

Item No.	Classification: Open	Date: 23 November 2010	Meeting Name: Cabinet
Report title:		Changes in the NHS and Implications for Southwark Council	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Dora Dixon-Fyle, Health and Adult Social Care	

FOREWORD - COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE

1. The changes currently mooted for the NHS by central government are amongst the largest and most significant for a decade. In addition, the decision to abolish NHS Southwark from April 2013 means that how primary healthcare is delivered and commissioned locally will change. What we don't know is how these changes will finally manifest itself as we are still keenly anticipating further White Papers and legislation from the Government.
2. What we do know is that the local authority will gain important new powers and that its role in health and health scrutiny will change, and that those changes will impact upon the residents of Southwark, one of the most diverse and poorest boroughs.
3. As one of the few local authorities in the country to have an integrated health and adult social care system how we react to those changes is critical. This report outlines how we will begin to prepare the council for its new role, it outlines some of the challenges that we face and how we propose to address them. This is the beginning of that journey.

RECOMMENDATIONS

Recommendations for the Cabinet

That the Cabinet:

4. notes the changes being planned and taking place in the NHS at national, regional and borough level and the continuing degree of uncertainty surrounding these developments.
5. notes the implications for the Council's arrangements for partnership working with the health sector in Southwark in both the shorter term transition period prior to the abolition of Southwark PCT in April 2013 and in the longer term.
6. welcomes the proposal from Southwark GPs to be considered as a GP consortium pathfinder and agrees to support them in this project.
7. agrees that the Council will undertake a due diligence exercise with the PCT to

clarify all current joint and shared arrangements between the two organisations through which their accountabilities are currently delivered, in consideration of the changes that are taking place in the health system.

8. notes that a team in the Council is leading work on considering all of the implications that are taking place in the health system.

Recommendations for the Leader of the Council

That the Leader:

9. agrees that the Cabinet Member for Health and Adult Social Care will oversee a programme of work to implement the legislation that will follow the NHS White Paper and respond to the future government publications anticipated on public health and adult social care.

In particular it is noted:

- the abolition of all PCTs by April 2013
- the establishment of consortia of GPs to commission local NHS services
- the role of the Council at a local level, with new Health and Wellbeing Boards, to join up public health, GP consortia, childrens and adults social care

BACKGROUND INFORMATION

10. The Government published the NHS White Paper *Equity and Excellence: Liberating the NHS* on the 21st July. The paper includes proposals to transfer public health functions to local authorities by April 2012, to abolish NHS Primary Care Trusts (PCTs) by April 2013 and, in their place, to establish consortia of GPs, and to set up new Health and Wellbeing Boards that will join up the commissioning of local NHS services, social care and health improvement. Since the publication of the NHS White Paper there have been two significant further developments in the health system for Southwark:

- The Strategic Health Authority, NHS London, have brought forward the requirement for London Primary Care Trusts (PCTs) to reduce their management costs by 54% by one year so that the whole reduction needs to be in place for April 2011.
- The chair of Southwark's Clinical Commissioning Board (CCB), Doctor Amr Zeineldine, has written to NHS London expressing the wish of Southwark GPs to be considered for Early Adopter status for GP commissioning. This proposal has been welcomed by King's Health Partners.

11. These developments in the health system do not change Southwark Council's statutory duties and powers regarding: the provision of information regarding non-residential care services, the assessment of people who may need social care services, and the provision of support to people whose assessed needs meet local eligibility criteria. In Southwark services are provided to those whose assessed needs are critical or substantial. The Council is also required to co-ordinate multi-agency adult safeguarding arrangements.

12. The Council takes its statutory duties very seriously and it is partly for this reason that the Council has placed considerable focus on adult social care at this time. Adult social care in Southwark is currently being transformed.
13. The implementation of the personalisation agenda, the work towards meeting the Putting People First (PPF) milestones, and a new focus on both preventing people from needing to go into long term care, but also reabling people who have been in care to return to living independently in their own homes, is changing the role of clients, families, carers and social workers in this service. A new team has been set up in Older Person's South (OPS) to assess clients for personal care budgets which means that a greater number of individuals in Southwark, the majority for the first time, will be able to create and choose their own care packages rather than have these set by the Council. A new dedicated telephone line for all queries about help for older and vulnerable people is also being set up. These changes take place against a background of budget cuts as set out in the Comprehensive Spending Review (CSR), and the need to find considerable savings in this, as in other areas, of the Council's budget.
14. The Council is also considering Sir Ian Kennedy's review *Getting it right for children and young people: overcoming cultural barriers in the NHS so as to meet their needs* which was carried out in response to widespread concerns about services provided to children and young people by the NHS and other organisations following a series of high profile tragic deaths including the death of Peter Connelly (Baby P) in 2007. This report sets out how services are not always meeting the needs of children and young people, and outlines the barriers that exist which prevent this. In particular the report looks at the culture of the NHS and how this contributes to the current system. The report is an opportunity for the Council to improve joint working between childrens and adults services and to develop improved services that support people's needs throughout life, and not on the basis of how old they are.

KEY ISSUES FOR CONSIDERATION

Adult social care context

15. The changes that are taking place in the NHS are occurring in a context in which the Council continues to have statutory duties in adult social care. Through the coming period of transition, the Council will need to continue to deliver health and wellbeing outcomes, and to ensure that adults in Southwark are safe from financial, physical and other forms of abuse.
16. In addition to these duties, and in order to implement the People First (PPF) milestones and personalisation agenda, and to undertake other work to improve the customer journey in this area, the Council has established a transformational programme in adult social care.
17. The implications of personalisation on adult social care commissioning are considerable. At present, the joint Council-PCT adult commissioning service is the largest spend area of the Council. The service is accountable for some of the largest contracts let by the Council including Homecare, residential care (including the commissioning of care homes), assisted technology, mental health services, Supporting People (SP) and welfare catering. In line with a shift to a more preventative model, the division has undergone a review to develop an increased focus on preventative services. However a model in which the Council

largely commissions and provides and individuals largely take up and use services will become increasingly out-of-place at a time when more clients are utilising personal care budgets. The Council recognises that, increasingly, individuals will be taking up the opportunity to choose their own care packages, and, in light of this, that the Council will need to start taking a different role in this area.

18. The Council also aims to shift the balance of care in Southwark, that is, to move away from a system where there is more intensive nursing and residential care and towards one where people are supported to remain living in their own homes. Currently 72% of the department's total health and social care budget is spent on residential placements including nursing and care homes. However, through the transformation programme, the Council is taking action to prioritise services that help to prevent people needing to go into long-term care in the first place, but also to improve services that help those people leaving hospital or care return to living independently in their own homes.
19. A fundamental action that is being taken is the mainstreaming of the reablement service, which provides earlier, targeted interventions for older people within their own homes and communities. Of those people completing the reablement service, 71% required no further support from the Council or NHS. These changes are the beginning in a change in the Council's role, away from being a provider of care for older and vulnerable people, and towards one that enables people to live more independently for longer.
20. Whilst undertaking this significant transformation, the Council is also considering the implications of Sir Ian Kennedy's review *Getting it right for children and young people*. This review highlights a national challenge in which, on turning 16 or 18, young adults in care are moved from a children's service provider to an adult's service provider, regardless of the individual's needs.

Southwark PCT

21. The Strategic Health Authority (SHA) in London, NHS London, has set out a requirement for a reduction of PCT management costs by 54% by one year so that the whole reduction needs to be in place for the financial year commencing in April 2011. This action is being undertaken in light of a deteriorating financial situation in the NHS in London. The definition of management costs in the NHS is complex, but includes the cost of the PCT Board (Executive and Non-Executive Members), all managers who report to Executive Directors, all corporate support, including finance, but also the Provider Services arm of the PCT (that is, health visitors, district nurses and school nurses). In Southwark this reduction is around 42% as management costs have been lower generally than in London. This would require a reduction for Southwark PCT from a baseline of £8.9million to £3.6million by April 2011.
22. A number of possibilities are being considered in order for the PCT to manage this reduction. One possibility is for the Southwark PCT management team to be merged with neighbouring PCTs in order to establish one management team in the South East London sector (or possibly in two clusters). Another possibility, which does not necessarily preclude the first, is for the transfer of some PCT functions to Southwark Council to manage. A further possibility is for the transfer of some PCT functions to other parts of the NHS including the acute trusts. The

timescales to realise savings mean that there is a significant urgency in the undertaking of this work.

23. These significant changes are occurring prior to new health legislation being passed. The NHS White Paper sets out a timetable for the abolition of PCTs by April 2013 and the establishment, in their place, of consortia of GPs who will commission the majority of NHS services. It is recognised that, even without the current uncertainties that exist with the reduction in management costs in Southwark PCT, that the forthcoming changes being introduced by the Government will impact on the current health arrangements in Southwark.
24. This level of unprecedented change in the NHS contains risks for the Council. The Council will continue to prioritise the delivery of its transformation programme in adult social care, while still being required to meet its statutory accountabilities. These responsibilities will best be delivered through close working with partners in health. Southwark Council currently has joint management and commissioning arrangements with the PCT, and these arrangements are the vehicle for the Council in the carrying out of its adult social care responsibilities, that is, in the safeguarding of vulnerable adults, and in the provision of health and wellbeing outcomes in the borough.
25. In order to respond to the level of change in the health system, it is recommended that the Council commences discussions with the PCT regarding all arrangements that exist between the two organisations. This work will consider all arrangements, which will be subjected to due diligence on an "open book" basis, in order to provide clarity to the system at a time of uncertainty. The Chief Executive of the PCT is providing the Council with a "letter of comfort" which will set out the PCT's support for this exercise.
26. A team in the Council, comprising officers with expertise in adult social care, finance and corporate governance, is leading this work and will be undertaking a risk analysis of all arrangements.

GP Consortium

27. The NHS White Paper sets out proposals for the abolition of PCTs from April 2013. Local NHS commissioning will instead become the accountability of GP commissioning consortia, which it is envisaged will be placed on a statutory basis with powers and duties set out in primary and secondary legislation. The NHS White Paper sets out how GP consortia will be responsible for the commissioning of the great majority of NHS services.
28. Every GP practice will be a member of a GP consortium, and practices will have flexibility within the new legislative framework to form consortia in ways that they think will secure the best healthcare and health outcomes for their patients and locality.
29. On 21st October the Secretary of State for Health set out a programme to develop GP consortia pathfinders in order to support those GPs who wanted to develop consortia at the earliest possible stage. Even prior to this announcement, Doctor Amr Zeineldine, the chair of Southwark's GP Commissioning Board wrote to NHS London expressing the wish of Southwark GPs to be considered for the early adoption of GP consortia in Southwark. Doctor Zeineldine's proposal was welcomed by King's Health Partners.

30. There is a strong expectation that Southwark GPs will be accepted as an early adopter of GP consortia. NHS London have set out that any GP practices that wish to join the programme will be able to, should they be able to demonstrate:
- Evidence of strong GP leadership and support
 - Evidence of Local Authority engagement or
 - An ability to contribute to the delivery of the QIPP (Quality and Productivity) agenda in their locality
31. The development of a strategic relationship between the Council and GP Practices will be a new arrangement. There are a number of opportunities with this, not least the local knowledge and understanding that GP Practices will bring in the development of health and wellbeing strategies and the delivery of excellent health outcomes in the borough.
32. The Cabinet Member for Health and Adult Care met with Doctor Amr Zeineldine in October to commence a discussion on how the Council and GPs could better work together.

NHS White Paper, Equity and Excellence: Liberating the NHS

33. The NHS White Paper sets out the new coalition Government’s strategy for creating a National Health Service which “achieves results that are amongst the best in the world” and, following the recent consultation on this, the Government plans to introduce a Health Bill in Parliament in late 2010.
34. The proposals outlined in the NHS White Paper are the commencement of a timetable of reform in the NHS and social care. Whilst these changes are significant, and the Council will have to undertake work to implement these, it is also important to set these proposals within the context of a number of additional publications and reforms which the Department of Health will announce over the course of this Parliament.
35. The following announcements and key dates are likely to be of particular relevance:

Department of Health Commitment	Date
Public Health White Paper published	December 2010
Health Bill introduced in Parliament	December 2010
Vision for Adult Social Care published	Spring 2011
Patient Strategy published	Spring 2011
Review of data returns published	Spring 2011
White Paper on Social Care Reform	2011

36. At present it would be speculative to comment on what the proposals in these publications might be. The White Paper on social care reform is likely to have particular impact, however, as it aims to set out a new funding framework for social care in the United Kingdom.
37. At a time when legislation has not yet been introduced, and in anticipation of these further Government publications, it would be premature for the Council to take action in implementing the proposals in the NHS White Paper. However there is an expectation that many of the changes will be implemented, and the

Council is therefore taking action to consider these and how these may be implemented in Southwark.

38. There are five key areas in the NHS White Paper for consideration by Southwark Council:
- The development of a new public health function
 - The development of GP consortia
 - The development of local HealthWatch
 - The future role and functions of Monitor and the CQC
 - Proposals relating to the health and wellbeing board
39. The following section summarises the proposals in the NHS White Paper for each of the five key areas. The Council has designated appropriate officers to consider each area and to, at the appropriate time, bring forward proposals and work to implement changes.

Public Health

40. The NHS White Paper sets out proposals for the establishment of a new National Public Health Service (PHS) with, at a local level, a Director of Public Health who will be jointly appointed and jointly accountable to both the PHS and to the local authority. It is proposed that the Director of Public Health will have a ring-fenced budget which would be set by the PHS. The allocation formula for these funds will include a "health premium" designed to promote action to improve population-wide health and reduce health inequalities.
41. The public health role of the London Mayor and Greater London Authority (GLA) will be a consideration in the development of a public health function in Southwark. At present there is a joint role in London of the Regional Director of Public Health (NHS London) and the Health Advisor to the Greater London Authority (GLA). One option for a newly defined Public Health Service in London would be to base this within the GLA. One possibility is that the public health budget and function in London will be split three ways, that is, between the PHS, the Mayor of London and the boroughs.

The development of GP consortia

42. The NHS White Paper sets out proposals for the abolition of PCTs. Local NHS commissioning will instead be the accountability of GP commissioning consortia, which it is envisaged will be placed on a statutory basis with powers and duties set out in primary and secondary legislation. The NHS White Paper sets out how GP consortia will be responsible for the commissioning of the great majority of NHS services.
43. Every GP practice will be a member of a GP consortium, and practices will have flexibility within the new legislative framework to form consortia in ways that they think will secure the best healthcare and health outcomes for their patients and locality. GP consortia will include an accountable officer and the NHS Commissioning Board will be responsible for holding consortia to account. GP consortia will be established in shadow form in 2011/12, and will be fully established in 2012. With the successful establishment of GP consortia, PCTs will be abolished from April 2013.

HealthWatch

44. The NHS White Paper sets out proposals which aim to strengthen the collective voice of patients with the development of HealthWatch England, a new independent body which will be located within the Care Quality Commission (CQC).
45. At a local level, Local Involvement Networks (LINKs) will become local HealthWatch. The new organisations will provide advocacy and support, but will also undertake functions which are similar to that of the Patient Advice and Liaison Service (PALs) currently, with proposals, for instance, for local HealthWatch to consider complaints about GPs and NHS services and to support patients to choose their GP practices

Care Quality Commission (CQC) and Monitor

46. The NHS White Paper proposals set out a national inspectorate and economic regulatory framework for health and adult social care providers in the form of a refreshed mandate for the Care Quality Commission (CQC) and a new enhanced role for the Monitor organisation. As now, the CQC will act as a quality inspectorate across health and social care. It will operate a joint licensing regime with Monitor, and it will inspect providers against these standards to ensure compliance. The CQC will receive information to inform its inspection programme from a number of sources including HealthWatch (and HealthWatch England will be located in the CQC). Monitor will be transformed into the economic regulator for health and social care, and will promote competition, regulate prices and support the continuity of services.

Health and Wellbeing Board

47. The NHS White Paper sets out an aim to strengthen local democratic legitimacy in the NHS. One of the ways that it is envisaged that this will be achieved will be through the establishment of health and wellbeing boards, which it will be the responsibility of local authorities to coordinate. Health and wellbeing boards will take on the function of joining up the commissioning of local NHS services, adults and childrens social care, and health improvement.
48. The development of health and wellbeing boards, as set out in the NHS White Paper, will be a significant opportunity in Southwark. The boards are intended to provide a focus for strategic health decision-making. There are opportunities with this work to bring together a number of health organisations in Southwark that have not previously had an ongoing relationship, including GPs and the acute NHS trusts, in order to develop improved joined up health and social care services for the borough.
49. An additional opportunity with the development of a new Health and Wellbeing Board will be to ensure that a strong multi-agency approach exists within safeguarding. The Safeguarding Adults Partnership Board (SAPB) has recently been reviewed and an independent chair appointed. With the development of GP consortia there will be a particular opportunity to involve GPs in work to ensure that adults in Southwark are safe from financial, physical and other forms of abuse.

Community impact statement

50. There is a degree of uncertainty about how the level of change in the health system will impact on the population in Southwark. In the NHS White Paper, the Government sets out an aim “to empower professionals and providers, giving them more autonomy and, in return, making them more accountable for the results they achieve, accountable to patients through choice and accountable to the public at a local level.”
51. There are opportunities with these changes, for instance, with the greater involvement of GPs in strategic health planning, and the local knowledge and expertise that GPs will bring in working with the Council and other organisations, including public health, to help improve the health and wellbeing of the people of Southwark.
52. With these changes, and in consideration of future legislation and other government publications, the Council will need to work with partners in order to ensure that, both during the coming transition period, and in the development of a new health and adult social care system in Southwark, that equalities and a respect for human rights is at the heart of the new health and adult social care system and that people who use services and their carers have fair access to services and are free from discrimination or harassment in their living environments or neighbourhoods .

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

53. The cabinet is being asked to:
 - i) note the key issues arising from White Paper entitled “Liberating the NHS” and the likely implications of this change in the health and social care agenda and
 - ii) welcome the proposal from Southwark GPs to be considered as a GP consortium pathfinder and agrees to support them in this project.
 - iii) agree that the Council will undertake a due diligence exercise with the PCT to clarify all current joint and shared arrangements between the two organisations through which their accountabilities are currently delivered.
54. The Leader is being asked to agree that the Cabinet Member for Health and Adult Care will oversee a programme of work to implement the legislation that will follow the NHS White Paper and respond to the future government publications anticipated on public health and adult social care.
55. The White Paper proposes sweeping changes in the way that health services are delivered. As highlighted in the report already the White Paper it is proposed that PCTs are abolished and that GPs will take over commissioning. As an authority that has developed close ties with the PCT the decoupling of the Health & Social Care from the PCT will have significant implications for Southwark and the full extent of what this involves will need to be understood. The proposals therefore for a due diligence exercise to be pursued will be critical in informing the way forward.

56. The Health Bill is not yet before parliament but the White Paper expects it will be introduced this autumn.

Finance Director

57. The abolition of NHS Southwark has significant financial implications for the council; this is due to a number of Section 75 agreements between the council and the PCT. These arrangements set up pooled budgets – with different purposes, including joint commissioning, purchasing equipment and employing staff. The 3 biggest agreements accounted for a combined gross cost of approximately £88m in 2009/10. Another consideration is that PCT currently occupies council buildings.
58. In noting suggested ways forward, finance strongly supports a process of due diligence – whereby clarity of accountabilities is established and any transfer of accountabilities to the council is subject to appropriate checks. A stringent due diligence process is paramount to ensuring a proper evaluation of the financial risks resulting from the changes in Public Health and Adult Social Care.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Dora Dixon-Fyle, Cabinet Member for Health and Adult Social Care	
Lead Officer	Annie Shepperd, Chief Executive	
Report Author	Graeme Gordon, Head of Corporate Strategy	
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CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
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	Finance Director	Yes
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