Local Government Group Briefing - Health White Paper: "Equity and excellence: Liberating the NHS"

13th July 2010

Introduction

The Government published its White Paper on the NHS yesterday afternoon (12 July 2010). This briefing summarises the key proposals and highlights the implications for local government.

LG Group Key Messages

- The White Paper represents a major restructuring, not just of health services but also of councils' responsibilities in relation to health improvement, and coordination of health and social care.
- The LG Group **welcomes the focus of the White Paper on removing unnecessary bureaucracy and devolving power to the local level.**
- The LG Group also **welcomes the transfer of public health responsibilities to local authorities.**
- The proposals represent only one part of the government's agenda for change in health and social care. The White Paper also announces that there will be five further publications over the next few months which will seek detailed views on particular aspects of its proposals.
- **The Government plans to publish a further White Paper on Public Health in the autumn and will bring forward proposals for the future funding of social care in April 2011.**
- Clearly, there are many aspects of the proposals that are not yet fully developed and we look forward to discussing with the sector and with central government how local government can contribute to joining up health improvement, health services and social care locally to achieve better outcomes and greater efficiency.

Summary of proposals

- Putting patients first through greater choice, involvement and control and a more important role for clinicians in deciding on health priorities.
- Greater focus on improved health outcomes to replace process-led targets.
- Greater accountability, local autonomy and democratic legitimacy through the development of GP commissioning consortia, working in partnership at local level with local authorities.
- Maintain NHS spending in real terms, though there will be efficiencies in the region of 45 per cent of total NHS management costs to offset rising demographic demands. There will be "no bail-outs for organisations which overspend public budgets".
- Creation of an independent NHS Commissioning Board to oversee commissioning and to champion improvement and patient involvement in health services. The development of GP commissioning consortia and the creation of the NHS Commissioning Board will pave the way for

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briefing

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the abolition of Strategic Health Authorities (SHAs) in 2012/13 and Primary Care Trusts (PCTs) 2013.
- New roles and resources for local councils in public health, and a new statutory Health and Wellbeing Board to ensure coordination, integration and partnership working on social care, public health and health improvement.
- Abolition of the health oversight and scrutiny role for councils.
- Creation of a national Health Watch for England to be the national voice of patients and the public. Local involvement networks will become local Health Watch branches. Local authorities will retain their statutory duty to support patient and public involvement activity.
- New joint roles for both Monitor and the Care Quality Commission (CQC), with Monitor becoming the economic regulator for all health and social care providers and CQC becoming the quality inspectorate.

The Local Government Group is considering the White Paper through five key challenges:

1. **Do the proposals build on existing experience?** Deciding what is spent locally on health services needs to build on the innovative practice that already exists. In many areas, councils, PCTs and health practitioner-based commissioning consortia (including GPs, nurses, specialists and pharmacists) are already working together to improve services, efficiency and outcomes. We can use these areas as test-beds for new arrangements before they are rolled out nationally.
2. **Do they support an area-based budgeting approach?** The LG Group has developed an open and comprehensive offer to Government to help them achieve efficiency savings by adopting a place-based approach to deciding how public money is spent. Health resources will need to be included in this approach, in order to join up health and social care, and to invest in preventative and early interventions in order to reduce the need for health and social care.
3. **Do they promote a person-centred approach?** The proposals should support a person-centred approach to services, based on the needs and expectations of the individual rather than organisational considerations or convenience.
4. **Do they ensure accountability to local communities?** The proposals must include clear and transparent accountability arrangements to local communities, which build on existing accountability rather than creating new structures.
5. **Do they ensure that public resources are directed to the areas of greatest need?** In particular, they should address inequalities in health. We know that inequalities in health are, largely, avoidable and cost taxpayers many millions of pounds each year in spending on health and social care and loss of tax revenue through long-term ill-health.

Further Information

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New roles and resources for local councils

- PCT public health improvement functions will be transferred to local councils after the abolition of PCTs in 2013.
- Local Directors of Public Health will be jointly appointed by local authorities and the national Public Health Service. Further clarity is required around the arrangements for the employment of public health teams and the accountability of the Local Director of Public Health
- A ring-fenced public health budget will be allocated to local authorities to support their public health and health improvement functions.
- Councils will be required to establish “health and wellbeing boards” to join up the commissioning of local NHS services, social care and health improvement. This will allow local authorities to take a strategic approach on promoting integration across health and adult social care, children’s services (including safeguarding) and the wider local authority agenda.
- An extension and simplification of powers to enable joint working between the NHS and local authorities.
- Health Overview and Scrutiny Committees (HOSCs) will be replaced by the above functions.

LG Group view *– Local government has a central role to play in promoting public health and health improvement and we welcome the Government’s recognition that councils are the most appropriate local bodies to co-ordinate and lead on health improvement. We also support the proposal to establish “health and wellbeing boards” in the knowledge that many councils and local partnerships already have very similar structures to improve co-ordination and collaboration on health improvement and addressing health inequalities.*

We are pleased the Government recognises that councils will require additional resources to undertake the public health role. However, the imposition of a ring-fence is completely at odds with the place-based approach advocated by the Local Government Group. Mainstream services such as housing, early years support, transport, leisure and recreation and social care make a far more significant contribution to public health and health improvement than the marginal resource in the ring-fence. ***Government must trust local councils to direct resources as they see fit and remove the ring-fence.***

With regard to the proposal to remove health oversight and scrutiny powers from councils, the LG Group believes that HOSCs have made a real difference in championing the public interest and challenging health commissioners and providers to deliver better health services. The scrutiny of health services must be transparent and have a strong element of democratically accountable oversight, independent of the health service, in order to ensure that it is responsive to the local public’s needs.

Joint licensing role for Monitor and the Care Quality Commission

Providers will be subject to a twin licensing role. Monitor will become the economic regulator for all health and social care providers with responsibility for: promoting competition; regulating prices for NHS services; and supporting the continuity of services if services have become unviable or in protecting assets or facilities that are essential in maintaining the continuity of services.

The Care Quality Commission will focus on quality assurance for all health and social care, both public and private. Providers will have a joint licence overseen by both Monitor and the CQC.

Monitor will also have a role in ensuring competition and diversity of providers to ensure that neither commissioning nor providers use anti-competitive practices and will act as an arbiter to investigate complaints of anti-competitive practice.

The Government will be publishing more detailed proposals on economic regulation prior to the publication of the Health Bill.

Further proposals within the White Paper

Greater patient choice, information and control

People will be given greater choice of provider, including the right to choose to register with any GP, and greater involvement in decisions about their care. The NHS Commissioning Board will be a champion for patient and carer involvement.

There will be better information for patients and carers, a wider range of on-line services and new ways for patients and clinicians to communicate. All providers and commissioners will have a legal duty to provide accurate and timely data, and the Department of Health (DH) will publish an information strategy to seek views on how best to implement the changes.

Patients will have control over their health records and will be able to share them with other organisations, such as patient support groups and patient advocates.

There will be a further consultation on extending choice later in 2010. The White Paper reiterates the Government's commitment to extending choice through a roll-out of personal budgets for health. The NHS Commissioning Board will have a key role in extending choice and control, and Monitor will ensure that patients have a choice.

LG Group view *– The LG Group is committed to extending choice to people and sees this as the way forward in offering care and support that is tailored to individual needs. We support the intention of the White Paper and look forward to working with the Government to extend choice while seeking to achieve efficiencies.*

Greater focus on improved health outcomes

The NHS will focus on outcomes, rather than meet top-down targets. The first step towards this will be the new NHS Outcomes Framework which will include a set of national outcome goals, against which the NHS Commissioning Board will be accountable.

The outcomes will focus on clinical effectiveness, patient safety and patient experience of their care. The DH will be publishing a separate consultation document on the development of national outcome goals.

The outcome framework will be supported by quality standards developed by the National Institute for Health and Clinical Excellence (NICE). Within the next five years, NICE will develop 150 standards for all the main

pathways of care, covering both health and social care services.

LG Group View *– We welcome the focus on outcomes rather than targets and look forward to discussing with the Government how local areas, led by councils, can develop their own outcomes measures, based on the needs and expectations of local people*.

General practitioner-based commissioning consortia

Decisions on treatment and care will pass directly to groups of health practitioners who will be responsible for around £80 billion of NHS resources per annum. It is anticipated that there will be around 500-600 general practitioner commissioning consortia across England and all GPs will be required to join a consortium.

Each consortium will have to be of sufficient size to manage financial risk and to commission services jointly with local authorities. The NHS Commissioning Board will be responsible for holding consortia to account for their use of NHS resources. They will have the freedom to decide whether to undertake commissioning activities themselves or outsource commissioning activity to other organisations, including local authorities.

These consortia will have a duty to promote equalities, to work in partnership with local authorities and will also have a duty of patient and public involvement.

A consultation document giving more details on commissioning will be published shortly - the responses to which will inform the forthcoming Health Bill.

LG Group view *– Councils and PCTs are already working constructively with commissioning consortia in many areas to develop local services that directly address local needs. However, commissioning led by health practitioners is still in the early stages of development and not all practitioners have direct experience of this. We would recommend that the Government works with a few selected areas to "test-bed" this model of commissioning before it is rolled out nationally.*

Cutting bureaucracy and improving efficiency

There is an expectation that management costs will be cut by more than 45 per cent by abolishing PCTs and SHAs, a major reduction in the overall size of the Department of Health, and a major cull of health-related quangos which will be announced shortly.

PCTs will have an important but time-limited role in supporting health practitioners to develop their commissioning capacity and to ensure a smooth transition to the new model. It is planned that following the Health Bill in 2012/13, general practitioner-based consortia will take full financial responsibility from April 2013 when PCTs will be abolished.

LG Group view *– Councils know that cuts are necessary to reduce the budget deficit, however further reductions in public spending must go hand-in-hand with a radical reform of the way public money is spent. It is important that this includes an end to the ring-fencing of budgets in order to allow for efficiency savings through place-based budgeting.*

NHS Commissioning Board

An independent NHS Commissioning Board will allocate NHS resources to general practitioner-based consortia and support them in their commissioning decisions. It will also:

- provide national leadership on commissioning for quality improvement
- promote patient involvement and choice
- support the development of GP commissioning consortia
- commission national and regional specialist services and community services such as GP, dentistry, pharmacy and maternity services
- allocate and account for NHS resources.

The Board will be fully operational in April 2012, when Strategic Health Authorities will be abolished. A national Public Health Service will be created to promote public health, with responsibility for local delivery of public health transferred from PCTs to local authorities.

LG Group view – *The NHS Commissioning Board appears to represent a centralisation of decision making in the health service. It is essential for this Board to represent local decision making at the national level, whilst allowing local commissioners the flexibility to adapt services to local public needs.*

Patient and public voice

Health Watch England will be created as an independent consumer champion within the Care Quality Commission (CQC). Local involvement networks will be rebranded as Local Health Watch and will ensure that the voices of patients and carers are at the heart of the commissioning process. Local Health Watch will be funded by and accountable to local authorities and they will have a legal duty to ensure that Health Watch is operating effectively. Councils will have responsibility for commissioning Local Health Watch or Health Watch England to provide support and advocacy services.

At national level, Health Watch England will provide leadership to local branches and will provide advice to national bodies, including the NHS Commissioning Board, Monitor and the Secretary of State. It will also have the power to propose CQC investigations of poor services, based on local intelligence.

LG Group view – *We welcome the emphasis on greater public engagement at all levels of decision-making within the health service. However, we are concerned that Local Health Watch will carry the weight of responsibility in the public's eyes. The current system has had patchy success in putting patients and service users at the heart of commissioning plans and we will need to learn from best practice to improve effectiveness. Local decision making on public health must play a strong role in the delivery of any national public health service.*

The statutory responsibility to support public and patient involvement in health spending must go hand-in-hand with a radical reform of the way budgets are spent towards a system of place-based budgeting. It is also important that this includes an end to the ring-fencing of budgets in order to allow for the flexible provision of public services that are responsive to local needs.