



BRIEFING PAPER THREE

The new NHS commissioning landscape and its impact on housing and care for older people

This paper is one of four briefings on personalisation, public health reform, and the emerging primary and secondary health care landscapes by the Housing LIN. These accompany the recent Chartered Institute of Housing paper, 'Localism: delivering integration across housing health and care', supported by the Housing LIN.

The other briefings in this series are:

Briefing No.1 - Housing support and personalisation: practical advice for the current moment

Briefing No.2 - Public health and housing: we can get it right

Briefing No.4 - Opportunities to Improve Health and Wellbeing: Integrating Secondary and Acute Health Care and Housing in the New NHS

Produced for the Housing Learning & Improvement Network by
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1. Purpose

This briefing paper aims to help providers of specialist accommodation and general housing understand and be prepared for the new commissioning environment and offers some key messages for housing providers to consider as they navigate the new NHS commissioning landscape.

2. Introduction

The NHS and local authorities are navigating their way through a complex and challenging period of change. Organisational structures are in transition alongside a move to transfer responsibility for the commissioning of local health services to Clinical Commissioning Groups (CCG).

The economic climate and the impact of public sector savings is likely to result in reduced budget allocations and the need to further prioritise investment. Associated changes to the welfare system, and resources for the funding of housing and housing related support mean that the requirement to develop and maintain the most effective services will be further intensified over the coming three to five years, both for the NHS and local authorities.

Adequate and appropriate housing is widely acknowledged to be a crucial underpinning of health and well-being. Therefore, housing should be at the centre of these changes. Given that most people, of whatever age, express the preference to receive their care and support either in their own home, or as close to it as possible, the impact of these changes, for both housing commissioners and providers as well as health and social care could be profound.

3. Setting the scene – an outline of the NHS reforms

The Health & Social Care Bill

The White Paper *Equity and Excellence: Liberating the NHS* set out the Coalition Government's plan for the NHS in England.

The White Paper was followed in January 2011 by the publication of the *Health and Social Care Bill*. Alongside the structural reform proposed, which includes the abolition of Primary Care Trusts (PCTs) and Strategic Health Authorities, the Bill sets out a range of changes to the way in which services are commissioned and paid for.

The emphasis on commissioning reflects a desire to improve the public health and well-being of the population as a whole, including those with a diagnosed illness, such as dementia.

In April 2011, the Secretary of State for Health announced a pause in the legislative process to undertake a 'listening and engagement' exercise. This process was intended to provide an opportunity to listen to concerns from a range of stakeholders and where necessary make amendments to the Bill.

At the time of writing that process is still underway, so this paper describes the key components of the Bill as it stands. The Bill sets out a number of proposals that impact on care for older people, as well as more broadly, these are summarised below:

Clinically led commissioning

The commissioning of local health services will transfer, through a transition process, from PCTs to Clinical Commissioning Groups (CCG). They will hold the local budget for health care and be responsible for deciding what services should be delivered and by whom. They will be accountable to the NHS Commissioning Board.

CCG will be expected to build and maintain partnerships with various other organisations and bodies, these include:

- Local Authorities
- HealthWatch, Health & Wellbeing Boards
- Patient participation groups and service user groups
- Third sector organisations and community groups

NHS Commissioning Board

The NHS Commissioning Board will have two main roles: it will support and regulate the CCG, and it will have a limited commissioning function in respect of specific national services.

It will support and hold CCG to account for the quality outcomes they achieve and for their financial performance, and will have the power to intervene if consortia are failing or are likely to fail to fulfil their functions.

Foundation Trusts

NHS Foundation Trusts are now firmly part of the NHS provider landscape. They are subject to NHS standards, performance ratings and systems of inspection. Their primary purpose is to provide NHS care to NHS patients according to NHS quality standards and principles. However, NHS Foundation Trusts are different from other NHS trusts in the following ways:

- They are independent legal entities - Public benefit corporations.
- They have unique governance arrangements and are accountable to local people, who can become members and governors.
- They are free from central government control and are no longer performance managed by health authorities. As self-standing, self-governing organisations, NHS Foundation Trusts are free to determine their own future.
- They have financial freedoms and can raise capital from both the public and private sectors within borrowing limits determined by projected cash flows and therefore based on affordability. They can retain financial surpluses to invest in the delivery of new NHS services.
- They are held to account by the Care Quality Commission and the independent regulator, Monitor.

An accompanying paper (Briefing No.4) focussing specifically on the Foundation Trust proposals has been produced for the Housing LIN as part of this series of papers on health and social care reform.

Public Health England and role of Local Authorities

Responsibility for public health, including public mental health, will be transferred to a new Public Health Service, Public Health England. Directors of Public Health (DPH) will be located within local authorities, which will have responsibility for health improvement within their areas. The DPH will be expected to work with partners in the NHS, the private, voluntary and public sectors and the CCG through the health and wellbeing board.

The accompanying paper (Briefing No.2) focussing specifically on the Public Health proposals has been produced for the Housing LIN as part of this series of papers on health and social care reform.

Any qualified provider

The market environment in the NHS and social care will expand to admit a wider range of providers. NHS trusts will find themselves in competition with independent and voluntary sector providers. Originally described as *Any Willing Provider*, the change in terminology is intended to clarify that any provider who will offer NHS funded healthcare must be licensed by the Care Quality Commission.

Quality, innovation, productivity and prevention (QIPP) and financial context

QIPP in the NHS and similar approaches in local authorities to delivering efficiency and value for money are intended to enable commissioners to drive up quality while improving productivity.

A wide range of actions can and are being taken in health and social care economies, these actions impact in the short, medium and long-term to create a sustainable service and financial strategy. In terms of productivity and savings, some of these actions will provide one-off benefits, while others will be recurrent in full or in part.¹

Health & Wellbeing Boards

Local authorities will lead the strategic co-ordination of commissioning prevention and promotion (health and wellbeing) services. They will work with the NHS, social care and related children's and public health services as well as other local agencies and groups. The vehicle for this will be health and wellbeing boards, whose establishment will be a statutory requirement in every upper tier authority.

The main purpose of the health and wellbeing boards is to join up commissioning across the NHS, social care, public health and other services to secure better health and wellbeing outcomes for their whole population, better quality of care for all their patients and care users, and improved cost effectiveness.

Local authorities and the CCG in each local area will undertake their joint strategic needs assessment (JSNA) through the health and wellbeing boards. Recent work by the LGID in the North West has re-emphasised the importance of integration and joint working in the area of needs assessment and commissioning. The report also highlighted the fact that "Providers were rarely involved in giving demand information from the perspective of the services they provided".² The key message from the review is that partnerships are critical to fully understanding and responding to local need.

Such partnership between local authorities, the NHS and providers will also be required in the production of new joint health and wellbeing strategies (JHWS). The JHWS is intended to provide the overarching framework for the development of the commissioning plans agreed by the health and wellbeing board for local NHS, social care, public health and other services. The JHWS could include wider health determinants such as housing and related support for older people.

Other relevant drivers

Outcomes framework & quality measures

The Health and Social Care Bill proposes new outcomes frameworks for the NHS, social care and Public Health. These frameworks will be complementary and are currently being consulted upon.

¹ Practical Guide to Mental Health Commissioning: Volume One Appleton, S. Bennett, A. Jackson, C. JCP/NMHDU March 2011

² Measuring demand-Making decisions NW JIP/LGID August 2010

The NHS outcomes framework has five outcome domains, each with a set of indicators to measure progress:

1. Preventing people from dying prematurely
2. Enhancing quality of life for people with long term conditions
3. Helping people recover from episodes of ill health or following injury
4. Ensuring people have a positive experience of care
5. Treating and caring for people in a safe environment and protecting them from avoidable harm

Personalisation

Personalisation is about empowering individuals to make their own informed decisions and choices about how they want to live their lives and the help they need to do so.

This represents a significant shift away from traditional models of health and social care. It means starting with the person as an individual with strengths, preferences and aspirations. It is about putting them at the centre of the process of identifying their needs and making choices about what, who, how and when they are supported to live their lives. It requires a significant transformation of health and social care so that all systems, processes, staff and services are geared up to put people first.³

Personal health budgets are now being piloted across England. Plans to implement their use were first set out in *High Quality Care for All*. The implementation builds on the experience of individual budgets in social care, and is testing personal health budgets as a way of giving people greater control over the services they use.

An accompanying paper (Briefing No.1) focussing specifically on personalisation has also been produced for the Housing LIN as part of this series of papers on health and social care reform.

4. The impact of reforms on the commissioning and provision of housing and care for older people

While the impact of poor housing on health, well-being and quality of life is demonstrable – and the contribution of housing to all these areas is self evident – it has all too often been peripheral to the framing of policy at the interface between health and social care both nationally and at local level.

This had led to a disconnect in the commissioning of housing and housing related support and health based services. What remains central to effective commissioning, is that it must be a shared activity which is driven by an integrated approach involving all partners.⁴ Housing and in particular housing and care for older people must be part of those partnerships.

The reforms propose the establishment of CCG and this is designed to give greater local control. Clinical commissioners are unlikely to recreate the commissioning infrastructure of PCTs. They will be encouraged to commission for outcomes and transfer the responsibility for delivery to the providers. This is likely to apply to quality as well. This means that whatever the eventual geographical area covered by CCGs, we are likely to see providers coming together to deliver a specified set of outcomes.⁵

³ Personalisation briefing for commissioners, Social Care Institute for Excellence, June 2009

⁴ The Commissioning Friend for Mental Health Services, Appleton, S. NMHDU/CSL Dec 2009

⁵ Opportunities to improve health and well-being services, Molyneux,P. April 2011

The transition to Clinical Commissioning Groups, coupled with the importance of improved outcomes and cost effectiveness, is leading many emerging CCG to consider the scope of commissioning not just of health services, but those services that are commissioned and delivered by other agencies, sometimes in partnership with the NHS. At the same time, the financial climate requires commissioners and providers to seek innovative ways of ensuring that high quality services can be delivered in the most cost effective way.⁶

Opportunities may be created for providers of housing and housing related support to engage with CCG at a local level to ensure the right mixture of local services, both in terms of the ‘bricks and mortar’ but also the services that might be provided by health care professionals within older people’s housing developments.

For example, The ExtraCare Charitable Trust has developed the role of Well-being Advisor in a number of its schemes. Well-being advisor, usually a trained nurse supports residents to regain as much independence as possible and to be proactive in managing their own health. Well-being Advisors empower older people to make informed decisions about their lifestyle and health via Well-being Assessments developed by ExtraCare to address older people’s needs.⁷

Housing providers will need to work with CCG to develop local relationships, form strong local leadership to assist CCG in understanding current patterns of delivery and potential need to guide future commissioning strategies. A joint Housing LIN briefing with the Chartered Institute of Housing and Local Government Innovation Development is expected shortly

Another impact will be the need for CCG to improve outcomes for older people. They must demonstrate, through the services they commission, that those services make a measurable difference to the health and well-being of their local population ensuring the inclusion of older people.

The Chartered Institute of Environmental Health and the Building Research Establishment published a toolkit for practitioners that provides a method of measuring and showing the value of private sector housing intervention to health, society and quality of life. It enables users to find a baseline and work out the most effective and cost efficient methods of improving homes.⁸

One of the tools is a cost calculator based on the Housing Health and Safety Rating System (HHSRS.) The calculator helps to show the value of an intervention by producing a baseline of likely numbers of incidences within local authority areas, together with the health costs and costs of mitigating the hazard, for example, damp housing conditions. This figure can then be used as evidence of the cost and subsequently compared to the costs of improvement works or additional healthcare interventions, providing tangible evidence of the value of housing based solutions in reducing the burden on health and social care services.⁹

These types of tools will be of particular use to commissioners as they seek to ensure that the services they commission can demonstrate effective outcomes

The need to ensure an effective care pathway will be at the centre of commissioning development. Housing and housing related support can and must play a part in delivering such a care pathway. This should include ensuring that a range of housing options are offered, supported by an appropriate range of community based health and social care interventions that can assist older people to remain independent for as long as possible. The National Housing Federation has recently made clear its view that “a genuinely integrated approach is needed in order to bring in the breadth of interventions which can impact on public health outcomes – and housing must be an integral partner in building this picture.”¹⁰

⁶ QIPP Housing and Housing Support, Appleton N and Appleton S. DH March 2011

⁷ www.extracare.org

⁸ Good Housing Leads to Good Health – CIEH/BRE 2008

⁹ www.cieh.org/policy/good_housing_good_health.html

Furthermore their report, *Invest in Housing, Invest in Health* shows that housing associations can make a positive contribution to improving the quality of people's lives and improve cost effectiveness for local NHS and social care services. It concludes that by investing in housing-related support, home improvement agencies and many other services housing associations provide, local systems can improve discharge rates, improve early access intervention and prevent ill health.¹¹

At an operational level, there are also some useful examples that demonstrate the health and/or social care 'dividend' of effective involvement of housing and housing related support within local health and social care economies.

As an example, Handypersons schemes, which carry out small home repairs and minor adaptations to help older people to remain in their own homes have been shown to be cost effective ways of promoting prevention, independence and reducing the burden on local health and social care services.

The University of York Handypersons Evaluation, conducted by the Department for Communities and Local Government found that Handy Person schemes could:

- Postpone entry to residential care and that every year of postponement would yield an average saving of £28,080 per person
- Housing adaptations reduce the costs of home care and that this saving can range from £1,200 to £29,000 per year
- That discharge from hospital can be speeded up, saving approximately £120 per person per day¹²

At the same time, increased use of telecare and telehealth has also shown that it can bring significant improvements and efficiencies to local health and social care systems. Work undertaken to review the effectiveness of Telecare Development Programme in Scotland concluded that such support has "significant transformational potential for the quality of life of both clients and their carers".¹³

The emphasis on localism in commissioning coupled to the need to deliver better outcomes and improve productivity provides an opportunity for housing organisations to reinforce the need for place-based solutions. This can work if housing organisations can work together to produce strategies with CCG and local authorities and commercial developers with the aim of being flexible in utilising capital and revenue resources across financial, service and institutional boundaries.

Examples of this kind of approach include work done by Warwickshire County Council, in collaboration with its partner District Council and Health bodies. They have developed a county-wide strategic approach to the re-shaping of accommodation for older people in need of some level of care.¹⁴ By their own admission they have come late to the challenge of re-shaping provision but it has allowed them to draw on the experience of others who have pioneered work in this area. Their approach is built on an assessment of current and future needs. The outcome has been a Commissioning Framework for Extra Care Housing that sets out their definition of Extra Care and their expectations for outcomes.

The Commissioning Framework has been the tool through which they have identified partners among Registered Providers with whom they are seeking to apply Homes and Communities Agency funding to enable a balanced pattern of provision across the County.

¹⁰ Healthy lives, healthy people: consultation on the funding and commissioning routes for public health, Bird, E. National Housing Federation April 2011

¹¹ *Invest in Housing Invest in Health*, National Housing Federation, March 2011

¹² Handypersons Evaluation – interim key findings, Croucher, K & Lawson, K, University of York/DCLG February 2011

¹³ Monitoring Telecare Progress Newhaven Research May 2009

¹⁴ Extra Care Housing Strategy for older people in Warwickshire, Warwickshire County Council and Partners, 2009

Within this there is the recognition that some districts will be able to cross-subsidise developments through the sale of a significant proportion of leasehold units whilst others will have to provide predominantly social rented schemes. The development of the Warwickshire Commissioning Framework for Extra Care Housing has been a crucial stage in re-shaping services, including the County Council's withdrawal from the provision of Residential Care homes.

It is in this context that Warwickshire is able to work constructively with commercial developers to secure the delivery of Extra Care Housing schemes beyond the framework of developments they are directly commissioning. At Great Alne in Warwickshire, Planning Permission has been secured for a retirement village to be developed by Urban Renaissance Villages. This will provide forty-seven units of social Extra Care, alongside the sale of one hundred and thirty-eight market value leasehold units, with substantial capital cross-subsidy to the Registered Provider who will build and operate the social provision on the site.

Strategy is a key element of reshaping local provision, ensuring the right mixture of local accommodation and services. Strategies will need to be developed at a local level and include CCG as well as local authorities. An example of how effective strategy can reshape local services can be seen in the work done by Wokingham District Council.

As reported in the Housing LIN toolkit, *More Choice, Greater Voice*, Wokingham developed a *Strategy for the provision of Accommodation and Care for Older People* within its boundaries as early as 2004¹⁵. The adoption of the strategy in 2005 was followed by a comprehensive evaluation of existing provision in the district and its ability to meet the needs identified. Service development allowed an existing Enhanced Sheltered Housing scheme to support an increasingly frail population, including people with moderate to severe dementias.

A Sheltered Housing Scheme managed by the Local Authority was identified as no longer fit for purpose and partners were sought to achieve re-provision on the site. A Registered Provider led consortium are now developing an Extra Care Housing scheme on the site that will include a sub-unit of accommodation specifically designed to meet the needs of people with moderate to severe dementias. Having a strategic framework for older person's accommodation that took account of the mix of housing and care needs has allowed the Authority not only to set priorities for its own provision, and that provided by Registered Providers, but take a view of proposals from commercial providers of their proposals for new or re-modelled provision.

CCG will have to focus on strategies based on prevention rather than 'simply reacting to diagnosis with a matching shift in resources. This will require them to plan with a range of partners and to understand more accurately the levels of local need (and demand for services in their localities), drawing in a range of options to encourage the delivery of more effective care and support.

Preventative approaches, which can and should include housing, can help to stimulate a shift of resources across the healthcare system. This in turn may lead to housing providers being able to contribute to improved quality of care and a reduction in healthcare costs¹⁶ primarily by providing more care in the home and in the community rather than in a high cost hospital setting. This will require CCGs to consider in more detail the value of investment in specialist housing for older people.

Work conducted by Frontier Economics for the Homes and Communities Agency showed that capital investment in specialist housing had a net benefit for a wide range of client groups including older people. It estimated that such investment could, for an older people's population of circa 12,000, realise a total net benefit of £219m, a benefit per person of £444 per year.¹⁷

¹⁵ More Choice, Greater Voice: An Accommodation and Care Strategy for Older People, Housing LIN/DCLG 2008

¹⁶ System transformation in the NHS: QIPP the Tribal Approach, 2010.

¹⁷ Financial benefits of investment in specialist housing for vulnerable and older people, Frontier Economics/HCA, Sept 2010

5. Key messages for housing providers

This briefing paper has set out the key elements of the NHS reforms and described some of the potential impacts they may have for providers of housing and housing related support for older people.

In conclusion, set out below are a set of key messages for providers to consider as they begin to navigate the emerging NHS landscape.

- Build relationships with CCG to provide a focus on the housing needs of older people
- Ensure local CCG understand the role housing can play in the delivery of effective health and social care
- Any qualified provider - some housing organisations that already deliver CQC registered care services e.g., home care, residential care or end of life care provision, may be well placed to further expand their services into local healthcare markets
- Work together – there is more to be gained from co-operating than competing.
- Utilise the flexibility that NHS commissioners and providers will have to develop new services, including use of NHS estate
- Demonstrate to CCG that housing and housing related support can offer affordable and effective solutions

Housing should therefore be a central part of any care pathway and where this is recognised and acted upon, can deliver tangible solutions to the health and social care needs of local populations.

Housing providers can gain too through new and emerging relationships with CCG, through helping older people to sustain independent living and social networks in their existing accommodation or signposting to specialist accommodation to access more appropriate housing with care to meet their changing lifestyle choices, aspirations and/or longer term health and social care and/or support needs.

The overriding message is clear. The NHS reforms will alter the structure of commissioning at local level, coupled with a focus on prevention and improved outcomes. Housing providers can and must grasp the opportunity that the reforms will bring to place housing for older people high on the agenda of CCG.

6. About the Housing Learning & Improvement Network

The Housing LIN is the leading professional ‘knowledge hub’ for over 5,700 housing, health and social care professionals in England. We have strong links with government, trade and professional bodies and leading industry players across the public, private and third sectors. Our aim is to:

- raise the profile about the housing and care needs and aspirations of older people
- act as a champion for the work on housing with care organisations in the sector
- provide latest publications and tools that can support the way you improve, plan, commission, promote and/or deliver your services
- help you to respond to, inform and influence policy and practice developments and what older people say about service quality
- give you access to our national and regional activities, and
- enable you to benefit from the latest ideas, tools and resources in the field to help raise standards.

For further information about the Housing LIN and to access its comprehensive list of on-line resources, visit www.housinglin.org.uk

The Housing LIN welcomes contributions on a range of issues pertinent to Extra Care housing. If there is a subject that you feel should be addressed, please contact us.

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