NHS CHECK OLDHAM

REPORT 4

DEVOMANC AND HEALTH AND SOCIAL CARE

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Contents

1. Introduction

1.1 Welcome to my fourth NHS Check Oldham Report, part of a series of reports that examine how national policies from the Government are affecting local health and care services in Oldham East and Saddleworth. These reports are informed by national and local statistics as well as data from other sources, such as patient experiences and think tank reports.

1.2 This report is focussed on the devolution from central Government of £6bn of health and social care funding to the combined Greater Manchester Authority – commonly referred to as 'Devo Manc' - and the challenges and opportunities the changes may have on health and care services, particularly for my constituents in Oldham East and Saddleworth.

1.3 Debates about where responsibility for health care should lie are not new and were widely debated during the formation of the NHS in 1948. The resulting NHS Act saw the transfer of local authority-run hospitals to the new National Health Service. Local government remained responsible for a wide range of community health services and public health until 1974, when reorganisation saw these too transferred to the NHS.

1.4 As the King's Fund report[1] reveals, this legislation, along with the National Assistance Act, which also took effect in 1948, gave rise to the separations between health and social care that we see today – an NHS largely free at the point of use and funded through general taxation, with means-tested social care funded either privately or by local authorities, and in recent years, for those reliant on public funding increasingly available only to those with the highest need.

1.5 Devolution of powers and funds from central to local government has emerged as one of the Government's key policies, and although there is consensus on the principle of devolution, the details and means of implementation remain controversial.

1.6 Collaborative working between the 12 Greater Manchester CCGs and 10 local authorities has been ongoing for some time through the *Healthier Together* programme, established in 2012 to look at Greater Manchester wide reforms to Primary Care, Joined Up Care, and Hospital Care. Clinically led, the programme's stated aims are to provide the best health and care for the people of Greater Manchester (GM).

1.7 Along with powers over housing, skills and transport, the Devo Manc deal between the Treasury and Greater Manchester has paved the way for the councils and NHS in Greater Manchester to take control of the region's health and social care budget.

1.8 I have expressed my concerns[2] about the scale of the deal and the risks for Greater Manchester and particularly Oldham East and Saddleworth of the devolution of health and social care. This report examines the context of the deal and the devolution agreement itself, the response of key experts and commentators and the challenges and opportunities Devo Manc presents for local health and social care services.

[1] http://www.kingsfund.org.uk/sites/files/kf/field/field_publication_file/devolution-briefing-nov15.pdf
[2] http://www.debbieabrahams.org.uk/2015/devolution-true-power-to-communities

2. Overview of Devo Manc

2.1 The first 'devolution deal' was announced by the Government and the Greater Manchester Combined Authority in November 2014. This deal was negotiated in private between the Government and local authority leaders.

2.2. The Greater Manchester Agreement set out proposed new powers for the Greater Manchester Combined Authority (GMCA). The Agreement also included establishing a directly-elected mayor for the whole Greater Manchester area. Meanwhile, the GMCA itself will be able to plan the integration of health and social care, amongst other powers.

2.3 The Government published the Greater Manchester Health and Social Care Devolution Memorandum of Understanding on 27 February 2015. This paper envisaged a new Greater Manchester Health and Social Care Partnership Board (GMHSPB), which will produce a joint health and social care strategy for Greater Manchester. Crucially, no impact assessment has been undertaken on the Greater Manchester Health and Social Care Devolution Deal.[3]

2.4 The GMHSPB ran in shadow form in 2015-16, before going live in April 2016. It had two sub-groups: a Greater Manchester Joint Commissioning Board (JCB) and an Overarching Provider Forum. Members of the former are the 12 Clinical Commissioning Groups (CCGs) in Greater Manchester; the 10 Greater Manchester boroughs; and NHS England. Members of the latter are service providers: acute care trusts, mental health trusts, ambulance trusts, LMCs (local medical committees), and others.

2.5 Through the JCB, strategic decisions regarding commissioning of health and social care services in Greater Manchester will be agreed by NHS England, CCGs, and local political actors. The JCB will commission health and social care services across Greater Manchester on behalf of its constituent organisations, combining the pooled commissioning budgets of the CCGs and the social care budgets of the boroughs.

2.6 At local (borough) level, Health and Wellbeing Boards, made up of representatives from CCGs and boroughs, will ensure that health and social care services are provided in a joined-up fashion, in line with the GMHSPB's Strategic Sustainability Plan.

2.7 The Memorandum of Understanding[4] states that the parties to the agreement (NHS England, CCGs and local political actors) share 7 key objectives:

- To improve the health and wellbeing of all of the residents of Greater Manchester (GM) from early age to the elderly, recognising that this will only be achieved with a focus on prevention of ill health and the promotion of wellbeing. We want to move from having some of the worst health outcomes to having some of the best;
- To close the health inequalities gap within GM and between GM and the rest of the UK faster;

[3] http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2015-07-02/5419/

[4] https://www.greatermanchester-ca.gov.uk/downloads/file/135/greater_manchester_health_and_social_care_devolution_memorandum_of_understanding

- To deliver effective integrated health and social care across GM;
- To continue to redress the balance of care to move it closer to home where possible;
- To strengthen the focus on wellbeing, including greater focus on prevention and public health;
- To contribute to growth and to connect people to growth, e.g. supporting employment and early years services; and
- To forge a partnership between the NHS, social care, universities and science and knowledge industries for the benefit of the population.

2.8 These devolution proposals are being implemented via section 75 of the National Health Service Act 2006, which permits agreements to share functions and budgets between NHS bodies and local authorities. The elected mayor will not have any formal control over the integration of health and social care. The GMHSPB has appointed its own chief executive, Jon Rouse, as of 31 March 2016; however he will not take up his position until 22nd July 2016[5].

2.9 So far, the only other areas to take steps in devolving health and social care services are Cornwall and some London boroughs. A document entitled *NHS Devolution: Proposed Principles and Decision Criteria*[6], published in September 2015, sets out the NHS's preferred approach to proposals for health and social care integration.

2.10 A dedicated website[7] covering new arrangements for health and social care in Greater Manchester has been established. This states that the early priorities of the new bodies will be: seven-day access to GPs; children's mental health; mental health and work; better care for dementia sufferers; a joint public health strategy; and aligning the workforce policies of health provider organisations.

5 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/518910/160421_Letter_to_DoH_re_Jon_Rouse__1_.pdf

6 https://www.england.nhs.uk/wp-content/uploads/2015/09/item4-board-29-09-15.pdf

7 http://www.gmhsc.org.uk/

3. Reaction to Devo Manc

3.1 Helen McKenna, of the King's Fund, has suggested that health and social care integration in Greater Manchester could have a transformative effect:

> "Although what is currently happening in Manchester is technically more a case of delegation than devolution, particularly as formal accountabilities will remain with the national NHS bodies, it is nevertheless a far cry from 'business as usual'….In exchange for more of a say over its own future, Greater Manchester is promising to deliver changes to health and care services that we and many others have long been calling for… But what makes Greater Manchester's devolution project so exciting is the fact that their ambitions go much further than the integration of health and social care to consider public services in the round. This creates the opportunity to look beyond the role of health services in determining health outcomes to the (Far more influential) wider social determinants of health – for example, the roles of early years, education, employment and housing."[8]

3.2 Chris Ham, Chief Executive of the Kings Fund said[9]:

> "Devolution to Greater Manchester should enable decisions to be taken much closer to the population being served, with councillors having a bigger influence on future decisions. …The unanswered question is how much freedom public sector leaders will have to depart from national policies in taking greater control of NHS resources."

3.3 Nigel Edwards, Chief Executive of the Nuffield Trust highlighted the requirements needed to ensure Devo Manc would succeed in his blog *Devo Manc: Small steps, great leaps*[10] concluding,

> "Manchester's proposals are bold and potentially transformative, but they carry risks – especially at a time when the public finances are in a perilous state. We will be watching with interest."

3.4 Mark Dayan, Policy and Public Affairs Analyst at the Nuffield Trust examined the role of the N, for national, in NHS under devolved powers. Looking specifically at finances, he said[11],

> "When hospitals are financially struggling, or a care scandal is unfolding, the local or regional authority will feel the force of public demand to do something about it – the same force that drives the Secretary of State and the Department of Health today. National and local authorities could catch the NHS in the middle as they both push for their own initiatives and plans. Or they could step back to scapegoat one another – with the local authority blaming problems on austerity from the centre, and the national government professing to have nothing to do with the situation.

[8] Helen McKenna, "Devo Manc is a far cry from 'business as usual'", Manchester Policy Blogs, 1 April 2016
[9] http://www.kingsfund.org.uk/blog/2015/03/devo-manc-health-social-care-wellbeing-greater-manchester
[10] http://www.nuffieldtrust.org.uk/blog/devo-manc-small-steps-great-leaps
[11] http://www.nuffieldtrust.org.uk/blog/be-prepared-less-national-health-service

> "We need more clarity from the Government about the crucial question of whether funding will follow these functions. Will the money currently given to CCGs based on NHS patient need, under at least some local plans, move into the same pot as other grants and local taxation?"

3.5 The Local Government Association[12] commented on the Devo Manc Health and Social Care Deal stating:

> "The LGA has welcomed the announcement as a significant step in devolving control of social care and health spending to Greater Manchester. We have long argued that truly 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. We also welcome the commitment to focus on prevention of ill health and on closing the health inequalities gap."
>
> and
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> "There is no doubt that a transformation of this significance will require the active support of NHS England but we would like to see a firm commitment to the subsidiarity principle to ensure real and meaningful devolution of decision-making. While this announcement is a good start, government needs to now set out a new settlement for England which includes devolving decisions on health and social care down to local areas as part of a wider package of reforms."

3.6 Kieran Walshe, Professor of Health Policy and Management at Manchester Business School[13] expressed his scepticism of another NHS reorganisation and warned against focussing on organisational change, rather than service improvement, saying:

> "Greater Manchester could spend a lot of time and effort in the next two or three years on organisational change rather than service improvement. That could even make services worse. My apprehension about the devolution proposals is borne from experience. Over the last two decades, the NHS has suffered (and that is the right word for it) some form of organisational structural change or reform about once every two years, all of which have been visited upon it by the government of the day. Each time we learn the same three things: it costs a lot of money; it takes a lot of time and effort; and it adversely affects performance during the reorganisation and for at least two years afterwards."

[12] http://www.local.gov.uk/adult-social-care/-/journal_content/56/10180/7060676/ARTICLE
[13] http://documents.manchester.ac.uk/display.aspx?DocID=24416

4. Challenges and Opportunities

4.1 The Labour Party supports the principles of devolution, including devolution of health and care budgets. In addition, in last year's General Election, Labour's manifesto pledged to integrate health and social care planning and delivery. However, there are real concerns about the Devo Manc deal, and the lack of a comprehensive assessment of the potential impacts of these changes on the health and wellbeing of people across Greater Manchester, including Oldham and Saddleworth.

4.2 The lack of **democratic principle and accountability** is a fundamental issue. The deal to devolve further powers to Greater Manchester was negotiated in secret between the Chancellor and leaders of Greater Manchester local authorities; it has never been subject to a vote or consultation with the people of Greater Manchester, who it will affect. This has led to much speculation about the Government's approach and intentions.[14]

4.3 As the Centre for Public Scrutiny has stated[15]:

> "Local people – anyone, indeed, not involved in the negotiations – need to understand what devolution priorities are being arrived at and agreed on. … At the very least, the broad shape and principles of a bid for more devolved powers should be opened up to the public eye."

4.4 The role of the elected Mayor will also be crucial. Although the Mayor will have no formal responsibility for the integrated health and social care bodies, there may still be pressure upon them to broker agreements across the devolved institutions and a perception they are accountable for areas they do not actually control.

4.5 In terms of accountability for the delivery of health and social care services, the NHS England Board Paper *NHS Devolution: Proposed Principles and Decision Criteria*[16] suggests arrangements that veer more to delegation than of formal devolution – keeping accountability with NHS England and CCGs rather than being transferred to combined or local authorities. So is this more about shifting political and financial risk to GM while NHS England delegate to local NHS but retains control? Who is the accountable officer until Jon Rouse takes up his post in July? What is the current GM accountability framework and how will the principle of *subsidiarity* be applied?

4.6 The King's Fund report[17] suggests that this approach has its advantages, minimising organisational change, ensuring the continued involvement of CCGs and local authorities and leaving statutory accountabilities clear. However, in practice, real questions remain about how major decisions will be taken about services and who is ultimately responsible for them. Anecdotal evidence indicates that the GMHSPB, set up in shadow form in 2015 with representatives from all GM CCGs, local authorities and NHS England as well as the JCB, is less inclusive now. Concerns have been expressed that central Manchester may be the key beneficiary of the new arrangements.

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[14] http://www.theguardian.com/uk-news/2015/feb/12/secret-negotiations-restore-manchester-greatness
[15] http://www.cfps.org.uk/wp-content/uploads/CfPS_DEVO_WHY_RGB.pdf
[16] https://www.england.nhs.uk/wp-content/uploads/2015/09/item4-board-29-09-15.pdf
[17] http://www.kingsfund.org.uk/sites/files/kf/field/field_publication_file/devolution-briefing-nov15.pdf

4.7 At a time when funding agreements are not long term, there are likely to be difficult and unpopular decisions about the configuration of local services, as has already been seen with *Healthier Together*. The impact of greater involvement of locally elected politicians in health has yet to be seen. In addition, to date there has been no formal engagement of or communication with GM MPs regarding their role in scrutinising these health and social care developments on behalf of their constituents.

4.8 The powers of the key regulators (Monitor, CQC and others) are to remain in place nationally; but Greater Manchester is clear that the key principle is that there should be no decisions made concerning health and social care in Greater Manchester "without Greater Manchester in the room".[18] Representatives of the national bodies will sit on the independently-chaired strategic partnership board. The King's Fund[19] report that the regulators have recently begun to develop approaches to regulating whole health economies which may be helpful for regulation in devolved areas.

4.9 **Finance** is also a key concern and one highlighted in the devolution Plan[20] which states that there is an estimated financial deficit of £2bn by 2020/21. The population of Greater Manchester has a forecast spend of £7.7bn on health and social care services, which includes £6.2bn on health services, and £1.5bn on local authority, public health and social care services.

4.10 Given that the legal accountability of the Secretary of State for Health remains unchanged, the assumption is that the Department of Health would be expected to cover the costs should a provider go into deficit. Given that all but one acute trusts in Greater Manchester are in deficit, there has been no clarity to date on this point. This is a major risk to the GM health economy. The principles of the NHS are that treatment and care are free, based on clinical need and universal; as a former Chair of a Trust I know how money moves around the national system to enable this to happen. With a smaller health economy this is more difficult.

4.11 In addition little has been said about how the calculation for the funding being allocated to GM has been determined. I have grave concerns that this will be used to mask cuts. We shouldn't forget the Government's record over the last 5 years, where the most deprived council areas have borne the brunt of funding cuts.

4.12 The financial frameworks and cultures of the NHS and local government are also very different, with NHS providers able to 'plan for' and continue operating when in deficit, unlike local authorities. Which set of rules will apply to the devolution of Health and Social Care in Greater Manchester as no revenue raising powers were included in the Memorandum of Understanding?

[18] http://www.nationalhealthexecutive.com/Health-Service-Focus/devo-manc-making-it-stick
[19] http://www.kingsfund.org.uk/sites/files/kf/field/field_publication_file/devolution-briefing-nov15.pdf
[20] https://www.greatermanchester-ca.gov.uk/downloads/file/125/taking_charge_of_our_health_and_social_care_in_greater_manchester

4.13 On top of this, the signed Memorandum of Understanding[21] states that "Greater Manchester will be able to access any new or additional health and/or social care funding streams that become available during the CSR period." However, the footnote for this statement suggests this is not certain, saying "Access to any new NHS funding streams will clearly depend on the extent to which those funding streams are made available to the GM CCGs (or to NHS England) and their relevance to the designated commissioning functions."

4.14 Furthermore, the lack of clarity from Government on what contingency funding is in place for a major health emergency, such as a flu pandemic, is a real concern. It is imperative that should such a situation occur, there is not only a coordinated response from the Department of Health and NHS England to ensure consistent and effective action, nationwide but that funding is available should GM exceed their finite budget.

4.15 There are also concerns that the Devo Manc deal could lead to the creation of sub-regional markets of public services, ready for **privatisation**. Adam Fineberg, an adviser on public service design and provision, warned[22] that "devolution will ultimately disrupt the traditional organisation of council services, potentially bundling them into parcels suitable for outsourcing" and that "devolution will relaunch the previous government's attempts to privatise more public services – with this government's offer to local government potentially leading to several unintended consequences." In addition, the Health Service Journal reported[23] in March 2016 that "council leaders in Greater Manchester have had "exploratory discussions" with private investors as they seek capital investment for the NHS."

4.16 There are also concerns that the devolution may become **Manchester-centric,** with Manchester at the geographical centre of the deal, as well as with the largest population and it is essential that the smaller authorities, including Oldham, within the Greater Manchester Combined Authority are heard.

4.17 Of course, the Devo Manc deal for Health and Social Care presents opportunities as well as challenges. The focus in the Memorandum of Understanding and the Plan on tackling health inequalities, chronic ill health, primary care services, and the rising burden of illness is encouraging.

4.18 The authors of the Plan[24] state that fundamental to the success of the agreement between the Government and Greater Manchester will be "our ability to draw together a much wider range of services that contribute to the health and wellbeing of Greater Manchester people." The impact of air quality, housing, employment, early years and education and skills on health and wellbeing is well understood. In Greater Manchester GPs

[21] https://www.greatermanchester-ca.gov.uk/downloads/file/135/greater_manchester_health_and_social_care_devolution_memorandum_of_understanding

[22] http://www.theguardian.com/public-leaders-network/2015/jul/14/devolution-path-privatisation-public-services-councils

[23] http://www.hsj.co.uk/topics/finance-and-efficiency/devo-manc-leaders-seek-private-investment-for-nhs/7003262.article

[24] https://www.greatermanchester-ca.gov.uk/downloads/file/125/taking_charge_of_our_health_and_social_care_in_greater_manchester

spend 40% of their time dealing with non-medical issues and the stated purpose of the devolution Plan is to bring together "whole-system public service reform".

4.19 As mentioned earlier, Labour has long argued for full **integration of health and social care**. The Devo Manc deal has the potential to deliver a 'whole person' health and care system, integrating health and social care, focussed around the individual. As noted by the King's Fund[25], Greater Manchester has a track record of collaboration, integration and successfully managed change in health and social care with a CCG association (previously PCTs), a group of acute chief executives, the Greater Manchester Public Health Network and an interim umbrella Health and Wellbeing Board. The *Healthier Together* programme received the largest public response to a regional consultation about health services in England in a decade.

4.20 Given the scale of powers devolved to Greater Manchester through Devo Manc, including on transport, housing, job creation and business investment, further education restructuring and the Work Programme there is the opportunity for greater **flexibility and collaboration** across a wide range of areas which impact on health and social care.

4.21 There is the opportunity for 'silo working' to be reduced and should the joint working arrangements work as envisioned by the Plan, the focus on prevention, early intervention and using best practise to achieve the best outcomes for the people of Greater Manchester come to fruition, this will be welcomed.

4.22 Numerous commentators have remarked on the sheer speed of change under Devo Manc, at a time when public services are already experiencing unprecedented pressures. The King's Fund[26] state that in practise there is little formally stopping NHS England or other national bodies from seizing back or retaining control, as well as overriding local decision-makers. As discussed previously, if this does happen then Devo Manc becomes nothing more than an exercise in devolving risk and blame.

4.23 Some think tanks believe that the current energy associated with devolution in Greater Manchester has the potential to act as a game-changer in health and social care, bringing about genuine integration and better outcomes for our population. However, a number of challenges, as outlined above do remain, notably financial and governance issues.

[25] http://www.kingsfund.org.uk/sites/files/kf/field/field_publication_file/devolution-briefing-nov15.pdf
[26] ibid

5. Conclusion

5.1 Although there is cross party support for the principle of devolution and making sure decisions about public services are made with the people they serve and as close to where they are delivered as possible, there are key risks associated with the arrangements for the devolution of health and care in Greater Manchester.

5.2 Fundamentally, the lack of clarity regarding financial and governance arrangements is of grave concern and needs to be addressed as a matter of urgency. The fact that the Chief Executive of health and social care in GM will not take up his post until 4 months after devolved arrangements commenced is a case in point.

5.3 In relation to this, there is a need to define the accountability framework more clearly, and within this ensuring both CCGs and local authorities on GM's circumference are not marginalised. This should also include the relationship with NHS Trusts and local authority care providers.

5.4 A comprehensive, independent assessment of the impacts of the Devo Manc health and social care arrangements, including the distribution of impacts across the Greater Manchester conurbation and populations, should be completed as soon as possible, so that the potential positive effects of an integrated GM health and social system can be enhanced and risks mitigated against.

5.5 Closer scrutiny of health and social care devolution (and other aspects of Devo Manc) by parliamentary representatives needs to be instigated immediately, for example, by establishing a Grand Committee. The Health Select Committee also has a scrutiny role here and for other areas where health and care is to be devolved/delegated.

5.6 I want to see the vision for the greatest and fastest possible improvement in the health and wellbeing of the people of Greater Manchester, and the reduction in health inequalities, being achieved. But we must mitigate against the risks that exist.