

SUMMARY REPORT		
Transformation Board Meeting in Public	8 August 2018	Item: 05
Title of report	Moving towards a self-regulating system	
SRO	Karl Simkins, SoF Director of Finance	
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Purpose of report	This report proposes a way of engaging the system, including Transformation Board members, in moving towards a more self regulating system.	
Recommendation	<p>The Transformation Board is asked to:</p> <ul style="list-style-type: none"> • Endorse the direction of travel in establishing a System Performance and Improvement/Assurance Group; • Endorse the proposals for engaging system partners and Transformation Board members in agreeing strategic objectives for the system, and agreeing the system's risk appetite. 	
Engagement and Consultation Undertaken to Date	This approach has been instigated by Chief Officers, and discussed with NHS England.	

Executive Summary

To enable this work to be taken forward, discussions have commenced with Chief Officers and the regulators about the establishment of a System Performance and Improvement/Assurance Group supporting the Integrated Care System to provide oversight of system performance and seek assurance of the actions being taken to recover, sustain or improve performance. The establishment of this integrated system approach between local partners and regulators is intended over time to replace core bilateral regulatory meetings both between system partners and with regulators, and increasing move to a process of self-regulation, holding each other to account for delivering outcomes.

It is proposed that the following are taken forward jointly to underpin the operationalisation of the System Performance and Improvement/Assurance Group:

- The development of a system wide Assurance Framework, with a shared set of strategic objectives to inform the development of a system improvement plan;
- The further evolvment of a system wide risk register underpinned by the co-production of a shared risk appetite that sets out the amount and type of risk that the system is willing to take collectively in order to meet the agreed strategic objectives, and which informs the approach to recover, sustain and improve performance agreed by the System Performance and Improvement/Assurance Group.

Suggested approach for endorsement:

Stage One (early September): Bring together, in a facilitated workshop, the executive/senior leadership teams in partner organisations to:

- consider the extent of alignment of our collective strategic objectives, and how we move to a set of system objectives;
- agree the principles to guide discussions on the development of a risk appetite for the system;
- review the proposed system performance dashboard and proposed functioning of the System Performance and Improvement/Assurance Group.

Stage Two (later in September): Bring together, in a second facilitated workshop, Transformation Board members to:

- agree strategic objectives for the system;
- agree the system's risk appetite;
- understand and discuss the implications, for system working and for individual organisations, of the establishment of a System Performance and Improvement/Assurance Group.

Interdependencies with other work streams (where relevant)	This supports the development of a maturing Integrated Care System.
Financial implications	There are no financial implications arising directly from this proposal, but it will support financial risk management at system level.
Key Risks	The approaches set out in this paper will lead to a more considered approach to risk mitigation across the health and care system.
Sources of evidence in support of proposals	These approaches are supported by research on system governance.
Equality and Diversity Statement	There are no direct equality or inclusion implications arising from these proposals.
Communications requirements	The approach being adopted will ensure good communication and engagement in taking forward the underpinning system governance for a self regulating system.

Moving towards a self regulating system

One of the characteristics of a maturing Integrated Care System is the ability to move to a process of self-regulation, holding each other accountable for delivering outcomes - in a way which has the confidence of, engages with and provides assurance to partner Boards/ Governing Body and regulators. This approach has already been endorsed by Transformation Board members, as one of the system working principles adopted in April 2017:

'There will be a common set of measurable quality, outcome and financial metrics, plus indicators of improved system wide working to achieve these outcomes, jointly agreed, understood and articulated by all SOF partners. This system wide approach to performance improvement will be matched with a system wide approach to working with regulators.'

To enable this work to be taken forward, discussions have commenced with Chief Officers and the regulators about the establishment of a System Performance and Improvement/Assurance Group supporting the Integrated Care System to provide oversight of system performance and seek assurance of the actions being taken to recover, sustain or improve performance. The establishment of this integrated system approach between local partners and regulators is intended over time to replace core bilateral regulatory meetings both between system partners and with regulators. It will:

- Develop and strengthen system working, taking a system-wide view of performance challenges and holding each other to account for delivery;
- Ensure a single regulatory response to system performance;
- Hold the ICP to account for system performance and quality;
- Provide system assurance of progress in delivering the action plan developed to respond to the recommendations set out in CQC's section 48 report;
- Provide oversight of the development and implementation of a single system wide improvement plan;
- Provide assurance to the regulators of self-regulation and effective system working;
- Directly save senior time by reducing time spent in meetings.

It is important that this work is progressed with the active engagement of the leadership teams within partner organisations across health and care, and is underpinned by an aligned system of governance that supports partners in working effectively together to plan and deliver services in an integrated way. In particular, it is proposed that the following are taken forward jointly to underpin the operationalisation of the System Performance and Improvement/Assurance Group:

- The development of a system wide Assurance Framework, with a shared set of strategic objectives to inform the development of a system improvement plan;
- The further evolution of a system wide risk register underpinned by the co-production of a shared risk appetite that sets out the amount and type of risk that the system is willing to take collectively in order to meet the agreed strategic objectives, and which informs the approach to recover, sustain and improve performance agreed by the System Performance and Improvement Group.

Once agreed, the risk appetite should go to the heart of how the system intends to undertake its work. It is therefore suggested that the work to agree a collective risk appetite for the system is completed ahead of winter 2018 to ensure a whole system approach to managing risk and thereby improve the overall capability of health and care services to appropriately share risks to the quality and safety of care, the workforce and the sustainability of services

and avoid overly risk averse behaviour. This will serve to strengthen the ICP's ability to steer the provision system, make a difference to the decisions that are made and manage risks to the level at which they are set.

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- agree the principles to guide discussions on the development of a risk appetite for the system;
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Stage Two (later in September): Bring together, in a second facilitated workshop, Transformation Board members to:

- agree strategic objectives for the system;
- agree the system's risk appetite;
- understand and discuss the implications, for system working and for individual organisations, of the establishment of a System Performance and Improvement/Assurance Group.