



National Audit Office

## Anatomy of Accountability

# Achieving value for money in the NHS

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# Our approach to evaluating value for money in health sector – two principal themes

## Why is this important?

## Our work in 2016-17

### Service and financial sustainability

Demand for health and care services is increasing and the financial climate remains extremely challenging, with ongoing pressures on maintaining service standards. The social care market is fragile, and may also impact on wider health services.

[Financial sustainability of the NHS](#) (Nov 2016)  
[The commissioning of specialised services in the NHS](#) (Apr 2016)  
[Mental health services: preparations for improving access](#) (Apr 2016)  
[NHS ambulance services](#) (Jan 2017)

### Accountability and regulation

The Department of Health acts as steward to a complex health system, and there are differing accountability mechanisms in health and social care. Governance and accountability must evolve to address developments such as devolution, and the emergence of new or more integrated care models.

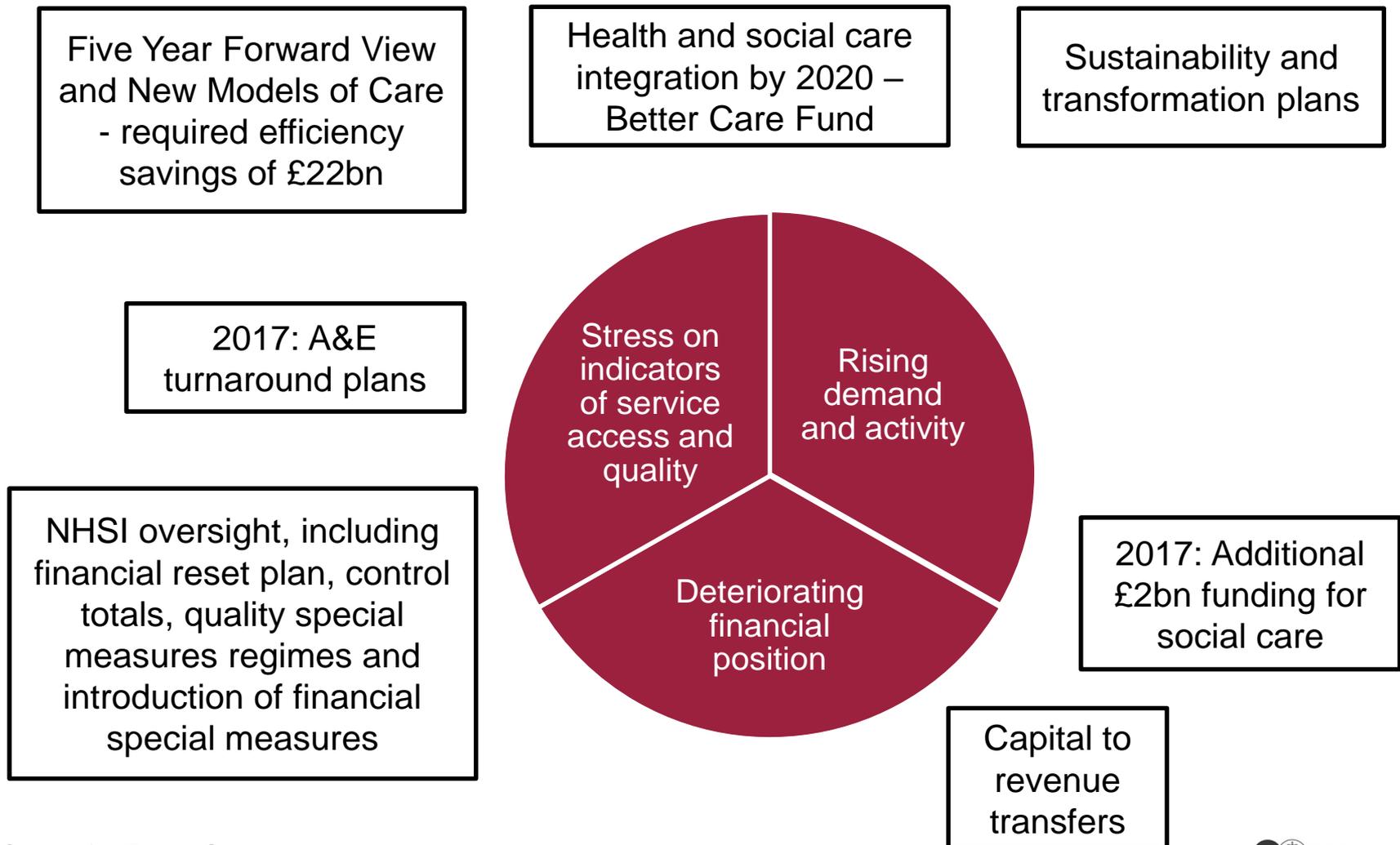
[The collapse of the UnitingCare Partnership contract](#) (Jul 2016)  
[Health and social care integration](#) (Feb 2017)  
[Clinical correspondence handling at NHS SBS](#) (June 2017)

### User experience

Alongside our two strategic themes, our reports also cover users' experiences of services, including progress towards more integrated health and social care services

[Discharging older patients from hospital](#) (May 2016)  
[Local support for people with a learning disability](#) (March 2017)  
[Improving patient access to general practice](#) (Jan 2017)

# The challenges are well-known, with a number of initiatives and actions in place to address them



# Challenges to value for money - planning

- Are **key assumptions tested**? How **achievable** are targets and plans - are they **over-optimistic**?
  - Our [2016 financial sustainability report](#) found plans to close the £22bn gap were not fully tested.
  - Our [integration report](#) found progress against the 2020 target was slower and less successful than expected, with no robust evidence that integration leads to better patient outcomes or sustainable financial savings.
- Does planning take account of the **interaction between health and social care**? Are **additional initiatives** accounted for?
  - Our [2015 financial sustainability report](#) found that CCGs did not consistently consider impact of their decisions on the wider health economy.
  - Our [2016 financial sustainability report](#) recommended analysis of the impact to the NHS of pressures on social care funding, and the cost of 7-day services.
- Have the **workforce implications** of any changes been assessed?
  - Our [report on the supply of NHS clinical staff](#) found that past developments in policies and guidance have not fully assessed how the necessary staff will be made available and funded.

# Challenges to value for money - implementation

- Are there **effective incentives to joint working** and planning? Are there **effective levers** for central bodies?
  - Our [report on discharging older patients](#) found that financial incentives did not adequately incentivise early discharge of patients.
- Is there **variability in implementation and practice** amongst providers?
  - Our [report on ambulance services](#) found that the use of different operating frameworks across ambulance trusts was contributing to variations in performance.
  - Our [report on specialised commissioning](#) found there were variations in access to services, quality of services and prices paid for services.
- Is the **right balance** achieved between **short-term** interventions planning to address deficits and **longer-term planning** to ensure sustainability?
  - Our [report on the Department's 2015-16 accounts](#) commented that the switching of £950 million from capital to revenue budgets means that long term investment plans have been set aside for the short term goal of meeting day to day spending.

# A range of factors are impacting on the ability of local systems to work together and discharge effectively (1)

## Workforce:

- In our survey, providers and commissioners said that staff recruitment and retention were a significant cause of delays.
- Vacancy rates for nursing and home care staff were up to 16% in some regions.
- In our survey, fewer than half of hospitals felt they had sufficient staff trained in the care of older patients.

## Local governance arrangements:

- Our survey showed that more than 80% of SRG chairs, local authorities and community health providers thought their SRG was very or quite effective, compared with 53% of hospitals.

## Information sharing:

- Our survey findings showed that information is still not routinely shared.
- 6 • For example, only up to a quarter of hospitals said that they had sufficient access to primary, community and social care information for most older patients.

# A range of factors are impacting on the ability of local systems to work together and discharge effectively (2)

## Incentives:

- Hospitals have financial incentives to minimise the length of stay for emergency attendances and keep space free for elective procedures for patients.
- However, community health providers and local authorities are not incentivised financially to speed up receiving patients discharged from hospital

## Integration:

- Our survey showed that, 35% of local authorities and community healthcare providers were not part of an integrated discharge team in their acute hospital.
- 54% of community health providers were only involved in discharge planning once a patient's acute inpatient treatment was completed

## Commissioning:

- 54% of local authorities do not have agreed response times for undertaking assessments and admitting patients in their contracts with nursing and residential care providers
- 52% do not have requirements to undertake assessments and admit patients at weekends and bank holidays in their contracts

# The data on the cost of delays is poor

There are significant costs of treating older patients in acute hospital who no longer need to be there. However, there is a lack of robust information on the cost to acute hospitals of delays and of treating patients in a range of other settings (e.g. residential / nursing home care)

*“Out-of-hospital care needs to become a much larger part of what the NHS does.”*  
(NHS, Five Year Forward View)

**£900 million**

Lord Carter’s estimate of the annual cost of delays to acute trusts

**£820 million**

NAO estimate of the cost of treating older patients in acute hospitals who no longer require acute treatment

**£0 to £640 million**

NHS England’s estimate, provided during PAC hearing, of the net cost of treating older patients in acute hospitals who no longer require acute treatment

**£180 million**

NAO estimate of the public cost of providing care for delayed patients either at home or in more appropriate care settings

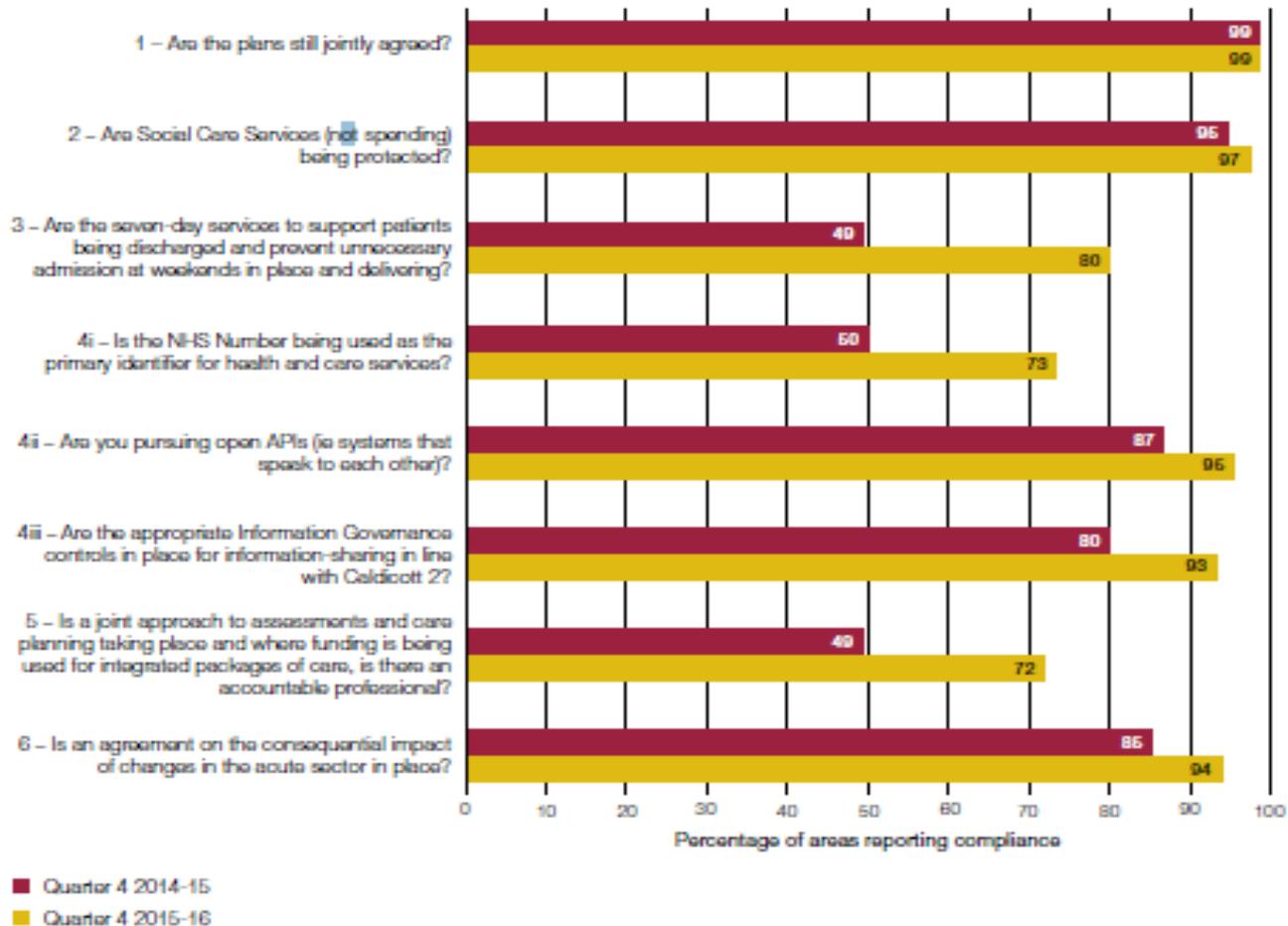
# Case study – Integration of Health and Social Care

- Better Care Fund
- Integration Pioneers
- New Care Models
- £5.3 billion pooled through BCF in 2015-16

# The Fund did improve integration ...

## Local areas' performance against Better Care Fund 2015-16 national conditions

Between Quarter 4 2014-15 and Quarter 4 2015-16 local areas made improvements in five out of six conditions



Source: National Audit Office analysis of NHS England Quarter 4 2014-15 - Quarter 4 2015-16 Better Care Fund data

# ... and local areas were positive about the Fund

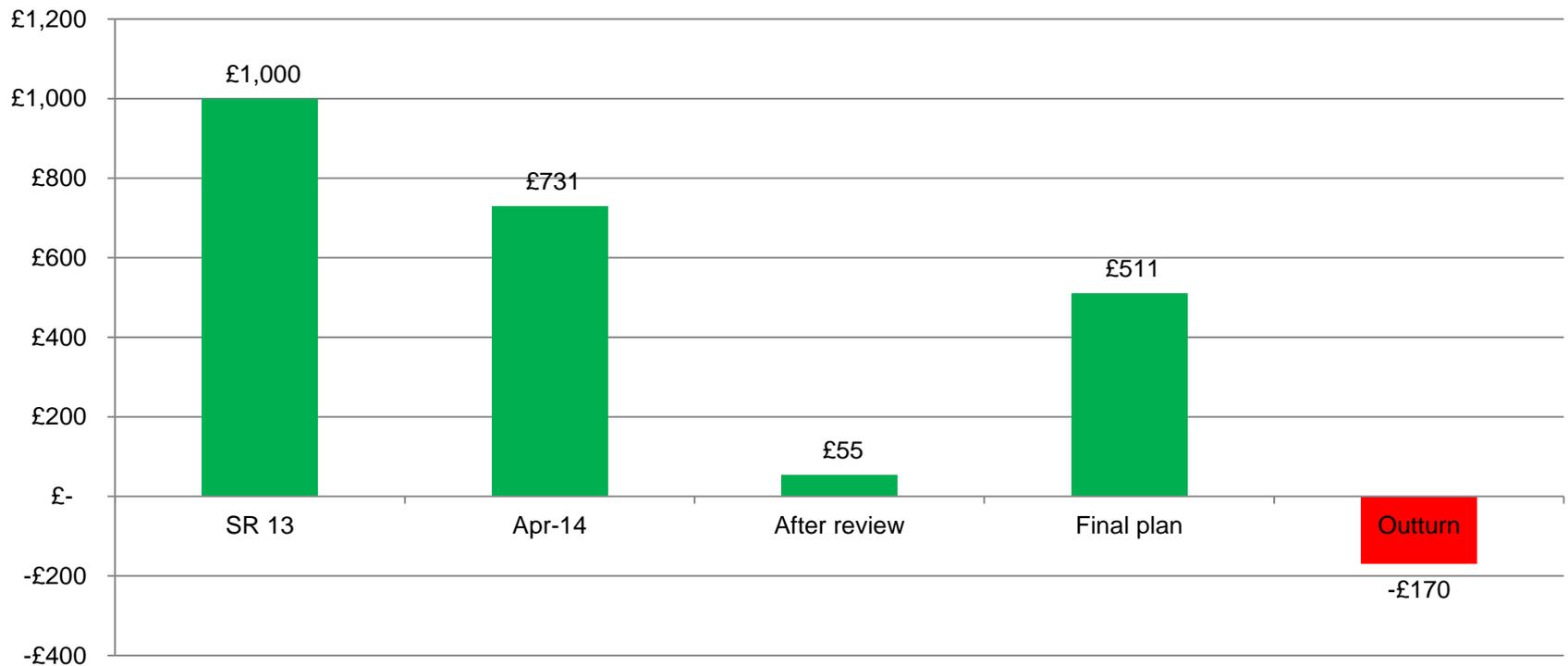
- Around 90% of areas agreed or strongly agreed that the delivery of their plan had a positive impact on integration of health and social care in their area.
- Around 91% of areas agreed or strongly agreed that delivery of their plan had improved joint working.
- Around 76% of areas agreed or strongly agreed that implementation of a pooled budget had led to more joined-up health and social care provision.
- Total amounts pooled by the Fund were 39% and 49% more than the minimum in 2015-16 and 2016-17 respectively.

# Outcomes for Better Care Fund in 2015-16

Target	Plan	Actual
Savings	£511 million	?
Emergency admissions	Down 106,000 admissions	Up 87,000 above previous year
	Save £171 million	Cost £311m more than plan
Delayed discharges	Down 293,000 days	Up 185,000 above previous year
	Save £90 million	Cost £146 million above previous year
Permanent admissions to res/care homes	659/100,000 pop	628/100,000 pop
Still at home 91 days after discharge	81.9%	82.7%

# The BCF savings history

## Savings (£m)



# Why did the BCF not have the desired impact?

- Very difficult financial and service environment
- Plans too optimistic
- Not enough known about what works
- Proper integration takes time
  
- Perhaps it did have the desired impact ...

# The evidence for integration

- Nearly 20 years of initiatives to join up health and social care by successive governments has **not led to system-wide integrated services**.
- The Departments have **not yet established a robust evidence base to show that integration leads to better outcomes for patients**. The Departments have not tested integration at scale and are unable to show whether any success is both sustainable and attributable to integration. International examples of successful integration provide valuable learning but their success takes place in a context of different statutory, cultural and organisational environments.
- There is **no compelling evidence to show that integration in England leads to sustainable financial savings or reduced hospital activity**. While there are some positive examples of integration at the local level, evaluations of initiatives to date have found no evidence of systematic, sustainable reductions in the cost of care arising from integration.

# Lessons for STPs

- Plans do not overcome the world
- Use what works
- Joint endeavour
- Timescale for change

# Thank you

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