

Policy Developments Update for The Health Devolution Commission



This is a short note outlining recent relevant policy developments in advance of the third, postponed, roundtable of the Health Devolution Commission being held on October 20th. It includes information on recent relevant reports and events including:

1. Political developments
2. Policy developments
3. Financial developments
4. Workforce development
5. ICS assessments
6. Opposition policy

1. POLITICAL DEVELOPMENTS

Unprecedented period of economic and political turbulence

This is an unprecedented period of national and global economic and political turbulence that is having an immediate impact on the position of the nation's finances and public services, as well as the personal circumstances and income of many families and communities around the country.

It is likely that these pressures will continue for the next few years with significant real term reductions in resources for the NHS and Local Government as the demand for health and social care services continues to increase, the costs of providing those services remain high, expected efficiency savings increase, and funding levels fail to keep pace with inflation.

New political leadership

There have been a number of major changes within Government in recent weeks – in effect a new Government is in place, but given the current context, it is likely that there will be more changes within the cabinet and potentially in the position of the Prime Minister in the weeks ahead.

At present, Therese Coffey MP is both Deputy Prime Minister and Secretary of State for Health and Social Care. This dual role has not happened before in health. Meanwhile Jeremy Hunt MP, former SoS for Health and Social Care, is now the Chancellor and, importantly, he was a key architect of the new ICS structure and its fundamental organising principle of collaboration.

In his recent role as Chair of the DHSC Parliamentary Select Committee, Jeremy has also published a number of reports with observations, analysis and recommendations for change as the system goes forward, with arguably the most important being that there should be an additional £8bn per year for social care.

This combination of people in positions of power and experience of the NHS and Social Care System at the top of government is unique. Whilst the SoS's duties as DPM may mean more delegation of health and social care policy/action to the DHSC Ministerial team, and the financial pressures on the Chancellor are intense, this position is potentially very strong for DHSC when it comes to arriving at agreed policies/priorities between DHSC, NO.10 and the Treasury.

One other consequence of these changes is that there will now be a new Chair of the Health and Social Care Select Committee.

2. POLICY DEVELOPMENTS

Plan for Patients

The Government published its new [Plan for Patients](#) in September 2022 that is intended to sit alongside the NHS Long Term Plan, the forthcoming workforce plan, and plans to reform adult social care. It spells out its priorities in four areas – ABCDD – Ambulances, Backlogs, Care, Doctors and Dentists – with clear expectations of what is to be achieved.

Significantly the Plan says the Government will 'shift the balance of funding between health and social care, so people experience a seamless care journey that meets their needs'. To that end it includes the launch of a £500 million Adult Social Care Discharge Fund to help people get out of hospitals and into social care support. This will have the support of the new Chancellor who in his former role recently put the emphasis on [improving pay rates for care workers](#) to solve the problem:

"Hospitals are full of people who can't be discharged due to social care issues, mainly staff shortages. Local authorities need help now to boost pay rates for care workers, as they're currently losing them in droves to the retail and hospitality sectors."

Public Health Plan

Much less encouraging is the indication from Government that the proposed White Paper on improving population health will not now be published; and that the new obesity strategy is under review. The shift in language away from 'health inequalities' to 'health disparities' is a clear difference in tone that may indicate a softening in purpose and ambition on this element of the ICS agenda.

However, [Jeremy Hunt](#) in his new role as Chancellor has said that 'prevention is better than cure', that 'it really matters to the NHS that we do something about our obesity problems' and that 'I think it's a shame if we soft pedal on the childhood obesity agenda. It will be really sad if we condemn a generation of children to unnecessary health problems.'

Targets, empowerment and decentralisation

Jeremy Hunt has also stressed the need to empower local NHS leaders with greater freedoms to address the challenges in the way they wanted to. He was critical of 'the NHS being the most micro-managed health system in the world'.

3. FINANCIAL DEVELOPMENTS

£36bn Health and Social Care levy abolished

The abolition of the Health and Social Care Levy, worth £36 billion over 3 years will happen but it is unclear whether this planned additional resource will continue to be made available to the health and care system; and if so, how it will be funded given the challenge of balancing the public finances.

A large element of the £5.4bn allocated to social care was intended to pay for the Fair Costs of Care regime in which self-funders' fees could be reduced to match the fees paid by local government to independent care providers. If the levy does not go ahead, it is not clear how this loss of income to care providers will be managed – and there is still a significant difference between local and central government, and the care providers about how big this income gap will be.

£500m Hospital Discharge Support Fund announced

The £500 million for social care services to accelerate hospital discharge during winter 2022 will be distributed to ICSs who will make decisions locally on how best it is spent to achieve its purpose. This may lead to different local decisions in the balance between funding given to NHS services and social care services respectively; and the extent to which the funding is used to boost care worker pay (temporarily, as happened during the Covid pandemic) to overcome staff shortages in the care services required to meet the targets.

15% efficiency savings?

The Government is tightening up the rules on the use of agency staff by health providers to drive down costs. However, it is expected that there will be a much tougher efficiency regime generally (15%?) in the public sector to help balance the books from which health and social care commissioners and providers will not be immune.

Social insurance funding model rejected

Jeremy Hunt in his role as Chancellor has rejected the introduction of a social insurance model to fund the NHS and does not see adding a co-payment element to the current system as a priority.

4. WORKFORCE

SfC State of the nation report

Skills for Care published (10th October) their [state of the nation report on the social care workforce](#) showing that the challenges are getting worse:

The state of the adult social care sector and workforce in England

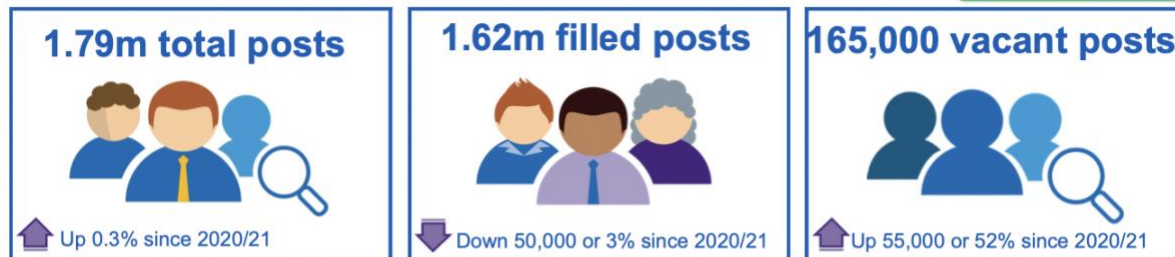
Recent trends - workforce supply and demand



[Download PowerPoint](#)

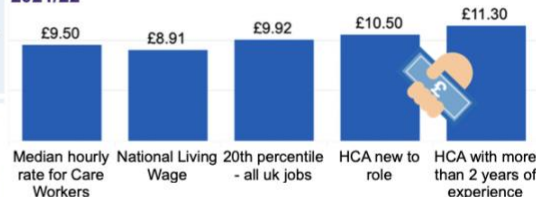
[Press here to view more data from the report](#)

In adult social care in England, as at 2021/22, there were:

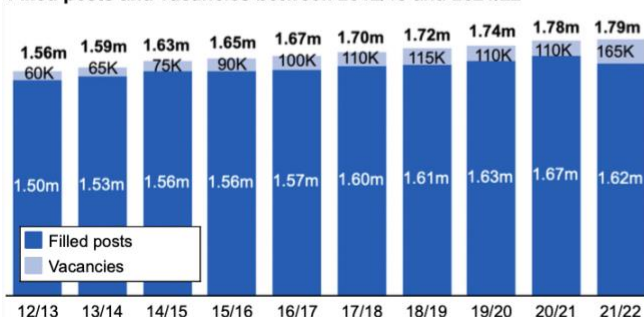


The number of posts in the sector increased by 0.3% in 2021/22. However, fewer posts were filled and more were vacant highlighting recruitment and retention difficulties and not a decrease in demand for social care staff.

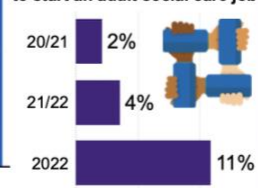
Median care worker pay compared to other job roles 2021/22



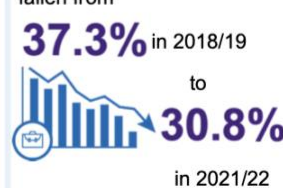
Filled posts and vacancies between 2012/13 and 2021/22



New starters arriving in the UK to start an adult social care job



The starter rate has fallen from



To view up to date monthly information on how the adult social care workforce has changed since March 2021, due to COVID-19 and other other reasons, press the button to go to our month tracking dashboards

[Press here to go to COVID-19 information](#)

Some additional indicators of the workforce challenges in social care are that:

- Average vacancy rates across the sector are at nearly 11% which is twice the national average.
- Care workers with five years' experience are paid 7p per hour more than a care worker with less than one year's experience.
- The average care worker pay is £1 per hour less than healthcare assistants in the NHS that are new to their roles.

NHS Workforce plan

Jeremy Hunt identified the workforce as the one thing that would make 'the biggest difference to the NHS' and called for a proper long-term plan to improve the supply and training of nurses and doctors in the NHS.

Industrial action ballots

It is worth noting that the [RCN](#) (nurses), [Unison](#) (NHS members) and [Unite](#) (ambulance workers) are all currently balloting their members over industrial action in support of their pay claims.

5. ICS ASSESSMENTS

National Audit Office Report

The National Audit Office (NAO) October 2022 [Report on Integrated Care Systems](#) says the introduction of ICSs was warmly welcomed by a wide range of stakeholders (unlike the 2012 health system reforms) and actively supported by 76% of those interviewed.

However, the NAO analysis reflects concerns about many of the issues raised by the Commission over last two years including, in their words:

- **Prevention:** NHSE has asked ICSs to take a long-term approach focused on preventing ill health, but the targets it has so far set for ICSs are about short-term improvements, principally elective care recovery.
- **Devolution:** There is an inherent tension between the local needs-based care strategies that ICSs are expected to prepare, and a standardised health service delivering national NHS targets. ICSs must manage these tensions, achieving stretching efficiency targets and the national priorities NHSE has identified if they are to create capacity and resources to respond to local priorities.
- **Social determinants of ill-health:** NHSE and DHSC recognise that health outcomes are largely driven by wider factors beyond clinical healthcare, such as healthy behaviours, social and economic reasons, and the physical environment. However, there has been little progress on establishing a structured approach for addressing these wider factors, which are affected by the policies of almost all central government departments.

Analysis of winter pressures on ICSs

Future Health Research have published a [comparative analysis of ICSs](#) under most pressure as winter approaches. Key findings include:

- 16 of the 42 new ICSs are under relatively high levels of pressure across both primary and secondary care
- Of these 16, the 5 health systems under the most pressure are Bedfordshire Luton & Milton Keynes; Kent & Medway; Leicester, Leicestershire & Rutland; South Yorkshire; and Sussex
- Also included are areas with higher levels of deprivation in the Midlands and the North: Cumbria and Northeast, Lincolnshire, Nottingham and South Yorkshire and Bassetlaw
- By contrast a similar number of systems are classified as under lower relative pressure. These include Bristol, North Somerset and Gloucestershire; Buckinghamshire, Oxfordshire and Berkshire West; Coventry and Warwickshire; Hertfordshire and West Essex; Staffordshire and Stoke on Trent; Suffolk and North East Essex.

The report also uncovers widespread variation in access to services, including:

- The number of primary care appointments per head of population is 58% greater in Cornwall ICS than in North Central London ICS

- A nearly threefold variation in the number of patients unable to get a GP appointment so attending A&E. Black Country ICS in the Midlands with 16% has the highest rate, Herefordshire and Worcestershire with just 6% has the lowest rate
- Herefordshire and Worcestershire has the lowest GP to patient ratio, below 1500. Kent and Medway has the highest, which is 50% higher (over 2000)
- Birmingham and Solihull and Black Country ICS both have 20% of patients noting a fairly or very poor experience of primary care. This is more than double Gloucestershire ICS with just 8% of patients

6. OPPOSITION POLICY DEVELOPMENTS

The 2022 Labour Party Conference heard keynote speeches including health policy from the [Rt Hon Kier Starmer MP](#), Leader of the Opposition and [Wes Streeting MP](#), Shadow Secretary of State for Health.

The key themes and emerging priorities include:

- Tackling staff shortages
- Shifting the focus of healthcare out of hospital and into the community
- Better pay and conditions for care workers
- A focus on technology including genomics and data use
- Patient voice as well as choice
- Building a National Care Service

Unsurprisingly, given the nature of the audience and the purpose of the speech (in and outside of the conference hall), there was no mention of integrated care systems or place-based partnerships. However, it may be important for the Commission to establish a strong relationship with the Opposition over the coming months to ensure there is good cross-party understanding and support for the devolution and integration agenda.

Prepared by Phil Hope for the Health Devolution Commission Secretariat

The partners of the Health Devolution Commission are NHS Confederation, Local Government Association, London Councils, British Association for Counselling and Psychotherapy, Greater Manchester Health & Social Care Partnership, West Yorkshire Health and Care Partnership, Mencap and Barnardo's.

