

Report To: Health Policy and Performance Board
Date: 14th September 2010
Reporting Officer: Strategic Director Adults and Community
Subject: Equity and Excellence: Liberating the NHS (White Paper)
Ward(s): Borough Wide

1.0 Purpose of Report

1.1 The purpose of this report is to provide a policy summary of the recent NHS White Paper published on 12th July 2010 and explore the possible implications for the Local Authority.

2.0 RECOMMENDATION: That the Policy and Performance Board:-

- a) note the contents of the report and consider the consequent implications for Halton.**
- b) consider any comments the Board may wish to make on the contents of the White Paper back to the Department of Health**

3.0 Overview

3.1 The Health White Paper, 'Equity and Excellence: Liberating the NHS' represents possibly the most radical restructuring of the NHS since its inception. It would transform how health care is commissioned, with around £80 billion being transferred to new GP consortia.

3.2 The policy agenda is far reaching and the timetable for implementation extremely ambitious - given the scale of change and the context of increasing financial pressures facing the service.

Key proposals are:

- extending patient choice over providers and treatment
- establishing an independent NHS Commissioning Board
- ensuring all health trusts are foundation trusts by 2013 and giving them greater freedoms
- the transfer of commissioning to GPs and the abolition of PCTs and SHAs
- transferring the public health budget to local authorities
- giving councils the responsibility to promote integration and partnership working.

4.0 Introduction

- 4.1 This report covers the white paper as a whole, but has a more detailed focus on the implications for local government. The reforms set out in the White Paper are possibly the most radical since the inception of the NHS. Of course, many of the proposals are not actually new – they build on previous initiatives, such as GP fund holding, but taken as a whole, they represent huge structural change that also rapidly accelerates the directional change towards a mixed economy in the NHS we have seen over the last two decades.
- 4.2 There will be a further white paper published later this year setting out the programme for public health. The Health Bill, which will be introduced in parliament in the autumn, will support the creation of a new Public Health Service, to integrate and streamline existing health improvement and protection bodies and functions. Even before these are published, this White Paper does propose changes to the role of local government that follow from the radical restructuring it sets out.

5.0 Consultation and timetable

- 5.1 The white paper applies only to the NHS in England. There will be broad consultation on the implementation of the reforms set out in the White Paper – with local government, patients and the public, as well as external organisations. The government will also formally consult wherever it is appropriate to do so, for example on strengthening the NHS Constitution, and on draft regulations.
- 5.2 More detailed documents will be published shortly asking for views on commissioning for patients (the implementation of the NHS Commissioning Board and GP consortia) and the changes at the local level set out in the section on local democratic legitimacy. The latter will be of particular importance to local government.
- 5.3 Many of the changes in the White Paper require primary legislation. The Queen's Speech included a major Health Bill in the legislative programme for this first parliamentary session. The government will introduce this in the autumn.
- 5.4 Comments on the White Paper should be sent by 5 October 2010, to: NHSWhitePaper@dh.gsi.gov.uk
- 5.5 The White Paper is the main overarching document for NHS reform however there are a number of supporting consultation documents that members may wish to refer to. These can be accessed via the internet: <http://www.dh.gov.uk/en/Consultations/Liveconsultations/index.htm>

6.0 Main proposals

6.1 Choice, Control and Patient Involvement

The government's stated intention is to extend patient choice. The government plans to give patients choice of treatment and provider in the 'vast majority of NHS-funded services' by 2013/14. They will:

- increase the current offer of choice of any provider significantly
- create a presumption that all patients will have choice and control over their care and treatment, and choice of any willing provider wherever relevant
- begin to introduce choice of treatment and provider in some mental health services from April 2011
- introduce choice in care for long-term conditions as part of personalised care planning
- give every patient a clear right to choose to register with any GP practice they want with an open list, without being restricted by where they live

The Health Bill will create HealthWatch England, a new independent consumer champion within the Care Quality Commission (CQC). Local Involvement Networks (LINks) will become the local Health Watch. These will be funded by and accountable to local authorities. Local authorities will be able to commission Local Health Watch or Health Watch England to provide advocacy and support, helping people access and make service choices, and supporting people who want to make a complaint.

6.2 Healthcare Outcomes and Performance Framework

Many top-down targets will be abolished.

The current performance regime will be replaced with separate frameworks for outcomes that set direction for the NHS, for public health and social care.

It will include a focused set of national outcome goals determined by the Secretary of State, against which the NHS Commissioning Board will be held to account.

Progress on outcomes will be supported by quality standards. These will be developed for the NHS Commissioning Board by the National Institute for Health and Clinical Excellence (NICE), setting out each part of the patient pathway and indicators for each step.

NICE will be made into a non-departmental public body, to define its role and functions, reform its processes, secure its independence, and extend its remit to social care. The paper does not talk about the implications of this for the Social Care Institute for Excellence (SCIE).

The Secretary of State, through the Public Health Service, will set local

authorities national objectives for improving population health outcomes.

6.3 NHS Commissioning Board

An autonomous statutory NHS Commissioning Board will be established. The board will take over the current CQC's responsibility of assessing NHS commissioners and will hold GP consortia to account for their performance and quality. Its five main functions will be:

- providing national leadership on commissioning for quality improvement
- promoting and extending public and patient involvement and choice
- ensuring the development of GP commissioning consortia
- commissioning services that cannot be solely commissioned by consortia, including dentistry, community pharmacy and primary ophthalmic services
- allocating and accounting for NHS resources.

The board will be set up in shadow form as a special health authority from April 2011. It will be converted by the Health Bill into a statutory body and go live in April 2012.

6.4 GP Commissioning

The most far-reaching reform in the White Paper is the transfer of commissioning from PCTs to local consortia of GPs. This builds on practice-based commissioning but under these proposals this will not be voluntary and GP commissioning will be on a statutory basis, with powers and duties set out in primary and secondary legislation.

Consortia of GP practices, working with other health and care professionals and in partnership with local communities and local authorities, will commission the great majority of NHS services for their patients. They will not commission the other family health services of dentistry, community pharmacy and primary ophthalmic services. These will be the responsibility of the NHS Commissioning Board.

The size of consortia is not specified but the White Paper says that they will need to have a sufficient geographic focus to be able to take responsibility for agreeing and monitoring contracts for locality-based services (such as urgent care services), to have responsibility for commissioning services for people who are not registered with a GP practice and to commission services jointly with local authorities.

Each consortia will have to be able to decide what commissioning activities they undertake for themselves and for what activities, such as demographic analysis, contract negotiation, performance monitoring and aspects of financial management they may choose to buy in. They could therefore choose to buy in these types of services from local

authorities, as well as from other public, private and voluntary sector bodies.

GP consortia will have a duty to promote equalities and to work in partnership with local authorities, for instance in relation to health and adult social care, early years services, public health, safeguarding, and the wellbeing of local populations.

It is intended that a comprehensive system of GP consortia will be in place in shadow form during 2011-12, taking on increased delegated responsibility from PCTs. Following the passage of the Health Bill, consortia will take on responsibility for commissioning in 2012-13.

6.5 Providers

The government will reform the way foundation trusts function and bring forward the timetable for all NHS trusts to become foundation trusts. Every NHS trust will have to become a foundation trust and the government wants all trusts to have converted within three years. From April 2013, Monitor (the Independent Regulator of NHS Foundation Trusts) will take on the responsibility of regulating all providers of NHS care, irrespective of their status. CQC will continue to act as the quality inspectorate across health and social care for both publicly and privately funded care. Some of the key areas from the White paper are as follows:

- The barriers to entry by new suppliers for community health services currently provided by PCTs will be removed
- Trusts will, in future, be regulated in the same way as other providers, whether from the private or voluntary sector. Patients will be able to choose care from any provider.
- Employees will be able to transform the trust to an employee-led social enterprise.
- The arbitrary cap on the amount of income foundation trusts can earn from other sources to reinvest in their services will be abolished

6.6 Administration and Savings

The government is committed to reducing the NHS's management costs by more than 45 per cent over the next four years, which it says can only be achieved "by radically simplifying the architecture of the health and care system".

The new arrangements will mean that Strategic Health Authorities (SHAs) will be abolished and PCTs will be replaced by GP consortia. The Department of Health will also radically reduce its own NHS functions. A review of DH arm's-length bodies will shortly be published.

The paper acknowledges that these changes will be profound:

'Taken together, they amount to a major delayering, which will cause significant disruption and loss of jobs, and incur transitional costs

between now and 2013, even as we are cutting the management cost of the NHS’.

7.0 What are the main implications for Local Authorities?

The role of local authorities will be strengthened as a result of the White Paper linking adult social care, public health and health services at a community level. The future White Paper on public health will clarify whether the vision in the White Paper will be translated into reality.

There are obvious risks in undertaking such a profound reorganisation at a time of unprecedented financial pressure. The government is clear that the reforms themselves will save billions in management costs, but there is no hard evidence about the scale of savings, given the restructuring will itself be costly in the short and medium term.

The transition period will be especially problematic. Even though there will be significant job losses and redeployments, performance and robust management processes will need to be assured whilst the service is severely disrupted. During this time of significant change there will be knock on effects for social care, including impact upon jointly commissioned and run social care services

Clearly, taking on more responsibilities for coordination and promotion requires councils to have the appropriate powers, resources and authority. The government will need to ensure it gives councils the means to take on this role effectively. The transfer of the public health budget will be welcomed, but, again, there are concerns - will there be adequate funding for any additional responsibilities?

Local authorities will undoubtedly welcome the transfer of responsibilities for health improvement and the new role in coordinating commissioning. It is impossible to judge how well, for example, the new health and well-being boards will work. Nationally, the existing ones under Local Strategic Partnerships have not been universally effective. Local authorities will be able to take a strategic approach and promote integration across health, adult social care and children services, including the safeguarding of vulnerable adults and children, however the detail of how this will work practically will not become clear until the public health white paper is published. In anticipation of this however, the local authority in conjunction with the PCT over the past six months, have been working on the development of more effective partnership commissioning and as such have been exploring the establishment of a Joint Executive Commissioning Group and possible revision to the role of the Health Special Strategic Partnership Board. This work will be developed when further details emerge from the public health White Paper.

The most visible change in the White Paper is the transfer of commissioning to GP consortia. However, not all GPs will be enthusiastic about taking on their new role. Most will not yet have the capacity and skills to do so effectively. Private sector companies that already work in the health sector have welcomed the opportunities the white paper suggests to support consortia. The British Medical Association has expressed concern at the increased role for the private sector and believes that many GPs will not want to see vastly increased private sector involvement. Local authorities will need to start now to consider how they could themselves provide support services.

The new consortia will need to understand the relationship between health and social care and that there are good systems for cross-referral and close working between the two. They will be given powers to make arrangements now covered by Section 75 of the National Health Act 2006 to work jointly with councils, for example on learning disability and mental health services, but it is difficult to assess how far some GPs will want to go.

8.0 Further Guidance & Timetable

8.1 A list of proposed legislation and timetable for guidance is outlined within the White Paper. Key dates within these include:

- Summer 2010 Framework for transition, NHS outcomes framework, local democratic legitimacy in health
- End 2010 Vision for Adult social care (white paper on social care in 2011), public health white paper
- April 2011 Shadow health and wellbeing partnerships to be put in place- live from April 2011
- April 2012 NHS commissioning board established, New LA health & wellbeing boards in place, Public Health service in place, Health Watch established GP consortia in shadow form.

9.0 Policy Implications

9.1 Clearly the White Paper will have an impact on the way health services are delivered at a local level. However, the full scale of this impact cannot be evaluated until further detail is available (please see proposed timetable in section 8 of this report).

10.0 Financial/ Resource Implications

10.1 There are no direct resource implications as a result of this report however as plans become more explicit it will become easier to understand the impact on Local Government and the consequent financial impact.

11.0 Implications for the Council's Priorities

11.1 Children and Young People in Halton

At the moment it is difficult to ascertain the implications for Children and Young People although there will inevitably be an impact on all NHS service users including this age group. As plans become more explicit it will be easier to ascertain the full implications.

11.2 Employment, Learning and Skills

The implications of the proposals set out in the White Paper will inevitably have an impact on the NHS workforce. At a local level the NHS is one of the largest employers so there will inevitably be an impact on the workforce. As with other areas set out in the report the full implications are not yet explicit but will need further consideration once these implications have been identified.

11.3 A Healthy Halton

By its very nature the proposals set out within the White Paper will have the biggest impact on the health priority. At a local level we will need to ensure that we remain focused on our priorities for health whilst trying to minimise the impact of the changes on local people. As yet, as with the other priority areas it is difficult to identify the full implications until we have further details.

11.4 A Safer Halton

None identified

11.5 Halton's Urban Renewal

Being a major provider of local services the NHS inevitably has an impact on the local economy in terms of employment, procurement of local services and the physical infrastructure and environment (i.e. hospitals, health centres, GP surgeries etc).

12 RISK ANALYSIS

12.1 There will clearly be risks associated with the implementation of the proposals set out in the White Paper however these will only be clear once further details are available.

13 EQUALITY AND DIVERSITY ISSUES

13.1 An Equality Impact Assessment has been carried out on the White Paper itself which will inform the future development of the implementation plan.

14.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

14.1 None