HOUSE OF LORDS Library Briefing

NHS and Integrated Healthcare Services Debate on 5 July 2018

Summary

This Briefing has been prepared in advance of the debate due to take place in the House of Lords on the motion moved by Lord Darzi of Denham (Labour) that "this House takes note of the creation of the National Health Service in 1948, and the case for integration of health, mental health, social and community care to equip the National Health Service for the next 70 years".

This Briefing provides a short history of the National Health Service (NHS), and summarises recent debates surrounding the integration of healthcare in England.

A five year plan published by NHS England in 2014 stated that there was a broad consensus in favour of removing the boundaries between different healthcare providers. Indeed, both governmental and non-governmental bodies have put forward the case for integrated care. The current Government reiterated its support in its recent announcement of real terms funding increases for the NHS, and the Labour Party has also stated that it is in favour of an integrated healthcare service. Reasons put forward include that it can lead to a more efficient use of resources and better outcomes for patients.

The five year plan set out how NHS England intended to achieve an integrated approach. This was primarily by creating organisations at the local level which would deliver a range of care services, potentially with delegated budgets. Reviews of progress since, including by the National Audit Office (NAO), have been mixed. The NAO concluded that there was no compelling evidence that integration provided financial savings or reduced hospital activity. However, NHS England has put forward examples of successful integration in some local areas. Meanwhile, developments continue in the various components of an integrated care system in England. For example, the Government has set out an intention to increase funding and staffing of mental healthcare, with a view to treating an extra one million patients a year by 2020/21, and achieving "parity of provision" with physical health services. On social care, a proposed green paper has been delayed, but is expected to be published this autumn. The Government has recently announced a real terms funding increase for the NHS.

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29 June 2018

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1. History of the National Health Service[1]

1.1 Public Healthcare Prior to the NHS

There has been some form of state-funded provision of health and social care in England for over 400 years, since the establishment of almshouses under the first Poor Law of 1601.[2] This system expanded under the Poor Law Amendment Act of 1834, with about 600 local boards each becoming responsible for setting up and running a workhouse.[3]

By the 20th century, public health services were predominately provided through an unevenly distributed and decentralised system of charitable voluntary hospitals, and the workhouses and hospitals administered under the poor law system.[4] In 1911, the Liberal Government introduced legislation which established a scheme that provided insurance to low income workers. Then, following the First World War, the Ministry of Health was created in 1919. Its aims were to improve public health, to bring together the medical and public health functions of central government and to coordinate and supervise local health services in England and Wales.[5] In 1939, in response to the likelihood of imminent war, the Government established the Emergency Medical Service to coordinate treatment, with the various types of hospitals registered and run centrally.[6]

Three years later, in 1942, the Beveridge Report was published. This proposed a "social service state", based on a three pillar system of family allowances, full employment and a health service.[7] The then Coalition Government refused to commit itself to the Beveridge Report, but in 1944 published a white paper entitled *A National Health Service*.[8]

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[1] For a more detailed history, see: House of Lords Library, *National Health Service: 70th Anniversary*, 26 June 2018.
[2] Department for International Development Health Systems Resource Centre, *The History and the Development of the UK National Health Service 1948–1999*, July 1999, p 5; and Peter Hennessy, *Never Again: Britain 1945–51*, 1992, p 124.
[3] Peter Hennessy, *Never Again: Britain 1945–51*, 1992, p 124; and UK Parliament website, 'Poor Law Reform', accessed 22 June 2018.
[4] National Archives, 'The Poor Law and Ministry of Health', accessed 22 June 2018; and Department for International Development Health Systems Resource Centre, *The History and the Development of the UK National Health Service 1948–1999*, July 1999, p 5.
[5] Tony White, *A Guide to the NHS*, 2010, p 74.
[6] National Archives, 'The Poor Law and Ministry of Health', accessed 22 June 2018; and Department for International Development Health Systems Resource Centre, *The History and the Development of the UK National Health Service 1948–1999*, July 1999, p 5.
[7] Sir William Beveridge, *Social Insurance and Allied Services*, November 1942, Cm 6404; and House of Commons Library, *Selected Highlights in the History of the National Health Service*, 12 November 2008, p 5.
[8] Ministry of Health and Department of Health for Scotland, *A National Health Service*, February 1944, Cm 6502.

1.2 Establishment of the NHS

In July 1945, the Labour Party won the general election and Aneurin Bevan was appointed Minister of Health. He introduced the National Health Service Bill into the House of Commons in March 1946, and it received royal assent on 6 November 1946. The National Health Service Act 1946 covered England and Wales but similar structures were put in place for Scotland and Northern Ireland, with common policies implemented across the whole of the UK.[9] The NHS was duly inaugurated in July 1948. It was free at the point of delivery and usually accessed through a general practitioner (GP). Everyone was eligible for care, including people temporarily resident or visiting the country. Financing was through central taxation, although prescription charges and dental charges were introduced in the 1950s.

1.3 Key Developments in the NHS since Inception

During the 1970s a major reorganisation of the NHS took place, with regional authorities being established. Further reforms followed. In 1999, devolution saw certain powers transferred from Westminster to the Scottish Parliament, Welsh Assembly and the Northern Ireland Assembly meaning health became a largely devolved matter. This has since led to a greater divergence in health policy between the different countries in the UK.[10]

Under the 1997–2010 Labour Government, further reforms included the establishment of primary care trusts and strategic health authorities. Subsequently NHS foundation trusts were also introduced, having greater independence from central government than the traditional NHS trust.[11] Then, under the 2010–15 Coalition Government, clinical commissioning groups were established, with statutory responsibility for commissioning health services. Local authorities also took on additional responsibilities, while primary care trusts and strategic health authorities were abolished.[12]

1.4 NHS in Numbers[13]

The growth of the NHS can be seen in its rising costs and expanding workforce. Since its inception, NHS expenditure in the UK as a whole has risen more than tenfold in real terms and more than doubled as a

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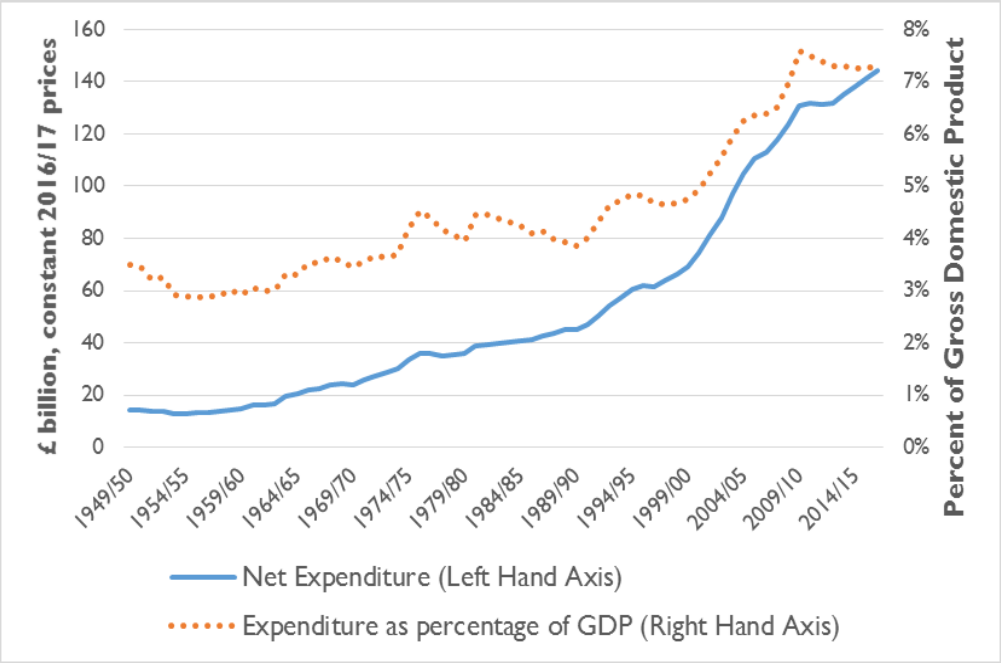
[9] Health Foundation and Nuffield Trust, *The Four Health Systems of the UK: How Do They Compare?*, April 2014, p 27.
[10] House of Commons Library, *Selected Highlights in the History of the National Health Service*, 12 November 2008, p 6; and Health Foundation and Nuffield Trust, *The Four Health Systems of the United Kingdom: How Do They Compare?*, April 2014, p 6.
[11] NHS Choices, 'The NHS in England', accessed 27 June 2018.
[12] House of Commons Library, *The Structure of the NHS in England*, 7 July 2017, p 6.
[13] For more detailed statistics, see: House of Lords Library, *National Health Service: 70th Anniversary*, 26 June 2018, pp 26–33.

percentage of Gross Domestic Product, as Figure 1 shows.

Figure 1: The Cost of the NHS has Risen on Two Key Measures
NHS spending in £ billion (constant 2016/17 prices) and as a percentage of GDP, UK[14]

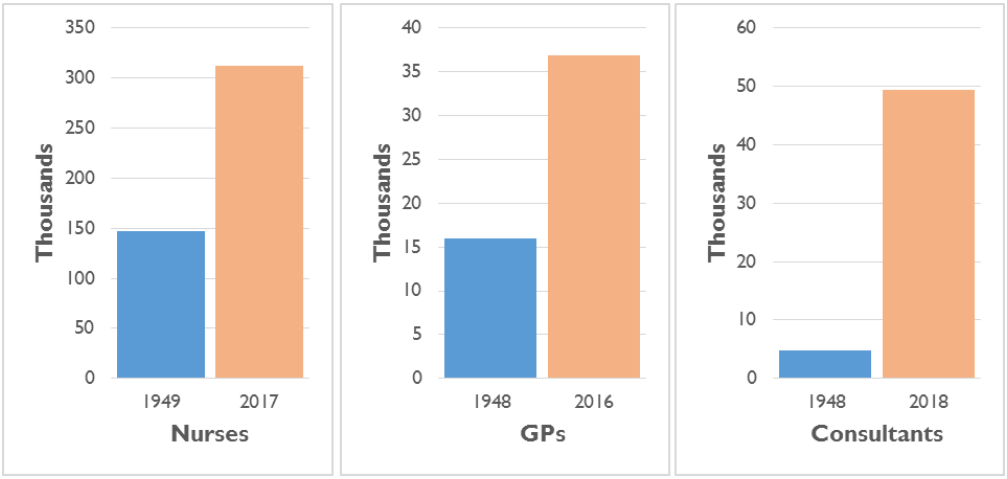


On a per head of population basis, UK NHS spending in real terms has risen from £285 in 1950/51 to £2,200 in 2016/17.[15]

Data on the NHS workforce also illustrates its growth. According to a 2015 study by Forbes, the UK's total NHS workforce of 1.7 million people made it the world's fifth largest employer.[16] Since the early days of the NHS, nurse and GP numbers have more than doubled, and consultant numbers risen more than tenfold, as Figure 2 shows.

[14] House of Commons Library, *NHS Funding and Expenditure*, 13 April 2018, p 11. Note that there have been several changes to the way spending has been measured over time and some inconsistency between sources, so these figures should be treated as indicative only. See, for example, the notes to table 1 in the above House of Commons Library briefing; and Tony White, *A Guide to the NHS*, 2010, p 124.
[15] House of Commons Library, *NHS Funding and Expenditure*, 13 April 2018, p 11, combined with population estimates from Office for National Statistics, 'Mid-1851 to Mid-2014 Population Estimates for the United Kingdom', accessed 23 May 2018 (for 1950–70); and Office for National Statistics, 'United Kingdom Population Mid-year Estimate', 22 June 2017 (for 1971–2016).
[16] Niall McCarhty, 'The World's Biggest Employers', Forbes, 23 June 2015.

Figure 2: Increases in NHS Nurse[17], GP[18] and Consultant Numbers[19], 1940s to Present Day



2. Integration of Health Care

2.1 What is Integrated Health Care?

The House of Commons Health and Social Care Committee published a report on integrated care in June 2018, which stated that the term is "poorly defined", and took evidence which suggested that 170 definitions exist.[20] However, it quoted the following commitment from the Department of Health and other key health and social care providers, which "expresses the essence of integrated care from the patient's point of view":

> I can plan my care, with people who understand me and my carers, allow me control and bring together services to help me achieve the outcomes that are important to me.[21]

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[17] Geoffrey Rivett, *From Cradle to Grave: Fifty Years of the NHS*, 1998, pp 186 and 260 (for 1949; all nurses numbers exclude midwives and are on a full-time equivalent basis); NHS Digital, 'NHS Workforce Statistics, February 2018 National and HEE', 22 May 2018 (England, September 2017); Statistics for Wales, *Staff Directly Employed by the NHS in Wales, at 30 September 2017*, 28 March 2018, p 4 (Wales, September 2017; includes unqualified nursing staff).

[18] Geoffrey Rivett, *From Cradle to Grave: Fifty Years of the NHS*, 1998, p 80 (1948); NHS Digital, 'General Practice Provisional Tables March 2018', 15 May 2018, Table 1a (England in 2016; excludes registrars, retainers and locums); StatsWales, 'UK Comparisons of General Practitioners Workforce by Year', 29 March 2017 (Wales in 2016).

[19] Geoffrey Rivett, *From Cradle to Grave: Fifty Years of the NHS*, 1998, pp 100 and 137 (1948; it is not clear to which geographical regions these numbers apply); and NHS Digital, 'NHS Workforce Statistics, February 2018 National and HEE', 22 May 2018 (for 2018; England only).

[20] House of Commons Health and Social Care Committee, *Integrated Care: Organisations, Partnerships and Systems*, 11 June 2018, HC 650 of session 2017–19, p 8.

[21] ibid.

The National Audit Office set out three levels at which local areas might choose to integrate care:[22]

- patient level (eg joint assessments of an individual's needs across more than one service);
- service level (eg bringing all local services relating to a single condition into the same place); and/or
- organisational level (by pooling budgets or jointly commissioning services).

The system for providing social care differs in England, Scotland, Wales and Northern Ireland, and likewise the approach to integration varies. A short summary of the systems in each country of the UK is provided in section 3.1 below, but the bulk of this Briefing relates to England only.

2.2 Case for Integrated Care

Considering the case for integrated care, the Health and Social Care Committee observed that patients are increasingly reliant on a range of services which are currently operated by different organisations, and that these organisations need to work effectively together. It said:

> It is one of the greatest triumphs of our age that people are living longer. Many more of us are doing so with complex health and care needs, including multiple long-term conditions. To meet these needs, people rely on a range of health and care services, which are mostly public but also provided by non-statutory services (charities, social enterprises, community services and private providers), as well as dedicated informal support from families and carers. If these services and sources of support don't join up, don't share information, are not coordinated and fail to put the individual front and centre then this can not only result in a poor experience, but risks health problems escalating and an inefficient use of increasingly stretched resources.[23]

In making the case for integrated care, other organisations such as the King's Fund have also focused on funding and costs to the patient, highlighting in particular the "lack of alignment in entitlements to health and social care".[24] The King's Fund compared the NHS, which is largely free at the point of use, with social care which is (in England at least) needs- and means-tested. This, the report said, created inequalities which it described as "profoundly

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[22] National Audit Office, *Health and Social Care Integration*, 8 February 2017, HC 1011 of session 2016–17, p 5.
[23] House of Commons Health and Social Care Committee, *Integrated Care: Organisations, Partnerships and Systems*, 11 June 2018, HC 650 of session 2017–19, p 4.
[24] Kate Barker (Chair), *A New Settlement for Health and Social Care: Final Report*, King's Fund, 2014, p 2.

unjust". For example, the fact that people with conditions such as cancer and advanced dementia, which can involve very similar burdens, end up making very different contributions to the cost of their care is "simply not acceptable".[25]

Further, given that health care is funded largely through central government taxation and is administered by the NHS, while social care is funded privately or via non-ring-fenced local authority budgets, the King's Fund report suggested this creates a "constant source of friction" over who pays for what. It suggested this results in "enormous and distressing impacts on the patients, users and carers caught between the two".[26] The report stated that the funding system for social care was unclear, leading to a "high risk of confusion, complexity and complaints".[27] The report concluded that "England needs to move over time to a single, ring-fenced budget for health and social care that is singly commissioned".

Similarly, a paper for the Health Foundation identified the provision of NHS continuing health care (CHC) as an example of where greater integration would be beneficial. CHC is "out of hospital care provided to adults (over 18) with significant ongoing health care needs".[28] The authors described a "cliff edge" between those assessed as eligible, and those not—who would be required to pay some or all of the costs of care themselves. The paper proposed a solution of a "single health and social care budget", which would mean "pooling budgets for health and social care at a local level", possibly including other relevant funding streams such as the attendance allowance.[29] It noted that a single budget does not necessarily mean that health and social care service delivery would be more integrated.[30]

The proposal of merging NHS, local authority social care and attendance allowance budgets was also put forward by a King's Fund Commission on the Future of Health and Social Care.[31] The Commission's report states this would mean that "services are built around people's needs—not around the current definitional divides of health and social care".[32]

A report by Lord Darzi of Denham (Labour) for the Institute of Public Policy Research (IPPR) also considered how a "neighbourhood NHS" might

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[25] Kate Barker (Chair), *A New Settlement for Health and Social Care: Final Report*, King's Fund, 2014, p 3.
[26] ibid, pp 2–3.
[27] ibid, p 3.
[28] Lillie Wenzel et al, *Approaches to Social Care Funding*, Health Foundation, February 2018, p 10.
[29] ibid, p 24.
[30] ibid, p 51.
[31] Kate Barker (Chair), *A New Settlement for Health and Social Care: Final Report*, King's Fund, 2014, p ix.
[32] ibid, p 1.

provide integrated health and social care.[33] The report provided case studies of successful local initiatives, and set out recommendations for how to deliver a "neighbourhood NHS" in practice. These included the creation of 'Integrated Care Trusts', which might be mutually or cooperatively structured, potentially managing "whole care capitated budgets for population groups".[34]

Considering why integrated care was becoming more important over time, a 2018 joint report by the Institute for Fiscal Studies (IFS) and the Health Foundation (HF) highlighted the underlying drivers which were making the landscape for health and social care provision more intertwined. Key amongst those was the UK's ageing population, with the report observing that "population has grown, aged and become more medically complex".[35] The King's Fund has agreed that older peoples' health needs tended to be more complex.[36] This is significant because, according to a separate IFS forecast, by 2033/34 there will be 4.4 million more people over the age of 65, and 1.3 million more people aged over 85. It stated that, on average, "public health spending was five times greater for an 85-year old than for a 30-year old in 2015".[37]

According to the IFS and Health Foundation report, the absence of integrated care leads to the possibility of "spillovers" at the boundary between health and social care. For example, an individual with an unmet social care need might instead make greater use of hospitals or GPs. They may also fall back on informal carers, who might then have to reduce their working hours, which has a cost to the economy.[38]

Similarly, a joint report by the House of Commons Health and Social Care and Housing, Communities and Local Government Committees, published in June 2018, noted that in December 2017 there were 145,000 "delayed days" (that is, days spent in hospital beds by patients who are delayed in leaving because no home care was in place for them), and that more than a third of these were due to an inability to access social care packages.[39] The Committees quoted a National Audit Office finding that the "cost to the NHS of keeping older patients in hospital who no longer need to receive acute clinical care is around £820 million". However, they also highlighted

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[33] Lord Darzi, *Better Health and Care for All*, Institute for Public Policy Research, June 2018, pp 40–8.
[34] ibid, pp 46–8.
[35] Anita Charlesworth and Paul Johnson (eds), *Securing the Future: Funding Health and Social Care to the 2030s*, Institute for Fiscal Studies and Health Foundation, May 2018, p 97.
[36] Jocelyn Cornwell, *The Care of Frail Older People with Complex Needs: Time for a Revolution*, King's Fund, March 2012.
[37] George Stoye, *UK Health Spending*, Institute for Fiscal Studies, 2017, p 8.
[38] Anita Charlesworth and Paul Johnson (eds), *Securing the Future: Funding Health and Social Care to the 2030s*, Institute for Fiscal Studies and Health Foundation, May 2018, p 166.
[39] House of Commons Health and Social Care and Housing, Communities and Local Government Committees, *Long-term Funding of Adult Social Care*, 27 June 2018, HC 768 of session 2017–19, p 46.

the impact of such delays on patients, for example on their confidence in being able to return to independent living. The Committees recommended that "local attempts to better integrate services continue apace".[40]

While being critical of many aspects of the Government's healthcare policy, the Labour Party has indicated that it supports the overall aim of an integrated healthcare system, stating that "[w]e will work towards a new model of community care that takes into account not only primary care but also social care and mental health".[41]

2.3 NHS *Five Year Forward View*

NHS England's *Five Year Forward View*, published in 2014, observed that the historical structure of the NHS may not remain suitable for the future. It stated that:

> The traditional divide between primary care, community services, and hospitals—largely unaltered since the birth of the NHS—is increasingly a barrier to the personalised and coordinated health services patients need. And just as GPs and hospitals tend to be rigidly demarcated, so too are social care and mental health services even though people increasingly need all three. Over the next five years and beyond the NHS will increasingly need to dissolve these traditional boundaries.[42]

The plan also claimed that there was a "broad consensus" that this approach of dissolving boundaries between treatment providers is necessary.[43] Subsequently, the 2015 Conservative Government spending review stated that health and social care across England would be integrated by 2020,[44] an approach to which the Government is still committed. A review and update of the five year plan in 2017, which is explored in further detail in section 2.4 of this Briefing, stated that the changes proposed represented "the biggest national move to integrated care of any major western country".[45]

The *Five Year Forward View* set out a number of ways in which the integration of different types of care could be achieved. These included the establishment of 'Multispeciality Community Providers' (MCPs)[46] and 'Primary and Acute Care Systems' (PACS). Both initiatives would be run at

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[40] House of Commons Health and Social Care and Housing, Communities and Local Government Committees, *Long-term Funding of Adult Social Care*, 27 June 2018, HC 768 of session 2017–19, p 47.
[41] Labour Party, 'Healthcare for All', accessed 26 June 2018.
[42] NHS England, *Five Year Forward View*, October 2014, p 16.
[43] ibid, p 3.
[44] Department of Health and Social Care, 'Department of Health's Settlement at the Spending Review 2015', 25 November 2015.
[45] NHS England, *Next Steps on the NHS Five Year Forward View*, March 2017, p 31.
[46] NHS England, *Five Year Forward View*, October 2014, p 19.

the local level. MCPs are expanded general practices which could, for example: employ consultants and specialists, such as psychiatrists; "shift the majority of outpatient consultations and ambulatory care out of hospital settings"; and "take over the running of local community hospitals".[47]

PACS would take a similar approach but go further, through:

> [A]llowing single organisations to provide NHS list-based GP and hospital services, together with mental health and community care services […] At their most radical, PACS would take accountability for the whole health needs of a registered list of patients, under a delegated capitated budget.[48]

The 2017 review also contended that for optimum results, it was not just healthcare provision which should be integrated:

> Services that are planned and provided by local government, including housing, leisure and transport as well and public health and social care, impact on the health and wellbeing of local people.[49]

One of the key means of delivering the integrated care discussed in the plan and its review is the Better Care Fund. The fund's website describes it as:

> [A] unique collaboration between NHS England, the Ministry of Housing, Communities and Local Government (MHCLG), Department of Health and Social Care (DHSC) and the Local Government Association. The four partners work closely together to help local areas plan and implement integrated health and social care services across England.[50]

As part of the implementation of the Better Care Fund, clinical commissioning groups and local authorities are required to "enter into pooled budgets arrangements and agree an integrated spending plan".[51] In 2016/17, £5.9 billion was pooled into the fund.

The *Five Year Forward View* also highlighted the enhanced role that care homes can play in an integrated system. It proposed that they work with the NHS centrally and locally to "develop new shared models of in-reach support, including medical reviews, medication reviews, and rehabilitation services".[52] Likewise, the 2017 review committed to

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[47] NHS England, *Five Year Forward View*, October 2014, p 19.
[48] ibid, pp 20–1.
[49] NHS England, *Next Steps on the NHS Five Year Forward View*, March 2017, p 30.
[50] NHS England, 'Better Care Fund', accessed 25 June 2018.
[51] ibid.
[52] NHS England, *Five Year Forward View*, October 2014, p 24.

"strengthen support to care homes to ensure they have direct access to clinical advice, including appropriate on-site assessment".[53]

2.4 Evidence on the Effectiveness of Integrated Care in England

2017 Review of the NHS Five Year Forward View

In 2017, NHS England published a review of its five year plan at the three year stage. It described examples of where integration was being put into practice, reporting that:

> Early results from parts of the country that have started doing this—our 'vanguard' areas—are seeing slower growth in emergency hospitalisations and less time spent in hospital compared to the rest of the country. The difference has been particularly noticeable for people over 75.[54]

The review stated that 50 locations around England, covering more than five million people, had been in these 'vanguard' areas.[55] It went on to report statistics which, it argued, suggested that these initiatives were having a positive effect. For example, per capita emergency admissions growth rates were 1.1 percent in PACS vanguard areas and 1.9 percent in MCP vanguard areas, compared with all other areas where the growth rate averaged 3.2 percent.[56] Considering these vanguard areas, Lord Darzi's report for the Institute for Public Policy Research suggested that they were "islands of success [which] speak to a wider failure to adopt this approach at scale and on a universal basis", and stated that "most areas are behind the curve".[57]

National Audit Office Review

In 2017, the National Audit Office (NAO) considered the issue of health and social care integration, and whether attempts at such integration had provided benefits to date.[58] Its report issued 16 key findings, including that:

- the Government had "not yet established a robust evidence base to show that integration leads to better outcomes for patients";

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[53] NHS England, *Next Steps on the NHS Five Year Forward View*, March 2017, p 16.
[54] ibid, p 5.
[55] ibid, p 30.
[56] ibid. There were, however, caveats to these statistics because of small sample sizes and short sampling durations.
[57] Lord Darzi, *Better Health and Care for All*, Institute for Public Policy Research, June 2018, p 43.
[58] National Audit Office, *Health and Social Care Integration*, 8 February 2017, HC 1011 of session 2016–17.

- while there were positive examples of integration at a local level, "there is no compelling evidence to show that integration in England leads to sustainable financial savings or reduced hospital activity";
- nationally, the Better Care Fund "did not achieve its principal financial or service targets over 2015/16, its first year". Emergency admissions rose, rather than fell as anticipated in its plan, and delayed transfers of care rose rather than fell;
- positive developments were that permanent admissions of older people to residential care and nursing homes fell, and the percentage of older people still at home 91 days after discharge rose;
- the Government's oversight and governance of integration initiatives was "poor";
- key barriers to integration were not being addressed; and
- money was being diverting from long-term projects (such as the Sustainability and Transformation Fund) to address short-term deficits of NHS Trusts.[59]

The NAO also made recommendations on how integration might be better implemented and managed. It suggested that the Department of Health and Social Care and the key NHS bodies should:

- confirm whether the target of integration by 2020 remains achievable;
- establish an evidence base to assess the effectiveness of integrated care;
- review whether approaches currently being taken are "the most appropriate and likely to achieve the desired outcomes";
- consider whether local areas need increased support and greater national coordination;
- clarify how local and national initiatives align;
- bring together all integration initiatives into a single, coordinated programme; and
- develop measures of progress towards integrated care.[60]

House of Commons Health and Social Care Committee Inquiry

The House of Commons Health and Social Care Committee's 2018 report on the integration of health and social care explored the local initiatives

[59] National Audit Office, *Health and Social Care Integration*, 8 February 2017, HC 1011 of session 2016–17, pp 7–11.
[60] ibid, pp 12–13.

which arose out of the *Five Year Forward View*.[61] One key initiative was Sustainability and Transformation Partnerships (STPs). These were defined by NHS England as "a way of bringing together GPs, hospitals, mental health services and social care to keep people healthier for longer and integrate services around the patients who need it most".[62] STPs can progress to become Integrated Care Systems (ICSs), which are "more autonomous systems in which local bodies take collective responsibility for the health and social care of their populations within a defined budget".[63]

The Committee reported that there were 44 STPs in place, and they are "at different stages in their journey towards further integration as integrated care systems". However, "systemic funding and workforce pressures affect almost every [local] area". Against this background, the picture was mixed: some areas had made "considerable progress" towards integration, while "those furthest behind are struggling with rising day-to-day pressures let alone transforming care".[64]

Ten STPs had progressed to become ICSs, and while this group "have made good progress in difficult circumstances, they are still nascent and fragile".[65]

Another initiative is Integrated Care Partnerships (ICPs), in which providers come together to collaborate rather than compete, with some partnerships being formalised into Accountable Care Organisations (ACOs). The Committee recognised concerns that these organisations might be seen as steps towards privatisation of the NHS. Having considered the evidence, it concluded that "this looks unlikely in practice but steps could and should be taken to reassure the public on this point".[66] The Committee recommended that ACOs should become NHS bodies and established in primary legislation, and that their success should be carefully evaluated.

The Committee also recommended addressing barriers to integration which arise from legislation, in the form of the Health and Social Care Act 2012.[67] These include the possibility that ACO contracts breach this Act, and doubts about whether the consultation process for the draft ACO contract was legal. Both questions are currently subject to judicial reviews.

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[61] House of Commons Health and Social Care Committee, *Integrated Care: Organisations, Partnerships and Systems*, 11 June 2018, HC 650 of session 2017–19.
[62] NHS England, *Next Steps on the NHS Five Year Forward View*, March 2017, p 32.
[63] House of Commons Health and Social Care Committee, *Integrated Care: Organisations, Partnerships and Systems*, 11 June 2018, HC 650 of session 2017–19, p 5.
[64] ibid.
[65] ibid.
[66] ibid.
[67] ibid, p 6.

The Committee's four "priorities for change" were to:

- develop and securely fund a national transformation strategy;
- commit to a ring-fenced transformation fund;
- explain the case for change clearly and persuasively; and
- facilitate bodies to bring forward legislative proposals to overcome current issues of fragmentation and the current legal barriers, including those described above.[68]

Overall, while the Committee found insufficient evidence that integrated care saves money or improves outcomes in the short-term, it suggested that there were "other compelling reasons to believe it is worthwhile".[69] These included being able to get "more value out of the resources we put in" in future years, and providing "a better experience for those who use services".

Quoting the *Five Year Forward View's* claim that the plan represented "the greatest move to integrated care of any western country", the Committee's conclusion was that:

> The scale of this ambition has not been matched by the time and resources required to deliver it. Countries that have made the move to more collaborative, integrated care have done so over 10–15 years and with dedicated upfront investment.[70]

Institute for Fiscal Studies and Health Foundation Report

An Institute for Fiscal Studies (IFS) and Health Foundation report, published in May 2018, noted that the goals of integration and localised service provision (for example by GPs) had not been reflected in the destination of healthcare funding in recent years.[71] It stated that spending on hospitals rose much faster than spending on primary care services (defined by NHS England as GP practices and community pharmacy, dental and eye services)[72] during the 2000s, and spending on primary care has actually fallen since 2010 in real terms. The report went on to suggest that "a sustainable, high-quality healthcare system is likely to involve more focus on supporting primary and community services, not less".[73]

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[68] House of Commons Health and Social Care Committee, *Integrated Care: Organisations, Partnerships and Systems*, 11 June 2018, HC 650 of session 2017–19, p 6.
[69] ibid, p 4.
[70] ibid, p 6.
[71] Anita Charlesworth and Paul Johnson (eds), *Securing the Future: Funding Health and Social Care to the 2030s*, Institute for Fiscal Studies and Health Foundation, May 2018, p iii.
[72] NHS England, 'Primary Care Services', accessed 27 June 2018.
[73] Anita Charlesworth and Paul Johnson (eds), *Securing the Future: Funding Health and Social Care to the 2030s*, Institute for Fiscal Studies and Health Foundation, May 2018, p iii.

The report from the IFS and Health Foundation noted that another barrier to further integration was the fragmented character of the social care sector. It stated that care services are provided by "an estimated 20,300 organisations, delivering care from around 40,400 establishments. The majority are in the private or not-for-profit sectors".[74]

3. Components of an Integrated Healthcare System

3.1 Social Care

A paper by Lizzie Wenzel et al for the Health Foundation considered the history of social care and possible models for its future operation.[75] It described how social care and the NHS were both established in 1948, but under different Acts and on different operational and funding models (as set out in section 1 of this Briefing). The paper stated that "the divide between the two systems has remained in place ever since".[76] It is against this background that integration would need to be implemented.

Today, funding for social care varies across the countries of the UK. For example:

- In England, there is a means-tested system where, according to the Institute for Fiscal Studies, "only those with a low level of financial and housing assets are eligible".[77]
- In Scotland, there is a system of free personal care for everyone over the age of 65. Scotland has committed to developing a system of integrated health and social care by 2020.[78]
- Wales has a means-tested system, with maximum weekly charges.[79] The Welsh Government has stated that it is introducing changes to the system, taking into account that Wales has a "higher proportion of people with lower financial means compared to the rest of the UK".[80] It is also considering introducing a "social care levy".[81] The British Medical Association has stated that "health and social care integration is an important policy objective for the Welsh Government", and set out the key documents which have developed this policy.[82]

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[74] Anita Charlesworth and Paul Johnson (eds), *Securing the Future: Funding Health and Social Care to the 2030s*, Institute for Fiscal Studies and Health Foundation, May 2018, p 107.
[75] Lillie Wenzel et al, *Approaches to Social Care Funding*, Health Foundation, February 2018.
[76] ibid, p 6.
[77] Anita Charlesworth and Paul Johnson (eds), *Securing the Future: Funding Health and Social Care to the 2030s*, Institute for Fiscal Studies and Health Foundation, May 2018, p 105.
[78] Scottish Government, '2020 Vision', accessed 26 June 2018.
[79] Welsh Government, 'Charging for Social Care', 9 April 2018.
[80] Welsh Government, 'Paying for Social Care', 9 April 2018.
[81] Welsh Government, 'Developing New Taxes in Wales', 13 February 2018.
[82] British Medical Association, 'Integration in Wales', 26 February 2018.

- In Northern Ireland, health and social care is already operated as an integrated service, with a single commissioning body, the Health and Social Care Board.[83]

The Government had been expected to publish a green paper on the future of social care this summer. However, the Secretary of State's recent announcement on an increase in healthcare funding confirmed this has been put back until the autumn.[84]

3.2 Mental Healthcare

NHS England's *Five Year Forward View* stated that "the NHS must drive towards an equal response to mental and physical health, and towards the two being treated together".[85] It noted progress in the area at the time of its publication in 2014, including a doubling of the number of patients receiving psychological therapies compared to four years earlier, and the (then) forthcoming introduction of mental health waiting time targets.

The 2017 review of the *Five Year Forward View* stated that integration of mental health and accident and emergency (A&E) departments was increasing. It predicted that there would be a fivefold increase in the number of A&E departments which would incorporate the 'core 24' mental health teams by March 2019, reaching a half of all A&Es.[86]

In addition, the review committed to strengthening the links between primary care and mental health specialists. It promised that:

> 800 mental health therapists will be placed in primary care by March 2018 rising to over 1,500 by March 2019. These therapists will lead the way in how we integrate physical and mental healthcare outside of hospital.[87]

The paper also targeted increases in the number of pharmacists and physicians working in GP practices.

Alongside these developments, an independent taskforce prepared a five year forward plan specifically for mental health. This reported in 2016 and stated that "mental health services have been underfunded for decades", but that there was then a "cross-party, cross-society consensus on what needs

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[83] Health and Social Care Online, 'HSC Structure', accessed 26 June 2018.
[84] Jeremy Hunt, 'Secretary of State's Oral Statement on the NHS Funding Plan', Department of Health and Social Care, 18 June 2018.
[85] NHS England, *Five Year Forward View*, October 2014, p 26.
[86] NHS England, *Next Steps on the NHS Five Year Forward View*, March 2017, p 15.
[87] ibid, p 20.

to change".[88] The report recommended the following "priority actions" for the NHS:

- introducing a seven day crisis response service;
- integrating mental and physical health services;
- ensuring that one million more people are accessing high quality mental health care by 2020/21;
- promoting good mental health and preventing poor mental health, particularly amongst children; and
- gathering data to provide transparency about mental health spending and performance.[89]

In February 2017, NHS England's *Five Year Forward View for Mental Health: One Year On* described how these recommendations had been accepted by "all the NHS bodies".[90] It went on to review progress on the five year mental health plan after one year. It described, for example, how new targets had been introduced for mental health waiting times for certain services, and how more people were being treated.[91] In the area of integration, it stated that 22 new "early implementer" projects were launched in January 2017. These would provide psychological care in the same location as physical care is normally provided, with a view to building a "more holistic approach to the person's care and treatment".[92] It continued that over 1,000 people had already started treatment in these centres, with 30,000 people expected to be treated in integrated care settings in 2017/18. It stated that a "majority" of the new services to be provided under the expansion of provision outlined above would be integrated with physical healthcare.[93]

In July 2017, the Government announced £1.3 billion of additional funding for mental health services in England. The stated aims for these funds were consistent with the recommendations of the taskforce in its 2016 report, being to:

- treat an extra one million patients by 2020 to 2021;
- provide services seven days a week, 24 hours a day; and
- integrate mental and physical health services for the first time.[94]

The funding was intended to create an extra 21,000 new jobs in mental health service provision in order to deliver these goals.

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[88] Mental Health Taskforce, *The Five Year Forward View for Mental Health*, February 2016.
[89] ibid, pp 11–18.
[90] NHS England, *Five Year Forward View for Mental Health: One Year On*, February 2017, p 5.
[91] ibid, p 5.
[92] ibid, p 15.
[93] ibid, p 14.
[94] Department of Health and Social Care, 'Thousands of New Roles to be Created in Mental Health Workforce Plan', 31 July 2017.

More recently, in the Secretary of State's statement on the healthcare funding increase announced in June 2018, Jeremy Hunt referred to the Government's aim of delivering "parity of provision" of mental health services with physical health services.[95]

3.3 Community Care

There is no agreed definition of 'community care'. The think tank the King's Fund considers two, a 'narrow definition' and a 'broader definition'.[96] The 'narrow' definition includes services provided by community NHS trusts, social enterprises, private providers and local authorities. The 'broader' definition also includes services delivered in community settings such as general practice, social care and mental health as well as the contribution of the private sector, third sector organisations, carers and families.

For the purposes of this Briefing, these definitions of community care (and particularly the broader one) are sufficiently close to social care that they have been considered together.

4. Funding

The Government recently announced an additional 3.4 percent per year of real terms funding for NHS England over the next five years, equivalent to an increase of £20.5 billion per year in 2023/24.[97] To secure the funding, NHS England must produce a ten-year plan.[98] As part of that plan, it must consider social care provision and its integration with health care. In his statement on the announcement, the Secretary of State, Jeremy Hunt, said:

> NHS and social care provision are two sides of the same coin. It is not possible to have a plan for one sector without having a plan for the other—indeed we have been clear with the NHS that a key plank of their plan must be the full integration of the two services.[99]

The IFS and Health Foundation report, *Securing the Future: Funding Health and Social Care to the 2030s?* (May 2018), looked at the future funding of health and social care.[100]

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[95] Jeremy Hunt, 'Secretary of State's Oral Statement on the NHS Funding Plan', Department of Health and Social Care, 18 June 2018.
[96] Anna Charles et al, *Reimagining Community Services: Making the Most of our Assets*, King's Fund, January 2018, p 6.
[97] Jeremy Hunt, 'Secretary of State's Oral Statement on the NHS Funding Plan', Department of Health and Social Care, 18 June 2018.
[98] Jeremy Hunt, 'Andrew Marr Show', BBC, 24 June 2018 (video), 45:00.
[99] Jeremy Hunt, 'Secretary of State's Oral Statement on the NHS Funding Plan', Department of Health and Social Care, 18 June 2018.
[100] Note that this was published before the Government's announcement of increased funding for healthcare.

The report concluded that:

> UK spending on healthcare will have to rise by an average 3.3 percent a year over the next 15 years just to maintain NHS provision at current levels, and by at least 4 percent if services are to be improved. Social care funding will need to increase by 3.9 percent a year to meet the needs of an ageing population and an increasing number of younger adults living with disabilities.[101]

5. Further Reading

- NHS England, 'Integrated Care', accessed 26 June 2018
- NHS England, *Refreshing NHS Plans for 2018/19*, 9 February 2018, pp 12–14
- Chris Ham, 'What does the Future Hold for Integrated Care Systems?', King's Fund, 7 February 2018
- Debate on 'Pharmacies and Integrated Healthcare: England', HC *Hansard*, 11 January 2017, cols 81–105WH
- House of Lords, 'Written Question: Integrated Care Systems', 9 May 2018, HL7308
- House of Commons, 'Written Question: Integrated Care Systems', 9 May 2018, 140568
- Debate on 'The Long-term Sustainability of the NHS and Adult Social Care', HL *Hansard*, 26 April 2018, cols 1703–70

[101] Anita Charlesworth and Paul Johnson (eds), *Securing the Future: Funding Health and Social Care to the 2030s*, Institute for Fiscal Studies and Health Foundation, May 2018.