North East and North Cumbria Integrated Care System

Memorandum of Understanding for NHS clinical commissioning groups and foundation trusts

Introduction and Context

1. This Memorandum of Understanding (Memorandum) is an understanding between the North East and North Cumbria NHS organisations within our ICS. It sets out the details of our commitment to work together to realise our shared ambitions to improve the health of the 3.1 million people who live in our area, and to improve the quality of their health and care services.

2. In working together as a system we will place the people we serve, and the communities in which they live, at the centre of our decision-making, alongside a commitment to clinical leadership at every level of our ICS, and to an appropriate balance between primary, community and acute care.

3. Our ICS is not a new organisation, but a new way of working to meet the diverse needs of our citizens and communities. It does not seek to introduce a hierarchical model; rather it provides a mutual accountability framework, based on principles of ICP subsidiarity, to ensure that we have collective ownership of the delivery of our shared priorities.

4. Although this MOU has a focus on collaboration between NHS organisations, the next stage of our ICS development will be to engage with our partners, in local authorities and beyond, to develop shared priorities and the optimal governance arrangements to oversee their delivery.

5. The Memorandum is not a legal contract. It is not intended to be legally binding and no legal obligations or legal rights shall arise between the Partners from this Memorandum.

A new approach to collaboration

6. Our approach to collaboration begins in each of our fourteen local authority areas which make up the North East and North Cumbria. These places are the primary units for partnerships between Local authorities, NHS commissioners and providers, independent sector providers and the wider public and voluntary sector, working together with the public and patients to agree how to improve health and wellbeing and improve the quality of local health and care services.

7. In seeking to work together we will recognize the operational and financial pressures of our Local Government and other partners, and work with them to optimise the use of our resources in the interests of the people we serve.

8. Place-based working, overseen by Health and Wellbeing Boards, is key to achieving the ambitious improvements in health outcomes that we all want to see. As an ICS we are clear that subsidiarity is vitally important and operated wherever appropriate. It is in our 'places' where the majority of services will continue to be commissioned, planned and delivered.

9. It is also intended to establish an ICS Partnership Assembly that will provide a strategic view on issues where working at scale makes sense and adds value, with inclusive representation from NHS organisations (both non-executive and executive) and partners from each of our ICPs (see below). The ICS Partnership Assembly will help to shape and endorse our strategic priorities -

and make recommendations to statutory decision makers - so that local plans are complemented by a common vision and a shared plan for the North East and North Cumbria as a whole.

Working at scale as an Integrated Care System

10. Although we recognise that local relationships and place-based activity takes precedent, we must also ensure strong connections through to the overall aims and objectives of the ICS. In addition, we must deliver the constitutional standards and deliver the best possible care for patients and the best possible experience for staff.

11. As one of the largest ICSs our operating model is different to other places, as we work across three broad levels of scale.

- **Neighbourhood and Place** – this is the main focus for partnership working between the NHS and local authorities in our cities, boroughs and counties, where primary care networks (serving populations of 30,000-50,000) operate within local authority/current CCG areas of between 150,000 to 500,000 people. Services commissioned and delivered at this level will be predominantly community based, with flexibility to adapt to local circumstances and need.

- **Integrated care partnerships** – will cover populations of around one million (with the exception of North Cumbria, which has unique geographical and demographic features). These are partnerships of neighbouring NHS providers and commissioners, working with their local authorities and other partners, to deliver safe and sustainable predominantly hospital-based health and care services for the people in their area.

- **Integrated care system** – covering a population of circa 3.1 million people, focussed on key strategic priorities for 'at scale' working allowing all NHS and partner organisations to:
  - Collectively prioritise based on a shared understanding of need and areas of underperformance
  - Act with 'one voice' to represent the North East and North Cumbria and therefore be in a better position to access resources that support our shared priorities.
  - Set stretching and consistent service standards – especially for vulnerable groups – and ambitious targets to improve patient and staff experience
  - Manage risks and pressures better together as a system
  - Share and spread best practice
  - Reduce duplication and develop shared functions where appropriate

Our principles, values and behaviours as a collective senior leadership community:

12. To operate as an effective integrated health and care system we commit to working beyond organisational boundaries. We will build our collective capacity to better manage the health of our population, striving to keep our people healthier for longer and reducing avoidable demand for health and care services. We will:

- Act collectively, demonstrating what can be achieved with strong system leadership
- Speak with one voice, where appropriate, in relation to matters relating to national health and care policy
- Maintain an unrelenting collective focus with our partners on improving health outcomes, based on the principle of prioritising patient first, then system and organisation

- Recognise the continued strengths of each organisation and treat each other with respect, openness and trust, whilst also working as part of an ICS to identify shared priorities and where possible to collectively manage risk.
- Place innovation and best practice at the heart of our collaboration, ensuring that our learning benefits the whole population,
- Maximise opportunities for system-wide efficiencies
- Consider opportunities to manage our resources within a shared financial framework.

ICS Planning in Progress

13. To tackle the challenges of continuous improvement, and to ensure the sustainability of our services, NHS and other Partners are already developing six priority workstreams:-

    I. **Population Health and Prevention** – making fast and tangible progress on improving population health through more effective screening and public awareness to better prevent, detect and manage the biggest causes of premature death in the North East and North Cumbria: cardiovascular disease, respiratory disease and cancer.

    II. **Optimising Health Services** – setting clinical standards and coordinating initiatives across the ICS to find sustainability solutions for those of our health services under the greatest pressure. This workstream will coordinate the work of our Clinical Networks, including the Cancer Alliance, Urgent Care Network and others, and manage the dependencies between the service improvement and reconfiguration proposals as they are developed by each ICP, and maintaining an oversight on quality across our patch.

    III. **Digital Care** – Use digital technology to drive change, ensure our systems are inter-operable, and improving how we use information technology to meet the needs of care providers, patients and the public, helping clinicians to share information and our patients to manage their healthcare.

    IV. **Workforce Transformation** – building a future workforce for our ICS, with the right skills and flexible support arrangements to enable them to work across multiple settings whilst working collectively to ensure we can recruit and retain staff in priority areas.

    V. **Mental Health** - improving outcomes for people who experience periods of poor mental health, particularly those with severe and enduring mental illness, and doing more improve the emotional wellbeing and mental health of children and young people, and breaking down the barriers between physical and mental health services.

    VI. **Learning Disabilities** – transforming care for people with learning disabilities and autism and improving the health and care services they receive so that more people can live in the community, with the right support, and close to home.

Our governance

14. We will always respect the principle of subsidiarity, and the ongoing responsibilities and accountabilities of statutory CCGs and foundation trusts for services commissioned and delivered at 'place' level. The ICS cannot and will not replace or override the authority of ICS members' boards, councils and governing bodies. Instead, the ICS's governance has been designed to provide a strategic mechanism for collaborative action and common decision-making for issues which are best tackled on a wider scale.

15. The proposed governance model for the ICS has two main features;
    - The development of a strategy and shared priorities, through a Health Strategy Group and Partnership Assembly.
    - The execution of these priorities through an ICS Management Group and then the ICPs themselves.

16. NB the development of our governance arrangements is an iterative process, and will be kept regularly under review. Their chief purpose is to provide mechanisms to build consensus and ensure delivery of agreed priorities, but they do not over-ride the statutory authority of CCG governing bodies and trust boards.

Development of our ICS strategy

17. **The ICS Health Strategy Group (HSG)** will be a quarterly meeting, with membership encompassing CEOs of each of our statutory NHS organisations, alongside clinical leaders and representation from our emerging primary care networks, the Association of Directors of Adults and Children's Social Services, the Directors of Public Health Network, Public Health England, and the Academic Health Science Network.

18. In conjunction with the ICS Partnership Assembly (see below), and ensuring the principle of ICP subsidiarity, the role of the HSG will be to
    - Agree an overall ICS strategy based on an understanding of both shared challenges, and the objectives in the Long Term Plan – and the priority workstreams that will deliver these priorities.
    - Develop a single leadership architecture, including system rules, behaviours and leadership development.
    - Share information and showcasing effective practice from across the ICS

19. The development of an **ICS Partnership Assembly** is now in discussion with our partners, but will have a key role in shaping our shared priorities for collaboration across health and care, and the wider determinants of health – including, for example, inclusive economic development, the environment, and climate change– that can drive improvements in population health. This Assembly will have an independent chair and vice-chair, and its membership is likely to comprise nominated representatives from each ICP, which could include Health and Wellbeing Board chairs as well as lay members and non-executive directors from NHS organisations. How this body is constituted will be subject to further discussions with our partners over the coming months.

Execution of priorities

20. The **ICS Management Group** will meet monthly, under the chairmanship of the ICS Executive Lead, with two CEO-level representatives from each of our ICPs (one NHS commissioner and one NHS provider), plus senior clinical leaders, representatives from tertiary acute and mental health providers, NEAS and NHS England/NHS Improvement.

21. The role of the Management Group will be to
    - strengthen our system leadership capacity to tackle shared challenges
    - oversee the delivery of the LTP and the ICS's strategic priorities
    - provide mutual support and accountability for the development of our ICPs

- manage performance challenges and ensure robust oversight of emerging service quality issues
- jointly develop plans as a system to bridge financial gaps, and agree systems for prioritising, distributing and holding each other to account for transformation funding.
- Assess the recommendations emerging from our ICS workstreams, referring them on to ICPs for implementation if the proposals are supported

22. The ICS Management Group will have a symbiotic relationship with the **governance arrangements of each ICP**. These arrangements are now under development in each of our ICPs, and will need to agree their own governance model, including the relationship between the ICP and their constituent statutory bodies, as well as the role of clinical leaders and non-executive and lay members.

23. The ICS Management Group will ensure mutual accountability by focusing on the delivery of strategic macro-level system work - with the ICPs taking forward a detailed work programme that fits the needs and requirement of their local populations.

24. It will be the responsibility of the ICP Leads to feedback from the Management Group and agree locally how ICS workstream recommendations are best ratified and implemented in their ICPs. ICP leads will also escalate any local challenges to the ICS Management group for consideration of how best the wider system can provide support.

Mutual Financial Accountability

25. The ICS has a key role in supporting organisations and ICPs to collectively drive financial sustainability and improve productivity. As an ICS, we have agreed a set of principles for working together which include adopting a transparent, open-book approach to financial planning, in year reporting and a collective approach to financial risk management.

26. NHS organisations within our ICS are committed to working in collaboration to drive a system response to the financial challenges we face and to take the necessary actions to achieve financial sustainability within the resources available. NHS organisations within our ICS have already committed to the delivery of the 19/20 ICS operational plan, which demonstrated full sign up to delivery of organisational control totals.

27. The ICS will also play a key role through relevant working groups, such as the ICS Finance Leadership Group and Strategic Capital Working Groups, to provide guiding oversight and advice on ICS capital investment priorities and productivity and efficiency opportunities where this is appropriate to do so. This will include oversight of system level efficiency programmes informed by the Rightcare, Model Hospital and GIRFT programmes.

28. Working within our ICS, each ICP is now developing comprehensive 5 year financial plans in support of the NHS Long Term Plan commitments to 2023/24. ICP plans, underpinned by common financial planning assumptions, but tailored to local priorities and circumstances will form the foundations upon which the overarching ICS system long term plan will be constructed.

29. Once plans are established, each ICP will need to engage in collective performance management through open and transparent discussions, peer challenge and support. Local financial governance and accountability arrangements will be established within each ICP and principles associated with management of risk have been agreed. ICPs will take appropriate supportive

action should individual organisations within the community be unable to deliver on agreed plans.

30. In the event that the ICP collective is unable to support delivery of agreed ICP plans, the ICS will open discussions across the wider North East and North Cumbria NHS system to determine whether flexibility exists to offset deteriorating performance in one ICP against improving performance in another.

Conclusion

31. Through this Memorandum the NHS organisations in the North East and North Cumbria ICS commit to
    - working together in partnership to realise our shared ambitions to improve the health of the 3.1 million people who live in our area
    - take a collaborative approach to improving population health, and to ensure the quality and sustainability of their health and care services.

Signed: Chief Executive

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Signed: Chair

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Date: