Select Committee written submission

Reform's submission to the Health Select Committee's inquiry on "Sustainability and Transformation Partnerships"

About *Reform*

Reform is an independent, non-party think tank whose mission is to set out a better way to deliver public services and economic prosperity. Our aim is to produce research of outstanding quality on the core issues of the economy, health, education, welfare, and criminal justice, and on the right balance between government and the individual. We are determinedly independent and strictly non-party in our approach.

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1. **How effective have STPs been in joining up health and social care across their footprints, and in engaging parts of the system outside the acute healthcare sector, for example primary care, local authorities, public health, mental health and voluntary sector partners? How effectively are they engaging local communities and their representatives?**

    a. **STPs have not successfully joined health and social care.** Commissioners fund care in silos and are not working together to engage GPs, pharmacists, hospitals and mental-health trusts to deliver integrated care for patients. Without reform to funding models, the business incentives will not exist to integrate care.

    b. **STP money is overwhelmingly allocated to secondary care.** STPs are "more sustainability than transformation" as money is spent on reducing hospital deficits, not delivering care in the community.[1]

    c. **Local government is too-often frozen out of discussions.** Local authorities are not always treated as equal partners in drawing up health-and-social-care integration plans, partly due to their smaller budgets.[2] Local authorities have also drawn up integration plans without recourse to NHS England, which local authorities believed would halt any plans that did not cohere to NHS England's vision.[3]

    d. **STPs are engaging local communities poorly.** 14 per cent of the public have heard of the STP in their area, while 44 per cent of respondents wanted a say in the STP for their area. Until proposals were formally approved for STPs, NHS England instructed local leaders not to make their STPs public and to reject FOI requests.

[1] Eleonora Harwich, Alexander Hitchcock, and Elaine Fischer, *Faulty by Design. The State of Public-Service Commissioning.* (Reform, 2017), 35.
[2] Kate Laycock and Elaine Fischer, *Saving STPs: Achieving Meaningful Outcomes in Health and Social Care* (Reform, 2017), 15.
[3] Alexander Hitchcock, Maisie Borrows, and Eleonora Harwich, *Vive La Devolution: Devolved Public-Services Commissioning*, 2017, 19.

e. **The NHS workforce has not been engaged.** A 2016 British Medical Association survey found that 87 per cent of doctors were not formally consulted about their STP; 85 per cent of consultants had not received information about STPs from their trust.[4]

2. **How reliable are the ratings in the Sustainability and Transformation Partnerships Progress Dashboard, and what do they tell us about the state of the plans and the relationships that underpin them?**

    a. No evidence submitted.

3. **What do the available evidence, and experience so far, tell us about the deliverability of STP plans given the financial and workforce pressures across the NHS and local government? Are the demands being made of STP plans through the NHS Mandate and the NHS Shared Planning Guidance deliverable, and can STPs ensure the fulfillment of the requirements of the NHS Constitution?**

    a. No evidence submitted.

4. **Looking across all STPs, are there any major areas where the content of the plans needs to be tested for credibility and realism? Are there any major gaps? For example, are proposals in some plans to reduce bed capacity credible?; are the NHS efficiency estimates in STPs robust?; is the workforce available to enable the implementation of STPs?; or is the timescale for the changes proposed in STPs realistic?**

    a. The current workforce is too heavily weighted to the acute sector to deliver extensive out-of-hospital care.[5]

    b. Plans omit detailed proposals for the upgrading of primary-care facilities necessary to deliver high-quality care in the community. Less than half discuss funding for improving the primary-care estate.[6]

5. **How will the development of STPs into Accountable Care Systems (ACSs) change the delivery of care in an area?**

    a. **This will weaken the quality and cost-effectiveness of care, particularly because of the intended erosion of the purchaser-provider split.** Evidence from the OECD, International Monetary Fund and others suggests that competition can be used "effectively to create a system that's responsive and to incentivise high quality and efficient

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[4] British Medical Association, 'Half of London's Doctors Haven't Heard of STPs, Survey Finds', Press release, 1 November 2016.
[5] Kate Laycock, Maisie Borrows, and Ben Dobson, *Getting into Shape: Delivering a Workforce for Integrated Care*, 2017.
[6] Chris Ham et al., *Delivering Sustainability and Transformation Plans* (The King's Fund, 2017); Reform is publishing a paper making a case, amongst other points, for STP leadership in the primary care estate.

care."[7] Competition between GP practices has been associated with improved quality.[8]

b. ACSs accountability are to NHS England and the Department of Health and Social Care. It should be to the patient, but this will not be achieved without choice.

6. What governance, management and leadership arrangements need to be created to enable STP planning and implementation to be carried out effectively? Are additional, or different, arrangements required for areas which are developing ACSs?

a. **STPs need stronger executive authority and clearer accountability.** One way to achieve this could be elected STP leaders, following the example of Police and Crime Commissioners, which would further add democratic legitimacy.

b. Ultimately, STPs should be central to devolution deals. Directly elected mayors offer clear responsibility for decision-making on public services. This offers a model for the integration of health, social-care and other public services (such as employment and criminal justice), which affect health and wellbeing. A single leader provides accountability and authority for change.

7. What legislative, policy and/or other barriers are there to effective STP and ACS governance and implementation, and what needs to be done by national bodies and national leaders in the NHS to support the implementation of STPs and ACSs?

a. Legislation:

i. The National Health Service Act 2006 sets out the relationship local authorities can have with NHS bodies to deliver services. Section 75 omits the pooling of funding and commissioning of a number of services, including ambulatory services, surgery, radiotherapy and others.

ii. The Health and Social Care Act 2012 established NHS England, CCGs and Health and Wellbeing Boards. As the devolution agenda progresses, these sections of the Act, along with elements related to national tariffs that bind local commissioning decisions stand as barriers to delivering local approaches.

iii. The Cities and Local Government Devolution Act 2016 should be amended to give combined or unitary authorities the power to manage health budgets.

b. Policy:

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[7] Isabelle Joumard, Christophe Andre, and Chantal Nicq, 'Health Care Systems: Efficiency and Institutions' (OECD, 2010); Carlo Cottarelli, 'Macro-Fiscal Implications of Health Care Reform in Advanced and Emerging Economies' (International Monetary Fund, 2010); Penelope Dash and David Meredith, 'When and How Provider Competition Can Improve Health Care Delivery', *McKinsey & Company* (blog), November 2010.

[8] Chris Pike, *An Empirical Analysis of the Effects of GP Competition*, 2010.

i. Commissioning bodies should be rationalised. CCGs, Health and Wellbeing Boards, NHS England regional commissioners and STPs, can all be abolished and commissioning delivered by combined or unitary authorities. This should be part of an acceleration of devolution, with 95 per cent of NHS England's budget, including primary care, secondary care and many specialist services, ripe to be devolved to new combined or unitary authorities across England.[9]

ii. Funding models should change to allow commissioners to incentivise care in the most appropriate location for local populations. The current split between payment by activity and capitation should be replaced with captivated budgets across primary and secondary care, with the freedom for commissioners to add outcomes payments to incentivise specific care that may be a priority for the local area. Contracts should be competitively tendered to healthcare providers, including through joint ventures.

8. What public engagement will be necessary to enable STPs/ACSs to succeed, and how should that engagement be undertaken?

a. **Sharing data between different health bodies will be a key part of STPs work.** The public should be engaged with this and understand the benefits of sharing their health data.

b. STPs could learn from successful communication strategies used by devolution deals; Cornwall has used both social media and more traditional methods of communication, such as issuing newsletter every eight weeks, to keep the public up to date on its devolution deal progress.

Reform has published the following papers on the role of STPs:

Kate Laycock and Elaine Fischer, *Saving STPs: Achieving Meaningful Outcomes in Health and Social Care* (*Reform*, 2017)

Eleonora Harwich, Alexander Hitchcock, and Elaine Fischer, *Faulty by Design. The State of Public-Service Commissioning* (*Reform*, 2017)

Alexander Hitchcock, Maisie Borrows, and Eleonora Harwich, *Vive La Devolution: Devolved Public-Services Commissioning* (*Reform*, 2017)

In addition, *Reform* will be publishing a paper on 24th January 2018 exploring STP potential to help transform the primary care estate.

[9] Hitchcock, Borrows, and Harwich, *Vive La Devolution: Devolved Public-Services Commissioning.*