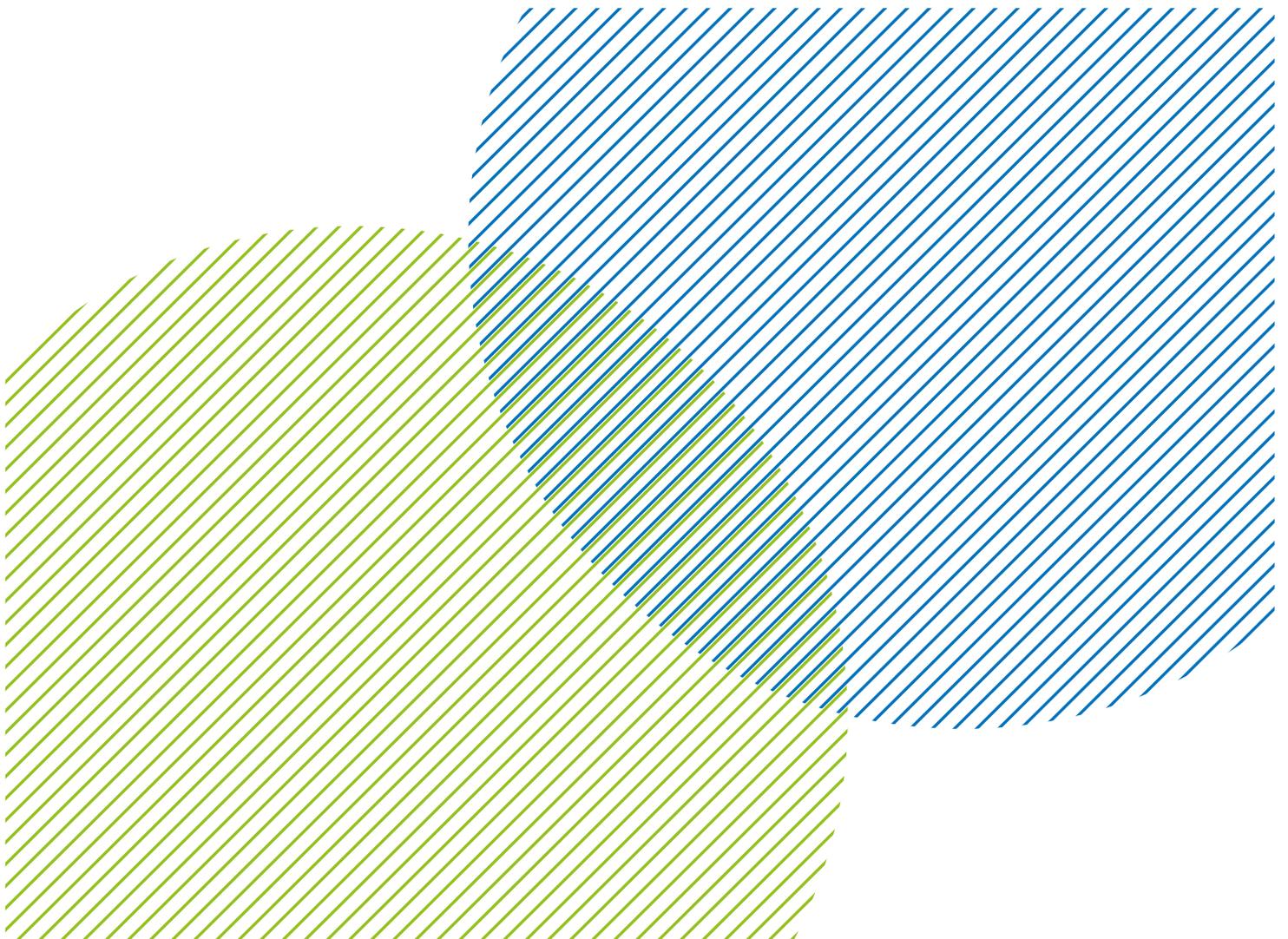


# Health and Wealth - Closing the Gap in the North East

Executive Summary of the Report  
of the North East Commission  
for Health and Social Care Integration



## Foreword by Duncan Selbie, Chief Executive of Public Health England and Chair of the Commission

I am delighted to have been given the opportunity to chair the North East Commission for Health and Social Care Integration. The North East is a region of vital strategic importance, with a proud history, strong identity and deep sense of community. In taking on this role I was particularly struck by the way in which civic and business leaders had developed an economic vision for their region that was both outward facing and had human capital development, and therefore people, at its heart.

The starting point for the Commission was that we were concerned with health outcomes much more than with organisational structures. So this is a report about improving health and wellbeing, not about NHS and local authority services. We hear a lot about budget deficits in health and social care, but the deficit we have focussed on is healthy life expectancy.

The title of the report has been carefully chosen. Health and wealth are two sides of the same coin – closing the health and wealth gap in the North East, compared to the UK as a whole, was the Commission's number one priority. Poor health and shorter life expectancy are both consequences and causes of the fact that average Gross Value Added (GVA) per capita in the region is only three quarters of the national average. The Prime Minister has said that inequality in healthy life expectancy is unacceptable and that she wants social and economic reform that will establish an 'economy that works for everyone'. Our report sets out how the North East can lead the way on this.

The North East has strong acute health services and increases in life expectancy along with reductions in smoking have been greater than elsewhere in the UK. But there is no hiding from the fact that health outcomes are poor and that health inequalities within the region are far too great. Closing the healthy life expectancy gap with the rest of the UK over the next decade would add 400,000 additional years of active, healthy life for the people of the region.

That's why our first recommendation is that the entire system needs to shift its priority towards prevention. We see this through two lenses: risk assessment and life cycle. By far the greatest risk is smoking, which is why we support intensifying the focus on programmes to reduce smoking. But the other key focus for prevention should be improving outcomes across the life cycle from school readiness, through good and fulfilling employment to healthy and independent old age.

We propose that North East civic and health leaders should set a target for radically increasing preventive spending across the health and public service system. To kick start this, we have proposed the establishment of a prevention investment fund, that will bring together contributions from all partners that stand to gain from the expected savings, including central government.

What gets done is what gets measured, so this commitment to prevention needs to be backed by accurate and transparent data on spending across the system. To help with this the Chartered Institute of Public Finance and Accountancy (CIPFA) was commissioned by North East leaders in health and social care to undertake the first public sector balance sheet review for any English region. Local partners now have a methodology for identifying spend and they can use this to review the extent to which the ambition to increase preventive expenditure is being met.

Nowhere is the link between health and wealth more important than in relation to work. Good work is both the best route out of poverty and the surest basis for good health. That's why we make a series of recommendations in the report that improve support for keeping people in work, and put in-work progression at the heart of the North East Strategic Economic Plan. These include: training and support for primary care staff to get people back to work quickly; addressing mental health across the system; and encouraging employers to improve workplace wellbeing.

This report is a call to action. The Commission urges leaders in local government, the NHS, the business community and voluntary sector to work together with local people to achieve better health and wellbeing outcomes. This needs to be delivered by every part of the system. Whilst the specific devolution deal under consideration by the North East Combined Authority (NECA) has not been taken forward, all involved have reiterated their commitment to the principle of devolution. Devolution, population based health improvement, and the drive to improve life chances across the North East, are long term imperatives. The Commission report sets out a clear agenda for closing the health and wealth gap. I hope that local and national leaders will study it carefully and then work together to enact its recommendations.

A report like this is the product of thousands of hours of consideration of evidence, policy development, commission debate and sheer hard work. My fellow commission members have generously donated their time and wisdom. Hundreds of people volunteered to come to evidence sessions across the North East to give us their views. Rosemary Granger did a fabulous job as programme director, supported by a great team, with Helen Dickinson valiantly holding the pen on the final report. To all those people, a profound thank you from me. Together, we have produced a report which we hope will make a real difference to the health and wealth of the North East.

The full report is available on [www.northeastca.gov.uk](http://www.northeastca.gov.uk)



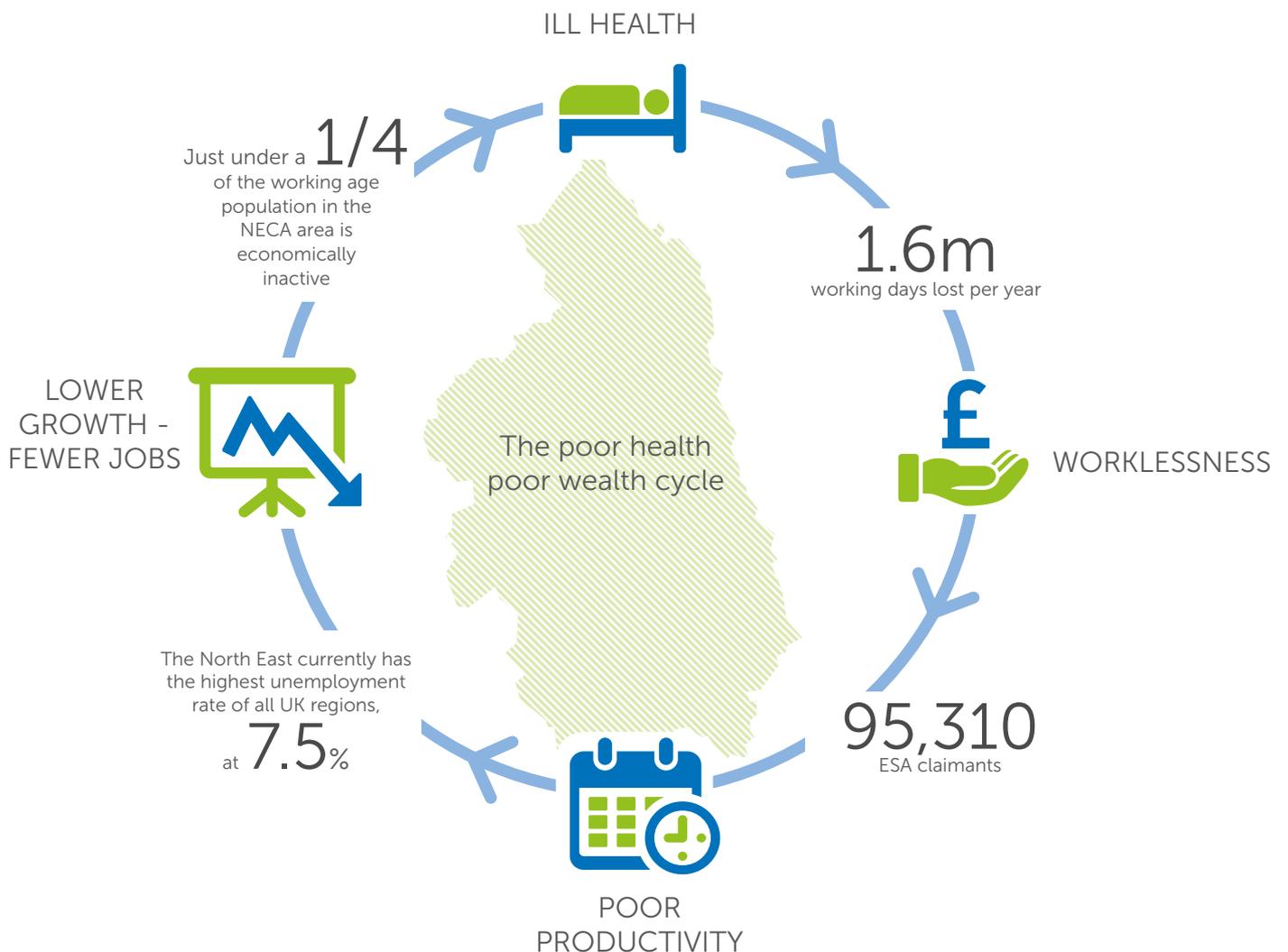
**Duncan Selbie**

Commission Chair and Chief Executive of Public Health England

# Executive summary

The North East Combined Authority (NECA) area has strong health and care services and has experienced the fastest increase in life expectancy of any region of the UK. But the health and wellbeing gap with the rest of the UK and health inequalities within the region remain stubbornly high, with behavioural factors and deprivation levels impacting on health and wellbeing. Poor population health leads to over-use of intensive health services and pressures on primary and social care, resulting in a system over-focussed on the treatment of ill health at the expense of preventing it. It also reduces productivity and hampers economic growth, entrenching the income inequalities which contribute to poor health. In short, despite several demonstrable successes, the current model is not leading to the improvements in health outcomes needed and is becoming less sustainable going into the future.

The North East Commission for Health and Social Care Integration was established to cut through this vicious circle. The Commission was set up by NECA and local NHS organisations as part of the North East devolution deal, with all organisations recognising the value of an independent group of national experts able to take a fresh look at the issues and the scope to address these through joint working. This report of the Commission sets out a vision for transforming the health and wellbeing of North East residents and in so doing helping to improve the performance of its economy and the prosperity of its people. It is a call to action for leaders across the health and care system in the NECA area. While NECA is no longer planning to take forward a mayoral devolution model at the current time, the report remains as relevant as ever and its recommendations can be implemented through existing structures in parallel with further discussions on devolution.



The NECA area spends £5.2bn on health and care each year. Of this over 60% is spent on tackling the consequences of ill health through hospital and specialist care, over 20 times the 3% devoted to public health. Spend is organised around institutions, not individuals' needs. Hospitals are over-used, with high levels of unplanned and emergency admissions. This reliance on hospital care is neither necessary nor affordable: it reflects an over-focus on treating disease at the expense of preventing it arising in the first place. There is a clear need for a substantial shift in financial and workforce resources to prevention, with people helped to manage long-term conditions better and stay well at home for longer.

**Recommendation 1: NECA partners should set themselves an ambition to radically increase preventive spending across the health and care system and wider determinants of health and wellbeing.**



Freeing up the resources needed to radically increase preventive spending will be challenging but is absolutely vital for the step change in population health to occur. Shifting funding and the workforce away from a focus on treating people in hospital to helping them stay well in the community will require a radical change to configuration and capacity of hospital services. The Sustainability and Transformation Plan (STP)<sup>1</sup> process offers an opportunity to achieve this change. Through the STPs, partners across NECA are redesigning a model of care not suited to addressing underlying health needs. A changed acute care landscape - alongside improvements in primary care, prevention, moving care closer to home and sustaining a robust social care sector - will be a key element of a more integrated, efficient, prevention-focused health and care system that will improve health and wellbeing outcomes.

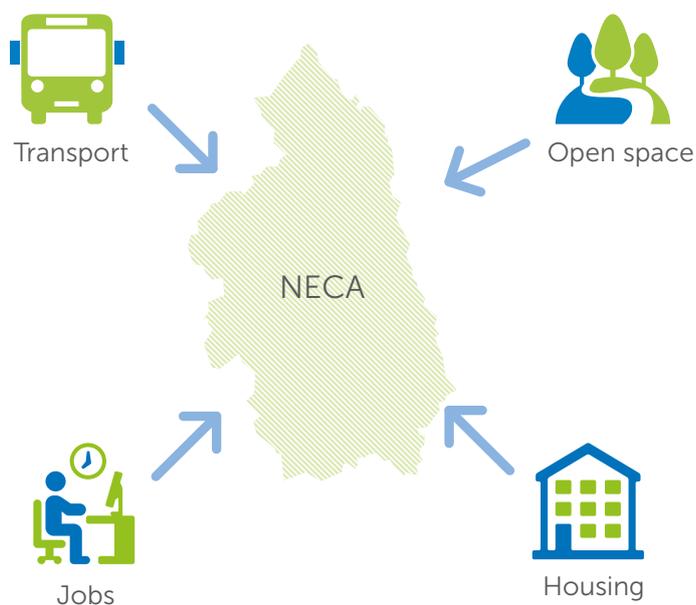
However, the STP process alone will not be sufficient to deliver the change recommended in this report. The Commission's vision of a system focussed on wellbeing will require increased preventive investment across the life course and in areas beyond the health and care system, such as housing quality and early years support. Addressing these wider determinants of health will require public, private and voluntary partners across the NECA area to unite around a shared vision of a society which supports people to make the right choices for their health and wellbeing. Promoting wellbeing must be integral to all public

<sup>1</sup> STPs are part of the NHS planning requirements designed to support delivery of the NHS Five year forward view by 2020/21.

policy decisions, for example considering the health and wellbeing impacts of planning, transport or skills policies. This leads to the Commission's second recommendation.

**Recommendation 2: Public sector partners across the NECA area should integrate preventive action and action to tackle inequalities in all decisions.**

NECA partners must integrate prevention and wellbeing in all activity.



At present preventive spending is spread across health, care and wider public services, with little visibility or transparency in the amount or distribution of overall preventive spend. The region should work with the Chartered Institute of Public Finance and Accountancy (CIPFA) to establish a baseline of current preventive spend and methodology to track increase in spending over time, as well as acting as a pilot area to trial work being carried out by Public Health England and CIPFA to develop tools to assess the effectiveness of public health investment.

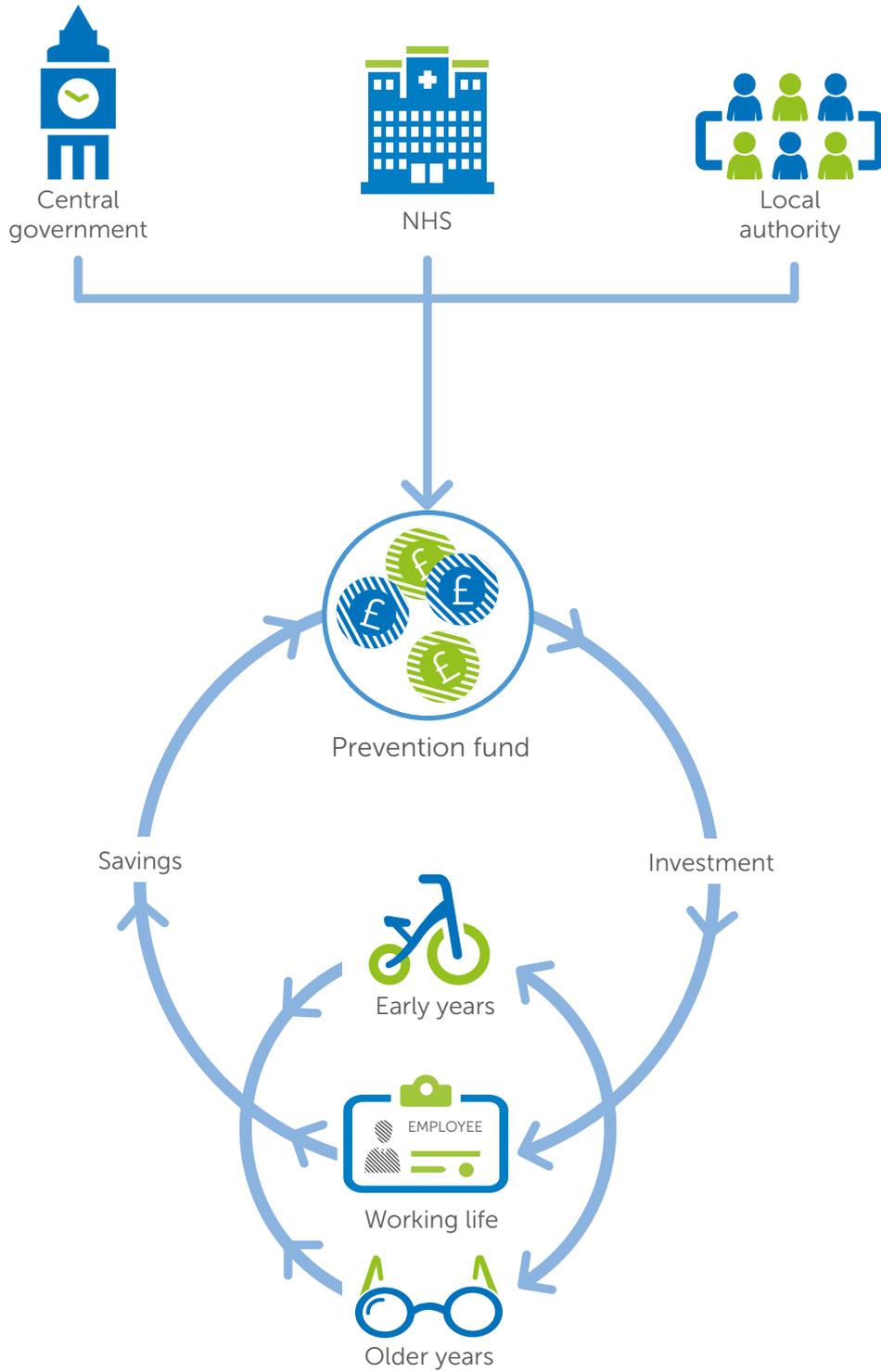
To ensure preventive spend is not diverted to other areas, allocated funds should be ring-fenced to a dedicated preventive investment fund. Partners can be confident that this represents value for money. The National Institute for Health and Care Excellence has concluded that "Most activities aimed at improving the public's health are extremely good value for money – and generally offer more health benefits than the alternatives tested, even though some of the benefits may not be realised in the short term."<sup>2</sup> The fund should be managed on a cross-system basis, investing in interventions likely to have the greatest impact across the health and care system irrespective of the original source of the funding.

Savings from the fund will accrue to a range of partners including commissioners and providers of health and care services and substantial savings to central government can be expected through lower welfare payments and higher growth as more people remain well enough to work.

**Recommendation 3: Increased preventive spend should be assigned to a dedicated preventive investment fund managed on a cross-system basis and bringing together contributions from all partners who stand to benefit from the expected savings, including central government.**

<sup>2</sup> National Institute for Health and Care Excellence, Local Government briefing LGB10, September 2013  
[www.nice.org.uk/guidance/lgb10](http://www.nice.org.uk/guidance/lgb10)

Prevention fund will help people help themselves to stay well

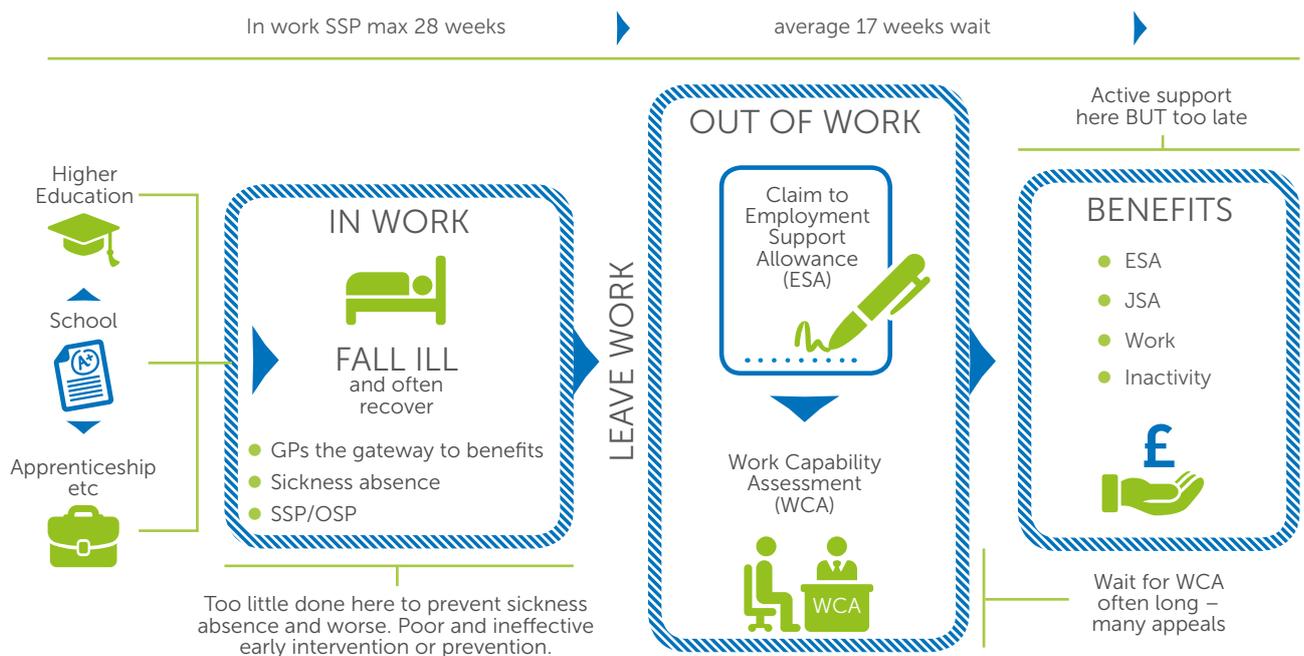


It will be for NECA partners to identify and determine the exact allocation of increased preventive resources to meet the needs of the region. However, the particular challenges faced by the NECA area suggest that increased resource could be divided between early years support, wider determinants of health, sustaining social care while improving integration with health services and lifestyle-based secondary prevention. Smoking prevention should be a key priority. The Fresh North East programme commissioned by all the NECA local authorities has already contributed to the fastest decline in smoking in any region in England over the past decade but smoking continues to be the primary cause of preventable illness and premature death.

A radical increase in preventive investment should have a significant impact on narrowing the health gap between the NECA area and the country as a whole and mitigating the increase in demands on health and care services in the medium to long-run. However, without good jobs and meaningful activity such as volunteering, preventive spend will not be enough to overcome the NECA area's wellbeing challenges. Meaningful work or other activity is one of the most important determinants of health but the North East currently has the highest unemployment rate of all UK regions. This acts as a significant barrier to economic growth through wasted labour force capacity. It is also a significant public health issue, due to the negative health impacts of unemployment. The Commission believes greater action to help people stay in work and return to work after sickness is essential. This work should complement NECA's existing work on Employment, Skills and Inclusion, with its focus on supporting those hardest to help and furthest from the labour market.

**Recommendation 4: NECA partners should develop a programme of primary care training to support primary care staff in helping people access the best support to enable them to get back to work as quickly as possible.**

Too few drivers in the journey keeping people in work.



Mental health is a particularly significant barrier to work in the NECA area, with over half of those claiming Employment and Support Allowance doing so due to a mental health condition.

**Recommendation 5: The Commission recommends addressing mental health at three levels:**

- i. improve the leadership and skills of managers at all levels within NHS and local authority organisations to create a supportive environment that enables employees to be proactive in protecting their own wellbeing;
- ii. commissioners of IAPT services should work with their service providers to ensure employment support is included as part of the Improving Access to Psychological Therapies (IAPT) offer on a sustainable basis, to support those individuals who require this service to avoid sickness absence or to return to work as quickly as possible;
- iii. NHS commissioners and providers should work with the NECA Employment, Skills and Inclusion workstreams to develop an integrated employment and health service.

Alongside the health and care system, employers have a key role to play in maintaining and improving the health and wellbeing of their workforce and supporting those with health conditions to remain in the workforce.

**Recommendation 6: The Better Health at Work Award (BHAWA) scheme should be the preferred approach for employers to adopt to improve workplace wellbeing. NECA partners should set a target for the proportion of the workforce working for employers involved in the award scheme, and monitor progress towards this target.**

Increasing employment and ensuring employment opportunities are high quality and offer the opportunity to progress is vital to health and wellbeing. NECA's Strategic Economic Plan sets a high level objective of achieving more and better jobs for the region.

**Recommendation 7: The refreshed Strategic Economic Plan and NECA's employment and skills programme should continue to address the importance of in-work progression and job quality.**

Achieving the Commission's vision of a radical shift in funding to prevention will require strong and visionary leadership from across the health and care system and the courage to make difficult decisions in order to protect the prize of long-term health improvement that this funding will enable. Ensuring prevention investment is focussed in areas where it will have greatest impact will require leaders to take on shared responsibility for outcomes, putting aside organisational boundaries and interests to lead a cultural change to the health and care system.

**Recommendation 8: Leaders within organisations will need to look beyond the interests of their own organisations to drive improvement in wellbeing outcomes across NECA, leading a cultural change to a health and care system in which each health and care £ is used most effectively to support wellbeing, independent of the source of the funding.**

Partners across NECA have already demonstrated the benefits of such a collaborative approach through the highly successful Fresh North East smoking cessation programme, which has contributed to the fastest decline in smoking of any region in England over the past decade. The region's ambitious and challenging target of reducing smoking prevalence to 5% by 2025 provides a further opportunity to bring partners together for a system-wide approach to meeting a shared goal.

**Recommendation 9: Governance should be established at NECA level to drive forward implementation of these recommendations, bringing together local authorities, Clinical Commissioning Groups (CCGs), NHS Foundation Trusts (FTs) and the voluntary sector to progress the health and wellbeing agenda through shared accountability and a focus on implementation and delivery.**

It is essential that this new system integrates with the current STP governance arrangements. The arrangements should enable agreement and oversight of a core set of North East outcomes, including the target proposed above for preventive spend, and oversight and allocation of the preventive investment fund. They should not require a 'one size fits all' approach across the NECA area; on some issues a NECA-wide approach will be most effective, while on others it will be appropriate for local health and care partners to have the flexibility to determine how best to meet the agreed outcomes.

As well as funding, the region's assets will also need to be aligned with this new approach. There must be a commitment to develop a shared approach to use of the region's key assets, including the workforce, the estate and information assets; and community and voluntary sector assets.

To enable the transition to a more integrated system in which resource is focussed where it can have greatest impact, the Commission has one final recommendation.

**Recommendation 10: The NECA area should align financial payment systems and incentives with the overall objectives of the health and care system to improve health and wellbeing and reduce health inequalities.**

**The action called for needs to be delivered by every part of the system. This report sets out a clear agenda for shifting the priority from response to prevention across the health and social care system and wider determinants of health. It calls for a much greater focus on supporting people with health conditions to secure and remain in employment, contributing to their own and the region's prosperity and hence to the wellbeing of future generations. And it challenges leaders to be bold, working in new ways to break down organisational barriers and work for the wellbeing of the people of the NECA area. As such, a commitment needs to be given by all parts of the system to design the mechanisms that will deliver the new model and improvements in outcomes rather than being constrained by the levers and processes that are currently in place.**

**The prize is great: closing the gap in healthy life expectancy with the nation as a whole over the next decade would lead to 400,000 additional years of active healthy life for the people of the NECA area. The Commission hopes that local and national leaders will study this report carefully and work together to enact its recommendations.**

# Health and Social Care Integration Commission members



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This report can be made available in  
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