

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
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Title:	Update on NHS reforms in Hampshire
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Report From:	Chief Executive

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1. Executive Summary

- 1.1. The purpose of this paper is to update Cabinet on the progress of the Government's proposals to reform the NHS in the Health and Social Care Bill 2010-12. It gives details of the actions taken locally to date and implications for Hampshire and for the County Council.
- 1.2. The Bill proposes more decision making powers for GPs and clinicians, increases competition in the NHS, gives a greater voice for patients and gives local authorities an expanded role in health. The Government expect the proposals to reduce bureaucracy, make the NHS more efficient and move power to patients and local bodies.
- 1.3. A fundamental change to the structures of the NHS will see an increased commissioning role for GPs through the introduction of clinical commissioning groups (CCGs), the establishment at the national level of the NHS Commissioning Board (NHSCB) and Public Health England (PHE) and significantly increased responsibilities for local authorities including the establishment of a Health and Wellbeing Board (HWBB) to champion integration and responsibility for promoting and protecting the public's health which includes the transfer of the specialist public health staff to provide professional leadership from the NHS to local government.
- 1.4. The Bill itself has been thoroughly discussed and is currently in the Report stage in the House of Lords. There is still a great deal of uncertainty surrounding the Bill and there remains seemingly growing opposition to it. Royal Assent is still not anticipated before April at the earliest.

- 1.5. In Hampshire, activity has continued in planning for implementation with progress in establishing five CCGs, including plans for authorisation and funding allocations. Further information has been published on both the national and local frameworks for NHS commissioning and public health and on the Government's plans for Healthwatch (the champion of patients, people using services, carers and the public).
- 1.6. Progress is also being made in relation to preparing for the transfer of public health into the County Council and further information is included in section 1a of this report.

2. Contextual information

- 2.1. The Government's NHS reform programme presents a number of challenges and opportunities for both local government and the NHS. The policy behind the proposals aims to deliver a more local and personalised system for health, promoting a real integration with social care, better value for money and better outcomes. The principle of 'no decision about me without me' and the link to the government's localism approach mean that there is an enhanced role for local government and the democratic process, alongside the NHS in health delivery. Concerns have been expressed over the workability of the proposals especially in terms of potential fragmentation of NHS structures. However, for the local authority there are real opportunities to have more influence over the significant spending power in the NHS, promote integration between health and social care provision and make a real impact on outcomes at the local level.
- 2.2. The Health and Social Care Bill is still passing through Parliament and further consideration of the proposals has been undertaken by the House of Lords following the submission of a large number of amendments by the Government. The Bill continues to attract adverse attention and has been robustly defended by the Prime Minister, the Secretary of State and other key Ministers. It is not anticipated that the Bill will reach Royal Assent before April 2012.
- 2.3. Although this uncertainty over the proposals and particularly the timing of implementation remains, work on all of the changes proposed is moving very quickly. This financial year, 2012/13, is a significant transition year to ensure that arrangements are in place for full operation from 2013/14. Over the last three months, the Department of Health has issued a number of documents which set out their expectations of how the new NHS and public health systems will work and, in spite of the continuing opposition to the Bill proposals, it is clear that the pace of progress will be hard to stop. It is important therefore that the County Council is positioned to respond quickly and appropriately to the evolving agenda.

3. Changes to NHS bodies

- 3.1. In Hampshire, currently five CCGs are actively preparing for authorised status and have been given indicative budget allocations. In total the five CCGs cover 145 GP practices and will have around £1.1bn spending power. Formal

CCG allocations are expected to be announced in the next few months. Recognising the importance of cross boundary issues and commissioning links (especially with the Cities), under the Southampton, Hampshire, Isle of Wight and Portsmouth (SHIP) cluster, there is a further £360m spend across the 64 GP practices covering just Southampton and Portsmouth. A plan showing the formation of the CCGs is attached as Appendix 1.

- 3.2. The SHIP cluster itself, as a committee of its constituent PCTs, will further evolve during 2012/13 with staff moving into 3 main areas: direct employment with CCGs, the developing commissioning support organisation and a core body which will become the local outpost of the NHS Commissioning Board.
- 3.3. At the national level, Public Health England (PHE) and the NHS Commissioning Board (NHSCB) are being established although much remains unclear regarding how they will deliver their responsibilities at a local level. Building relationships and working with these new groups will be fundamental to a successful transition in Hampshire.

4. Ensuring engagement of partners to promote integration

- 4.1. Under the proposals in the Bill, the County Council, as the upper tier authority, has a duty to establish a Health and Wellbeing Board for its area. The core purpose of the Health and Wellbeing Board is to lead on improving the strategic coordination of commissioning across NHS, social care, children's and public health services, informed by a joint health and wellbeing strategy that is in the early stages of development.
- 4.2. In Hampshire, an Executive Group has been set up to support the development of the Board. It consists of senior County Council officers, the Director of Public Health, leads from each of the five CCGs, a representative from the voluntary sector, District Council Chief Executives, the Hampshire LINK chair and Hampshire PCT representatives from the SHIP Cluster. A series of informal seminars has been held, involving elected members, representatives of the Executive Group and the Chair and Chief Executive of the SHIP Cluster, to share information and views on the role of the Board and the future work plan and priorities.
- 4.3. The existing Health and Wellbeing Partnership will remain in support of the Board as a focal point to bring the chairs of the District health and wellbeing groups together. It will be led and chaired by Cllr Peter Moyle from Rushmoor Borough Council, who will also represent District Councils on the Health and Wellbeing Board, and will provide a forum for engagement and information to be shared to and from the Board.
- 4.4. A draft action plan has been drawn up to promote engagement between the local authorities and the CCGs and to share information on the issues for services for children and older people.
- 4.5. The Transitional Health and Wellbeing Board has begun to consider the development of a Joint Health and Wellbeing Strategy. Initial work will provide a high level approach to inform the CCGs as they develop more detailed plans to address the most important issues for them locally and to meet national Quality, Innovation, Productivity and Prevention (QIPP)

requirements. Attached as Appendix 2 to this report is an indicative timetable which sets out the Government's view of the key milestones for the reforms which will need to be taken into account in local discussions and by the developing Health and Wellbeing Board.

- 4.6. One of the fundamental issues is how the Health and Wellbeing Strategy, derived largely from what is in the current Joint Strategic Needs Assessment, can influence (for improved outcomes) NHS spend through clinical commissioning across Hampshire. In this context, it should be noted that the commissioning of primary care, population screening services and specialised health services is expected to be the responsibility of the national NHS Commissioning Board from April 2013. This Board will have a local presence in the County.
- 4.7. A further challenge for the Health & Wellbeing Board will be how to create a more sustainable health and social care system and respond to increasing demand. This will require increasing the focus on public health and shifting resources to early intervention and prevention, while still supporting the increasing number of people in need of treatment, care and support.

5. Health Overview and Scrutiny

- 5.1. One of the early amendments to the Bill was the change to give local authorities the freedom and flexibility to discharge its health scrutiny powers in the way it deems most suitable.
- 5.2. The Bill retains the existing powers of the Health Overview and Scrutiny Committee (HOSC) in relation to consultation by the NHS as well as referral to the Secretary of State for Health and access to information. The current accountability of health services to the HOSC is extended to include 'any NHS funded service'. This will include CCGs and private sector providers.
- 5.3. In order to recognise the important relationship between the HOSC and the Health and Wellbeing Board it is proposed that the Chair of the HOSC be invited to have observer status on the Health and Wellbeing Board.

6. Public Health

- 6.1. There are a number of issues which are still unresolved nationally and some significant challenges to be faced during transition to plan for the transfer of public health functions, staff and resources from the NHS to the local authority.
- 6.2. The shift of responsibility to the County Council provides a real opportunity to influence and improve health outcomes for Hampshire residents. This in turn can support a move towards a preventative agenda, helping to slow down cost pressures on adult social care and the wider NHS and maximise lifelong health outcomes for children and young people .
- 6.3. The changes will also increase the Council's ability to be influential at the local community level and the new set of responsibilities will ensure that we are best placed to take a strategic leadership role in:

- Tackling the causes of ill-health and reducing health inequalities;
- Promoting and protecting health;
- Promoting social justice and safer communities.

- 6.4. Guidance on “Public Health in Local Authorities” was published in December 2011 setting out the expectations and requirements for the way in which public health services will be delivered including a list of specific, mandatory services which the local authority will be required to commission and further details related to the expectations and statutory role of the Director of Public Health. The Public Health Outcomes Framework was published in January providing the Government’s overarching vision for public health along with the key outcomes and proposed indicators to measure progress. Discussions are still continuing nationally on whether certain services will be provided locally or by Public Health England (PHE) and the outcome of this will clearly have an impact on funding levels.
- 6.5. In September 2011 a finance submission was signed off by the local authority and the PCT for the Department of Health indicating a total of close to £60m which will be allocated to reflect decisions on service provision across the three organisations of the NHSCB, PHE and the local authority. The Health Secretary announced in January an overall ring-fenced budget for public health of £5.2bn from April 2013 with specific allocations to councils to be based on 2012/13 spend and totalling around £2.2bn. Further details of potential specific allocations were announced for comment on 7 February and for Hampshire this shows a 2010/11 baseline of £26m and an uplifted 2012/13 allocation of £28m. Until a formal announcement these figures can only be regarded as indicative at this stage and it is important to recognise that this funding is currently largely committed in the short term to support the commissioning and delivery of services. It is expected that some £30m of the stated £60m Public Health spend will be directed to the NHSCB.
- 6.6. The new system is expected to be in place for the start of April 2013, subject to the passage of the legislation, although it is recognised that some local authorities may wish to make faster progress and effect some of the transfer earlier. Each upper tier local authority is required to produce a transition plan, jointly with the PCT cluster and Director of Public Health (DPH), setting out how it will take on the new duty to improve the health of its local population and detailed plans for the transfer of the current service from the NHS. Further guidance has been produced both by the Department of Health and the Local Government Association (LGA) to inform the transition planning process.
- 6.7. Further details on the current delivery of public health and the plans for how the local authority will take on this role, including the key transition plan milestones for submission to the Department of Health, are included in the Public Health Transition report which is at Item 9 on this agenda.

7. Healthwatch

- 7.1. In early January the government announced changes to the proposals for the development of Healthwatch England and Local Healthwatch (HW). Subject to the passage of the legislation, Healthwatch England will be established from October 2012 and the implementation date for Local Healthwatch has been moved to April 2013.
- 7.2. The proposals for HW in the legislation present a fundamental change in the way patient and public voice is managed bringing in additional responsibilities for providing information and advice on choice and delivering an advocacy service in relation to NHS complaints (still to be agreed). The County Council has been working to develop an approach to HW through a pathfinder with Southampton, the Isle of Wight and Portsmouth councils to ensure that HW is in place by April 2013.
- 7.3. A market engagement process was launched in October to promote awareness of the Government's proposals for HW, the issues for the local authorities around funding, opportunities for collaboration and timing for procurement and has produced some helpful feedback in terms of models, roles and structures for building a specification for HW.
- 7.4. Further consultation and stakeholder engagement will take place until May 2012 when, subject to the passage of the legislation and clarification of the funding, a specification will be drawn up to inform an invitation to tender.

8. Conclusion

- 8.1. The Health and Social Care Bill represents a significant package of reforms which will have a major impact on the delivery of health services in Hampshire with a strong emphasis on local decision making and choice for patients.
- 8.2. With local authorities at the heart of the new system, there are real opportunities, albeit with a high level of uncertainty, for greater influence on the spend and provision of health services, improved integration with social care and better outcomes for residents.
- 8.3. The Government appears determined to carry these reforms through and changes in the NHS are already taking place. It is therefore essential that the County Council is prepared to take on these new responsibilities.

9. Recommendation(s)

- 9.1. That Cabinet note the progress in Hampshire in relation to the proposals in the Health and Social Care Bill.
- 9.2. That Cabinet approve:
 - a) The development of specific roles and responsibilities for the Health and Wellbeing Board as part of our response to the proposed changes.
 - b) The review, with the PCT as appropriate, of how public health resources are planned and committed in 2012/13 to facilitate planning for 2013/14.

c) The development of relevant engagement and business development opportunities with CCGs.

9.3. That further reports be prepared for Cabinet in July 2012.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Update on the NHS reforms and plans for the new Health and Wellbeing Board	2541	28 March 2011
HCC response to the 'Equity and Excellence: Liberating the NHS' White Paper	1998	27 September 2010
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	
Health & Social Care Bill 2010 - 12		

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. A full impact assessment will be considered when the legislative basis for the proposals is finalised later in 2012. The Government carried out a full impact assessment of the proposals (see http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsLegislation/DH_123583)

2. Impact on Crime and Disorder:

- 2.1. Aspects of the proposals in relation to the commissioning and delivery of NHS and other health and social care services will impact on crime and disorder issues including, for example, drug and alcohol services and domestic violence. This will be covered in the impact assessment.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

None

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

None

Appendix 1: CCG map

Emerging Clinical Commissioning Groups in the SHIP PCT Cluster



Southampton, Hampshire
Isle of Wight & Portsmouth



Appendix 2: Indicative timetable for reforms as per JHWB Strategy guidance

The Government sees discussion with local areas as critical during this transition and they will inform this process. Figure 2 below illustrates indicative timings health and wellbeing boards will want to consider as part of their thinking on JSNAs and joint health and wellbeing strategies as they prepare for the new health and care system and to support CCG members in becoming authorised.

	Dec 11	Jan 12	April 12	May 12	July 12	Oct 12	Feb 13	Mar 13	April 13
Health and wellbeing board		Continuous engagement with stakeholders, users and the public	Non-statutory operation						Full statutory responsibility
JSNA	Draft guidance available	JSNA refresh begins or already underway							
Joint health and wellbeing strategy	Draft guidance available		Priorities from JSNA needed to inform strategy	Strategy to be developed to feed into commissioning plans					
Clinical commissioning group			Non-statutory operation		Start of authorisation submissions	Authorisation process begins	Commissioning plans to be agreed		Full statutory responsibility Implement agreed commissioning plans
Local Authority planning cycle			Data collection and analysis		Reviewing priorities	Financial planning		Business plan finalised and published	
NHS Commissioning Board	Operating as an SpHA focused on business preparation (from October 2011)		Established as an Executive Non-Departmental Public Body with limited statutory responsibility			Partial running as Executive Non-Departmental Public Body			Fully operational with full statutory responsibility