

Local Government Association (LGA) Briefing

House of Lords debate on the ability of the National Health Service to meet present and future demands

14 January 2016



Key messages

- **National Health Service:** We recognise the serious financial position of the NHS and the need to support vital health services. Social care plays a crucial role in managing demand for NHS services, which is why it should also receive additional funding. Supporting adult social care services in this way will help to reduce hospital admissions and ensure the safe and timely discharge of people from hospitals into the community. It is essential that the Government recognises sustainable social care will help to deliver sustainable local government services
- **Social care funding:** The new council tax flexibilities, and the Better Care Fund (BCF) investment, will provide some assistance with social care provisions. However, this does not address the full costs of policies such as the National Living Wage and the Deprivation of Liberty Safeguards (DoLS). On top of that, we know that councils will face additional cost pressures across all council services by the end of the decade, and this means local government will need to find further savings.
- **Better Care Fund:** The additional £1.5 billion given to the BCF for adult social care is a crucial investment for local government. Whilst the funding will help to address some of the issues with social care provision, it should be noted there is no increase in BCF funding until 2017 and the additional £1.5 billion will not be available until 2019/20.
- **Integration:** Integrating social care and health is crucial for three reasons: to provide seamless, person-centred services; to improve the individual's experience of services; and to ensure best use of resources between health and social care. Integration requires wide scale system change, which must be led locally. Health and Wellbeing Boards are where all local system leaders come together to provide impetus, the accountability and the local knowledge needed to deliver service transformation, and they should be central to this process of integration.
- **Delayed Transfers of Care:** We are committed to supporting councils to work with the NHS and with providers of adult social care to address Delayed Transfers of Care (DToc). The LGA and NHS England have recently published technical guidance for the Better Care Fund for 2016/17, which recommends that all local areas develop plans for addressing DToc.

Background information

National Health Service

The NHS Five Year Forward View outlined the need for at least £8 billion a year in

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real terms investment by the end of 2020, to help to sustain the National Health Service to meet current and future demand. As confirmed in the Spending Review, the Government spending on the NHS is expected to be front-loaded, whilst additional resources for the Better Care Fund will not be available until 2017, and with most of the additional funding not being available until 2019/20.

There is cross-party consensus within local government that integration is the only way to achieve a sustainable and effective health and care service, improving outcomes for citizens, and providing value for money in the long-term. Furthermore, while health and social care are still, for the most part, funded separately, the continuing funding gap for adult social care will inevitably create greater demand on the NHS. Without a financially sustainable social care system, the NHS cannot hope to be financially sustainable.

Social care funding

Ahead of the Provisional Local Government Finance Settlement, we drew attention to the varying impact of the council tax measures across the country. **The government is therefore consulting on a distribution (and equalisation) mechanism that uses the additional funding for social care via the BCF to ensure that every council receives a proportionate share of the £3.5 billion funding overall based on 2013 adult social care relative needs formula.** Whilst these new flexibilities will help councils raise additional funds, we want to ensure the administrative burden on councils is kept to a minimum. In particular, not all councils will be able to, or will want to, use this flexibility. And even if all councils did use it in each of the four years, we estimate that raising council tax would only raise a maximum of £1.7 billion by 2019/20. **There is a present need to ensure adult social care is adequately funded, as well as plan for and manage future demand for services, which will only continue to grow.**

We called for a delay to phase two of the Care Act reforms and called for the earmarked money to be reinvested into the system to deal with the ongoing social care pressures. The provisions to increase the Better Care Fund go some way to meeting our proposals, but it is less than the £6 billion earmarked and which we wanted to see retained in the system.

The Settlement also indicated the Government will be consulting on the transfer of responsibilities for business rates retention, including giving councils more responsibility to support older people with care needs, such as those who would be supported through the Attendance Allowance. Councils and businesses would like some of this extra local income to be invested in services that support local economies and drive local economic growth.

Better Care Fund (BCF)

Additional resources for the BCF are not available until 2017, with the majority £1.5 billion not available until 2019/20. This means councils will not see the benefit of the money until towards the end of decade. Even by 2018, there will only be £105 million made available to local government through the BCF.

As with any conditions attached to the council tax precept, we are calling for any conditions attached to the use of additional funding through the BCF to be kept to an absolute minimum.

Health and care integration

Integrating social care and health, and taking decisions closer to where people live,

is crucial to improving services and keeping older people living in their homes for longer. It allows us to focus on prevention and public health and helps to close the health inequalities gap.

Health and wellbeing boards are driving a place-based approach to improving health and wellbeing outcomes for communities. With their accountability and local knowledge, we need to maximise their potential to achieve system transformation. We would like to work on a cross-party basis to ensure health and wellbeing boards become 'system leaders' in health and social care integration.

There is growing evidence health and wellbeing boards have begun to make a difference to health and care outcomes by: joining up strategic commissioning of health and care, taking a preventative, place-based approach and bringing together all the key local players and public services.

Although some health and wellbeing boards have already made good progress, it is now time for all health and wellbeing boards to move on from relationship building to making an impact on delivery of services. There are, however, still some cultural and behavioural challenges which must be overcome. Areas for local action include increasing parity, trust and confidence between board members and developing, monitoring and reporting on progress towards a small set of agreed outcomes that will have the most impact. We also want to see health and wellbeing boards establishing an ongoing dialogue with local communities about the most effective way to respond to local health challenges and improving local capacity and understanding.

The LGA and NHS Clinical Commissioners (NHSCC) are committed to supporting the rapid development of health and wellbeing boards towards effective system leadership.

To achieve these aims, we have suggested health and wellbeing boards need greater freedom to determine local priorities. There should be a review and alignment of financial accountability processes within health and care, and an integrated place-based commissioning framework to support local accountability.

The LGA has also called for a review of the tariff system and the development of a new payment system that looks across entire care pathways and incentivises a preventative approach.

Delayed Transfers of Care

Local government is fully committed to developing longer term and more strategic proposals to tackle Delayed Transfers of Care (DToC). People in hospital should have a safe and timely discharge and we recognise the financial and human costs on the health and social care system if this is not achieved.

We have been working with the Emergency Care Improvement programme, Department of Health (DH) and NHS England to spread best practice, design new guidance and understand patient flows. The LGA and partners are supporting local authorities, the NHS and private and voluntary sector to address DToC, taking into account last year's winter pressures, as a key part of our sector led improvement approach.

Councils are engaged in a range of activity to help alleviate demand pressures facing the NHS. This includes:

- initiating seven day working

- reallocating social work capacity to hospitals to support discharge nurses
- establishing fully-integrated, hospital-based discharge teams
- increasing reablement services
- commissioning additional 'step down' care home beds to help get people out of hospital
- purchasing additional home care capacity

Councils have a strong track record of innovating and transforming services and are working closely with their NHS and private and voluntary sector partners to deliver integrated care that offers quality services that are based around the individual and offer real value for money.