

Public Accounts Committee Integrating Health and Social Care Inquiry London Councils Submission

London Councils represents all 32 London boroughs and the City of London. London Councils is committed to fighting for more resources for London and getting the best possible deal for London. We develop policy, lobby government and others, and run a range of services designed to make life better for Londoners.

SUMMARY OF THE KEY POINTS RAISED IN OUR RESPONSE

1. London Councils estimates that in London, despite the additional funding found for adult social care at SR15, and the additional grant announced as part of the local government finance settlement in December 2016, there will still be a cumulative £600 million funding gap by 2019-20. It is going to be increasingly difficult for local authorities to fulfil their statutory obligations to assess and meet the needs of all the people requiring care and support. If government is serious about transforming health and care and moving the system from a medical based one towards a more people centred-place based model then government must ensure that the sector is appropriately funded so that local areas do not have conflicting priorities and are enabled to shift more resources towards long term planning and integration moving away from the current short term planning that majority of areas out of necessity have to focus their limited resources.
2. The devolution Memorandum of Understanding that is expected to be signed between government and health and care partners in London will give local areas additional powers that will enable them to speed up integration across the capital. Government must continue to support the devolution areas over the coming months enabling an easier transition towards wider scale devolution.
3. There a number of common barriers that local areas face and these have been known for several years. While allowing for local flexibility and enabling local areas to find solutions that work best for them, there is a need for a more concerted effort to be made at the national level to offer options on addressing these, enabling local resources to be used on other pressing issues.
4. It is important that existing mechanisms such as HWBs are fully utilised to help strengthen integration while ensuring that all parts of the system are fully engaged. HWBs are already in place and must be given a central role in any long term integration plans.

1 Background

1. The debate on the role of integration in providing a holistic health and care service has been ongoing for a number of years. There have been several national initiatives trialled by government to help drive forward the integration agenda such as the integrated pioneer programme, the introduction of the Better Care Fund, the sustainability transformation planning process and the Vanguards. All aimed at bringing about the transformation of health and care.
2. London local areas have embraced these initiatives and have been working closely with their stakeholders and partners to develop a variety of integrated approaches including both multiple borough and multiple CCG foot prints as is the case in North West London whole systems integrated care programme. Other examples of some of the integration work across London include the following:
 - a. The Kingston Coordinated Care programme has also brought together different initiatives into one coherent programme to achieve greater momentum and pace and better outcomes. These initiatives include: - Active and supportive communities programme - Adult social care customer journey - Better Care Programme projects (information and advice; supporting self-care; expanding Kingston at Home; risk stratification and MDT working, shared care planning; seven-day working) - Initiatives to reduce delays in transfers of care from hospital to other settings of care (discharge to assess and breaking the cycle)
 - b. Health partners and the local authority in Newham have been working closely to improve the health outcomes of their communities while providing a service that responds to individual service users' needs. Newham is making changes to the way health services are delivered across the borough with the aim of reducing health inequalities and improving overall health outcomes to make sure Newham residents experience similar levels of good health as their neighbours in the rest of London.
 - c. Islington has been working on developing an integrated health and care workforce bringing together their health and care staff to develop integrated plans training needs analysis and new roles and ways of working for example in relation to long term conditions and mental health.
3. Integration has been seen by government as the solution to the funding crisis that the sector faces. However, despite efforts made to develop integration, local areas have continued to struggle to implement integration at pace and identify a number of barriers – see section 3.
4. For several years London Councils has been arguing that the social care sector is under pressure and achieving full integration will not address all the problems facing the sector. In 2013 London Councils published a joint report with Ernst and Young in which we illustrated how even with local areas in London all achieving the best savings projections through integration projects the funding problems in the sector would not be fully addressed without the funding gap in the sector being addressed first.
5. The NAO report published in February 2017 has also helped to highlight this stating that unless the funding gap is addressed local areas will continue to prioritise the immediate pressures at the risk of exploring alternative and at times untested ways of working that integration would need.

6. The section below sets out the funding crisis in social care in London that we believe must be addressed to enable local areas to better meet

2 The Funding Crisis in health and social care

7. London's population is growing at a faster rate than the rest of the England, including significant growth in the over 65s population and the number of people with physical/learning disabilities. Demographic growth and change in recent years has also seen an increasing number of people living with long-term, complex conditions.
8. Spending Review 2015 (SR15) outlined further significant cuts to local government, which was again asked to shoulder a greater than average share of the funding reductions to deliver the Government's deficit reduction plans: a real terms cut to core funding (Settlement Funding Assessment) of 37 per cent over four years. Core funding to London boroughs from Government will have fallen by 63 per cent in real terms over the decade from 2010-11 to 2019-20.
9. The funding challenge in adult social care is one of the biggest facing London local government over the Spending Review period. This remains the largest area of spend at £2.2 billion across London in 2016-17; representing 31 per cent of total spend (as high as 43 per cent in some boroughs). Recognising the critical impact this can have on people's lives, boroughs have sought to protect adult social care as much as possible since 2010-11 but despite this, boroughs are spending around £450 million less in real terms than in 2010-11.
10. The 2015 Spending Review found an additional £3.5 billion nationally for adult social care by 2020 across England - £2 billion through the introduction of the social care precept and £1.5 billion through the Improved Better Care Fund grant to local government. Of the £1.5 billion to be made available through the Improved Better Care Fund (in 2020), £247 million is available for London, while £244 million could potentially be raised from the Social Care precept. While this additional funding was welcomed, it still fell considerably short of the amount needed for adult social care by 2020.
11. London Councils estimates that despite the additional funding found for adult social care at SR15, there will still be a cumulative £600 million funding gap in 2019-20. This could be compounded by CCGs reducing their contributions to the Better Care Fund as they also grapple with their ongoing budget shortfalls.
12. Faced with this funding gap, it is going to be increasingly difficult for local authorities to fulfil their statutory obligations to assess and meet the needs of all the people requiring care and support. Transformation of health and care is therefore essential for bringing about longer term sustainability in the sector.
13. In 2015/16, the net deficit of NHS bodies (NHS England, clinical commissioning groups, NHS trusts and NHS foundation trusts) was £1.85 billion. For the same year, the net deficit of NHS

Trusts and Foundation Trusts was £2.45 billion, with 66% of Trusts and Foundations Trusts reporting a deficit. Among clinical commissioning groups, 32 of 209 reported a net deficit in that year. In the first quarter of 2016/17, the reported Trust and Foundation Trust deficit was approximately £461 million. For the period up to 2020/21, NHS trusts, NHS foundation trusts and clinical commissioners need to make £14.9 billion of savings by 2020-21 to help close the estimated £22 billion gap between patients' needs and resources.

3. Barriers to Integration

14. Despite the national initiatives trying to drive forward integration it is evident that the pace of integration is being hampered for a number of reasons. Over the last few years local areas have invested resource into various attempts to break down these barriers with variable success.
15. The NAO report was clear that there needs to be a concerted effort at the national level to address the key challenges in integrating health and care and specifically identified misaligned financial incentives, workforce challenges and reticence over information-sharing.
16. It is evident at the local level that the combination of increasing demand and declining budgets mean that the challenges in the sector are increasing and making it even more difficult for areas to move towards integration.
17. Feedback from several London boroughs identified the following problems in their quests to deliver integration. Majority of the problems identified are not isolated to specific projects or programmes but are seen as problems to the wider sector. These include:
 - Problems crossing professional boundaries – challenges in crossing professional boundaries between the health and social care workforce.
 - Cultural differences between the NHS and social care means that the way they work and respond can sometimes cause delays in the system. For example adult social care operates in an environment that is strongly influenced and governed by local politicians primarily accountable to local residents and voters. Local politicians have varying electoral mandates to which they respond differently. In contrast health partners do not have the same governance requirements. NHS organisations are accountable for national targets and a regional strategy and their commitment to local communities differs from the relationship politicians have with their communities.
 - Having the right information and data sharing systems in place to enable better sharing between the health and care systems.
 - Difficulties in getting partners to commit to prevention and early intervention schemes.
 - Commissioning transaction costs are high and interests of commissioners and providers are not aligned and are working towards different outcomes
 - There is pressure to continue delivering a variety of other local public services with declining local government budgets.

18. While local flexibility is essential to enable local areas to find solutions that work best for them, a number of these barriers have been well known and have been discussed for a number of years and continue to be challenging and more support is needed for local areas to address these. Local areas have already been spending considerable resources to address some of these with variable success increased support will also enable them to focus resources on other priorities.

4. Enabling Integration

19. **Devolution** – London has for the past year been piloting how devolution could help to strengthen integration of health and care at the local level. Examples of the work that is being developed through the integration devolution pilots in London includes:
- Barking and Dagenham, Havering and Redbridge have been exploring how an Accountable Care system can be set up to deliver joined-up care ‘pathways’ that can improve outcomes and offer better value across the health and care system. Devolution of financing and contracting mechanisms will help them to transform how they deliver health and care into a more integrated service.
 - Devolution proposals in Hackney are exploring how to deliver an integrated effective and financially sustainable system that covers the whole range of wellbeing - from public health initiatives for school children, timely and appropriate access to GPs and community pharmacists, and top quality hospital treatment, to excellent mental health services and supporting people to remain independent in their community for as long as possible.
 - Lewisham are exploring how to develop a fully integrated health and care system by combining mental and physical health services and social care.
20. At the end of the first year piloting their work the following specific asks have been developed which are expected to drive forward integration through additional devolution powers. These asks include:
- New commissioning powers: Devolution of some national health commissioning budgets, including public health functions, specialised services and primary care, that would enable local areas to bring together disparate budgets, streamline planning and reduce the transaction costs associated with commissioning.
 - Financial flexibilities that will enable local areas to develop and adopt new payment models that incentivise care coordination, prevention, quality and innovation, and keeping people more healthy in the community for longer.
 - Common regulatory system: Developing a simplified and common regulatory and assurance system will help to keep focus on how well the system is improving outcomes, helping to identify what matters most to patients and service users.

- Estates: Freedoms in terms of using or disposing of local estates so as to transform existing estates into fit-for-purpose facilities capable of delivering integrated services.
 - Additional local powers maybe needed to help address other challenges such as public health challenges, especially the social determinants of health and wellbeing – i.e., ensuring a good start in life, fair employment, educational opportunities, healthy communities, etc.
21. A devolution Memorandum of Understanding is expected to be signed shortly between London partners and the government. The MoU will give local areas additional powers that will enable them to speed up integration across the capital. Government must continue to support the devolution areas over the coming months enabling an easier transition towards wider scale devolution.
22. **Local governance systems for integration** – We believe that the capacity of Health and Wellbeing Boards (HWBs) in supporting the integration agenda has not been fully utilised yet and that there is further scope for HWBs in helping to strengthen and speed up the integration agenda.
23. The role that HWBs have played in the Better Care Fund process has helped in strengthening local relationships and links enabling local areas to develop joint plans. The Boards have had oversight of all the BCF plans and played a key role in ensuring plans have had ‘buy-in’ from partners across both health and social care.
24. In contrast the development of Sustainability Transformation Plans did not have a requirement giving the HWBs oversight as a result there is evidence that there has been variable success across local areas in having buy-in from the sector. A critique of the STP process has been that it has been primarily driven by health partners raising a risk that the plans may be seen as “health plans”.
25. The majority of health and care services are planned for and delivered by local health and care systems it is therefore important that future governance of STP plans should work with and take into consideration borough based planning for local services across health and care.
26. It is therefore important that existing mechanisms such as HWBs are fully utilised to help strengthen integration while ensuring that all parts of the system are fully engaged. HWBs must play a central role in any long term integration plans. London Councils is calling for Health and Wellbeing Boards to be given more powers to enable them to be stronger facilitators for integration across the whole health and care system - for example, HWBs should be given more powers over local commissioning budgets as a way of avoiding fragmentation across the system - CCG budgets should be delegated to HWBs.
27. **Enabling the sector to move towards long term planning** - Research on the Integration Pioneers carried out by the Policy Innovation Research Unit found that financial constraints in the sector were limiting the sector’s ability to fully reshape services and integrate. The authors

point out that while the growing demand for services accompanied by declining budgets provide a stronger imperative for more effective integration these conditions actually make it more difficult to make progress on the integration agenda. They argue that the financial and operational pressures that make integration necessary, are effectively the same things which are preventing integration from being implemented creating an integration paradox. The researchers found that these pressures increased the incentives for health and care partners to defend existing roles and resources as they faced increased pressure to meet performance targets- making integration a less urgent priority. For example due to increased financial pressures some local areas initiatives to develop communities resilience were undermined by having to make essential cuts to services, lunch clubs and support to communities.

28. Integration through programmes such as the Better Care Fund are also now at a greater risk as CCGs and local government both address their own budget priorities which may result in more areas going into escalation before getting local agreement and sign off on their local plans. This may result in a negative impact on the good work that has been done to date.
29. If the pace of integration is to gather momentum it is essential that the funding gap be addressed. This will enable local areas not only to focus their resources on ensuring they meet their immediate targets but to also invest in longer term integration plans which may not necessarily result in any immediate savings for them.
30. The case for additional funding and the pressure that system is under have been raised increasingly over the past few months. However, there needs to be greater recognition regarding the link between what the ongoing funding pressures in the sector mean to the pace of integration. If government is serious about transforming health and care and moving the system from a medical based one towards a more people centred place based one then government must show its commitment towards ensuring that the sector is appropriately funded so that local areas do not have conflicting priorities and are able to shift more resources towards long term planning and integration moving away from the current short term planning that majority of areas out of necessity find themselves doing.

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