

Extract from the report of the House of Commons Health Committee report – Public Expenditure (Thirteenth report of session 2010-12)

Conclusions and recommendations

Meeting the Challenge: the need for service redesign and integration

1. The evidence submitted to the Committee is unambiguous. The Nicholson Challenge can only be achieved by making fundamental changes to the way care is delivered. (Paragraph 9)
2. While the separate governance and funding systems make full-scale integration a challenging prospect, health and social care must be seen as two aspects of the same service and planned together in every area for there to be any chance of a high quality and efficient service being provided which meets the needs of the local population within the funding available. We would like to see best practice in this rolled out across the Health Service and underperforming commissioners held to account for failure to engage in this necessary process of change. (Paragraph 13)

Setting and achieving targets

3. At a time when all NHS bodies are being required to make efficiencies and need to plan strategically to reshape services it is unhelpful for the Department of Health to require them to make bids for capital funding to short deadlines and without adequate preparation (Paragraph 39)
4. It remains too early fully to assess the types of savings being made in 2011–12, the first year of the QIPP programme. The Government remains confident that savings are on track. Nevertheless, we have heard strong concerns from the NHS Confederation, the Foundation Trust Network and the King's Fund, among others, about the ability of NHS organisations firstly to meet their saving plans and second, to do so in a manner that is sustainable and releases further savings in future years. We are concerned that there appears to be evidence that NHS organisations are according the highest priority to achieving short-term savings which allow them to meet their financial objectives in the current year, apparently at the expense of planning service changes which would allow them to meet their financial and quality objectives in later years. (Paragraph 40)

Progress on service reconfiguration

5. The Nicholson Challenge can only be achieved through a wide process of service redesign on both a small and large scale. These changes should not be deferred until later in the Spending Review period: they must happen early in the process if they are to release the recurring savings that will be vital in meeting the challenge. In the meantime, we are concerned that savings are being made through “salami-slicing” existing processes instead of rethinking and redesigning the way services are delivered. (Paragraph 57)
6. The reduction of the tariff is intended to encourage service redesign. This link needs to be made much more explicit if there is to be a proper understanding in the NHS and among the wider public of the scale of service change which is needed to meet the Nicholson Challenge. (Paragraph 58)

The impact of the White Paper restructuring

7. The reorganisation process continues to complicate the push for efficiency gains. Although it may have facilitated savings in some cases, we heard that it more often creates disruption and distraction that hinders the ability of organisations to consider truly effective ways of reforming service delivery and releasing savings. (Paragraph 63)

Pressure on social care services

8. The overall picture of social care is of a service that is continuing to function by restricting eligibility, by making greater savings on other local authority functions and by forcing down the price it pays to contractors for services. In each case, the scope for further efficiencies is severely limited. The Government's response to the Dilnot Commission's proposals due in the first half of this year will, we hope, set out how a sustainably funded system will continue into the future. The challenge for local authorities and the Government is to continue to provide a meaningful service until a new system is in place. (Paragraph 76)

Access to services

9. In spite of Government assurances, local authorities are having to raise eligibility criteria in order to maintain social care services to those in greatest need. (Paragraph 84)
10. It is deeply concerning that £116m of the £648m intended to be spent through the NHS on improving the interface between health and social care is being spent on sustaining existing eligibility criteria. This suggests that this money (which was intended to support greater integration of services) is in fact being used to maintain the existing system. To the extent that this is true it is a lost opportunity to promote the necessary process of service integration. (Paragraph 85)
11. ADASS has found that 82% of councils are only providing care to those whose needs are assessed as significant or higher. The Permanent Secretary at the Department of Health told us that the settlement was intended to "hold the position steady" until a new funding system for social care was developed. The tightening of eligibility criteria demonstrates that the settlement is not sufficient to achieve this. (Paragraph 86)

Integration of health and social care

12. A January 2012 joint report by the King's Fund and the Nuffield Trust, on the integration of health and social care, called on the Department of Health and the NHS Commissioning Board to "develop a consistent and compelling narrative that puts well-co-ordinated care for people with complex needs at the heart of what is required of local NHS and social care organisations" and to set "a clear, ambitious and measurable goal linked to the individual's experiences of integrated care that must be delivered by a defined date". (Paragraph 94)
13. Although the Committee welcomes the continuing interest and support for the priority accorded by the NHS Future Forum to greater service integration, it found precious little evidence of the urgency which it believes this issue demands—on both quality and efficiency grounds. It is a question to which the Committee will

return in its Report on Social Care. In the meantime it calls on the Government and local authorities to set out how they intend to translate this aspiration for greater service integration into the reality of patient experience. (Paragraph 95)

Investment of NHS funds in social care

14. Early reports from the Health Service are that the transfer of money from the NHS to be spent on social care has been effective. That effectiveness may be because there was a very straightforward control mechanism: the money had to be spent by agreement. We do not underestimate the importance of this transfer, but the fact remains that it represents just 1% of annual funding for the NHS. Clearly there is scope to extend transfers of this kind (Paragraph 101)
15. The Committee believes that, as a matter of urgency, the Department of Health should investigate the practicalities of greater passporting of NHS funding to social care. (Paragraph 102)