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Minister Simon Hamilton MLA
Minister for Health, Social Services and
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12 February 2016

Dear Minister

**Health and Social Care Board Comments on Proposed HSC
Restructuring**

You announced (on 4 November 2015) that your intention was to close the Health and Social Care Board (HSCB) as a response to concerns you had about complexity and slowness in decision making within the Health and Social Care (HSC) system.

The Department subsequently issued a consultation document "Health and Social Care Reform: Reform and Transformation" on 15th Dec 2015. While there had been some discussion on the Department's Review of Commissioning, there was no engagement with HSCB staff in advance of the announcement of the closure of the Board. It will be important that the HSCB is fully engaged moving forward.

The HSCB and its staff are committed to achieving a world class HSC service with the patient and service user at its heart, and believe that, if the HSC is to be restructured, then any future arrangements need to be based on a full understanding of the current system. This letter and attached document are intended to inform the discussion on the future arrangements to help achieve the best possible health and social care outcomes for the population of Northern Ireland.

The present arrangements emerged in 2008-09 following extensive consultation and analysis conducted through the Review of Public Administration (RPA). The RPA delivered significant integration, streamlining and efficiencies compared with what had gone before (the HSCB replaced four Area Health and Social Services Boards, and six new Trusts replaced the 19 which existed previously). It is therefore important that any work to design a new system should recognise and build on the strengths of the existing work of the HSCB, Public Health Agency (PHA), the Trusts and other key HSC partners.

While it does not set out full proposals for a new system, the consultation document suggests that it is intended to move away from the current commissioner/provider model and to disperse the commissioning role amongst a number of different bodies. The Board believes that very careful consideration will be needed if new arrangements are to be more effective than the current system and the skills and experience of staff are to be used to best effect.

The Board looks forward to being fully involved in the next steps in order to help ensure that the essential work currently carried out by the HSCB can continue to be delivered and developed further in the interests of the whole community.

In your announcement and in the consultation document you highlighted a number of specific issues with the current system which you believe need to be addressed. The HSCB's views on these are as follows.

Complexity of the Current Arrangements

It is unavoidable that a modern HSC system is complex and multi-faceted. As the budget-holder for the whole system, the HSCB has multiple functions and responsibilities encompassing the whole of primary and secondary health and social care services, including acute hospitals, GPs and pharmacies, and the care of children and adults at risk (the attached paper gives fuller details). The HSCB has sought to manage these complex responsibilities, which include ensuring that Trusts deliver the capacity they have contracted to provide, in an integrated and balanced way which adds value. But the inherent complexity of the HSC system is not caused by the HSCB itself and will not vanish if the Board is closed. Indeed, if the HSCB's integrated functions are dispersed to a number of other bodies which then have to negotiate with each other about how they are discharged, there is an evident risk of a loss rather than a gain in efficiency.

Need for Innovation

The HSCB recognises the need for ambitious reform to achieve a modern and sustainable HSC system to meet the needs of a growing and ageing population. We have championed this through our leadership of Transforming Your Care (TYC), and the HSCB's regional perspective is particularly important in this role. TYC has achieved significant progress through the implementation of several programmes - e.g. reablement, new care pathways putting the individual at the centre of service delivery, the creation of 17 Integrated Care Partnerships, the development of Self Directed Support, etc. We have also produced an innovating Strategy for eHealth.

Much more needs to be achieved and we hope that this will be made possible through the approval of the Business Cases (particularly for Health and Care Centres) submitted to the Department and the provision of the essential transitional funding for reform.

Need to Reduce Bureaucracy

The HSCB agrees in principle that unnecessary procedures and layers of accountability should be removed. In practice, the challenge is to agree what is unnecessary. Many procedures which some may see as bureaucratic are directly related to achieving safety and quality for patients and service users (e.g. waiting list scrutiny, Serious Adverse Incident reports, complaints procedures). Other procedures are required by the Department - e.g. the annual commissioning and financial cycles, which inhibit long-term strategic planning. As the consultation document rightly says, "a longer planning period would seem appropriate for an organisation managing a budget of £4.6 billion". The HSCB welcomes the Department's indication that it is considering bringing in changes in this area.

The presence of different layers in the system can be a valuable feature in ensuring the best outcomes for patients and service users. For example, the Department has introduced a requirement that any Trust actions which were deemed to be major or controversial should be submitted to the HSCB first for the Board to make a recommendation. An instance of this was the South Eastern Trust's proposal to close permanently 20 intermediate care beds at Bangor Hospital, which the HSCB recommended to the Department in September 2015. The Department clearly recognised in this example the benefits of the HSCB providing an additional level of assurance on the service implications of this change flowing from its wider role and regional perspective. The HSCB believes that these benefits apply equally across all its responsibilities.

Clarity of Accountability

The HSCB agrees there is a need for clarity in the accountability arrangements. In the HSCB's experience, there are considerable benefits in a single body holding the performance management, financial and commissioning responsibilities, since this avoids a piecemeal approach and enables a holistic view to be taken of Trusts' performance, reducing the risk that core capacity is under-delivered or budgets overspent. The consultation document suggests that there is blurred accountability since, while the HSCB is responsible for the performance and financial breakeven of Trusts, the latter are ultimately accountable to the Department. One way of removing any ambiguity in this area would be for day to day Trust accountability to be clearly delegated to the regional body.

Commissioning Processes in Northern Ireland

There is a variety of views throughout the UK on the most efficient way to deliver services, and there is no clear consensus on the optimum model for commissioning.

In Northern Ireland, given its size and the limited number of providers in the market, the HSCB has adopted a partnership approach with Trusts as the most efficient way of ensuring that services are founded on prioritised needs within a regional framework. We believe that in terms of size, Northern Ireland is well suited to a central commissioning body like the HSCB, marrying a regional perspective with a detailed understanding of local health economies. But that is not to say that the current commissioning process is perfect, and the HSCB believes that it could be considerably simplified and clarified. Many features of the process (e.g. annual Commissioning Directions, Commissioning Plans, Service and Budget Agreements and the involvement of Local Commissioning Groups (LCGs)) flow from the 2009 Act and changes would require statutory amendment. The HSCB has passed to the Department its own Commissioning Stocktake which considers these issues in detail, and would be happy to assist with proposals to improve the system and reduce the volume of transactions. However, while the HSCB would support enhancements to the process, we believe that the evidence indicates that a single integrated commissioning body remains the best option for Northern Ireland.

Needs Assessment and Local Planning

While Trusts have an essential role to play in assessing need and planning services, there could be risks in giving more autonomy to Trusts which already dominate the provider market in their areas and create a monopoly on

hospital and community services. We believe that there is an important role for a central regional commissioning body to help balance the health and social care economy and maintain capacity among voluntary and community organisations and other providers. This “joins the dots” regionally, and ensures that the HSC is as effective as possible across Northern Ireland, as opposed to each Trust area planning and delivering services in isolation.

If Trusts gain greater control for planning services in their area, without a central coordinating body in place, there would be a clear risk of duplication in effort, inequity of service provision, a reduction in efficiency and effectiveness, sub-optimal use of resources and more, not less bureaucracy.

Conclusion

The HSCB looks forward to seeing and informing emerging details of the proposed new arrangements. However, it is important to stress that the fundamental challenges facing the HSC, caused by constrained resources, an ageing population and a sub-optimal arrangement of services, will not be resolved or even significantly addressed by simply closing the HSCB or through any other structural changes. The real challenges facing the HSC are not structural - and indeed, to remove the one body which can take an objective regional view of the issues at arm's length from government would, in our view, be a backward step.

The HSCB looks forward to further constructive discussion with the Department in taking these matters forward.

Yours sincerely



Dr Ian Clements
Chair

Enc

Copy to: Richard Pengelly, Permanent Secretary
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