NHS England

Raj Jain, Chair
NHS Cheshire and Merseyside Integrated Care Board

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By email

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Dear Raj

Annual assessment of Cheshire and Merseyside Integrated Care Board's performance in 2024-25

I am writing to you pursuant to Section 14Z59 of the NHS Act 2006 (Hereafter referred to as *"The Act"*), as amended by the Health and Care Act 2022. Under the Act NHS England is required to conduct a performance assessment of each Integrated Care Board (ICB) with respect to each financial year. In making my assessment I have considered evidence from your annual report and accounts; available data; feedback from stakeholders and the discussions that my team and I have had with you and your colleagues throughout the year.

This letter sets out my assessment of your organisation's performance against those specific objectives set for it by NHS England and the Secretary of State for Health and Social Care, its statutory duties as defined in the Act and its wider role within your Integrated Care System across the 2024-25 financial year.

I have structured my assessment to consider your role in providing leadership and good governance within your Integrated Care System (ICS) as well as how you have contributed to each of the four fundamental purposes of an ICS. For each section of my assessment, I have summarised those areas in which I believe your ICB is displaying good or outstanding practice and could act as a peer or an exemplar to others. I have also included any areas in which I

feel further progress is required and any support or assistance being supplied by NHS England to facilitate improvement.

In making my assessment I have also sought to take into account how you have delivered against your local strategic ambitions as detailed in your Joint Forward Plan. A key element of the success of Integrated Care Systems will be the ability to balance national and local priorities together and I have aimed to highlight where I feel you have achieved this.

I thank you and your team for all of your work over this financial year in what remain challenging times for the health and care sector, and I look forward to continuing to work with you in the year ahead.

Yours sincerely,

Louise Shepherd CBE

Regional Director (North West)

cc: Cathy Elliott, Chief Executive Officer

Section 1: System leadership and management

Throughout 2024/25, the Integrated Care Board (ICB) has continued to develop since its establishment in July 2022, with the commitment of the ICB to improve work with and within the large and complex Cheshire and Merseyside (C&M) System. I acknowledge the changes which occurred within your Executive Team, with new appointments of the Interim Director of Finance and Chief People Officer during 2024/25. Throughout 2024-25, you developed the Culture Framework, built around the NHS Constitution, Nolan Principles and the Equality Act in 2023-24 and this framework is now central to the ICB's brand, systems, processes and ways of working. Commitment of Board members and system leaders to inclusive leadership is demonstrated in the ICB's Annual Report and Accounts 2024-25. You clearly outlined how the ICB has developed its strategies and plans, linking back to the four core purposes and how they meet statutory requirements, demonstrating a focus on improving outcomes and reducing health inequalities within the annual report.

Your leadership and the commendable system response to the devastating events which occurred in Southport on 29 July 2024 are acknowledged.

As part of my annual review, we engaged with each Health and Wellbeing Board (HWB) within the C&M Health and Care Partnership (HCP), to request feedback on the ICB's engagement with them. Whilst only one HWB response was received from across C&M, feedback highlighted that the ICB had been pivotal to the work around inequalities. However, there remains a need for joined up data on health and its wider determinants to inform programme developments. We will share this feedback with the ICB for review.

Assurance of quality and delivery of contracted services, quantification of contract performance in financial and activity terms and oversight of improvements is conducted through a monthly Quality and Performance Committee. The Board receives an Integrated Performance Report on key metrics from the 2024-25 Operational Plans. The Finance, Investment and Our Resources Committee provides the ICB with a vehicle to support assurance, risk management, system engagement, delivery and collaborative resolution in finance and investment, including capital and resources, for the ICB as an employer.

You provided an accountability report within the annual report, which detailed the ICB's governance and committee structure, scope of responsibility, governance arrangements, effectiveness and how the ICB works with partner organisations and stakeholders. The governance around services for which the ICB has delegated responsibility is described in the report, alongside compliance with good governance, in line with the triple aim and the impacts of the wider decisions the ICB takes. The ICB's constitution commits members to adhere to good governance and has agreed standards of business conduct and expected behaviors and these are the principles that guide decision making.

The Head of Internal Audit Opinion provides 'substantial assurance' with regard to the ICB having a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.

You provided examples throughout the annual report of transformation programmes that are taking place across the system to improve services and health outcomes. A key success during 2024-25 was the ICB's adoption of the 'Further Faster' Programme, which enhanced the ICB's elective recovery approach, focusing on outpatients being seen in the right setting at the right time. The system-wide patient initiated follow up rate has increased from 2.0% in April 2023 to 3.6% in January 2025 and is achieving the national median. In 2024-25. The ICB also implemented a system-wide validation improvement programme which focused on elective referral to treatment waiting lists, significantly improving performance against the national targets, with a 15.3% improvement across 12 week performance, a 23.8% improvement in 26 week performance and 18.1% improvement in 52 week performance, which is commended.

Section 2: Improving population health and healthcare

A comprehensive Population Health Leadership Team has been established by the ICB, where regular reports are shared with the Population Health Board. I note that the NHS Five Strategic Priorities and Core20Plus5 have been referenced throughout the ICB's annual report.

The ICB has undertaken baselining activities against some key areas of community services that has improved data reporting and quality, particularly on community waiting. You highlighted a number of initiatives in the annual report, which focuses on improving safety within maternity services, as well as detailing broader quality and safety work, examples being development of the Clostridium Difficile Reduction Toolkit and the Targeted Hydration Pilot, which resulted in a reduction in urinary tract infections (UTIs) and specifically a reduction in admissions due to UTI. Development of the 'Red Lines Tool Kit' is welcomed, which has been implemented within all Urgent Emergency Care (UEC) departments across the system. You made specific references to a number of provider level projects/ programmes. There is wider potential to explore areas at system-level, such as improving peoples' experience of the discharge process and engaging with carers and family members, leading to broader benefits for patients across C&M. Additionally, national surveys providing benchmarked, standardised information about peoples' experience of care from different parts of the system could be used more strategically moving forward throughout 2025-26.

You provided a detailed performance section within the annual report and described delivery against nationally determined priority areas and key risks and issues.

C&M's cancer waiting time performance for the 62-day wait metric exceeded the national average in 2024-25, ranking nationally as 6/42 at year-end at 76.4% against a national target of 85%. C&M's one year cancer survival rate has been better than the England average for several years, with the long term (five year) survival rate higher than that of the England average during 2024-25, attributed to better screening, Deployment of the lung health-check bus, has led to earlier diagnoses, particularly within deprived populations. C&M was the first ICS to re-achieve the post Covid-19 key waiting list target of 90% for the six-week diagnostic standard DM01 in 2024-25 and has continued to perform ahead of plan for diagnostics, being the best performing ICB in England for DM01, and this has received national recognition, which I commend the ICB on. The system continues to deliver outstanding stroke outcomes, with Whiston Hospital ranked first and Aintree Hospital ranked third in the country). Access to transformed community mental health services for adults and older adults with serious mental illness significantly increased last year, exceeding the national ambition. C&M has consistently achieved the dementia diagnosis rate, following the introduction of new assessment pathways and promotional work to encourage people to attend for assessment. GP practices are now delivering more appointments by all available means than for 2023-24, exceeding both local and national targets.

The ICB has remained in Tier 1 for UEC throughout 2024-25. The continued challenges in the delivery of UEC and the failure to meet national UEC targets remains a concern. Critical risks have been highlighted in relation to UEC capacity and restricted flow and patient harm/experience. C&M failed to deliver the 78% 4-hour A&E year-end target, achieving 72.6% for 4-hour A&E performance, with 16.2% of patients waiting over 12 hours in emergency departments, ranking nationally at year-end as 30/42 and 39/42 respectively. For 2024-25, C&M's average ambulance handover times exceeded the national average at 40 minutes and 53 seconds against a national average of 33 minutes and 44 seconds. The length of hospital stay for patients who have no criteria to reside remained high across the system throughout 2024-25 and was 22.4% at year-end, ranking 41/42 nationally. The need for operational grip and delivery at provider level is required, with deployment of lessons learnt from the winter of 2024-25 and a focus on discharge pathways and collaboration between acute, community and social care providers. Improvement in UEC delivery should be seen as a key deliverable for 25/26.

In 2024-25, a key ambition was to ensure that, as a system, the zero 104 and 78-week elective wait position was maintained. Aside from a small number of exceptional circumstances, this was achieved. A key delivery target for 2024-25 was to eliminate 65-week waits. At the beginning of April 2024, C&M had 48,872 patients who needed to be treated in-year to achieve this target, with a total number of patients on waiting lists across the system of 388,933. By the end of March 2025, C&M reported 1,167 65-week waits. I recognise the efforts made by the system to reduce the number of long waits and look forward to seeing all patients waits of over 65 weeks eliminated.

You referenced an extreme risk around retention and recruitment of staff. You also highlighted the ICB's inability to address inadequacies in digital infrastructure against the risk of Cyber attack in the annual report as an extreme risk and addressing this risk must remain a priority for the ICB throughout 2025-26, as the shift from 'analogue to digital' gains pace.

Of the 29 nationally ranked metrics, latest data reported that C&M are in the upper quartile for seven metrics, 16 metrics are in the mid-quartile range and six are in the lowest performing quartile.

It was positive to hear about the ICB's first two-year public involvement plan, which was published in July 2024. Some examples of public engagement activities which took place during 2024/25 were in relation to improving hospital gynaecology and maternity services in Liverpool, how UEC services are offered across Southport, Formby and West Lancashire and gluten free prescribing.

Section 3: Tackling unequal outcomes, access and experience

With regards to health inequalities, life expectancies are vastly different between the most and least deprived areas of C&M, with 26% of children still living in poverty. Deaths due to several conditions are also higher than the England average. In line with the core purposes of ICBs and the shift from 'Treatment to Prevention', the ICB progressed its work throughout 2024-25 in the prevention and inequalities space. I note that prevention was referred to throughout the report, with related case studies provided.

The collaborative approach across the HCP, the nine Place-Based Partnerships, two NHS Provider Collaboratives, 48 Primary Care Networks and the Voluntary, Community, Faith and Social Enterprise Sector is evident throughout the ICB's annual report, which is crucial in tackling health inequalities and the planning and delivery of healthcare services for the people of C&M. It is positive to see the progression of the HCP's plan; 'All Together Fairer', with endorsement of the plan by the HCP, establishment of a governance structure and a commitment to deliver the recommendations by the nine C&M Health and Wellbeing Boards in 2024-25. I look forward to seeing increased focus and improvement on monitoring health inequalities data and the associated metrics.

I note the ICB's commitment to taking a system wide approach to embedding and sustaining NHS Treating Tobacco Dependency Services, as part of the C&M's system wide Altogether Smokefree Programme and NHS Prevention Pledge to 'ensure a smokefree environment, linked to support to stop smoking for patients and staff who need it', It is also welcomed to see an improvement in smoking at time of delivery rates for C&M. I am keen to hear more about the work that will be undertaken in 2025-26 to standardise smokefree policies across the system.

The ICB has taken measures to deliver improvements in tackling health inequalities, regional colleagues particularly note the collective ICB system wide response to tackling cardiovascular disease (CVD) across all parts of the pathway. I note examples to address inequalities include the Blood Pressure Optimisation Project, the CVD Prevention Service, the bespoke ophthalmology projects aimed at addressing inequalities in access to services for homeless patients, traveller sites and patients with learning disabilities and the Shaping Care Together (SCT) Programme overseeing health and care transformation programmes operating across Southport, Formby and West Lancashire with future decisions being overseen by the newly formed Joint Committee of C&M ICB (lead commissioner) and LSC ICB.

Following the development of an ICB Health Inequalities Dashboard in 2024-25, I look forward to the launch across all C&M Trusts this year, to support equitable treatment and equitable clinical decision-making.

Section 4: Enhancing productivity and value for money

The ICB delivered a surplus of £37m for 2024-25 against its spending allocation and achieved its statutory financial duties under the NHS Act 2006 (as amended). However, the ICB's original plan was to deliver a £62m surplus, which was offset by deficits in the trusts. The ICB were off- plan by £37m and by £14m in trusts. The system agreed a plan of £46m deficit position - which was the agreed target position after deficit support funding of £150m. The final position came in at £51m deficit, due to a late PFI/UKGAAP (Prospective Financial Information / Generally Accepted Accounting Practice in the UK) accounting correction, which was agreed with the National Team. Financial challenges referenced by the ICB included management of industrial action and pay awards and recurrent/non-recurrent costs in relation to continuing healthcare, prescribing, mental health packages of care and out of area placements in terms of both cost and volume. The ICB submitted a compliant Mental Health Investment Standard return as part of its draft accounts submission, and reported an outturn spend of £589m, compared to a plan of £581m i.e. £8m over-delivery.

The C&M System has submitted a compliant total capital position at draft accounts (total capital resource £332m vs £332m spend). The system agency ceiling was set at £121m, with the final outturn at £99m or 82% of the target.

ICB efficiency plans for 2024-25 totalled £72m, with a delivery of £73m recurrently, with no non-recurrent schemes. Overall system efficiency plans for C&M totalled £440m, with a delivery of £417m. The majority of under-delivery comes from two trusts: Liverpool University Hospitals NHS Foundation Trust and Countess of Chester Hospital NHS Foundation Trust, with smaller under-deliveries from Warrington and Halton Hospital NHS Foundation Trust, Liverpool Heart and Chest Hospital NHS Foundation Trust and Bridgewater Community

Healthcare NHS Foundation Trust, with Mersey and West Lancashire Teaching Hospitals NHS Trust over-delivering.

Recurrent and non-recurrent splits are as follows: £426m plan to deliver recurrent Cost Improvement Programme (CIP), with an under-delivery of £118m; the non-recurrent CIP Plan was £14m, with £109m achieved or £95m more than planned. This is a significant risk to the system in 2025-26 and increasing those organisations' underlying position/deficits that have failed to meet recurrent CIP targets. The ICB has delivered CIP recurrently at 101%, with trusts delivering at 66%.

I recognise both the challenge of developing a financially acceptable plan for 2025-26, and the considerable effort made by ICB colleagues to develop a credible plan, plus the risks and challenges faced in relation to the system provider deficit. Ongoing discussions between the ICB and NHS England continue, and we will review and support the required delivery of the agreed 25/26 financial plan.

You provided some good examples around how investments were made during 2024-25 on a range of capabilities to improve the use of technology across C&M to support the shift from 'analogue to digital'. You additionally described a number of achievements for 2024-25, including promotion of primary care research, achieving the largest recruitment in the most deprived communities and being in the top three nationally for total primary care recruitment and commercial recruitment. Additionally, the University Hospitals of Liverpool Group has been awarded over £5.6million to establish a National Institute for Health and Care Research Commercial Research Delivery Centre that will reach across the C&M integrated care footprint.

Financial enforcement undertakings remain in place at year-end for two C&M Trusts; Liverpool University Hospitals NHS Foundation Trust and Countess of Chester Hospital NHS Foundation Trust, and it is expected that these organisations will continue to provide regular reports to NHS England on progress made in meeting these undertakings. If, following review of the risks associated with 25/26 delivery, it is decided additional undertakings are required with other provider and/or the ICB NHS England reserve the right to take such action.

Section 5: Helping the NHS support broader social and economic development

You provided evidence of effective partnership working to improve the health outcomes for the population throughout the annual report. The work being undertaken across the system in terms of the ICB leading and working with system partners to tackle the strategic priorities of the system is described, with case studies used as examples, such as delivering better outcomes for children and young people and the 'Super Bodies': antibiotic reduction communications campaign. It was positive to hear about the progress the ICB has made in

the shift from ‘hospital to community’ and how the ICB has worked in partnership with other organisations, such as housing, to develop pathways to prevent hospital admissions. Increased utilisation of schemes such as ‘Call-before Convey’, Urgent Community Response and Virtual Wards have also gained pace during 2024-25.

A governance structure is in place through the All Together Fairer Advisory Board and Population Health Board, which has evolved into the next phase of ICS development, with a strengthened focus on the social determinants of health. The ICB has fulfilled its role as an Anchor Institution, with an embedded Anchor Charter, which more than 30 organisations have signed up to. There is a dashboard in place and regular anchor assembly meetings are held to track ongoing progress. Examples of highlights from 2024-25 include 92% of Anchor organisations’ workforce reside in C&M, with 99% paid the real living wage and 100% of C&M Anchors delivering initiatives to address health inequity.

You highlighted improvements and progress during 2024-25 against the ICB’s Equality Objectives in the annual report, which included: the ICB’s commitment to be an anti-racist organisation and to implement the North West Anti-Racism Framework; Key Equality Diversity and Inclusion Campaigns including International Women’s Day, LGBT History Month and Carers Week; Equality and Health Inequality Risk and Impact Assessments carried out on all service changes and improvements, restructures, workforce and clinical policies, and strategies; and the ICB’s Equality Collaborative Forum, which comprises of members from across the system.

The ICB’s Green Plan is a locally tailored roadmap to delivering a sustainable, net zero health service by 2040 and has been in place since 2022. You described progress made through a collaborative approach. One of the highlights referenced from 2024-25 was in relation to funding which has been secured for ‘green’ primary care pilot projects, which will be developed into case studies for the wider roll-out to general practice across C&M. Areas of focus include: active travel, biodiversity, staff and patient engagement, diabetes lifestyle modification, de-prescribing, medicines optimisation and waste reduction. The ICB’s Sustainability Board has oversight of delivery, reporting regularly into both the HCP Board and the ICB Board. Progress is also reported on a quarterly basis to the North West Region’s Net Zero Board, which in turn reports to the National Greener NHS Team. You pledge to build on the foundations of the refreshed Green Plan in 2025-26, in order to drive innovation and collaboration to achieve sustainability targets, with key priorities for the ICB in 2025-26 set out in the annual report.

Conclusions

This has been challenging year in many respects and in making my assessment of your performance I have sought to fairly balance my evaluation of how successfully you have

delivered against the complex operating landscape in which we are working. It is vital that the ICB leads the system in taking steps towards delivering the agreed financial plan for 25/26, and NHS England will take such steps it feels are necessary to support this. My team and I will continue to work alongside you in the year ahead and we look forward to working with you to support improvement throughout your system, through what will be a transitional year for both ICBs and the regional team.

I ask that you share my assessment with your leadership team and consider publishing this alongside your annual report at a public meeting. NHS England will also publish a summary of the outcomes of all ICB performance assessments in line with our statutory obligations.