CountyAPPG

COUNTY ALL PARTY
PARLIAMENTARY GROUP

EXECUTIVE SUMMARY

The State of Care in Counties

The integration imperative

CCN
COUNTY COUNCILS NETWORK

LGiU
the local democracy think tank

Introduction

The health and social care system is under immense pressure.

The twin drivers of shrinking budgets and an ageing population with an increasing need for care are making these essential services unsustainable in the long term. We need to find new ways to deliver high quality care to those who most need our support.

In counties financial and demand-led pressures are **more severe**. County demographics, geography, funding pressures and complexity require Government to take specific and radical action to ensure the long-term sustainability of social care provision.

This inquiry of the County APPG set out to investigate whether integration was the answer to this fundamental question facing public policy makers across the political spectrum. It draws on written and oral evidence from a wide range of leaders and policy makers across local government, health and national stakeholders.

We conclude that integration is the **only** sustainable answer to the long-term provision of health and social care services in county areas.

However, while integration may be the answer, more radical change is needed in the long and short-term to drive forward the integration agenda in county areas.

Headline Recommendations

In the short-term Government should:

- conduct a full review of the sustainability of adult social care as part of the 2015 Spending Review, including allocation formulae. This should have a particular focus on rebalancing the allocation of older persons Relative Needs Formula (RNF) per head of population; and
- establish an independent cross-party commission to look into the disparities in entitlement between health and social care.

In the long-term Government should:

- invite local NHS/local authority partnerships in county areas to bid for greater devolution of health and social care through Health & Social Care Deals in the form of:
  a) larger or entirely pooled budget;
  b) new delivery structures; and
  c) enhanced local powers to commission services.
- empower Health & Wellbeing Boards to hold the integration programme to account and to drive it locally. Health & Wellbeing Boards should be given additional powers to commission primary, secondary and social care services and empowered to hold budgets.

All the recommendations of the County APPG are explored in detail throughout the full report and this Executive Summary.

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Counties & Care

What are the national issues?

The current financial pressures on adult social care services are severe.

- Since 2010 adult social care budgets have fallen 26%, some £3.53bn.
- The Local Government Association (LGA) estimates that the funding gap between March 2014 and the end of 2015/16 for adult social care alone stands at £1.9 billion.[1]
- Latest national figures on delayed discharges from hospital, a key indicator of local pressures, show the number of patients ready to leave hospital but are prevented from doing so rose to record levels in England during November 2014. Patients spent a total of 143,000 days in hospital when they should have been sent home.
- The changes brought in by the Care Act will reform and consolidate the legal structure of adult social care, but may exacerbate underlying financial pressures for councils.

Why are counties different?

Counties face a unique set of adult social care challenges which serve to increase the impact of these pressures at a local level.

- Financial pressures in county adult social care systems are severe or critical. Counties are under-resourced in comparison with inner city areas, receiving around a quarter of the funding per head of that received by inner London authorities.
- They face exaggerated demographic trends. Their populations are older and they are net importers of people with care needs, with higher levels of self-funders presenting new demand in the years ahead.
- The picture on delayed discharges is worse in counties and the number of delayed days in county areas is on average significantly higher; in December 2014 the average CCN member council had a total of 115 delayed days to compared to a national average for local authorities of 88.
- Their size means that their care markets are often fragmented. Private providers have their own set of challenges relating to staff retention and travel time, and there are fears the Care Act could have a significant negative impact on the market and local authorities. Service users experience significant difficulties in the cost of transport and its availability in large rural county areas.
- They operate in a large, complex health economies, with many different partners across the public, private and voluntary sectors. Very few organisations have coterminous boundaries.

And these challenges are only set to get worse....

- As net importers of people with care needs county councils face a rapidly ageing population and an associated pressure on adult social care services.
- The Care Act will place much higher demands on county areas compared to other parts of the country, particularly relating to self-funders. There are fears these new pressures will not be fully funded by government.
- Counties are particularly susceptible to these pressures as they receive significantly less older persons Relative Needs Formula (RNF) per head of population than all other local authority areas.

[1] *LGA (2015) The funding gap for councils in England between March 2014 and the end of 2015/16 will be £5.8 billion. at: http://www.local.gov.uk/finance/-*

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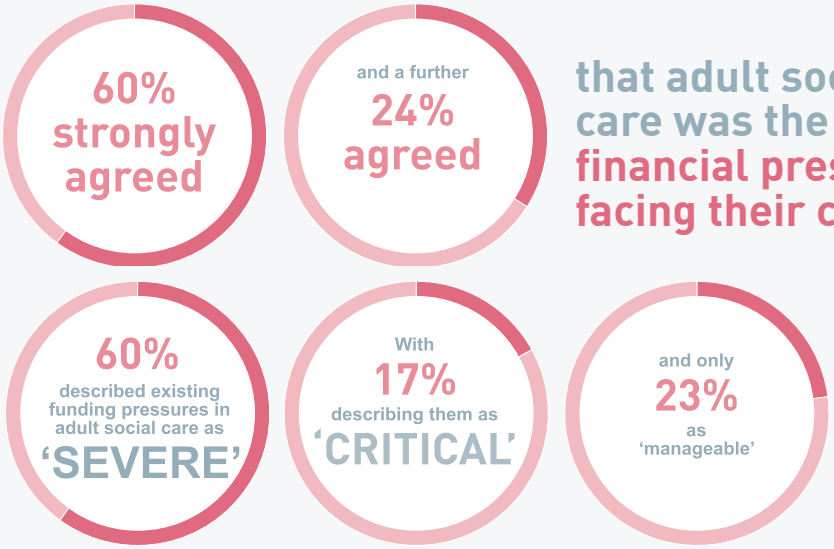
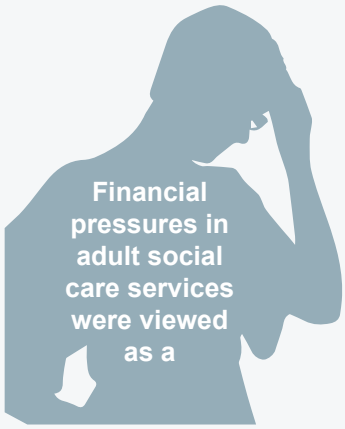
Older Persons Relative Needs Formula

Funding per resident aged over 75

County Financial Pressures



that adult social care was the biggest financial pressure facing their council.

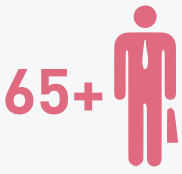


long-term issue by 96% of respondents.

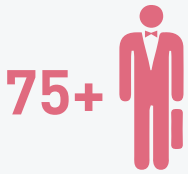
(Capita & CCN Transforming Adult Social Care Survey 2015)

County Demand-Led Pressures

Ageing population



20% CCN member council — **11.5%** London

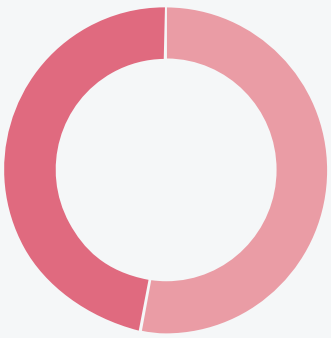


9.2% CCN member council — **5.4%** London

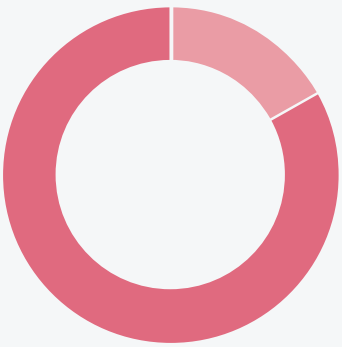
2.7% CCN member council — **1.5%** London

Service user profile

Counties have on average **53%** self-funders



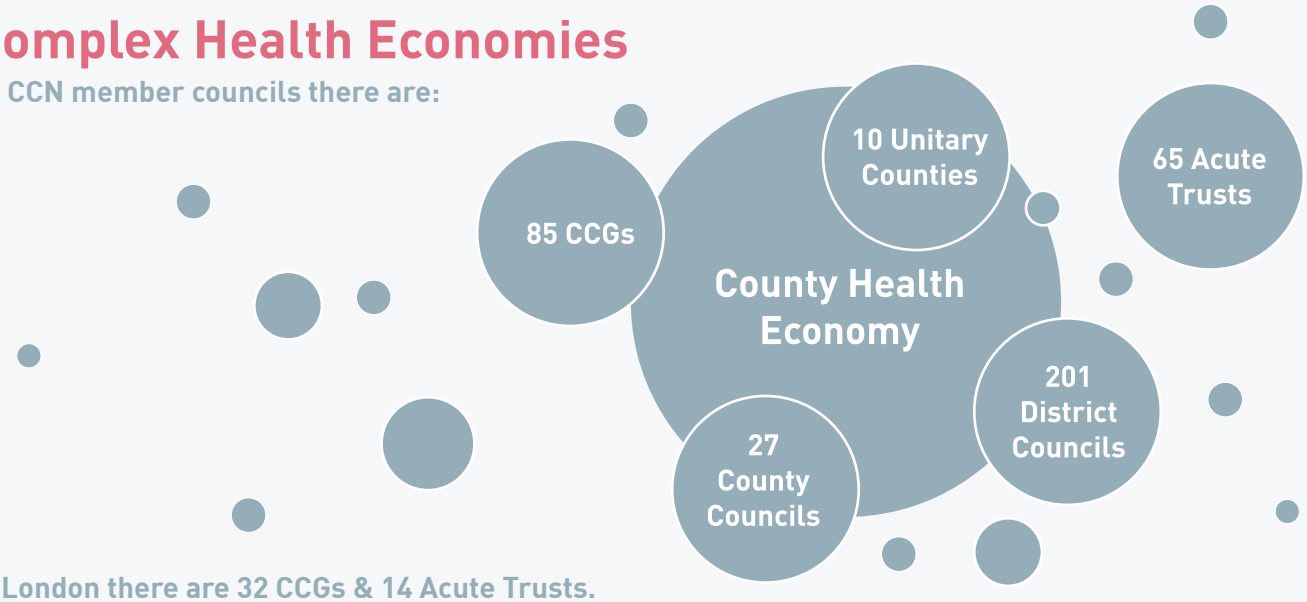
Some counties as high as **80%**



Current & future demand higher in counties

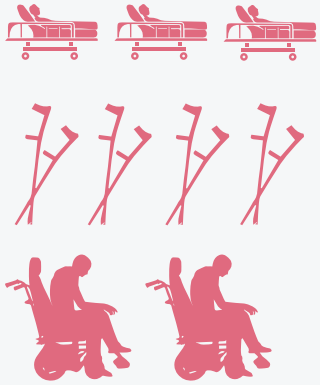
Complex Health Economies

In CCN member councils there are:



In London there are 32 CCGs & 14 Acute Trusts.

Pressures are impacting on local services...



Delayed discharges up **29%** in counties
Median average for CCN member councils during 2013-2014

Delayed discharge rate **43%** higher in counties
Compared to national average

Delayed discharge days **29%** higher in counties
Compared to national average

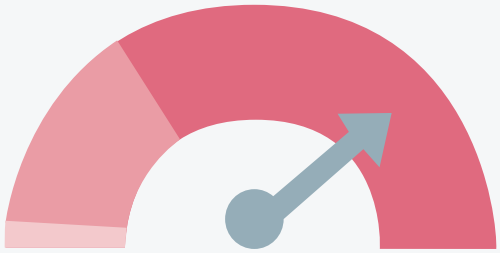
Funding and Policy Changes

County leaders say the Care Act will increase financial pressure.

How the Care Act changes things

97% of respondents thought that Care Act duties from 2015 would increase the funding pressures.

- Increase significantly (68%)
- Increase slightly (29%)
- Neither reduce nor increase (3%)



80% thought that changes from 2016 - the Dilnot reforms - would increase pressures significantly

- Increase significantly (80%)
- Increase slightly (17%)
- Neither reduce nor increase (1%)
- Slightly reduce (1%)

(Capita & CCN Transforming Adult Social Care Survey 2015)

How Can Integration Help?

Integration of health and social care services is widely seen as an answer to some of these challenges. Parties from across the political spectrum are committed to better integration, which has been seen as both a way of saving money and of helping people to use services more easily.

There is still a lack of evidence around the financial impact of integration. Removing duplication must logically make savings, but these savings are small next to the wider financial crisis in health and social care.

At the same time, investment in prevention will generate savings in acute care, but these savings are difficult to track and may take many years to realise.

However, it is clear from responses to this inquiry that i**ntegration will improve services.** We are moving towards seamless, joined up services at the point of delivery and integration between health and social care is crucial to this vision.

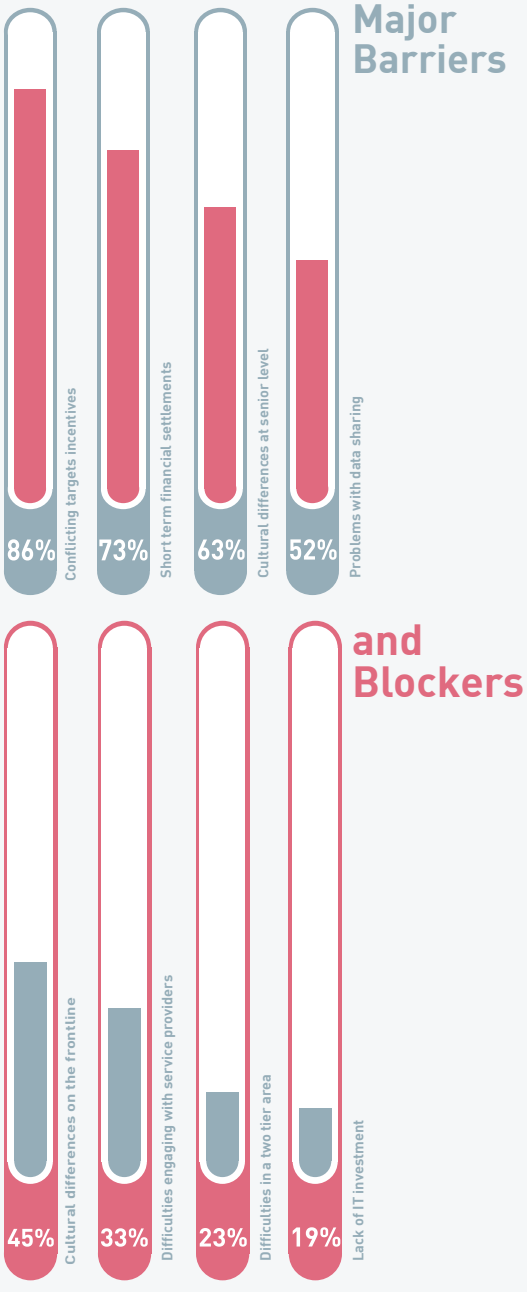
What do we mean by integration?

The County APPG does not support full structural integration of health and social care under the NHS. Social care has made huge strides in offering more personalised services to people, while health services remain very centralised. But there is universal agreement that delivery should be integrated from the perspective of the service user, with a single point of entry for an individual needing care or health services.

Integration should also be appropriate to local needs and responsive to local democratic control. This can best be determined at a local level and serious consideration should be given as to how greater devolution in both health and social care can enable integration.

Our inquiry found both benefits and barriers to integration. This presents challenges to driving integration, but also the opportunity to devise solutions to drive forward radical reform.

Barriers to Integration



(Capita & CCN Transforming Adult Social Care Survey 2015)

Challenges & Solutions

Funding Reform & Entitlements

What is the challenge?

Funding for adult social care is under huge pressure, with shrinking resources and growing demand for services. The situation is particularly acute in county areas, with a unique set of challenges, including an ageing population and historical under-funding placing additional strain on local services.

Counties receive considerably less funding per head than other types of local authority. A county council receives £496 for every person over the age of 75, while an inner London borough receives £1,957.[2] This is in spite of the additional pressures counties face because of their size and the way in which their populations are geographically dispersed.

These problems are compounded by the lack of integration between health and social care. The fact that NHS interventions are free at point of delivery while social care is heavily means tested acts as an obstacle to integration and creates confusion for service users. A closer entitlement across health and social care would be beneficial, but would need to be funded centrally.

What do we suggest?

The social care funding system can be made more sustainable and fairer. It is clear that the 2015 Spending Review must address the long-term viability of social care funding, providing a settlement that is sustainable over the long-term. This must include adequate long-term funding to implement Care Act duties from April 2016. It should also review how older person's funding per head can be reformed, and allocated more fairly.

In addition to sustainability and fairness, an incoming Government must conduct a review in the difference in entitlements between health and social care services. Personal health budgets may provide an opportunity to integrate health and care provision and combine or align key processes and systems while also simplifying funding streams for service users.

1) As part of the 2015 Spending Review the Government must conduct a full review of the sustainability of adult social care, including allocation formulae and with a particular focus on rebalancing the allocation of older persons Relative Needs Formula (RNF) per head of population.

2) The Government should establish an independent cross-party commission to look into the disparities in entitlement between health and social care.

Aligning Incentives

What is the challenge?

In a recent survey commissioned by the County Councils Network, more than 85% of respondents identified 'conflicting targets/ incentives' as the number one barrier to health and social care integration.

The current NHS payment by results National Tariff system has been criticised for paying the NHS for each clinical contact, regardless of the benefit to the patient. As a consequence, hospitals consume a far greater proportion of local resources than should be the case.

This model does not incentivise prevention and is a barrier to further integration of the health and social care system. Worse still, it can actually operate against greater investment in prevention as acute trusts stand

[2] *CCN Plan for Government, 2014*

to lose money if patients are diverted away from their services.

What do we suggest?

Providing sustainable and fairer funding must be accompanied by a shift in incentives across health and social care. We need to realign incentives in the NHS to support the shift towards prevention and upstream investment described in the Care Act.

Changes are needed to the current rigid NHS tariff system to enable commissioners to buy packages of integrated care based on outcomes across care settings and to reward achievement against outcomes rather than activity.

3) In partnership with Monitor, the Department of Health should review the NHS tariff system with a view to removing perverse incentives for local integration. This should include consideration of how the 'recovery, rehabilitation and reablement' (RRR) model can be properly evaluated and extended where appropriate. A payment system should incentivise quality and efficiency, but should also support wider objectives such as joint working.

Supporting an Integrated Workforce

What is the challenge?

The difference between how people operate on the frontline is a potential barrier to integration and the education system perpetuates silos in how people are prepared for practice. This often results in people being repeatedly referred on to the next service, rather than staff stepping outside their own professional sphere to resolve a problem.

Another barrier relates to pay and conditions. The majority of care workers are employed by third-party providers and there has been a lot criticism of working practice in the sector. Council submissions to the inquiry noted that pay and conditions in the health service are broadly better than in social care, making recruitment and retention difficult for the latter.

What do we suggest?

For integration to work we need an integrated workforce. We must break down the silos that exist between workers in health and those in social care and establish integrated professional training for those who work together: social workers, nurses, occupational therapists, physiotherapists and care workers for example. This is particularly important in a county setting. Large rural locations are more difficult for community based staff who often travel long distances, making the development of a cross-trained, multi-disciplinary workforce with access to effective mobile IT solutions essential.

4) Health & Wellbeing Boards should establish joined up workforce strategies across health and social care to plan an integrated workforce.

5) The Government should support this process by joining up accreditation of professional training for those working on the frontline in health and social care in a national strategy.

Data Sharing & IT

What is the challenge?

Out of date IT is still a problem for both health and social care and slows down plans to share information and integrate records.

The legal basis for sharing social care data is a major problem for integration. At present, shared data can only be achieved by getting consent on an individual basis from service users. This is costly, time-consuming and results in only partial completion.

What do we suggest?

Information intelligence is integral to evidence-based integrated commissioning. The citizen must retain control of their data, but there must be a statutory presumption to share data between organisations. There are legitimate concerns over the public's perceptions of the risk and the willingness for data to be shared. Nevertheless, the benefits of data sharing – underpinning a seamless service, allowing outcomes to be more effectively measured and holding providers to account – arguably outweigh the challenges.

6) The Government should pass legislation establishing a legal presumption for the public sector to share data, with an individual right to opt out.

Support for Planning Services

What is the challenge?

It was clear from responses to the inquiry that there is a strong demand for more robust financial modelling and return on investment analyses.

Many councils have begun to undertake their own analysis of the financial impact of integration and the benefits of upstream investment, but national support would be helpful for the sake of consistency and to prevent local authorities from 'reinventing the wheel'.

What do we suggest?

New mechanisms to share findings across NHS and local authorities partners locally and nationally would be valuable. Both the LGA and NHS England will be key in this regard.

7) The LGA and NHS England should provide national joint guidance on financial modelling and Return On Investment (ROI) tools for health and social care integration.

National Structures

What is the challenge?

The Government's £3.8bn Better Care Fund (BCF) has been established to create a single pooled budget that will incentivise the NHS and local government to work more closely together. The BCF has been a welcome development, providing a catalyst for more intense local integration activity at a local level.

However, although this inquiry found that it represented a step in the right direction, the scheme was criticised for being over-centralised, with Whitehall performance management a hindrance to local innovation. Evidence showed that it was bureaucratic and had inherent conflicting objectives, which in some cases undermined local partnerships. Crucially, our inquiry and accompanying research showed that the £3.8bn pooled fund was by no means a solution to long-term funding crisis facing the social care.

Financial Challenges

Top county leaders say the BCF won't ease the funding pressures on its own.

Few were confident that the BCF would help meet the challenges in adult social care, fewer still after changes to funding allocations.

(Capita & CCN Transforming Adult Social Care Survey 2015)

What do we suggest?

Integration locally must be reflected by a more coherent strategy at a national level.

There is a need to better align settlement periods for Clinical Commissioning Groups (CCG), NHS England and local authorities. The ability to use an underspend from one year in the next allows far greater flexibility at a local level.

We need to develop new commissioning frameworks to promote collaborative working between health and social care. Recent innovations on outcomes based commissioning such as alliance contracting have clearly built on the importance of collaboration, but there are practical constraints on NHS procurement, patient choice and competition regulations. A shared outcome framework for health and social care would go some way to addressing these problems and would help consistent reporting and evaluation of impact.

The BCF represents a step in the right direction, but needs to be reformed if it is to work more consistently. In particular, its administration and performance management need to be reconsidered to minimise bureaucracy and to promote better working relationships between health and social care.

8) DoH should introduce a shared outcome framework for health and social care.

9) DoH and CLG should establish a ten year shared financial settlement for health and social care.

10) The BCF should be reformed and extended for those councils who choose to continue working in this way. A pooled health and social care fund of at least £7.8bn should be established by 2019/20.

Health & Social Care Deals

What is the challenge?

The majority of the money spent locally resides within the NHS. It is not democratically accountable at a local level in the same way as a local authority. Its services are less personalised than those in social care and it is subject to far more prescriptive national guidance and legislation.

The locus of power in the NHS is still very much at the centre and this plays out at a local level. We need a wholesale shift away from acute spend towards community based, preventative solutions, as described in the Care Act.

The key finding from this inquiry is that integration will look different from one area to another. We can make some progress through a reformed BCF, but it will restrict more ambitious, locally driven, innovation.

What do we suggest?

In recent years "devolution" of public services and Whitehall budgets has been seen as a driver for local economic growth. But the benefits of devolution go beyond cities, and beyond economic growth. The crisis facing elderly care is a national priority of equal importance to enhancing economic productivity.

The Government has recognised this by announcing its intention to devolve the entire £6bn health and social care budget to the 10 local authorities and their partners in Greater Manchester under the leadership of an Elected Mayor from April 2016.

If the case for devolution can be made in Greater Manchester, where current demand is less acute, geographies and service provision less complex and future pressures less severe, it is absolutely essential the Government turns its focus on county areas following the findings of our inquiry.

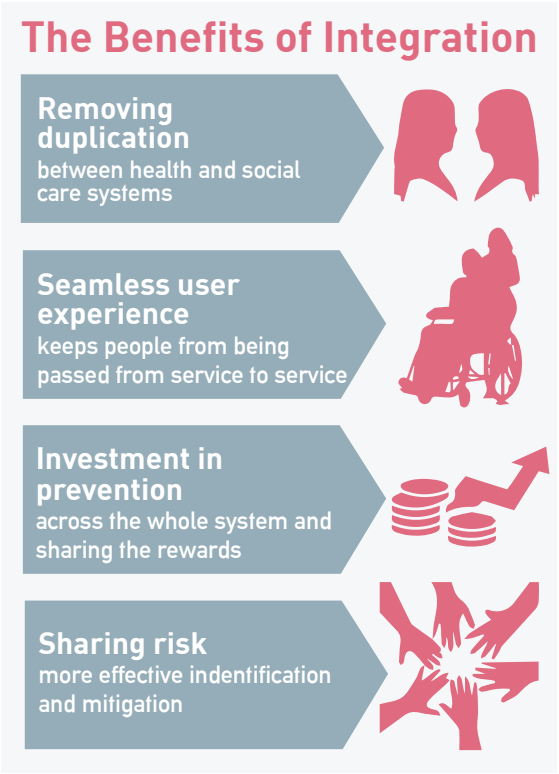
The principles established in Greater Manchester must be extended to other areas of the country with the offer of Health & Social Care Deals in county areas. There is appetite for a more localist approach within the NHS and it is acknowledged within the NHS Five Year Forward View that it can improve outcomes and drive efficiency.

Councils and health partners, including CCGs and acute trusts, should be invited to suggest their own plans for integration at a local level, based on local need and their own organisational landscape. This may resemble the models used by whole place community budgets, but other models may also be available. Stronger and more focused Health and Wellbeing Boards could be central to establishing such plans.

The future of an integrated system will mean those county health economies able and willing to do so coming together to deliver a devolved, decentralised, locally-led health and social care system.

11) Local NHS/local authority partnerships in county areas should be invited to bid for greater devolution of health and social care through Health & Social Care Deals in the form of:
a) larger or entirely pooled budget;
b) new delivery structures; and
c) enhanced local powers to commission services.

12) Health & Wellbeing Boards should be empowered to hold the integration programme to account and to drive it locally. Health & Wellbeing Boards should be given additional powers to commission primary, secondary and social care services, and empowered to hold budgets.



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The Secretariart of the County APPG is provided by the County Councils Network (CCN). CCN is a cross-party Special Interest Group of the Local Government Association (LGA) representing 37 county and county unitary authorities in England. Its members represent 47% of the English population and cover 86% of its landmass.

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