>	<p>G</p>

G No significant weaknesses in arrangements identified or improvement recommendation made.

A No significant weaknesses in arrangements identified, but improvement recommendations made.

R Significant weaknesses in arrangements identified and key recommendations made.

Improving economy, efficiency and effectiveness – commentary on arrangements



We considered how the Integrated Care Board:

Commentary on arrangements

Assessment

<p>ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives</p>	<p>The Joint Forward Plan agreed in June 2023 sets out the key priorities for the ICB and ICS. There are 21 outcomes across five "Domains" - population, services, staff, communities and environment, with detailed metrics relating to the 21 outcomes covering different areas. There are a number of Committees and Groups who monitor delivery, for example, the Community Health & Care Improvement Group. Reporting is by exception with minutes clearly showing discussion of more challenging areas. Reporting can be escalated to Board as required. However, the Performance Report and minutes of the Outcomes, Quality & Performance Committee, which are both presented to each Board meeting, do not clearly show delivery against the outcomes and aims. This is an improvement opportunity.</p>	<p>A</p>
<p>commissions or procures services, assessing whether it is realising the expected benefits</p>	<p>The ICB has appropriate commissioning and procurement arrangements in place. Where there are challenges to the procurement process the ICB ensures that lessons are learnt, including setting out areas for improvement in Board reports. From April 2023 the ICB has been responsible for pharmaceutical, general ophthalmic services and dentistry (POD) services and ensured that its internal arrangements were amended to ensure oversight of this, including key risks to service delivery.</p> <p>The system works with the Bristol and Weston Purchasing Consortium to procure goods and services on a system wide basis in order to drive efficiencies.</p>	<p>G</p>

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

Improving economy, efficiency and effectiveness – continued



Areas for improvement

Following appropriate consultation, the BNSSG Joint Forward Plan was agreed in June 2023, with the intention that aims and measures will be reviewed annually. The Plan clearly sets out the priority areas and key metrics to measure success. The Plan also sets out the governance arrangements in place, with oversight being delegated to sub-committees and groups. However, there is no evidence of progress against the Plan being reported to Board. This means that the Board and public are not sighted on progress, areas of challenge and any remedial action being taken.

Improvement opportunity 3 – The system-wide Joint Forward Plan clearly sets out the key priorities and outcomes, together with metrics showing how delivery will be measured. Given the importance of this, the ICB should enhance public reporting and accountability by including update reports, including performance information to demonstrate progress and highlight areas where greater focus is needed.

Ongoing Prior Year Improvement Recommendations

In our prior year report we made two improvement recommendations to support the ICB in improving arrangements for performance and health inequalities progress reporting. One recommendation related to key performance indicators for health inequalities and the other to enhancing performance reports to include more explanation on challenges and actions being taken. Both of these recommendations have been addressed in part, and are carried forward. Please see Appendix C.



**Value for Money
Recommendations raised in
2023/24**



Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<p>To ensure that it has appropriate approval and oversight arrangements in place when awarding grants to external bodies, thereby providing assurance that public money is spent in accordance with the intended purposes, the ICB needs to:</p> <p>KR1</p> <ul style="list-style-type: none"> ensure that it uses the appropriate national NHS template agreement; monitor expenditure against grants, requiring recipients to provide supporting evidence; maintain a grant register; and ensure senior officer and appropriate Committee oversight and that this is documented. 	Key	Governance	<p>Our financial statements audit work identified a grant awarded to an external body that did not use the appropriate NHS template and for which senior finance officer and Committee oversight was inadequate.</p>	<p>Without proper oversight of spending of funding awarded to external bodies there is a risk that public money is not spent on the purposes intended.</p>	<p>Actions: The ICB has already identified the actions required to ensure robust and transparent controls are in place and appropriate approval and oversight arrangements for grant agreements.</p> <p>In addition to the recommendations made by the auditors the ICB will also expand the grants sections in the SFIs (section 13.4) and provide training material and guides on the Hub.</p> <p>Responsible Officer: Associate Chief Finance Officer and Deputy Director of Business, Strategy and Planning</p> <p>Executive Lead: Deputy Chief Executive and Chief Finance Officer</p> <p>Due Date: August 2024</p>

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<p>The ICB needs to ensure that the financial plan submitted to NHSE in May 2024 is delivered and that it works with provider trusts to deliver financial balance on a recurrent basis.</p> <p>1 This should include working with provider trusts to build on the existing strong relationships to ensure that provider trusts deliver their planned Cost Improvement Plans (CIPs) in full on a recurrent basis.</p>	Improvement	Financial sustainability	Finance reports show that the system was able to achieve financial balance in 2023/24 through non recurrent items and that a significant amount of CIP plans were not delivered.	The inability to deliver recurrent savings will impact the ICB's ability to deliver sustainable financial balance for the system.	<p>Actions: The ICB Senior Finance Team will continue to work with the provider finance teams through the Director of Finance and Deputy Director of Finance forums.</p> <p>Monthly reporting of the System Finance report to the Finance Estates and Digital Committee includes the CIP performance. The Performance and Recovery Board will also receive periodic performance reports on the delivery of CIP plans.</p> <p>Responsible Officer: Deputy Chief Finance Officer /Associate Chief Finance Officers</p> <p>Executive Lead: Deputy Chief Executive and Chief Finance Officer</p> <p>Due Date: Ongoing</p>

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<p>The ICB should:</p> <ul style="list-style-type: none"> Obtain explicit documented discussion and approval from the Board for the removal or alteration of the Board Assurance Framework (BAF) from the risk management framework considering a BAF is widely recommended within the NHS framework for effective oversight and risk management. Further develop risk management arrangements to align risk registers with strategic goals with clear metrics for assurance and control effectiveness, gaps in controls, and detailed mitigation actions. 	Improvement	Governance	Review of Board and Audit & Risk Committee papers indicates that the ICB appears to have removed the requirement for a BAF from its risk management and governance arrangements.	A BAF aligns risk management with strategic objectives to enhance governance and accountability. Without the key attributes of a BAF, an ICB may face misaligned priorities, unmitigated strategic threats, and non-compliance with regulatory requirements. Risk registers maintained by the ICB do not currently fulfil the comprehensive oversight function provided by a BAF which provides strategic risk alignment, governance integrity, and accountability oversight.	<p>Actions: The internal auditors reviewed the Risk Management Assurance Framework and noted that whilst the ICB does not have a Board Assurance Framework in place the ICB was in the process of finalising a standard risk reporting framework to be reported to the Audit and Risk Committee.</p> <p>The ICB will develop the risk reporting framework to align risk registers with strategic goals and have clear control and assurance metrics and mitigating actions.</p> <p>The framework will be reported to Board for approval with specific reference to how the framework aligns to NHSE Board Assurance Framework recommended practice.</p> <p>Responsible Officer: Head of Strategy and Planning / Chief Finance Officer</p> <p>Executive Lead: Chief Executive Officer</p> <p>Due Date: September 2024</p>

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
3 The system-wide Joint Forward Plan clearly sets out the key priorities and outcomes, together with metrics showing how delivery will be measured. Given the importance of this the ICB should enhance public reporting and accountability by including update reports, including performance information to demonstrate progress and highlight areas where greater focus is needed.	Improvement	Improving economy, efficiency and effectiveness	Board papers do not show reporting of progress against the Joint Forward Plan.	Board and the public to be sighted on progress, any challenges to delivery and remedial action being taken. This would also improve accountability for delivery.	<p>Actions: The delivery progress of the Joint Forward Plan will be periodically reported to the Board and to the public.</p> <p>Responsible Officer: Head of Strategy and Planning / Deputy Director of Communications and Engagement</p> <p>Executive Lead: Deputy Chief Executive and Chief Finance Officer</p> <p>Due Date: September 2024</p>

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Appendices

Appendix A: Responsibilities of the Integrated Care Board

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Accountable Officer of the ICB is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Accountable Officer is required to comply with the Department of Health & Social Care Group Accounting Manual and prepare the financial statements on a going concern basis, unless the ICB is informed of the intention for dissolution without transfer of services or function to another entity. An organisation prepares accounts as a 'going concern' when it can reasonably expect to continue to function for the foreseeable future, usually regarded as at least the next 12 months.

Integrated Care Boards (ICBs) are responsible for allocating the NHS budget and commissioning services for the population, taking over the functions previously held by clinical commissioning groups (CCGs) and some of the direct commissioning functions of NHS England. The ICB is directly accountable to NHS England for NHS spend and performance within the system. ICBs may choose to exercise their functions through delegating them to place-based committees but the ICB remains formally accountable. This is within a challenging financial context and ICBs will need to carefully consider the best allocation approach to deliver on its objectives.

The ICB is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities



Value for Money arrangements work

All NHS bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Integrated Care Board's responsibilities are set out in Appendix A.

Integrated Care Boards report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Integrated Care Board has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

Financial Sustainability

Arrangements for ensuring the Integrated Care Board can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).

Governance

Arrangements for ensuring that the Integrated Care Board makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the ICB makes decisions based on appropriate information.

Improving economy, efficiency and effectiveness

Arrangements for improving the way the Integrated Care Board delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

2023/24 is the fourth year that we have reported our findings under the Code, but only the second year in which we have reported in this way for Integrated Care Boards since their creation on 1st July 2022. We undertake and report the work in three phases as set out in the Code.

Phase 1 – Planning and initial risk assessment

As part of our planning we assess our knowledge of the ICB's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Information which informs our risk assessment	
Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Board
Interviews and discussions with key officers	NHS Oversight Framework (NOF) rating
Progress with implementing recommendations	Care Quality Commission (CQC) reporting
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations. A range of different recommendations can be raised by the ICB's auditors as follows:

- **Key recommendations** – the actions which should be taken by the ICB where significant weaknesses are identified within arrangements.
- **Improvement recommendations** – actions which should improve arrangements in place but are not a result of identifying significant weaknesses in the ICB's arrangements.
- **Statutory recommendations** – written recommendations to the ICB under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
1 The ICB needs to continue to monitor the system-wide £98.2m underlying deficit to ensure it does not continue on the adverse trajectory against the Medium Term Financial Plan. The ICB will need to ensure action is taken to address any negative movement as the MTFP will be challenging to deliver if the starting position worsens further.	Improvement	Sept. 2023	<p>The system-wide underlying deficit is routinely assessed through system Deputy DoFs group and reported to system DoFs, and as part of the formal annual operating and financial plan submission to NHSE.</p> <p>Formal submission of MTFP (including underlying deficit) to NHS England (September 2023), outlining plan to achieve recurrent system break-even by 2026/27.</p> <p>Rolling refresh of the Medium-Term Financial Plan happens annually (post annual plan submission) to take account of material changes to baseline assumptions, and impact of changes to underlying position, and will be agreed by ICB Board.</p> <p>However, the system-wide deficit has increased to £140.2m compared to a planned £98m. We have raised an improvement opportunity regarding system working to deliver the 2024/25 financial plan recurrently.</p>	In part	Yes – the ICB needs to continue to work with provider trusts to ensure CIPs are delivered in full on a recurrent basis to ensure the underlying deficit does not worsen further.

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?	
2	The ICB should work with providers to ensure that agency expenditure is estimated prudently to factor in further potential retention struggles, non-availability and continued high level of sickness, despite expected staff growth in 2023/24.	Improvement	Sept. 2023	<p>Agency expenditure trends routinely reported through System Finance report to ICB Finance, Estates and Digital Committee.</p> <p>System-wide finance and workforce groups regularly monitor impact of joint approach to managing temporary staffing spend and driving factors.</p> <p>System has seen improvements in both retention and sickness levels over 2023/24 and had significant success in recruiting to substantive posts through specific National (Internationally Educated Nurses) and local initiatives.</p> <p>Demonstrable impact on temporary staffing spend trajectory seen in 2023/24, with further planned reductions in 2024/25 that has the system planning to achieve its agency expenditure cap as set by NHS England.</p>	In part	The ICB and system partners recognise that this continues to be an area of focus.

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
3 The ICB needs to ensure that where policies have been reviewed, updated and approved, the latest version is made available on the website promptly.	Improvement	Sept. 2023	Following the recommendation in 2022/23 a review of the public ICB website was undertaken. To ensure published policies are up to date the Policy Review Group will maintain a schedule of all published policies, owners and expiry dates and ensure policies which are due to be updated in the year are included on the Policy Review Group forward planner. Furthermore, the digital team are liaising with the website supplier to establish whether there is a functionality to set reminders for policies which are due to expire.	Yes	No
4 The ICB should continue working to ensure that the decision making framework is fully embedded and that all partners are consulted at the right time via the appropriate forum. Compliance with the framework should be routinely monitored going forward.	Improvement	Sept. 2023	Decision making is transparent and robust. There have not been any reported instances where consultation was not undertaken when it would have been appropriate.	Yes	No

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Appendix C:

Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
<p>The ICB could further improve system working by:</p> <ol style="list-style-type: none"> 1. Developing a Quality Strategy and identifying quality objectives for the System. 2. Establishing consistent attendance and representation of all System partners at the ICB Quality Forums to ensure equitable engagement with the quality agenda across the System. 3. Developing a formal cycle of business for the SOG that routinely includes updates related to non-health system concerns and information updates from the ICB and Regulator, to ensure the level of engagement is maintained from non-health partners and promote communication up and down the system. 	Improvement	Sept. 2023	<ol style="list-style-type: none"> 1. Quality priorities from system partners were determined at a system quality group event in Autumn 2023. A new extensive Quality Management System framework has been developed using the principles of quality assurance, quality monitoring, quality planning and quality improvement, to enable the ICB to deliver its statutory duties related to Quality as laid down by NHSE (2022). An ICS quality strategy is in development for this year, using the principles of the QMS, system priorities, partners' quality accounts and work through the new system nursing and midwifery council, system quality group and Health and Care Professional Executive and other forums. The ICB has also volunteered to be an early adopter site for the new system quality accounts that will be rolled out nationally. 2. The System Quality Groups, Quality Improvement Groups and Rapid Quality Review meetings are well attended, with representation from system partners, NHSE, CQC, LAs and other stakeholders. NHSE have advised that the ICBs National Quality Board escalation-de-escalation process is very mature with some exemplar examples e.g. enhanced surveillance of an independent mental health provider 3. The SQG has matured into a regular system meeting with a wide representation of system health and non-health partners including Healthwatch to represent the patient voice. In addition to the NQB functions and regular meetings to manage system risk, quality and safety, there are meetings throughout the year focussing on particular system issues. 	Yes	No

Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
6 The ICB needs to agree Key Performance Indicators to measure progress in addressing health inequalities, with public reporting to Board.	Improvement	Sept. 2023	<p>The ICB now has to comply with the NHSE Statement which sets out a set of indicators that the ICB has to collect, analyse and publish within or alongside the ICB's annual report. The statement covers areas that align with the BNSSG ICB and ICS's priorities, i.e. cardiovascular disease, mental health, children and young people; smoking cessation. The ICB's system intelligence team have assessed which data is currently available and where they have to work with partners to get the data. The ICB is in the process of establishing which of the system groups is responsible for each indicator including the actions and improvements necessary in response to the data where appropriate. The ICB plans to use the NHSE indicators as the core set. However, each Health and Care Improvement Group / relevant system group will, over the next 12-18 months, develop additional metrics in relation to their work. These more individual metrics will be reported to the ICB Board when appropriate.</p> <p>In addition, the BNSSG System Outcomes Framework is being supported by the development of dashboards which will be used to report progress on population health outcomes, including from a health inequalities perspective, to the ICB Board.</p>	In part	The ICB has made some progress in this area, but is still not in a position to report KPIs on health inequalities to Board.

Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
7 The ICB should use the Power BI tool being developed to ensure Quality and Performance Reports include more explanation on challenges, actions taken and their impact within the main Board paper- especially where performance indicators have been below target for an extended period of time.	Improvement	Sept. 2023	<p>The ICB Power BI tool is now rolled out in all P&D areas and actively used in SDU meetings with an option to members of the Outcomes, Quality & Performance Committee (OQPC) for the tool to be displayed in meetings. Executive briefings now use the power BI tool. The separate performance report to OQPC is now obsolete. The SDUs prepare narrative to support challenges and actions within the Power BI tool and this will become public facing at the end of May.</p> <p>Quality & Performance reports to Board and minutes of the OQPC which are included in the reports, do not set out what is being done to address the key challenges in any detail and there is no link to the ICB's strategic objectives.</p>	In part	The ICB has made progress in this area, but noted that this is still work in progress.

