



National Audit Office

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## Report

by the Comptroller  
and Auditor General

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# Developing new care models through NHS vanguards

## Key facts

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**50**

vanguards selected to develop new care models between 2015 and 2018

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**£329m**

direct investment by NHS England in 50 vanguards (by NHS England's new care models team), 2015-16 to 2017-18

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**£324m**

net annual savings predicted by NHS England from these vanguards by 2020-21

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- 23** vanguards selected to develop a 'population-based' healthcare model within a defined geographical area
- 94%** percentage of vanguards that responded to our survey, saying that they intended to carry on developing their care models after the programme ended in March 2018 (29 of out 31 vanguards)
- 9%** NHS England's estimate of the percentage of the population in England living in areas covered by one of the 'population-based' vanguards, December 2017
- £60 million** amount spent by NHS England's national new care models team in supporting vanguards, 2015-16 to 2017-18
- one-third** average progress reported by 'population-based' vanguards in implementing a new care model framework across their geographic footprint, by December 2017

# Summary

**1** In 2014, the NHS in England published the *Five Year Forward View*, its vision and strategy for the future of the NHS. The strategy identified a £30 billion gap between patients' needs and the resources available to meet them by 2020-21. The strategy also highlighted the challenge of meeting the increasing ongoing care needs of patients with long-term health conditions, which take up 70% of the health service budget.

**2** Part of the NHS's strategy to reduce these problems was to develop 'new care models'. These break down the barriers between family doctors and hospitals and between health and social care services in how they provide care. This is intended to result in better care for patients, particularly those with long-term or complex needs. The strategy also aims to improve the efficiency and productivity of hospital services through closer collaboration between hospitals.

**3** In 2015, NHS England selected 50 sites to act as 'vanguards' (**Figure 1** overleaf) to lead the development of five new care models. The vanguard programme is another attempt by the NHS to transform and integrate health and social care services, following the integrated care pilots and the integrated care pioneers. The vanguards were intended to be locally driven pilots but each would contribute to the development of care model prototypes that could later be replicated rapidly across England.

**4** Since 2015, NHS England has provided a total of £329 million to the 50 vanguards to support them in testing their proposed new care models.<sup>1</sup> NHS England also spent another £60 million on its new care models programme, which supported and monitored the progress of vanguards. Part of that support included developing frameworks to help the vanguards to transform their services and to achieve and sustain the anticipated benefits of new care models. It also commissioned a national evaluation of the programme, supported by local evaluations. The vanguard phase of the new care models programme ended in March 2018, by which time NHS England expected individual vanguards to be sustainable without further national funding for transformation. Responsibility, along with some members of the new care models team, was passed to NHS England's new System Transformation Group.

<sup>1</sup> This figure excludes spending in 2016-17 and 2017-18 on urgent and emergency care vanguards that were no longer supported by the new care models team.

**Figure 1**

## Types of NHS vanguards

There are five types of NHS vanguards

Type	Description of care model	Number of vanguards	Funding from NHS England, 2015-16 to 2017-18 (£m)
Multispecialty community providers (MCPs)	Blending primary care and specialist services in an integrated network or single organisation for a local population. Key features include moving specialist care out of hospitals into the community and identifying high-risk patients.	14	124
Integrated primary and acute care systems (PACs)	GP, hospital, community, and mental health services working as an integrated network or single organisation, sharing the risk for the health of a defined population.	9	103
Enhanced health in care homes (EHCHs)	Providing older people with better, joined-up health, care and rehabilitation services, including for example, multi-agency support for people in care homes and the use of telemedicine for specialist input.	6	18
Acute care collaborations (ACCs)	Linking hospitals to improve their clinical and financial viability and to reduce variations in care and efficiency, for example, shared radiology services.	13	72
Urgent and emergency care (UECs)	Creating new approaches to improve coordination of services and reduce pressure on accident and emergency departments.	8	13 (one year only)

**Note**

- 1 This report primarily focuses on the two main types of population-based vanguards: PACs and MCPs. It does not cover the UECs.
- 2 Data have been rounded. Totals may not sum up due to rounding.

Source: National Audit Office review of NHS England documents

**Focus of our report**

5 This report examines whether the NHS is well placed to get value for money from its investment in developing new care models through vanguards. In particular, it focuses on:

- set up and management of the vanguard programme (Part One);
- national support and evaluation (Part Two);
- progress made by the vanguards (Part Three); and
- readiness for the spread of these new care models (Part Four).

**6** This report focuses primarily on the two types of vanguards which were designed to test integrated models of health and social care for a local population: integrated primary and acute care systems (PACs) and multispecialty community providers (MCPs). These models were typically expected to involve an emphasis on prevention and admissions avoidance, sharing of patient records, a whole-population budget, and a single provider or network with responsibility across the patient pathway. In total there were 23 of these population-based vanguards. The report also covers the six enhanced health in care homes (EHCHs) vanguards and the 13 acute care collaborations (ACCs) vanguards. We excluded from our report the eight urgent and emergency care (UECs) vanguards, which were all moved to another part of NHS England after the first year.

**7** We set out our audit approach in Appendix One and our evidence base in Appendix Two.

## **Key findings**

### Planning and implementation

**8 NHS England intended the vanguard programme to demonstrate how care could be redesigned to improve services while also achieving a financial return.** In 2015, NHS England set up the vanguard programme to design, test and spread five new care models. It intended that these new care models would help to improve the health of the population. The NHS Mandate required that NHS England transform health services for 50% of the population by 2020-21, by spreading new care models. To support spread, NHS England aimed to work with vanguards to design contracts for integrated services and new forms of organisations. NHS England originally hoped that through vanguards and the spread of their new care models, it might save £1.4 billion per year by 2020-21. NHS England stated that the success of this programme will not solely be determined by the performance of individual vanguards but also whether the programme has delivered replicable care models, interventions and learning for the rest of the NHS (paragraphs 1.3, 1.4, 1.14, 4.6 and 4.14).

**9 The vanguard programme followed previous short-lived initiatives to build integrated services across health and social care.** The NHS had several initiatives to promote integration of services before the vanguard programme. These included integrated care pilots between 2009 and 2011 to develop integrated care organisations, and integrated care pioneers that started in 2013 to test new ways of joining up health and social care. Eight of the 23 population-based vanguards had been involved in previous national transformation programmes. The timeframe for the vanguard programme funding was three years, with the objective to develop proof of concept for fuller, longer-term transformation. Many stakeholders consider that such a transformation would likely take 10 years or more. Each new initiative requires effort and money to set up, and relies on the goodwill of local NHS organisations, but we have seen a pattern of initiatives being continually folded into a successor initiative, sometimes before their objectives are fully achieved. This history has not helped NHS England to communicate a constancy of purpose (paragraphs 1.13, 1.14, 4.18 and Figure 3).

**10 NHS England coordinated the development of local vanguards but did not set clear national objectives or state how new care models would be spread.** NHS England worked with individual vanguards to co-design their care models and local business cases, as well as national support and evaluation arrangements. It also regularly reviewed their progress. Because of uncertainties about future funding and its design principle not to prescribe the initial approach from the centre, NHS England did not produce a national business case, a clear statement of national objectives and intended outcomes, or details of how new care models were to be spread. This approach gave vanguards more freedom to design complex system change but makes it harder to assess the performance of the programme overall (paragraphs 1.10 and 1.11).

**11 The original intention to expand the vanguard programme was not realised because funding was reallocated to reducing trusts' financial deficits.** In 2015, NHS England modelled a programme with six waves of vanguards, with an early planning assumption of around £2.2 billion in funding for new care models between 2016-17 and 2020-21. However, actual direct funding of vanguards was £329 million over three years from 2015-16. This was because of constraints on the funding available for transformation and NHS England's decision to tackle the short-term financial sustainability of the NHS by using much of the funding to reduce deficits faced by acute trusts. Ultimately, the programme contained one wave of vanguards, rather than six waves as had been originally modelled. As a result, NHS England planned to save £360 million a year from 2020-21, rather than the £1.4 billion it had originally hoped for (paragraphs 1.3, 1.7 and 1.8).

## Support and evaluation

**12 Almost 80% of the vanguards we surveyed were satisfied overall with the support provided by NHS England and other national bodies.** The national support package, costing £60 million over three years, was intended to accelerate implementation of locally-owned new care models, and to maximise the opportunity for replicating them. The national new care models team consulted with vanguards and identified 10 areas of support to best meet vanguards' needs in designing, implementing and testing their new care models. The team involved other national bodies, including NHS Improvement, to provide coordinated support to vanguards. Evidence suggests that the support was important to vanguards. Of the 10 support areas, vanguards were most satisfied with support they received for evaluation and care model design. They were least satisfied with the support on workforce, technology, and governance and regulation. NHS England also coordinated information sharing between vanguards, and many (24 of 28) told us they had changed their approach to implementing new care models based on lessons from others' experiences (paragraphs 2.2 to 2.6, 2.8, Figure 4, Figure 5 and Figure 6).

**13 NHS England has developed a detailed evaluation strategy that combines metrics at national level with locally-led evaluations.** NHS England recognised that evaluation is essential for informing transformation and adopting the care models more widely. It developed its evaluation strategy in May 2016, including metrics and local evaluations for individual vanguards. Different vanguards have, however, taken different approaches to local evaluation, making it difficult to draw out common lessons from vanguard set-up and implementation so far. Nevertheless, NHS England intends to synthesise these local evaluations into a wider evaluation report in 2018. However, unless evaluation continues after implementation of new care models is complete, there will be a risk that the longer-term impact of new care models remains unknown and lessons will not be carried forward for future reforms (paragraphs 2.9 to 2.11 and Figure 8).

### Progress and impact of vanguards

**14 Vanguards have made progress in implementing new care models but conclusive evidence is not yet available on what has worked.** Based on design work by vanguards, in 2016 NHS England developed frameworks for the population-based care models. These set out the eight key features that each of the care models was expected to include. They incorporate both clinical care and organisational elements. NHS England did not expect all vanguards to implement all of these features fully. By December 2017, they had, on average, progressed one-third of the way to full implementation of all the features across their geographic area.<sup>2</sup> No vanguard had fully implemented all features of the frameworks. Conclusive evidence is not yet available on which parts of the frameworks work best (paragraphs 3.2 to 3.4 and Figure 9).

**15 NHS England developed contracts for running care models in future, but these have not yet been implemented.** New contracts are intended to allow commissioning of services in a more integrated way. Starting in 2015, NHS England worked with vanguards to produce a standard contract to be used for running new care models. Two areas have started procurement processes using this (Accountable Care Organisations) contract but neither have yet completed. NHS England has also been subject to two judicial reviews over the contract. Instead of using a contract, most vanguards are now working towards a consensus-based, non-legal agreement between their partners. Such problems are an example of how complexity in the health system can hamper efforts to transform it (paragraphs 3.5 to 3.7).

<sup>2</sup> This proportion was calculated by looking at both the depth (number of elements implemented) and breadth (proportion of their population covered), averaged across all key features and vanguards.

**16 There is early evidence that emergency admissions to hospitals have grown significantly more slowly in vanguard areas.** Since 2016-17, NHS England has placed primary importance on the impact of vanguards on emergency hospital activities. Its analysis indicates that, in areas covered by population-based vanguards, the number of emergency admissions to hospitals has grown more slowly, on average. In the 12 months to March 2018, compared with 2014-15, emergency admissions in vanguard areas grew by 0.9% in MCPs and 2.6% in PACs, compared with 6.3% elsewhere. However, evaluating the impact of the vanguards is challenging, partly because of the difficulty of isolating the effect but also because of data quality issues (paragraphs 3.9, 3.10 and Figure 11).

**17 The impact on overall demand for hospital services and on patient outcomes is unclear.** NHS England's other main indicator covered the impact of vanguards on overall demand for hospital services as measured by hospital bed days, comprising emergency and elective care bed days. While total bed days reduced by 1.2% in MCPs and 1.0% in PACs in the 12 months to March 2018 compared with 2014-15, there was a bigger reduction (2.5%) in non-vanguard areas. This was because vanguards have not experienced the big reduction in elective care bed days seen in non-vanguard areas. NHS England considers this reflects vanguards' focus on reducing emergency admissions, which may help to release capacity for in-patient elective care. However, there are also other possible explanations and NHS England has not yet systematically evaluated this issue. Some vanguards have reported improved patients' experience but it is still too early to identify the impact of vanguards on longer-term outcomes for patients (paragraphs 3.8, 3.10 and Figure 10).

**18 NHS England forecasts that vanguards will make net savings but it does not intend to continue measuring the returns.** As at April 2018, NHS England estimated that vanguards would secure £324 million of net savings annually by 2020-21, which is 90% of the £360 million expected. The forecast is based on savings reported by local vanguards for the two years to 2017-18. As time lags between service changes and savings are normal, NHS England did not expect vanguards to contribute net savings until the second half of 2017-18. It remains early for confirming these expected longer-term savings. NHS England also told us that given the evidence so far and the data burden that would arise from continuation, it does not intend to continue measuring the returns (paragraphs 3.13 and 3.14).



## Effectiveness in spreading new care models

### **19 NHS England is now developing plans to continue the spread of new care models across the NHS.**

The vanguard programme ended in March 2018, and responsibility for new care models was transferred to NHS England's new System Transformation Group (STG). The STG's main focus so far has been on developing integrated care systems (ICSs), as a more advanced form of sustainability and transformation partnerships (STPs). These partnerships and systems contain many of the framework criteria for new care models. The STG is still developing its future plans and has not yet communicated its intentions on new care models to local vanguards and other stakeholders. The Department of Health & Social Care (the Department) has mandated that NHS England should spread new care models, including those developed by vanguards, to 50% of the population by 2020-21. So far, NHS England estimates that the 23 population-based vanguards provide healthcare services to 9% of the population. In addition, 15% of the population is covered by a new care model supported by NHS England outside the vanguard programme. NHS England told us it intends to spread new care models through ICSs and networks of primary care providers as part of an NHS 10-year plan (paragraphs 4.2, 4.6, 4.15 and 4.16).

### **20 Almost all vanguards plan to continue with their new care models, but there remain some risks to continued progress.**

Twenty-four of the 30 vanguards that responded to our survey reported they were confident that vanguards will make a significant contribution to meeting the sustainability challenges faced by the NHS, through their successes and their lessons being applied by the wider NHS. Twenty-nine of 31 (94%) intend to continue to run some or all of their new care model and 24 of 29 (83%) intend to expand it to a wider population by 2020-21. Vanguards told us that they face ongoing risks in sustaining their models of care, including difficulties in recruiting and retaining the right staff, pressures on funding, and poorly aligned financial incentives across different stakeholders – which are systemic issues and similar to those experienced in other integration initiatives in the NHS (paragraphs 4.7 to 4.9, Figure 12 and Figure 13).

### **21 Barriers faced by vanguards are likely to be experienced by others aiming to replicate new care models in other areas.**

Despite the progress made by vanguards, many barriers remain for areas that wish to adopt new care models, including financial barriers and the barriers mentioned in paragraph 20. Some STPs did not have a vanguard within their area, so may find it harder to replicate new care models. NHS England has set up FutureNHS, an online platform, for sharing information between vanguards and parts of the wider NHS (paragraphs 4.9, 4.12, 4.16 and Figure 13).

## **Conclusion on value for money**

**22** The vanguard programme is one in a series of attempts to transform the NHS to better meet patients' needs and to respond to the financial pressures it faces. However, short-term financial pressures led to the diversion of much of the transformation funding, weakening the programme's chances of success. Individual vanguards have made progress in implementing new models of care and there are early signs of a positive impact on emergency admissions. But the evaluation is not yet complete and, while NHS England expects to achieve savings, the long-term impact and sustainability of vanguards is still not proven.

**23** An important objective of the programme was to design new care models that could be replicated quickly across the NHS, and services have not yet been transformed to the depth and scale that was hoped for at the beginning of the programme. The Chief Executive of NHS England confirmed to us his commitment that NHS England will sustain and spread the vanguard new care models through a long-term plan. We look forward to seeing this carried through, so that NHS England breaks out of previous cycles of missed opportunity and delivers full value for money.

## **Recommendations**

- a NHS England should strengthen its approach to transformation programmes by setting out what it has learned from the vanguard programme.** It should set out clear expectations of when and how a national programme management methodology should be employed alongside the coordination of local projects within the programme. It should also ensure that appropriate connections are made between its transformation programmes.
- b NHS England should work with the Department and other national bodies, to ensure that the momentum created by the vanguard programme is maintained. They should set out clear plans for transforming NHS services over the long term, including:**
- setting out and publishing lessons learned from the vanguard programme;
  - allocating appropriate transformation funding;
  - setting out clear objectives for both the short- and long-term; and
  - assigning accountabilities to organisations for achieving these ambitions.

- c NHS England should clarify how it will build further on its evaluation strategy to ensure that good practice can be identified and shared across the NHS to inform future initiatives to transform services.** NHS England and its national partners should:
- encourage, and consider funding, further local evaluation of vanguards after 2018-19;
  - identify lessons on what works and what does not work and make these available to the wider NHS and other stakeholders in good time; and
  - use the lessons to refine its approaches to evaluating transformation programmes in future.
- d The Department and NHS England should consider how they can incentivise NHS bodies to replicate or scale up good practice quickly.** They should clarify how they will ensure that the progress made by vanguards will be sustained and scaled up, including through sustainability and transformation partnerships and integrated care systems, and how national bodies are going to monitor progress and hold them accountable for doing this. Informed by the evaluation work, this should include codifying into standardised approaches the most promising clinical and business models developed by vanguards.
- e The Department, NHS England and NHS Improvement should ensure there is adequate support for local organisations to help them to transform services.** Transforming health services is complex, and there is a risk that innovations introduced by the vanguards may not spread elsewhere without the financial and technical support provided by national bodies. It is important that appropriate national funding and support is therefore available. This should also focus particularly on supporting transformation in those areas that are in the early stages of implementing new care models.