

Stakeholder update from NHS Devon

4 April 2023

Dear colleagues,

I am writing to update you on several national and local developments that have recently been announced which are impacting our plans locally:

1. The national Hewitt review into integrated care systems (ICSs) that was published this morning (4 April)
2. Significant national efficiency savings for all integrated care boards, including NHS Devon
3. NHS Devon's future accommodation plans
4. Additional support for Devon's urgent and emergency care system

Hewitt review

Firstly, the **Hewitt review** into the oversight, governance and accountability of integrated care systems (ICSs) was [published this morning](#) (4 April).

Led by former health secretary, Patricia Hewitt, the process began in December last year and included engagement with the NHS, local government, voluntary sector, patients and public across the country.

The [final report](#) sets out 36 recommendations for the government to consider, including the follow key themes:

- **Fewer central targets** – The government and NHS England should set fewer central targets to enable systems to prioritise how they use their resources based on the needs of their local populations. It also recommends they involve systems in the development of national policies, with no more than ten national priorities
- **Enabling a shift towards upstream investment in prevention** – A combination of increased prevention funding and attention are needed to embed health promotion at all levels. As well as increasing the share of total NHS budgets at ICS level going towards prevention by at least 1% every year over the next five years, the government should lead and convene a national mission for health improvement, headed by the Prime Minister, tasked with creating a national health improvement strategy
- **Multi-year funding** – The government and NHS England should end the use of small in-year funding pots with extensive reporting requirements for the

NHS and social care. Instead, budgets and grant allocations for local government (including social care and public health, which are allocated at different points) and the NHS, so that systems can more cohesively plan their local priorities over a longer time period. Additionally, government should commission a review of the entire NHS capital regime, working with systems, to move towards a ten-year NHS capital plan from 2024.

- **Payment mechanism flexibility** – NHS England should give ICSs more flexibility to determine allocations for services and appropriate payment mechanisms within system boundaries, and the NHS payment scheme should be updated to reflect this
- **Defining accountabilities** – Guidance on system accountabilities, including NHS England's operating framework, should be updated so that national support and intervention in providers should be exercised 'with and through' ICBs as the default arrangement. NHS England should work with ICB leaders to co-design and agree a clear pathway towards ICB maturity, supporting a move over time to a model of High Accountability and Responsibility Partnerships (HARPs).
- **Data available to ICSs** – Data held by NHS England (including regions) about performance within an ICS, including benchmarking with other providers and systems, should be shared with ICSs themselves.
- **An enhanced role for the CQC in systems** – CQC and ICSs should work together to develop a long-term approach to system inspections and ensure that CQC develops the capabilities and skill sets needed to support successful development of ICSs. However, CQC should not provide a single rating as this would be inappropriate for an entire ICS, which is not a single organisation.
- **Reconsider running cost allowance (RCA) cut** – The government should reconsider the further 10% cut in ICBs' RCA scheduled for 2025/26 (which adds to 20 per cent RCA reduction in 2024/25), before the 2024 Budget.

Also enclosed with this note is the full list of the 36 recommendations should you wish to read them all.

Over the coming days and weeks, we will be going through the report in detail to understand more about the potential implications for us.

Suffice to say, it is positive to see that the review has recognised the importance of local systems having greater autonomy in deciding how best to meet their populations' needs.

The **Health and Social Care Committee** has also published the outcomes of an [inquiry](#) on 28 March that looked at how ICSs will deliver joined up health and care services to meet the needs of local populations.

Key conclusions and recommendations in the document are broadly in line with the Hewitt review, including:

- Greater clarity needed on what ICSs are expected to deliver
- Ensure that local priorities are not superseded by national priorities

- Targets for ICSs should be based on outcomes, and systems should have greater autonomy to deliver them

Integrated care board efficiency savings

On Thursday 2 March, all ICBs, including NHS Devon, received a [letter from NHS England](#) regarding **new and significant efficiency savings targets**.

The [letter](#) states that all ICBs must make 30% of savings in their running costs budgets by 2025/26, with at least 20% to be delivered in 2024/25.

I'm sure you will have noted that the Hewitt review has asked ministers to reconsider the further 10% cut to running costs, but this would still leave NHS Devon needing to make 20% savings.

Clearly, the scale of the challenge is huge and will have a major impact on what we are able to do in the future.

It means we are having to make some difficult decisions, including fundamentally restructuring and reducing the size of our organisation, which we are in the process of developing plans for.

NHS Devon accommodation

Another area that accounts for a sizable chunk of our running cost spend is **accommodation** as we currently have four offices in Exeter, Plymouth, Torquay and South Molton.

We therefore intend to consolidate our offices by reducing the space we lease in Plymouth and moving out of our other offices in Exeter, Torquay and South Molton in the autumn this year.

This will enable us to move to a new office in Exeter, which will save us in the region of **£0.5 million a year** and provide us with the space we need to operate effectively as a new and streamlined organisation.

We have explored options for repurposing our existing offices or moving into other partner sites, but this was either not possible or would not provide the space needed to bring all our staff together on one site.

As well as providing financial savings, the move will also provide an opportunity to refine our culture within NHS Devon.

Urgent and emergency care

Finally, as you are well aware, our **urgent and emergency care services**, like many parts of our system, has been under sustained pressure for some time.

To help address the challenges, Berenice Groves, a member of the national Urgent and Emergency Care Taskforce, has been appointed by NHS England to provide increased support to NHS Devon over the next three months.

She has already been working within the system as part of her taskforce role, mainly on University Hospitals Plymouth NHS Trust, but will now give more time to NHS Devon, working two-three days a week on wider issues such as urgent and emergency care escalation, triggers and policies.

Berenice was formerly deputy chief executive and chief operating officer at Chesterfield Royal Hospital. In her Devon role, she will work on behalf of the south west region at a senior executive level.

Next steps

As the above shows, we are facing significant challenges across the board, but I firmly believe that these developments will also provide opportunities to strengthen partnership working.

As Patricia Hewitt writes in her report: “Integrated care systems (ICSs) represent the best opportunity in a generation for a transformation in our health and care system. Effective change will require the combination of new structures with changed cultures. Everyone needs to change, and everyone needs to play their part.”

To that end, I am grateful to the continued support of our partners, stakeholders and communities in helping to improve care for local people.

I hope the above provides a helpful update of all the developments and we will continue to brief and involve you as our plans progress. If you would like further information on any of the above, please don't hesitate to contact me.

With best wishes,



Jane Milligan
Chief executive, NHS Devon