

Health and Social Care Select Committee report Integrated care: organisations, partnerships and systems

The Health and Social Care Select Committee (the Committee) has published the **report** of its inquiry into 'the development of new integrated ways of planning and delivering local health and care services'¹. This timely inquiry focusses on the development of Sustainability and Transformation Partnerships (STPs), Integrated Care Systems (ICSs) and Accountable Care Organisations (ACOs). This briefing provides an overview of the Committee's key findings and recommendations.

Unusually, in addition to providing oral evidence to the inquiry, NHS England (NHSE) and NHS Improvement (NHSI) published a **written submission** to the Committee, which effectively summarises the shift in national policy focus from competition to collaboration.

Summary of key recommendations

- The Government and the NHS must improve how they communicate NHS reforms to the public, making the case for change in the health service, clearly and persuasively.
- The Department of Health and Social Care (DHSC) and national bodies should adopt an evolutionary, transparent and consultative approach to determining the future shape of health and care. The law would need to change to enable the structural integration of health and care.
- The national bodies should clearly define the outcomes they are seeking to achieve for patients by promoting more integrated care, and the criteria they will use to measure this.
- DHSC, NHS England (NHSE), NHS Improvement (NHSI), Health Education England (HEE), Public Health England (PHE) and Care Quality Commission (CQC), should develop a joint national transformation strategy setting out how they will support STPs and ICSs.
- STPs should be encouraged to adopt the principle of subsidiarity so that decisions are made at the most appropriate local level
- ACOs should be introduced in primary legislation as NHS bodies, if a decision is taken, following a careful evaluation of pilots, to extend their use. The national bodies must take proactive steps to dispel misleading assertions about the privatisation and Americanisation of the NHS including the publication of an annual assessment of private sector involvement in NHS care.

¹ P.4 of the Committee's report

- The greatest risks to accelerating progress are the lack of funding and workforce capacity to design and implement change. The Government must recognise the importance of adequate transformation and capital funding in enabling service change. The long-term funding settlement should include dedicated, ring-fenced funding for service transformation and prevention.

Integrated care

The Committee found that more integrated care will improve patient experience, particularly for those with long-term conditions. However while it may reduce demand on hospital services, the Committee concluded there is a lack of evidence that integration, at least in the short term, saves money.

The Committee recommends that:

- DHSC, NHSE and NHI clearly define what outcomes should be delivered from integrating care, from the patient's perspective, and the criteria they will use to measure this.
- Government should confirm whether it will meet its target to achieve integrated health and care across the country by 2020, as well as plans for 50% of the country to be covered by new care models.

STPs and ICSs

Sustainability and transformation partnerships

The Committee highlights the challenges which local bodies have faced in coming together through STPs to make very difficult decisions about changes to local health and care services within a very tight timeline. These challenges have been exacerbated in those areas without a history of collaborative working. In many STPs, proposals were not supported by robust evidence of population need or workforce plans.

The national bodies' initial mismanagement of the process, including misguided instructions not to share plans, made it very difficult for local areas to explain the case for change. Poor consultation, communication and financial constraints have fuelled concerns that STPs were secret plans and a vehicle for cuts.

The practical issues arising from STP boundaries have significantly affected progress so far. STP footprints with a smaller population, a smaller number of partners, boundaries that align with patient flows between services and coterminous organisational boundaries between partners tend to be further ahead.

STPs have become the vehicle for delivering national priorities and targets, improving financial management across the system and managing demands, particularly on acute care, despite the governance and infrastructure being fragile and in development. However the STP dashboard has no indicators to measure integration or the progress local areas have made in transforming care, such as progress made against their STP plans.

The Committee recommends that:

- STPs, particularly those with more complex geographical boundaries, should be supported to allow local areas to identify, define and develop meaningful boundaries within their patch in which local services can work together around the needs of the population.
- STPs should be encouraged to adopt the principle of subsidiarity in which decisions are made at the most appropriate local level. NHSE and NHSI should set out in their planning guidance for 2019/20 advice and support to achieve these recommendations.
- Although STPs provide a useful forum through which local bodies can come together in difficult circumstances to manage finite resources, they are not, the sole solution to the funding and workforce pressures on the system. The national bodies must not overburden STPs by increasingly making them the default footprint for the delivery of national policies.

Integrated Care Systems

The Committee explored the achievements of the ICSs, and the challenges still facing them. The Committee recommends that:

- The national bodies, including the DHSC, NHSE, NHSI, HEE, PHE and CQC, develop a joint national transformation strategy setting out how national bodies will support STPs, at different stages of development, to progress to achieve integrated care system status. This strategy should:
 - set out how national bodies plan to support local areas to cultivate strong relationships;
 - strengthen the programme infrastructure of STPs;
 - consider whether, and how, support, resources and flexibilities currently available to ICSs could be rolled out to other help other areas;
 - develop a more sophisticated approach to assessing the performance of STPs and their readiness to progress to integrated care status. This should include an assessment of local community engagement, the strength of local relationships and the progress towards preventative and integrated care. An assessment of prevention should encompass a broader definition than preventing demands on hospitals and integration should focus on how to improve patients' experience and outcomes;
 - how they will judge whether an area is ready to be an ICS;
 - how they will support STP areas to become ICSs;
 - what they will do in areas that fail to meet the criteria or which will never meet the criteria;
 - how they will monitor the performance of existing ICS areas and provide support including the necessary funding to ensure they continue to make progress; and
 - how they will address serious performance problems in ICS areas.

Accountable Care Organisations (ACOs)

The Committee reviewed the arguments for and against ACOs. It concludes that, rather than leading to increasing privatisation and charges for healthcare, the consequence of the introduction of ACOs is more likely be less competition and a diminution of the internal market and private sector involvement.

Given the controversy surrounding their introduction in the NHS, the Committee recommends that:

- ACO models should be piloted before being rolled-out. There should be an incremental approach to the introduction of ACOs, with areas choosing to go down this route carefully evaluated.
- If a decision is made to introduce ACOs more widely, they should be established in primary legislation as NHS bodies. This will require a fundamental revisiting of the Health and Social Care Act 2012 and other legislation. These organisations should have the freedom to involve, and contract with, non-statutory bodies where that is in the best interests of patients.
- The national bodies take proactive steps to dispel misleading assertions about the privatisation and Americanisation of NHS. The DHSC should publish an annual assessment of the extent of private sector in the NHS, including the value, number and percentage of contracts awarded to NHS, private providers, charities, social enterprises and community interest companies.

The case for change

The Committee concludes that there has not been a sufficiently clear and compelling explanation of the direction of travel and the benefits of integration to patients and the public. It recommends that:

- The case for change must be made in a way that is meaningful to patients and local communities. The DHSC and national bodies should develop a narrative in collaboration with representatives of communities, NHS bodies, local government, national charities and patient groups and should explain how they plan to support efforts to engage and communicate with the public.
- NHSE and NHSI should make clear that they actively support local areas in communicating and co-designing service changes with local communities and elected representatives.

Funding and workforce pressures

The Committee believes that funding and workforce pressures on NHS, social care and public health services present significant risks to the ability of the NHS to maintain standards of care, let alone to transform. The NHS and local government have not been given adequate investment, support and time to embark on the scale of transformation envisaged.

The Committee recommends that:

- Government's long-term funding settlement should include dedicated, ring-fenced funding for service transformation and prevention.
- National and local bodies should develop an estimate of the transformation funding they require by looking at the experience of new care models and Greater Manchester. This should include an estimate of funding required in each area to provide staff with the capacity to engage in transformation, develop new skills and facilitate the double running of services.

Oversight and regulation

The Committee reports there is a widespread perception of competing priorities between the key national bodies, particularly the DHSC, NHE, NHSI and the CQC and concludes that incoherence in the approach of national bodies is a key factor holding back progress. The Committee therefore welcomes the recent

announcement from NHSE and NHSI on how they will work more collaboratively and align priorities and processes. The Committee did not hear clear evidence about how the arms-length bodies, particularly NHSE and NHSI, are seeking to accelerate the scale-up and spread of transformative changes to the delivery of care, such as the new models of care.

The Committee recommends that:

- CQC and NHSI conduct a joint survey in one year's time to assess whether these commitments have made a tangible difference to those on the frontline.
- NHSE and NHSI undertake a review of the first cohort of ICSs in April 2019, including the level of financial support underpinning transformation, and make the key findings available to all STP areas.

The Committee requests:

- A joint response from the DHSC, NHSE, NHSI, HEE and CQC setting out how their roles, responsibilities, functions and policies support the factors that are critical to transformation and integrated care including skills and capacity of frontline staff; NHS leadership; financial incentives; infrastructure; and coherent oversight and regulation.

Governance and legislation

The Committee has set out the main problems and challenges posed by the current legislation and views on legislative reform. It highlights that legal decision-making powers rest with the organisations involved rather than the STPs or ICSs. These constituent NHS and local government bodies have different legal duties and powers. For example, local councils are democratic institutions in their own right, and are unable to run a deficit, unlike NHS bodies.

The Committee is concerned that providers and commissioners are operating with significant risks to their governance and decision-making, as these arrangements increase the distance of decision-makers from the decisions they are taking. This approach is also time-consuming. The most limiting aspect of the existing framework are requirements covering CCGs' procurement of NHS services. There are also immediate legal obstacles that the Government and national bodies should seek to address to enable local areas to progress before primary legislation can be introduced, for example, differences in VAT exemptions covering NHS and local government.

- The Committee believes the law will need to change to enable greater collaboration and integration. The Department and NHSE should establish an advisory group, or groups, comprised of local leaders from across the country, including areas that are more advanced and those further behind, and representatives from the health and care community, to lead on and formulate legislative proposals to remove barriers to integrated care.
- Until legislation is introduced, national bodies should support local areas to develop transparent and effective governance arrangements that allow them to make progress within the current framework. National bodies should also provide greater clarity over what is permissible within current procurement law and develop support for local areas in working through these issues.

NHS Providers' view

The Committee's report offers a valuable insight into the challenges, opportunities and complexities, facing providers and their partners as they seek to integrate health and care services. This is all the more pertinent as the NHS approaches its 70th birthday with the promise of a new funding settlement and a ten year plan for delivery.

We were pleased to engage with the Committee as it shaped its inquiry (including suggesting a number of trusts and local areas they chose to visit) and we are pleased that the committee has reflected many of the concerns we raised both in our [written submission](#) and during the oral evidence session.

We need a clearer strategy to support the move to integrated care. But as the Committee highlights, there is a growing tendency to pin performance and financial obligations on STPs, even though they lack the mandate, the means and the legal authority to deliver them. We are concerned that providers are operating with significant risks to their governance and decision-making and are pleased that the Committee has recommended that the national bodies provide more support for local areas on governance frameworks that allow them to make progress within the current legislation.

Our recent regulation survey demonstrated that NHS trusts do not feel the current direction of travel is clear and that considerable duplication and fragmentation persists among the national bodies. We believe that the Committee's recommendation for the national bodies to develop a joint national transformation strategy could play an important part in giving providers and their local partners a clearer, enabling framework within which to lead transformation programmes locally.

Press statement

Saffron Cordery, Director of Policy and Strategy and Deputy Chief Executive said:

"This is a valuable and timely report which reflects many of the concerns we raised with the committee.

"It highlights the growing tendency to pin performance and financial obligations on STPs, even though they lack the mandate, the means and the legal authority to deliver them.

"The report also helpfully identifies the conditions and characteristics required for closer integration, while recognising that some areas have been able to move ahead much more quickly than others.

"We agree with the committee that much of the debate around accountable care organisations (ACOs) has been confused and misleading.

"We need a clearer strategy to support the move to integrated care.

"The forthcoming long term funding settlement presents a good opportunity to invest in transforming the NHS, adapting it to meet the changing needs of local communities."