CIPFA and iMPOWER have surveyed 56 organisations (25 from local authorities, 31 from the NHS) about the interface between health and social care in order to find out how things stand. The results come at an interesting moment, just as sustainability and transformation plans (STPs) are set to move from plans to actions. The sample, while not comprehensive, is enough to suggest a strong consensus around what needs to be done, but a much more variable set of views on how well local partners are placed to do it and whether they expect to succeed. This briefing sets out:

- how the results confirm the agenda
- the nature of the problems revealed
- what action that suggests to move matters forward.
Confirming the agenda

Most respondents to the survey were directors of finance from either local authorities, trusts or clinical commissioning groups (CCGs). There was strong agreement that the sustainability of their organisations’ services relies strongly on genuine collaboration across health and social care, with less than 10% regarding it as a minor factor, and over 90% seeing it as very important.

That might seem surprising from a finance cohort, given that there is little evidence to date of integration generating the cash savings which the whole system needs. However, there was a widespread expectation that collaboration would improve the patient experience (91%) and lead to better quality care (70%) and non-cashable productivity improvements (63%) – which are of course integral factors in achieving a publicly and politically acceptable quality-cost equation. Moreover, the respondents were bullish about the prospects for cost savings, both inside their own organisations (54%) and across the local system as a whole (76%), as well as about the prospects of reducing demand (44%), which is critical to containing future cost pressures. That suggests – as is very much consistent with STPs – that while integration may not in itself save money, it is seen as one of the key enablers of the transformative actions which could do.

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The link between integration and development of new, more productive services is confirmed. 91% of respondents believe that the new models of care are completely reliant on collaboration and joint working. That is likely to take place through a shift towards an accountable care system or accountable care organisation. Eighty per cent are expecting such arrangements locally, which aim to take forward the reshaping of care pathways in an integrated context, and there is a unanimous view that new models of care will enable such joint working, so there is a virtuous circle of reinforcement in prospect.

Highlighting the difficulties

On the face of it, the context points to the need/desire for more significant collaboration and joint working in very short order, yet only one respondent believes that will be achieved within five years, with the vast majority saying ‘maybe in pockets’. So what’s the problem? Integration is about successful partnership working, and as is well known, this depends crucially on good relationships. That’s where the

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survey suggests there is a worryingly long way to go. While over half believe relationships to be ‘reasonable’, less than a quarter consider current relationships between the NHS and local authorities to be ‘very strong’, with rather more believing them to be ‘limited’. This is despite a more positive general view that relationships have got better over the past year, an improvement which can’t be put down to the STP, which is no surprise given that many councils have felt insufficiently involved in the process. Nor can it be attributed to the Better Care Fund. These results are broadly consistent across councils and the NHS, the one significant difference amongst respondents being that 16% of health bodies held that relationships had actually got worse in the past year, whereas no local authorities believed that.

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The improvement in relationships – albeit starting from a low base in some areas – appears to come from shared financial necessities and localised understanding of the logic of integration. It has come in spite of, rather than being helped by, central mechanisms and rhetoric which may indeed have actually added to the tensions. To take the latest such example: the very welcome additional social care funding is expected to reduce delayed transfers of care in the NHS and to close local authorities’ financial gaps – in other words, to avoid the requirements for unfeasible savings targets – but it won’t be enough to do both to the extent the NHS and councils say they require. Only 15% of respondents expect to invest a major proportion of this money in population health measures, which ties in to another problem: 95% said it is essential or important to invest in prevention in the next three years, but it seems unlikely that they have the financial capacity to do so. Indeed the iMPOWER Collaborative indicates that almost all of this money will be spent meeting operational challenges or sustaining the market for local providers in 2017/18.

Moving forward

The survey results will surprise few. They reinforce the importance of developing good working relationships if integration is to move forward successfully, while showing that there is some way to go. There are also – equally unstarring – implications for how the national framework might be best managed to facilitate that local action.
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Locally, the key is to focus on front line experience and the agreed benefits; be open, transparent and realistic about what can be achieved; and to think in terms of the whole system, not just the organisation. Those aims need to be backed up by setting up the conditions to facilitate successful systems leadership across the whole of health and social care. Securing political buy-in for STPs, including through local government, and taking specific action, including training, to ensure that staff have the appropriate attitudes, skills and knowledge to work collaboratively will be an essential element. That knowledge will include some awareness of the move towards accountable care systems, linked to such developments as the commissioning of single multi-activity provider contracts with some larger providers or ‘chain hospitals’ formed through mergers or alliances, or with consortia of organisations bidding together to win contracts.

Finance professionals should be encouraged to do the right things for the system: participative budgeting, long term thinking, outcomes focus, transparent presentation of the long term effect of decisions; and encouraging, not discouraging, the taking of appropriate risks. We also need to improve finance staff and their audiences’ understanding of what’s happening across time and across the whole health and social care system. That requires action to enhance both mutual understanding and awareness of where there are differences in approach, for example accounting arrangements, in order to work optimally together.

The opinions expressed through the survey are also consistent with the calls to national action which CIPFA¹, iMPOWER² and other commentators³ have made recently. For example:

- The survey shows very clearly that finance directors understand the key issues and are aligned about where investment needs to be and the importance of system working. The ability to deliver this is the challenge both in terms of funding (explored below) and incentives (inspection, budget management, risk management, public perception). The policy language coming out of government is all about integration and whole systems but the budgetary levers are still all about balancing an organisation’s budget.
- On top of this the relationships and trust are not in place, are not developing and are impeded by both the incentives (above) and the central mechanisms and rhetoric.

In order to ensure success therefore:
- realistic timescales need to be adopted for STP implementation, given the time it takes to establish relationships and for innovations in health and care to become established and deliver results. As the Health Foundation has observed ‘the average tenure of a chief executive is shorter than the length of time it takes to bring about transformational change in a hospital’⁴
- if STPs, possibly linked to accountable care organisations, are to be the means of unifying place-based action across the whole system, they need to be backed by appropriate governance, and perhaps given some statutory standing
- care and attention needs to be paid to building relationships and trust. Understanding the ‘relationship map’ locally and unlocking the opportunities to work at the interface (and of joint working) is vital to the success of future models of delivery and care
- funding needs to be realistically matched to the level of service implied – which means hard decisions on either service levels or service priorities. It is hard to see how this will not involve increasing the current projected spending on the health and social care system, at least on a transitional basis. However the introduction of more flexibility in the use of NHS capital resources, to incentivise the release and reinvestment of local assets in a joint working context would be an enabler.
- if – as in the Five Year Forward View – the stated intention is to achieve a step increase in prevention, then that must be delivered jointly. The funding capacity for that needs to be in place alongside learning to scale proactive care and integrated case management pilots where they have succeeded. Whole system planning including prevention also requires supporting through multi-year settlements and, ideally, by linking system funding as a minimum to a percentage of GDP.

In summary, the CIPFA/iMPOWER survey suggests that finance directors have a pretty clear idea of what needs to happen locally and nationally, but they realise that arriving at the prescription is the easy bit. The tough part, of course, will be making it happen.
References

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3. See, for example, Bending the Curve www.impower.co.uk/insights/bending-the-curve-tackling-the-healthcare-challenge.
   iMPOWER Collaborative is a group of 13 Local Authorities looking at ‘Spending £1bn Well’.
4. See, for example, the King’s Fund’s Delivering sustainability and transformation plans: from ambitious proposals to credible
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