



11 March 2021

## Connecting place with purpose

The purpose of integrated care systems is to fulfil the ambition of place. So said Mike Bell, Chair of Croydon Health Service NHS Trust, during a recent GGI webinar.

The ambition referred to in Mike's admirably succinct summary of the changes ahead is, first and foremost, around embracing population health management.

In GGI's 2018 report *How population health management will deliver a sustainable NHS*, jointly produced with IBM Watson Health, we highlighted some of the challenges associated with this change of approach (of course, since we produced the report focus has shifted from STPs to ICSs but the principles remain the same):

*"System leaders need to work together to develop shared risk arrangements, ensure appropriate organisational representation, engage stakeholders, and to consider funding and regulatory requirements all while working openly. Success in achieving this will largely depend on a change in culture, reflecting the shift away from competition in the NHS."*

*"In introducing population health management, system leaders will need to be prepared to go beyond this in enabling its success. Indeed, the February 2018 planning guidance from NHS England specifically identifies population health management as a key sustainable improvement and seeks local leaderships to embrace this approach."*

*"Importantly, local authorities will need to be as engaged in the STP process as their NHS partners, which anecdotal evidence suggests has not always been the case so far. It is local authorities who employ the vast majority of public health specialists who will have a central role in the development of population health management."*

This emphasis on place is key. If the integrated care reforms are going to become more than just another NHS reshuffle and produce genuine alchemy, it will be joined up at the level of place.

Mike Bell offered a tantalising glimpse of what might be possible through collaborative place-based working. The partnership between Mike's trust in Croydon with the local authority, local primary care providers and others resulted in an impressive performance during the pandemic. We previously shared the most striking example of this: that Croydon has 20% of London's care home beds but suffered just 7% of care home deaths.



## Change of purpose

The shift of focus across the NHS from competition to collaboration is fundamental enough to constitute a change of purpose. And purpose has always been one of the building blocks of good governance. To clarify an organisation's purpose – what it exists to do – incorporates its mission, vision and objectives. Structures and processes naturally follow.

When primary care trusts (PCTs) moved from being community service providers with a large cohort of staff to commissioners of all services with a relatively small staff they had a fundamental change in purpose and needed to seriously rethink their governance focus, objectives, strategies and risks.

The best PCTs, having previously scored highly on the GGI governance maturity matrix, realised that as their purpose had changed their score dropped from high to low. They realised that they really needed to redefine purpose and then to look at all the other elements of good governance, such as roles and responsibilities, relationships, assurance, culture, and board development.

## Lessons from the private sector

Purpose is not just a priority in the health and care sectors. There are useful lessons about purpose to be learnt from the private sector. In 2019, a study from SquareWell Partners found that around three quarters of investor stewardship and responsible investment teams believed companies should have a defined corporate purpose that should be the 'primary force' in guiding a company's strategy.

The British Academy has proposed a framework for 21st century business based on corporate purposes (Principles for Purposeful Business 2019). It says: "Corporate governance should align managerial interests with companies' purposes and establish accountability to a range of stakeholders through appropriate board structures. They should determine a set of values necessary to deliver purpose, embedded in their company culture."

For organisations operating at a level of place, the principles of integrated reporting are crucial. That means bringing together information about strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context within which they operate. Integrated care will emphasise like never before that no organisation is an island.

Clinical commissioning groups have a narrow window to redefine their purpose and integrated care systems must clarify theirs, respecting existing relationships and the important principle of subsidiarity – meaning that central authorities should have a subsidiary function, performing only those tasks that can't be done more locally.

Providers too cannot afford to assume that delivering quality and value-for-money treatments is unchanged. The new world requires a real focus on partnerships, sub-contracting and an understanding of the potential for 'anchor' status, a key influence on local recruitment and procurement, using health sector resources to enhance health and wellbeing.

All of this depends on being clear about purpose. And just as in the business world, health and other public sector boards can expect their funders and stakeholders to be unimpressed by organisations that cannot clearly articulate theirs.

# illuminations



## Illuminations

- The changes ahead constitute a change of purpose for all partners in integrated care systems. This should prompt a concerted effort to be crystal-clear on what they are trying to achieve. Once an organisation's purpose is clear, good governance flows.
- NHS boards would do well to remember that their local government counterparts have been carefully building their understanding of and involvement in local communities to better tailor services for years. An acknowledgement of that, along with a little humility, will serve them well.
- If we are predicating integrated care on the needs identified through population health concepts, that must be what is measured and invested in, despite the intense pressure there will inevitably be to concentrate on the acute treatments backlog caused by COVID-19.

If you have any questions or comments about this briefing, please call us on 07732 681120 or email [advice@good-governance.org.uk](mailto:advice@good-governance.org.uk)