National Audit Office

Report
by the Comptroller
and Auditor General

Developing new care models through NHS vanguards

HC 1129 SESSION 2017–2019 29 JUNE 2018

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National Audit Office

Developing new care models through NHS vanguards

Report by the Comptroller and Auditor General

Ordered by the House of Commons
to be printed on 28 June 2018

This report has been prepared under Section 6 of the National Audit Act 1983 for presentation to the House of Commons in accordance with Section 9 of the Act

Sir Amyas Morse KCB
Comptroller and Auditor General
National Audit Office

27 June 2018

HC 1129 | £10.00

This report examines whether the NHS is well placed to get value for money from its investment in developing new care models through vanguards.

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Key facts

50

vanguards selected to develop new care models between 2015 and 2018

£329m

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

£324m

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

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.[1] 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.

1 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.[2] 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).

2 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.

Part One

Setting up the vanguard programme

1.1 This part of the report outlines the vanguard programme and its funding and management arrangements, in the wider context of preceding NHS transformation programmes.

New care models and the vanguard programme

1.2 In 2014, the NHS in England published the NHS *Five Year Forward View*, its strategy for the next five years. The strategy identified a gap between the resources available to the NHS and increasing patients' needs, amounting to nearly £30 billion by 2020-21. The strategy also highlighted the need for a more integrated and holistic approach to respond to the ongoing care needs of patients with long-term health conditions, which take up to 70% of the health service budget. If not tackled, patients' changing needs would go unmet, and variations in quality, safety and outcomes of care would persist.

1.3 Part of the NHS's strategy was to develop 'new care models'. These would break down the barriers between family doctors, hospitals and social care services in how care is provided. For example, this can involve providing specialist care in the community, closer to patients. The NHS also aimed to improve the efficiency of hospital services through closer collaboration between hospitals. According to the original plans developed, which were subject to sufficient funding being allocated to the programme over five years, these new models of care aimed to help to improve patients' outcomes and well-being and produce financial savings. These savings were originally hoped to amount to £1.4 billion of annual savings, which would help the NHS in tackling the estimated £30 billion annual funding gap by 2020-21.[3]

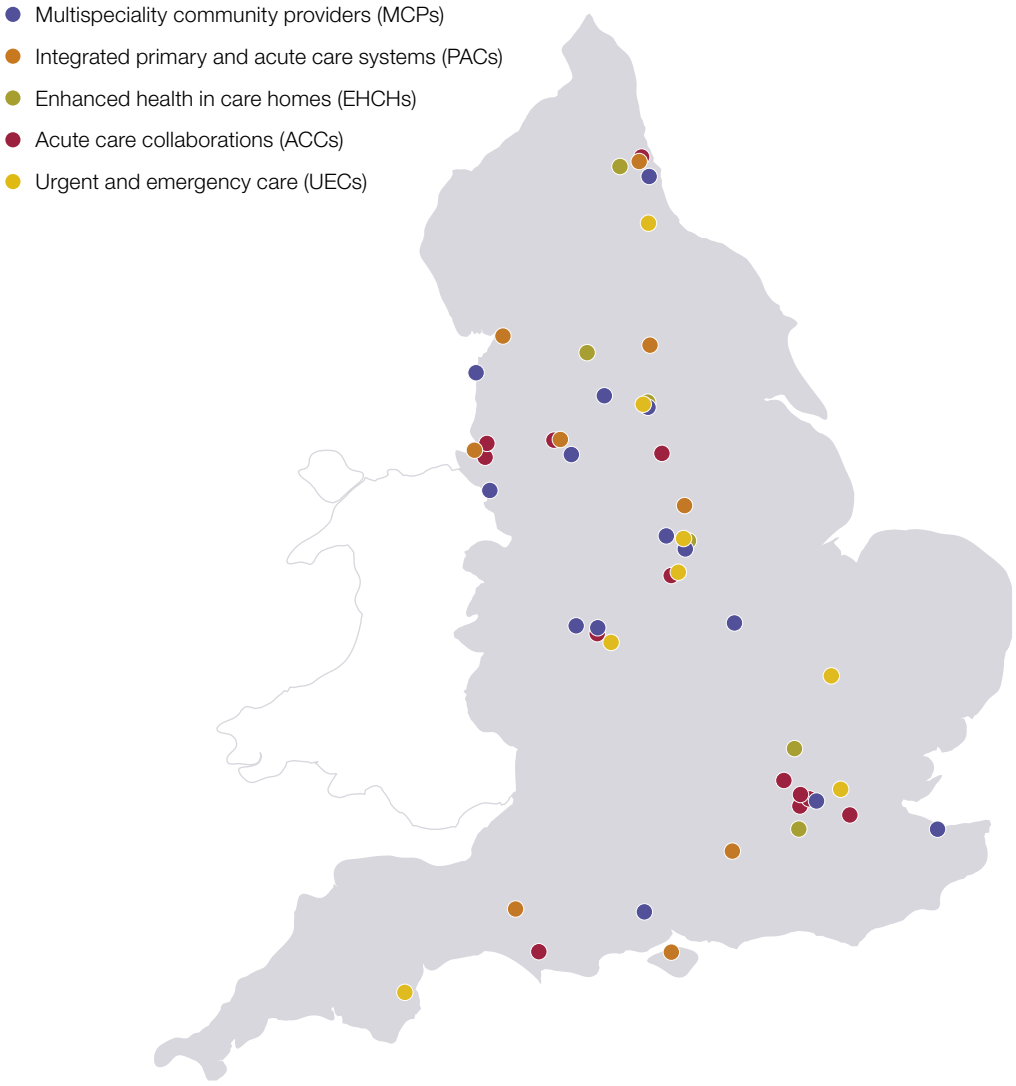
Selection of the vanguards

1.4 Between January and September 2015, NHS England selected 50 sites (**Figure 2**) to act as vanguards to lead the development of five new care models. There was significant interest in the programme, with 380 applications. Many of the sites selected had already started developing new models of care before being accepted as a vanguard. Twenty of the 29 vanguards that responded to our survey said their new care models were not entirely new.

3 This was later revised to £360 million due to the reduced spending on vanguards.

Figure 2
Location of NHS vanguards across England

In 2015, 50 sites across England were selected as vanguards to develop and test five types of new care models



Notes

1 Full list of vanguards is available from NHS England website: www.england.nhs.uk/new-care-models/vanguards

2 The position of some vanguards has been adjusted slightly to improve the visual clarity.

Source: NHS England

1.5 Twenty-three of the 50 vanguards were designed to develop and test integrated models of health and social care for a local population. These population-based models were nine integrated primary and acute care systems (PACs) and 14 multispecialty community providers (MCPs). They aimed to better align resources to patients' needs, in order to improve both patient care and efficiency. 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. Of the MCPs and PACs, around half are led by clinical commissioning groups, and the others are led by trusts or GPs. In addition, six enhanced health in care homes (EHCHs) vanguards had similar aims, but based round a narrower population (care home residents).

1.6 The other two types, acute care collaborations (ACCs) and urgent and emergency care (UECs), were intended to improve collaboration between hospitals and to streamline access to urgent and emergency services respectively. Our study primarily focused on the two types of population-based vanguards, and we excluded UECs from our scope as they were managed by a different team within NHS England.

Funding

1.7 NHS England initially expected in 2015 that, following the first wave of vanguards, the population-based new care models would continue to spread through five additional waves of sites up to 2020-21. Its early planning assumption was that it would have around £2.2 billion available for funding new care models between 2016-17 and 2020-21. However, NHS England had some constraints on the funding available for transformation and also needed to tackle deficits in the provider sector. As we concluded in our report in January 2018, much of the transformation money that became available to NHS England was spent on supporting acute trusts under financial pressure, rather than on the transformation required to put the health system on a sustainable footing.[4] As a result, NHS England focused funding for the vanguard programme on just one wave.

4 Comptroller and Auditor General, *Sustainability and transformation in the NHS*, Session 2017–2019, HC 719, National Audit Office, January 2018.

1.8 Between 2015-16 and 2017-18, NHS England spent £389 million on supporting vanguards to develop and spread new care models:

- £329 million in direct funding to vanguards to help them develop and evaluate their new models of care. The financial support was important in helping vanguards to redesign services at a time when many NHS organisations were under financial pressure;
- £60 million was spent centrally by NHS England's national new care models team in supporting vanguards and the spread of new care models.

In addition, local vanguards also used their own resources to fund and support the development of new care models. A national total is not available for 2015-16, but in 2016-17 and 2017-18, vanguards reported that they had spent a total of £139 million.

Programme management

1.9 The vanguard programme's objectives were drawn from the *Five Year Forward View*. These included: creating blueprints of care models, interventions and learning that could be used by the rest of the NHS; spreading those models across the country; and improving health outcomes. As NHS England wanted a local focus, it set up a nationally coordinated programme based on local projects. When inviting local sites to apply for vanguard status, NHS England gave a clear indication of what it expected in an application, including a site's current care model and its plans for transformation. At the outset, NHS England engaged with other national bodies and a range of stakeholders, including think tanks, membership bodies and local government bodies. Nearly all stakeholders we interviewed told us that they supported the programme.

1.10 NHS England required each vanguard to justify its funding request through a detailed 'value proposition', which outlined its plans and the expected return on investment. NHS England worked with individual vanguards to co-design their care models and local business cases, as well as support and evaluation arrangements. It also regularly reviewed their progress. NHS England describes this approach as an "adaptive whole-system" programme, in which it applied change management principles. This approach gave vanguards some freedom to innovate and allowed them to learn by doing as the programme progressed. NHS England told us that for these reasons, and due to funding uncertainty, it did not set out an overall plan, including for wider spread.

1.11 Our experience of evaluating programmes has shown that, to begin a project successfully, it is important to have clear objectives, plans and a business case.[5] However, there was no national plan against which the progress and success of the national programme could be measured, and against which national bodies could be held accountable. In particular, there was no business case, no clear statement of intended objectives and outcomes, and no plan covering the full duration of the programme. While a certain level of flexibility is required in managing a complex programme, the lack of an overall plan can make it harder for organisations involved to strike the right balance between working towards their long-term vision and tackling their immediate priorities.

1.12 To allocate second- and third- year funding, NHS England's approach was to determine individual vanguards' funding by reference to their expected value. This included their previous implementation progress and, for the third year, the reductions they were achieving in emergency admissions. NHS England considered that this indicator best reflected the common focus of vanguards. Its intention was to focus its financial support on the vanguards likely to make best use of the funding. However, this led to some vanguards and other stakeholders feeling that a single measure was being given undue weight, given that vanguards differed in their focus and aims and were also pursuing other goals. Stakeholders also told us that some vanguards found it hard to recruit or retain staff because the annual nature of funding created too much uncertainty.

The wider context of NHS transformation programmes

1.13 The Department and NHS bodies have had several previous national initiatives of varying scope which aimed to transform and integrate health services (**Figure 3** on pages 20 and 21). These include:

- 16 integrated care pilots, between 2009 and 2011, to develop new care organisations; and
- 25 integrated care pioneers, introduced in 2013 to test new ways of joining up health and social care. The integrated care pioneers were intended to run until 2019 but ended in 2017.

Eight of the 23 PACs and MCPs were one of the pilots or pioneers. For those earlier initiatives, the Department provided limited financial and programme management support, and relied mainly on local organisations to design their care models. Both of these initiatives therefore relied on the goodwill of local organisations, and they were relatively short-lived.

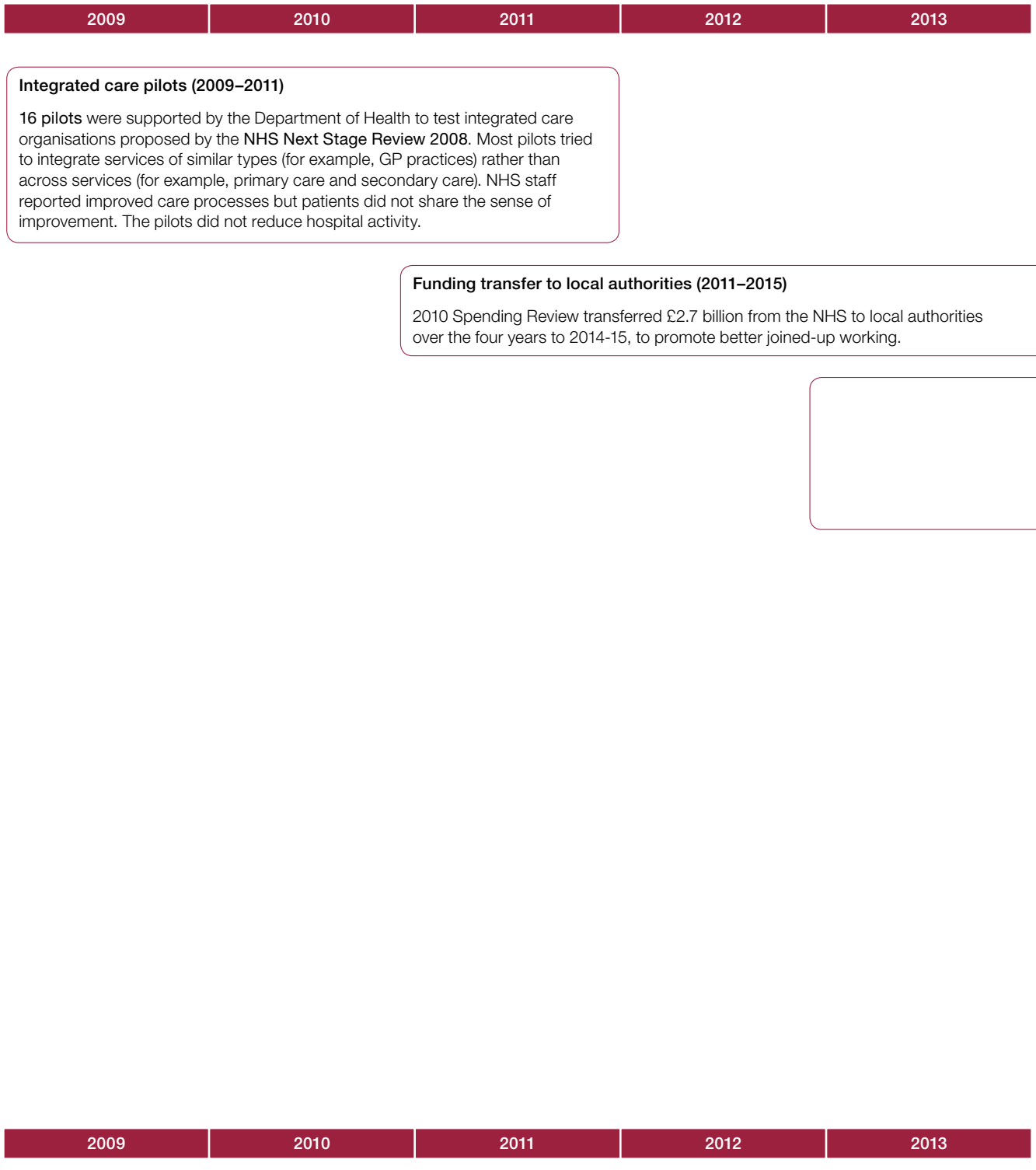
5 National Audit Office, *Guide: Framework to review programmes*, September 2017.

1.14 There were some key differences between the vanguard programme and earlier programmes. The vanguard programme provided more funding and more central support than other pilot schemes. NHS England selected locally-led vanguards to test and describe prototypes of new care models proposed by the *Five Year Forward View*. In addition, part of the objective was to support the rapid spread of these new care models. To that end, NHS England stated that the success of the programme will not solely be determined by the performance of individual vanguards but whether the programme has delivered replicable care models, interventions and learning for the rest of the NHS. The timeframe for the programme funding was three years, to be followed by fuller, longer-term transformation including scaling up and spreading of the models. However, a number of stakeholders said that vanguards needed more time than that. They pointed out that transforming services is complex, often taking 10 years or even longer. NHS England agrees that transformation can take this long.

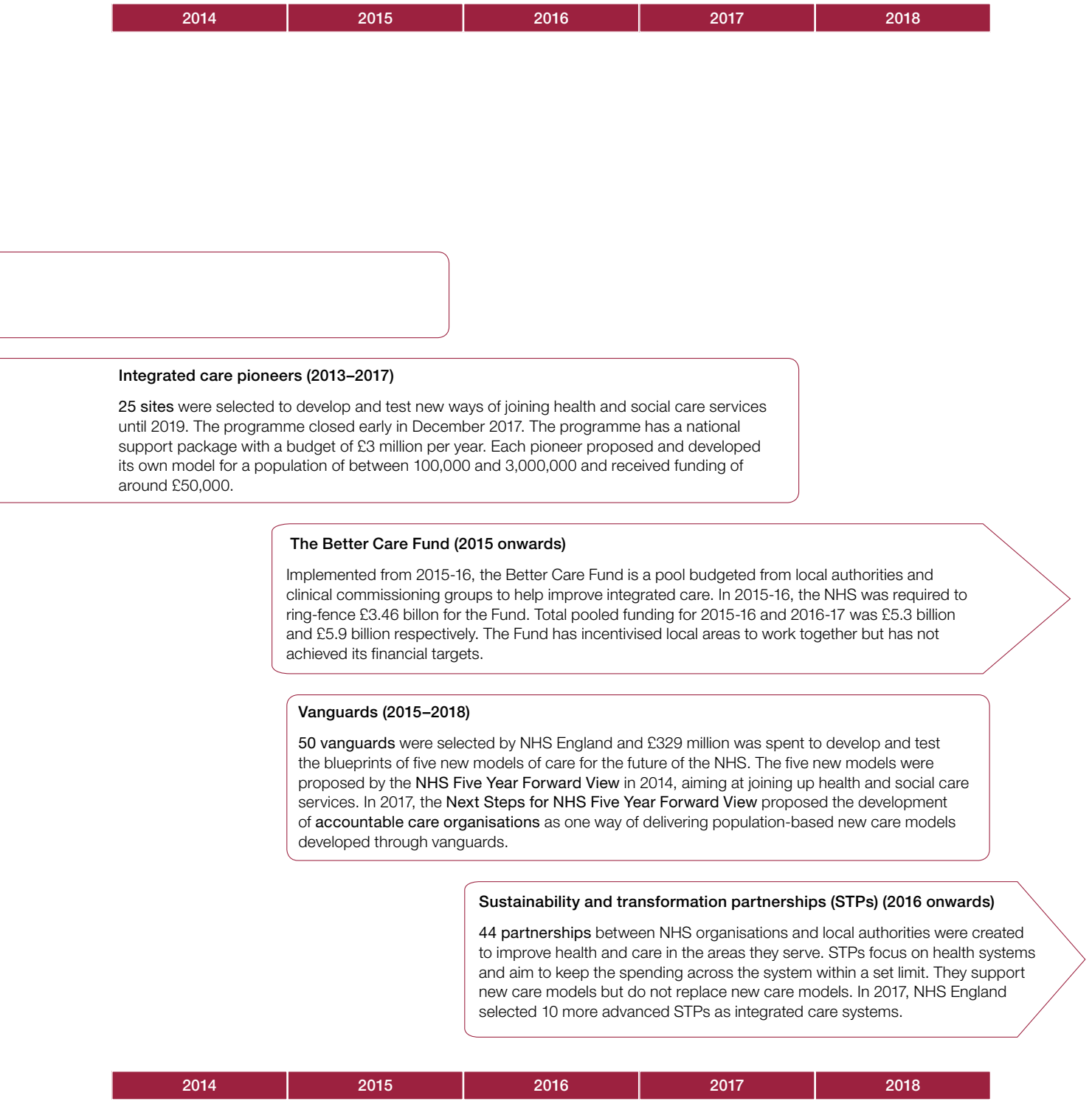
Figure 3

Major NHS initiatives to transform and integrate health and social care services, 2009 to 2018

There has been a series of NHS initiatives to transform and integrate health and care services



Source: National Audit Office


2014
2015
2016
2017
2018
Integrated care pioneers (2013–2017)
25 sites were selected to develop and test new ways of joining health and social care services until 2019. The programme closed early in December 2017. The programme has a national support package with a budget of £3 million per year. Each pioneer proposed and developed its own model for a population of between 100,000 and 3,000,000 and received funding of around £50,000.
The Better Care Fund (2015 onwards)
Implemented from 2015-16, the Better Care Fund is a pool budgeted from local authorities and clinical commissioning groups to help improve integrated care. In 2015-16, the NHS was required to ring-fence £3.46 billon for the Fund. Total pooled funding for 2015-16 and 2016-17 was £5.3 billion and £5.9 billion respectively. The Fund has incentivised local areas to work together but has not achieved its financial targets.
Vanguards (2015–2018)
50 vanguards were selected by NHS England and £329 million was spent to develop and test the blueprints of five new models of care for the future of the NHS. The five new models were proposed by the NHS Five Year Forward View in 2014, aiming at joining up health and social care services. In 2017, the Next Steps for NHS Five Year Forward View proposed the development of accountable care organisations as one way of delivering population-based new care models developed through vanguards.
Sustainability and transformation partnerships (STPs) (2016 onwards)
44 partnerships between NHS organisations and local authorities were created to improve health and care in the areas they serve. STPs focus on health systems and aim to keep the spending across the system within a set limit. They support new care models but do not replace new care models. In 2017, NHS England selected 10 more advanced STPs as integrated care systems.
2014
2015
2016
2017
2018

Part Two

Supporting vanguards to develop new models of care

2.1 This part of the report covers how NHS England, along with the Department of Health & Social Care (the Department) and other national bodies have supported vanguards in developing their new care models. It also covers how they have promoted sharing of good practice and lessons learned, and evaluated the programme.

National support to vanguards

2.2 In addition to direct financial support (paragraph 1.8), NHS England provided substantial resources to support vanguards in designing and implementing their new care models. NHS England intended that national support would accelerate the implementation of new care models locally, while also maximising the opportunity for replicating them. The support covered 10 areas (**Figure 4**), ranging from helping vanguards to design their new care models, to supporting their engagement with staff, patients and the local community. Between 2015-16 and 2017-18, NHS England built a national team (the new care models team) of up to 120 staff and spent £60 million on non-financial support for vanguards. These resources do not include time spent by staff in other parts of NHS England and other national bodies on supporting vanguards. However, NHS England told us that the recruitment process for the national team was time-consuming, causing delays and slow early progress in some support areas. This also contributed to an underspend of £33 million by the new care models team between 2015-16 and 2017-18, more than one-third of its budget for non-financial support.

2.3 NHS England worked closely with vanguards to design a support package that met their needs, engaging through site visits, workshops, seminars and discussions to identify areas where vanguards would benefit from national support. NHS England also worked with other national bodies such as NHS Improvement and the Care Quality Commission, and stakeholders, including membership bodies and think tanks, to coordinate support to vanguards. For example, the national team at NHS England worked closely with NHS Improvement to help vanguards to develop their new business models.

Figure 4

National support provided to NHS vanguards

NHS England identified 10 areas as part of its national support package, working with vanguards to enable them to make changes

Areas of support	Focus of working with vanguards
Designing new care models	Developing their new care model to maximise impact and value for patients.
Evaluation and metrics	Understanding the impact of their changes on patients, staff and the wider population.
Integrated commissioning and provision	Breaking down barriers that prevent their local health system from developing integrated commissioning.
Empowering patients and communities	Empowering people to proactively manage their health and well-being.
Harnessing technology	Rethinking how care is delivered, using digital technology and sharing patient information.
Workforce redesign	Developing a modern, flexible workforce that is organised around patients and local populations.
Local leadership and delivery	Developing leadership capability and learning from international experts.
Communications and engagement	Applying best practice in the way they engage with staff, patients and local people.
New operating models	Developing the right operating model (acute care collaborations vanguards).
Governance, accountability and provider regulation	Developing the right organisational form and governance model, and understanding the impact of regulations.

Source: NHS England, *New Care Models: support for the vanguards*, December 2015

2.4 Twenty-three of the 29 vanguards that responded to our survey (79%) said they were satisfied with the support provided by national bodies (**Figure 5**). Further, 93% (27 of 29) were satisfied with the support provided by their local account managers (the dedicated contact points between vanguards and the national team).

2.5 Most vanguards that responded to our survey reported that they were satisfied or very satisfied with support for areas such as 'evaluation' and 'designing new care models'. However, they were relatively less satisfied with other areas, such as 'harnessing technology', 'governance, accountability and provider regulation' and 'workforce redesign', which are complex, systemic issues (see Figure 5). The national team, with its wider focus, was, for example, able to help vanguards to understand the regulatory barriers to developing new business models. However, vanguards still had to work within the powers and constraints of existing regulations. This caused frustration in areas such as procurement law and the VAT system.

Sharing learning

2.6 NHS England supported and encouraged vanguards to share learning with other vanguards and, to some extent, non-vanguard areas. The national new care models team introduced initiatives to help vanguards capture and share learning more systematically (**Figure 6** on page 26). The four main types of initiatives were:

- **local innovation followed by national standardisation**, such as the published frameworks (see paragraph 3.2) which captured systematically, for each new care model, the core elements that had been developed locally such as "connected, interoperable electronic records". The frameworks were supported by a series of learning guides and case studies to help vanguards adapt their approaches to their local context. The first versions of the first three frameworks were published in 2016, although NHS England has not updated them to reflect learning from vanguards beyond their first year or so of operation. NHS England told us it intends to add to these products during 2018, including practical tools for informing care redesign with systematic analyses of population health needs, informed by the latest evaluation evidence;

- **a structured approach to national and local evaluation of vanguards,** to systematically draw out best practice and provide information to allow vanguards to benchmark their performance (see paragraphs 2.9 to 2.11);

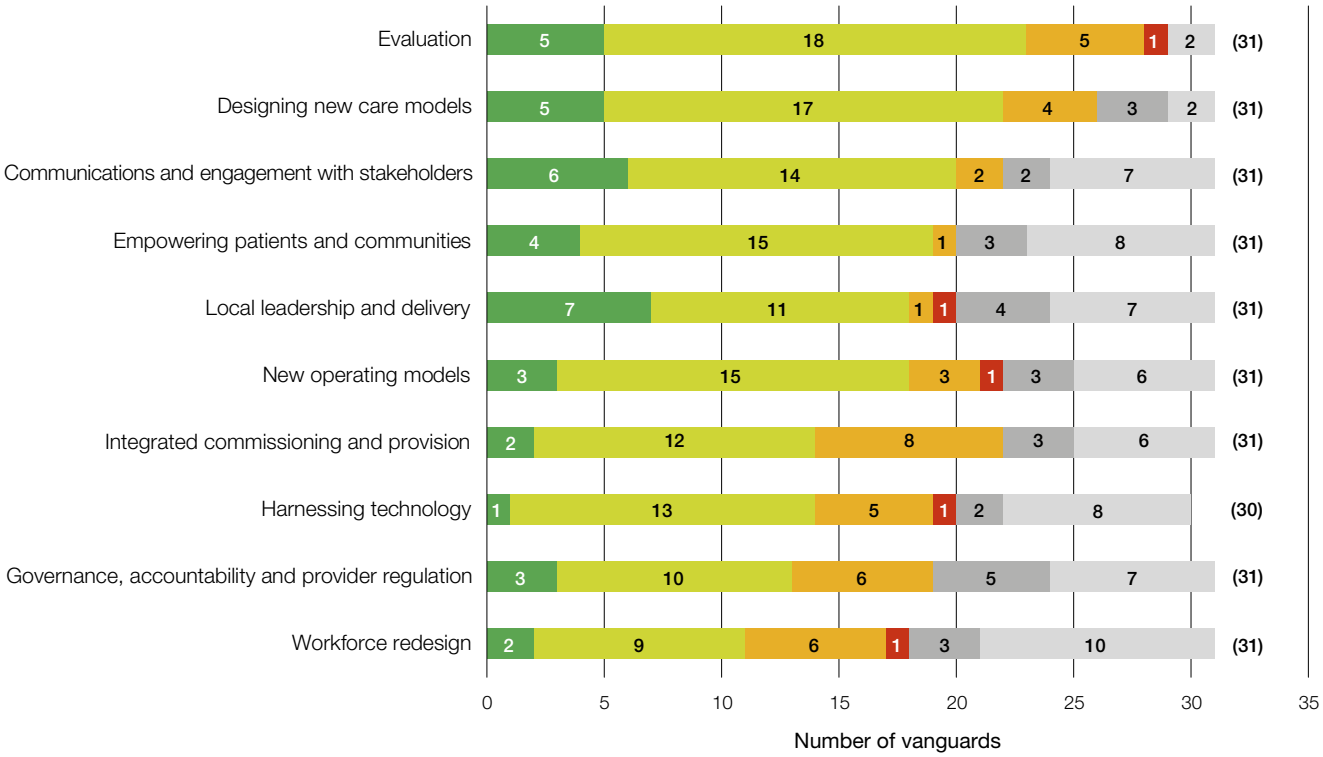
- **learning from other programmes and international experiences,** including placements of vanguard champions in other countries, such as Italy and Spain, where successes in service transformation have been reported in recent years; and

- **sharing learning**, including with a wider audience – this included: facilitated learning sets organised by a community of practice for each type of vanguards; FutureNHS, an online platform for sharing information; and 'show and tell' sessions, in which vanguards communicated their experiences and successes to a wider audience.

Figure 5

NHS vanguards' satisfaction with support provided by national bodies

Vanguards were satisfied overall with the support provided by national bodies, but there were some areas of dissatisfaction



Notes

1 Responses to the survey question: "How satisfied or dissatisfied are you with the support provided in each of these following areas by national bodies (NHS England, the Department of Health & Social Care, and other arm's-length bodies)?"

2 The number of respondents for each answer is in parentheses.

Source: National Audit Office survey of vanguards, 2018

Figure 6

NHS England's strategy for spreading good practice

There has been a structured approach to identifying and spreading learning, primarily within the vanguard community

Source: National Audit Office

2.7 The vanguards welcomed these initiatives. Most of the vanguards that responded to our survey said that they were useful in sharing good practice, especially one-to-one support sessions and communities of practice (**Figure 7**). However, vanguards told us they would also value more visits between vanguards and more practical advice.

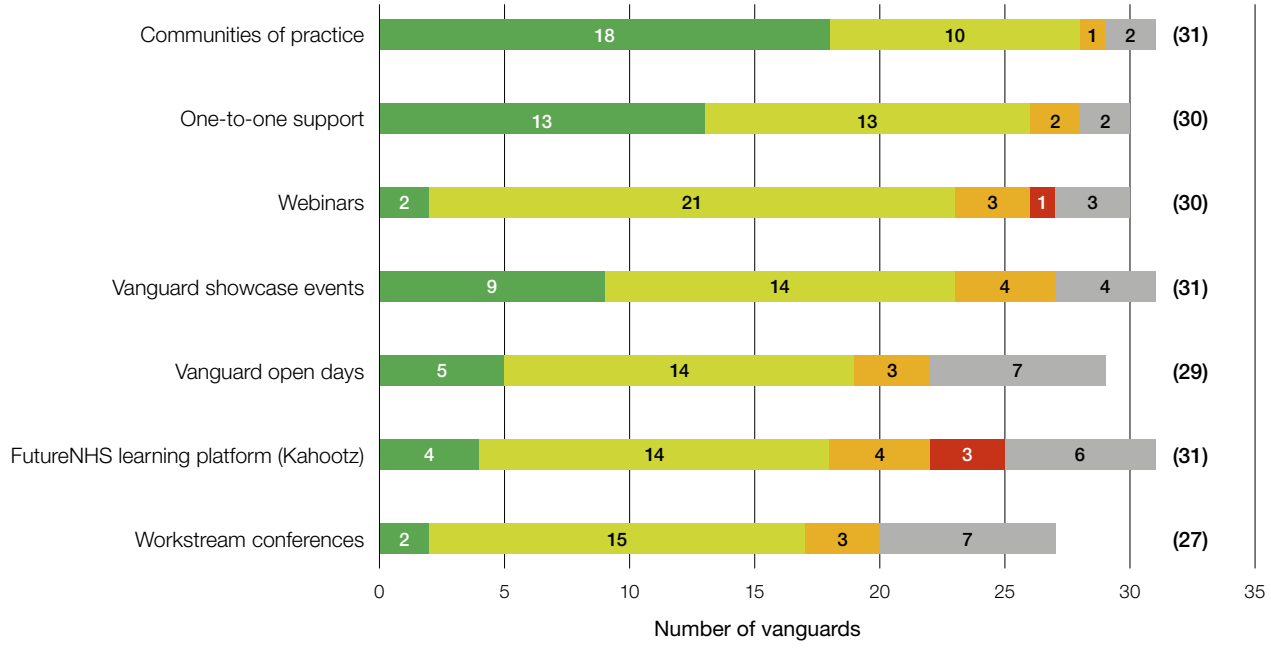
2.8 Our survey found that vanguards had good awareness of approaches taken by others. All but two of the 31 vanguards (94%) that responded to our survey said they understood the types of approach used by other vanguards, and all but four (87%) said that they understood emerging lessons on what works. This knowledge informed decisions regarding their own care models: 24 of 28 (86%) vanguards said they had adopted new approaches, and nine of 29 (31%) said they had discontinued elements of their models, based on lessons learned from other vanguards. Bringing vanguards together enabled them to provide peer support. It has also helped with the production of resources shaped by practical experience. For example, one vanguard launched a toolkit to share its experience of delivering networked care across many NHS sites. The toolkit offered practical advice to determine whether this care model is appropriate in other areas and to help set up a networked model of care more quickly.[6]

6 NHS Providers, NHS Confederation, Local Government Association, NHS Clinical Commissioners, *Learning from the vanguards – spreading and scaling up change*, January 2018. Available online at https://nhsproviders.org/media/4303/vanguard-spreading-change-1f-web.pdf

Figure 7

NHS vanguards' views on the usefulness of NHS England's initiatives in sharing good practice

NHS England's initiatives in sharing good practice were well received by vanguards



Notes

1 Responses to the survey question: "How useful were the following NHS England initiatives in sharing good practice between vanguards?"

2 The number of respondents for each answer is in parentheses.

Source: National Audit Office survey of vanguards, 2018

Evaluation

2.9 NHS England recognised the importance of providing evidence on what works. By May 2016, it had set up a comprehensive and well-structured evaluation strategy for the vanguard programme. This set out a clear aim and evaluation questions depending on vanguards' stage of development (**Figure 8**). NHS England tried to ensure a degree of national consistency while allowing local flexibility:

- Locally: NHS England asked each vanguard to commission local evaluations, focusing on what worked or not in its local context.
- Nationally: NHS England planned a national review of these local evaluations to draw out common themes and inform wider learning. NHS England has used high-level outcome indicators or metrics, for example, trends in emergency admissions and hospital bed days, for each care model type, as well as a wider set of measures. It has reported quarterly against these since 2016-17.

2.10 Around one-quarter of vanguards had published local evaluations by May 2018. The vanguards that responded to our survey reported that their evaluation was useful to help inform their strategy and implementation of their new care model. Stakeholders told us that many local evaluations were ambitious in their scope given the resource and timeframe allowed. Fourteen of the 31 vanguards (45%) that responded to our survey told us that they would have liked more time to conduct their local evaluation. The scope, quality and reporting of local evaluations has varied, making it difficult to draw out common lessons, although NHS England is committed to producing a national report that does this in the second half of 2018. Data-sharing has been a significant barrier to many proposed analyses, and analyses of costs were often incomplete or not conducted at all.

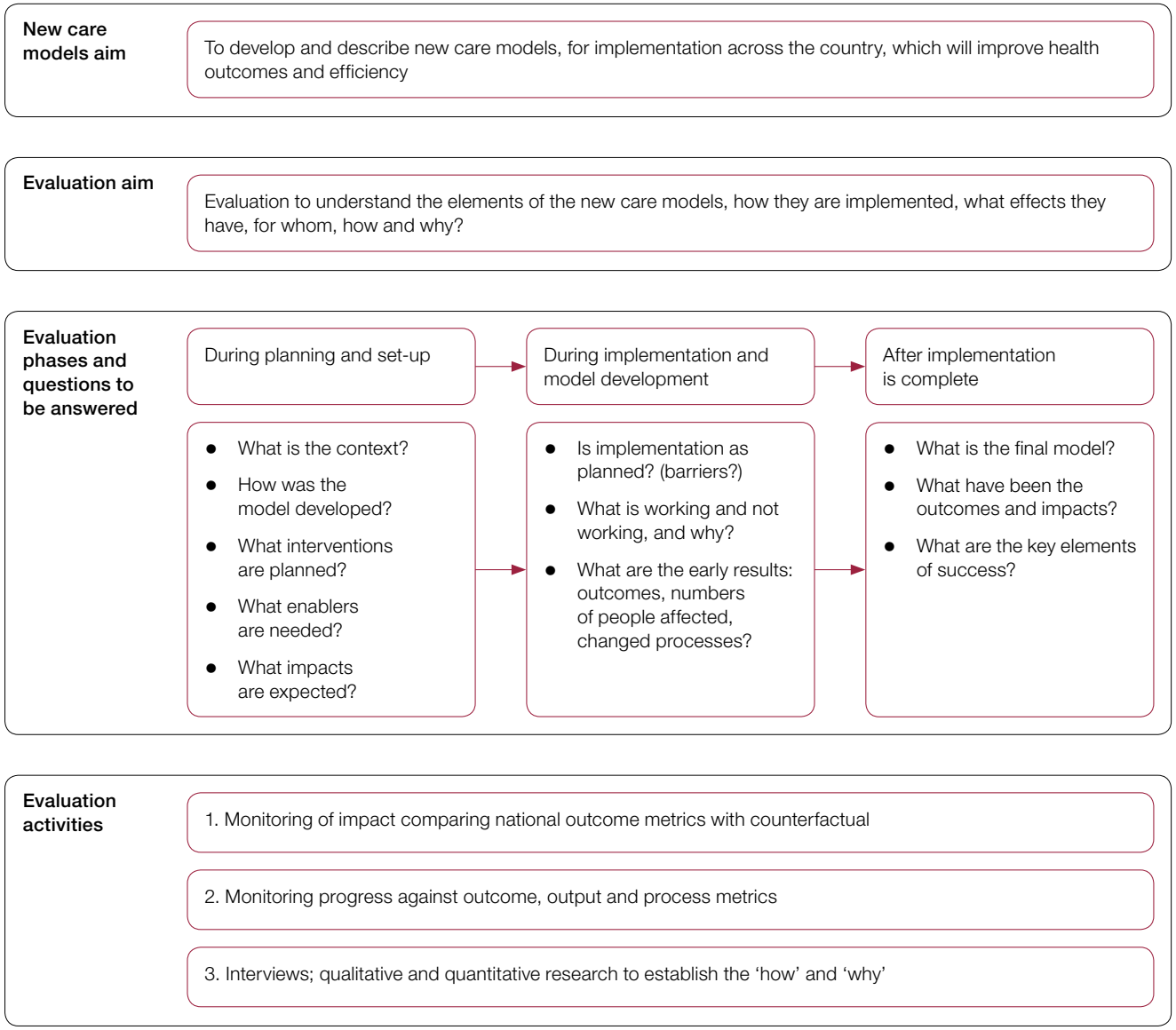
2.11 Drawing together these local evaluations into a national evaluation will be challenging given differences in scope, approach and timing, and it is still early to determine whether new care models will lead to sustained improved patient outcomes. Funding for NHS England's national evaluation is uncertain beyond 2018. If NHS England does not rigorously follow the results for a longer time period, it will not capture full learning and understand fully the results from the vanguard programme or their wider potential. More recent initiatives such as integrated care systems (ICSs) operate on wider geographic footprints, which will make it harder to identify the factors leading to any improvement in outcomes.

2.12 The Department is funding an external evaluation of the vanguard programme until 2021. This evaluation is intended to provide an independent assessment of the programme overall and identify how change was achieved. It will include analysis using national datasets, collection of additional data, and drawing out of thematic insights from existing local evaluations.

Figure 8

NHS England's approach to evaluation of NHS vanguards

The evaluation strategy was designed to understand the costs and benefits of the care models, as well as the context and changes needed to replicate the models elsewhere



Note

1 In addition to NHS England's evaluation, the Department of Health & Social Care is funding an independent evaluation of the programme to compare the care models and capture learning.

Source: NHS England, *Evaluation strategy for new care model vanguards*, May 2016

Part Three

Progress in implementing the vanguard programme

3.1 This part of the report outlines progress made in implementing the vanguard programme, including the development of replicable models, and the early impact of vanguards on services and on NHS finances.

Developing replicable frameworks for new care models

3.2 In July and September 2016 respectively, NHS England published frameworks for multispecialty community providers (MCPs) and integrated primary and acute care systems (PACs) care models. The two frameworks identified eight key features of vanguard models (**Figure 9**) that were further divided into 24 elements. The frameworks summarised the new care models developed and tested by MCP and PAC vanguards. NHS England also published frameworks for the enhanced health in care homes (EHCH) and a set of lessons learned from acute care collaboration (ACC) vanguards.

3.3 Vanguards have made progress in implementing the frameworks, but developing and testing replicable models in only three years was always likely to be a challenge. The frameworks captured good practice across all vanguards and NHS England did not expect them to implement the frameworks fully. It takes time to build consensus across a large number of stakeholders, and the vanguards have faced a variety of barriers in developing new care models, including issues with technology, workforce and regulations (see Part Four). Many of these barriers were already identified during previous NHS transformation programmes.

3.4 As part of their local evaluations, individual vanguards regularly gathered data on progress on implementing their interventions and on their impact. As part of their local evaluations, individual vanguards regularly gathered data on progress on implementing their interventions and on their impact. NHS England developed a dashboard to capture these data and review progress made by individual vanguards against the frameworks. As at March 2018, almost all vanguards planned to implement most of the features identified in the frameworks over time. By December 2017, for the key features of the frameworks, vanguards had on average progressed one-third of the way to full implementation across all of their population (Figure 9). No vanguard had yet fully implemented all of the features across its population.[7] Conclusive evidence is not yet available on which parts of the frameworks work well and which do not, so it is important that the evaluations further draw out lessons on this.

7 Twenty-three population-based vanguards (MCPs and PACs) were selected in 2015. However, four of them did not receive further funding after 2015-16 and are no longer reporting their progress to NHS England's new care models team.

Figure 9

Progress in implementation of NHS population-based vanguard frameworks, December 2017

Multispecialty community providers (MCPs) and integrated primary and acute care systems (PACs) have made some progress in implementing the key features of their models

Notes

1 The proportions take into account: proportion of all elements of each key feature that have been fully implemented; and, how far they have been implemented across the vanguard area. For a specific vanguard, 100% means that all key features have been implemented across the entire vanguard area; 50% could mean, for example, that half of the features have been implemented across the entire area, or that all features have been fully implemented, across half of the area. The score shown is the average of all scores across reporting vanguards for each key feature of the frameworks.

2 Of the 14 MCPs and nine PACs, only 19 (11 MCPs and eight PACs) reported progress against the frameworks in December 2017.

Source: National Audit Office analysis of NHS England data on self-reported progress by vanguards

Developing new business models and organisational forms

3.5 Early in the programme, NHS England recognised that to be sustainable new care models would need appropriate business models, including governance and financial arrangements. However, NHS England has experienced significant challenges in developing such models. It initially aimed to produce a draft contract for new care models in December 2015, but revised this to 2016 following an announcement by the government to introduce a new GP contract. In addition, the full capacity to develop the contract was not put in until mid-2016. Contractual requirements and their implications also turned out to be more complex than expected. An example is treatment of VAT, which we have previously reported as one cause of failure when NHS bodies try to establish a new form of organisation.[8]

3.6 Supported by NHS Improvement and working with a cohort of vanguards, NHS England published the draft MCP contract in late 2016, for engagement and feedback. NHS England subsequently revised the MCP contract and published a standard contract for accountable care organisations (ACOs) in August 2017. An ACO is a single organisation working under a new contract that delivers most of the health, care and population health services in a locality. However, as a result of judicial reviews launched by campaigners to challenge the ACO contract, work was paused on the consultation on the contract and on the enabling regulations required. As of April 2018, two areas had started a procurement process but neither of the vanguards have adopted the contract.

3.7 Instead, many of the population-based vanguards have decided to create alliance agreements between the partners involved. These arrangements rely primarily on consensus and good relationships between partners. However, NHS England and national and local stakeholders told us that while alliance agreements might be a sensible and realistic approach under current legislation, they can take a long time to establish and can still be difficult to manage. Some vanguards told us it is hard to get all GP practices in their area to sign up even to an alliance agreement, making it difficult for the vanguard to realise the full benefits of its population-based care model.

Early impact of vanguards on services

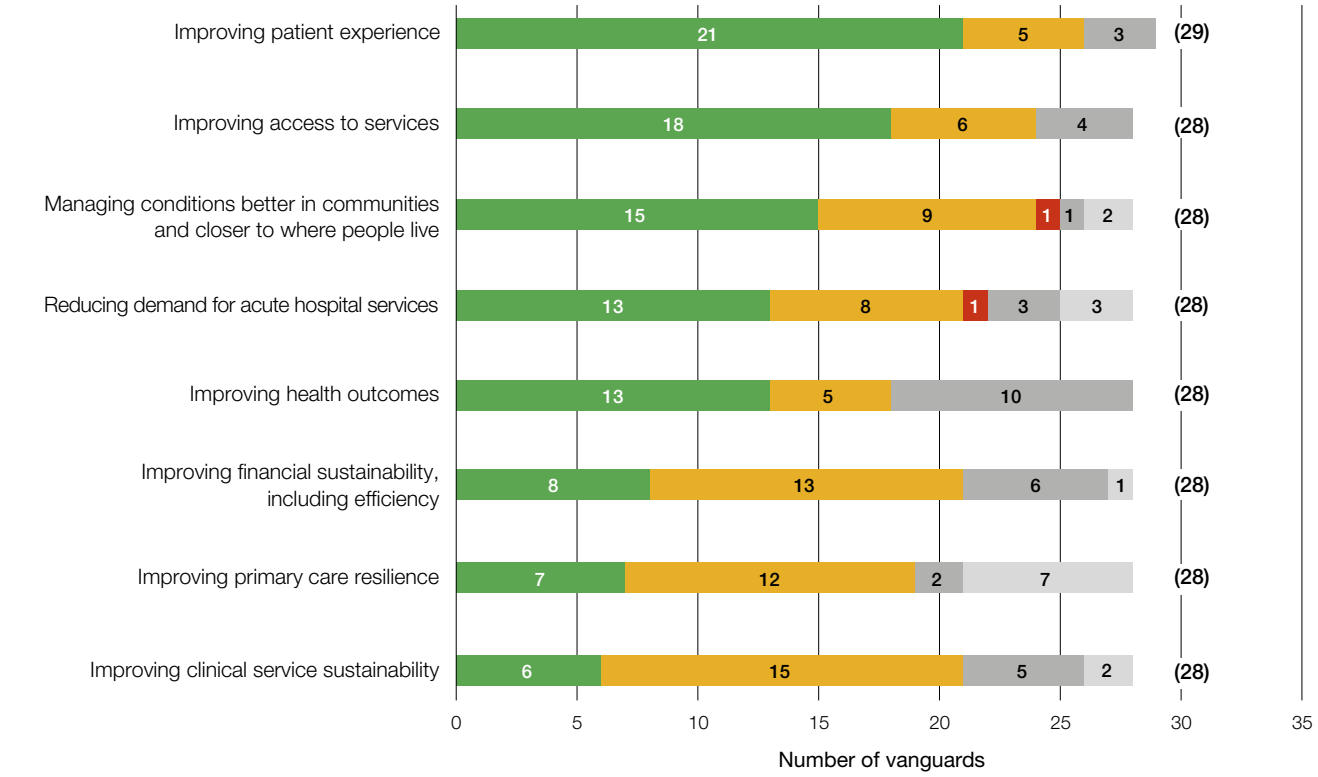
3.8 There is evidence that the new care models tested by vanguards have helped to improve services. Most vanguards told us that their new care models have helped to improve access to services or patients' experience (**Figure 10**). For example, Tower Hamlets reported that its community renal service e-clinic had helped to reduce the average wait for an appointment from 64 to five days. Connecting Care Wakefield reported that patient satisfaction with services has been improving for three years. Several stakeholders also told us that vanguards have helped to improve staff morale by empowering and engaging staff through the new models of care.

8 Comptroller and Auditor General: *Investigation into the collapse of the UnitingCare Partnership contract in Cambridgeshire and Peterborough*, Session 2016-17, HC 512, National Audit Office, July 2016.

Figure 10

NHS vanguards' views on progress made against their objectives

Most vanguards reported that new care models have helped them to improve their services



Notes

1 Responses to the survey question: "How would you rate your vanguard's progress made by now against your objectives?"

2 The number of respondents for each answer is in parentheses.

Source: National Audit Office survey of vanguards, 2018

3.9 There is also evidence that vanguards have helped to moderate growth in demand for emergency acute services in their area (**Figure 11**). Although new care models developed by vanguards could impact on demand for all types of acute services, NHS England told us that it has focused on their impact on emergency admissions. Analysis by NHS England showed that the number of emergency admissions grew significantly more slowly, on a per capita basis, in vanguard areas than in non-vanguard areas. For the 12 months to March 2018 compared with 2014-15, emergency admissions on average grew by 0.9% in MCPs and 2.6% in PACs compared with 6.3% in the rest of the NHS. For EHCH vanguards, emergency admissions from care home residents were unchanged in EHCH areas compared with an increase of 8.7% for care homes that were not part of a vanguard over the same period. However, there are inconsistencies in the data which are methodologically difficult for NHS England to control for, such as how hospitals record patients who receive day-case emergency care.

3.10 However, it is still too early to conclude on the vanguards' overall impact on demand for hospital services. NHS England's other main indicator for the impact of vanguards is growth in the number of bed days, an important indicator for the cost of hospital services. This metric includes emergency and also planned elective care, which is influenced by some factors over which vanguards have less control. NHS England's analysis suggests that, although vanguards had a lower growth in emergency bed days than non-vanguard areas, their elective bed days have been reduced by much less than in non-vanguard areas. The number of total bed days for MCPs and PACs was reduced by 1.2% and 1.0% respectively compared with 2014-15, but the reduction for non-vanguard areas was 2.5%. In NHS England's view, this is because vanguards' focus on reducing emergency admissions may help to release capacity for in-patient elective care. However, there are other possible explanations for this performance. We are also aware that there are inconsistencies in the coding of episodes of care as emergency admissions, elective admissions or outpatient attendances between organisations and over time. However, NHS England has not evaluated systematically the impact of vanguards on the overall demand for hospital services.

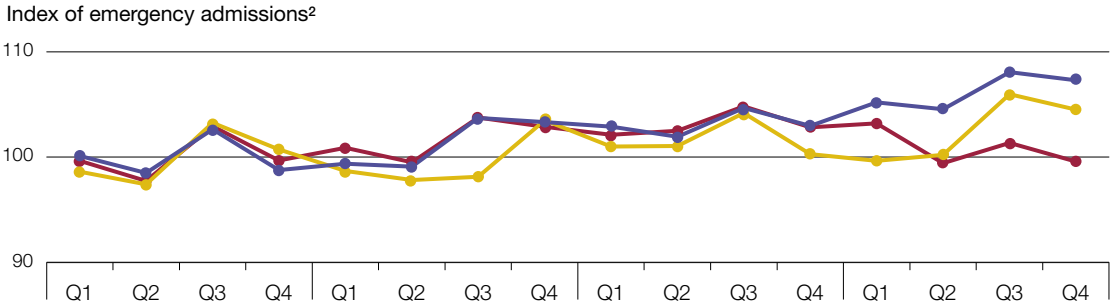
3.11 Vanguards tend to focus their efforts on subsets of their population, such as people with long-term health conditions. Some focused on elderly and frail patients with complex needs and a record of regular attendance at accident and emergency (A&E) departments. Although these patients are high risk, because they are relatively few in number they account for only a small proportion of the overall demand for acute services. For example, those aged 75 or over who visit A&E services more than twice in a financial year account for only 4% of all A&E attendances. As a result, the impact on demand for acute services from these vanguards and their new care models is likely to be a modest contribution to moderating overall demand. Some vanguards learned from their local evaluation work that they needed to broaden their focus to achieve a bigger impact and adapted their approach.

Figure 11

Trends in emergency admissions for NHS vanguards and non-vanguard areas, 2014-15 to 2017-18

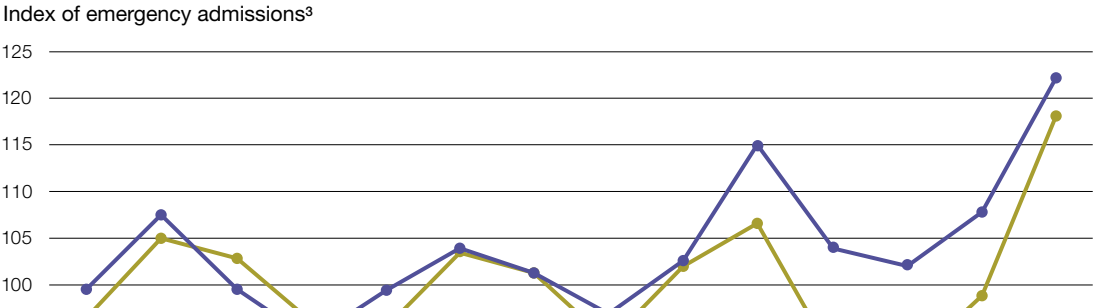
Early indications are that vanguards have helped to moderate growth in emergency admissions

Integrated primary and acute care systems (PACs) and multispeciality community providers (MCPs) vanguards versus non-vanguard areas



	2014-15				2015-16				2016-17				2017-18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MCP vanguards	100	98	103	100	101	100	104	103	102	103	105	103	103	99	101	100
PAC vanguards	99	97	103	101	99	98	98	103	101	101	104	100	100	100	106	105
Non-vanguards	100	98	103	99	99	99	104	103	103	102	105	103	105	105	108	107

Enhanced health in care homes (EHCH) vanguards versus non-vanguard care homes



	2014-15		2015-16				2016-17				2017-18			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EHCH vanguards	97	105	103	96	95	103	101	94	102	107	92	91	99	118
Non-vanguards	100	108	100	94	99	104	101	97	103	115	104	102	108	122

1 Analysis is based on the number of emergency admissions per 1,000 population, standardised for age and gender.

2 For PAC and MCP vanguards: the baseline ratio shows indexed per capita activity scaled to the baseline period (2014-15), so that the average over the quarters of this period is 100.

3 For EHCH vanguards: the baseline ratio shows indexed per capita activity scaled to the baseline period (quarter 3, 2014-15 – quarter 2, 2015-16), so that the average over the quarters in this 12-month period is 100.

4 In interpreting these charts, values under 100 represent an improvement on the baseline position, whereas values over 100 represent a deterioration.

5 NHS England has reported some inconsistencies in the data reported across vanguards and across time. Notwithstanding this coding issue, NHS England analysis indicates that the differences between the performance of population-based vanguards and the rest of the NHS are statistically significant.

Source: NHS England

Forecast financial impacts of vanguards

3.12 NHS England has collected planned, forecast and actual financial costs and savings from almost all vanguards. Costs include both national financial support and estimates of local resources applied. The savings come from estimates of reduced growth in emergency admissions and other services including outpatients (compared with forecasts made in 2015-16), together with efficiency savings.

3.13 When setting out its assumptions for vanguards, NHS England expected vanguards to start generating net savings from the second half of 2017-18 onwards. Based on its analysis, NHS England estimates that the 36 vanguards it included in forecast savings will achieve £324 million of net annual savings by 2020-21. This would be 90% of the £360 million modelled early in the programme. All 36 vanguards forecast that they would achieve net savings over the five years ending 2020-21, based on their progress made to quarter 3 2017-18. All of the four models are forecast to produce a good return in the form of net savings on their set up and running costs:

- ACC – £154 net saving for every £100 spent (that is, a 154% return on investment);
- EHCH – £103 net saving for every £100 spent;
- PAC – £96 net saving for every £100 spent; and
- MCP – £75 net saving for every £100 spent.

3.14 While these forecasts are encouraging for NHS England, it is not clear whether the costs and savings included are consistent across vanguards. For example, returns vary substantially between vanguards: the widest range for the population-based vanguards being PACs, which saved from £5 at worst to £292 at best for every £100 spent. NHS England provided a template for vanguards to report their savings and told us it had quality assured the reports. 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.

Part Four

Future plans for vanguards and new care models

4.1 This part of the report examines whether the conditions are right to further develop and spread new care models. It covers:

- national leadership, planning and support to maintain momentum;
- scaling up of new care models through existing vanguards; and
- replicating new care models within the wider NHS.

National leadership and support

4.2 When the vanguard programme ended in March 2018, responsibility for the spread of new care models was transferred to the System Transformation Group (STG), a new group within NHS England. The STG was formed in 2017 to enable development of integrated (formerly 'accountable') care systems (ICSs) as set out in the *Next Steps on the Five Year Forward View*.[9] Its focus in 2017-18 was to make progress with the 10 ICSs announced in June 2017, half of which included existing vanguards, and to enable a longer-term transition for the work on new care models. The STG has, however, not published detailed objectives or plans to communicate with stakeholders.

Handover from the new care models team

4.3 The new care models team carried out a final review of each vanguard's progress and its next steps during the final quarter of 2017-18. This included discussing how the vanguard would continue to develop and spread its new care model. The purpose of each review was to ensure that vanguards were committed to further develop their models and engage with sustainability and transformation partnerships (STPs) to spread learning from their vanguards. The STG told us it intends to follow up with each vanguard in 2018-19 to ensure progress is made on sustaining and continuing to implement the care models.

4.4 The new care models team also produced a programme closure and transition report in April 2018. This focused mainly on the programme's governance arrangements, the impact of new care models to date, and how lessons were shared. The team also produced a list of deliverables for 2018-19 that it was leading or had commissioned. The list did not prioritise the activities or set out their resource requirements.

9 NHS England, *Next Steps on the Five Year Forward View*, March 2017.

4.5 The STG sought to build on the expertise and knowledge of the new care models team, starting to recruit staff internally and externally in autumn 2017. Its staff complement in April 2018 included 46 of the 120 staff, secondees and contractors who had comprised the new care models team. Staff who were recruited through this process were moved from fixed-term contracts to permanent contracts.

Continuing spread of new care models

4.6 The Department of Health & Social Care (the Department) mandated that NHS England should spread new care models to 20% of the population by 2017-18 (originally 2016-17) and to at least 50% of the population by 2020-21. NHS England reports that, by December 2017, 9% of the population was covered by existing population-based vanguards.[10] In addition, NHS England told us that 15% of the population were covered by over 200 'primary care homes' – a smaller-scale care model that developed around the same time as vanguards. This model was developed by the National Association of Primary Care and funded by NHS England's new care models programme. Although they are not themselves vanguards, some primary care homes are included as part of a MCP vanguard to help strengthen the sustainability of primary care. They involve GP practices collaborating at scale on a voluntary basis, often working closely with staff from community, mental health and acute trusts and the voluntary sector, covering a registered population of between 30,000 and 50,000.

Scaling up of existing vanguards

4.7 NHS England intended that, by the end of the vanguard programme, it would be clear to vanguards that the ongoing benefits and financial savings from new care models would ensure their local models were sustainable without national transformation funding. Most vanguards told us they are confident that new care models will make a significant contribution to enabling the NHS to meet the challenges it faces, such as financial sustainability (of the 30 vanguards that answered our survey, seven were 'very confident' and 17 were 'confident', while only five were 'not very confident'). Most vanguards felt that they had demonstrated value, and that their learning could be adopted more widely. However, a few expressed concerns about the difficulties in implementing new care models within existing payment and organisational structures within the NHS.

4.8 In our survey, 29 of 31 vanguards (94%) told us that they expect to continue to run their new care models (**Figure 12**). This included 11 respondents (out of 31) that expect to continue to run all components of their care model. In addition, 24 respondents (out of 29, or 83%) plan to expand some or all components of their model to a wider population by 2020-21, while the other five plan to develop their current model further.

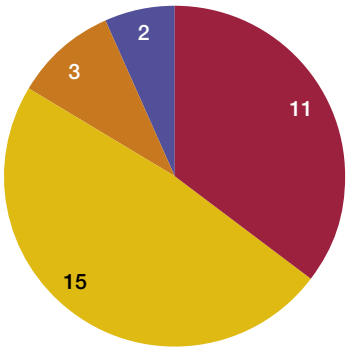
10 Only population-based vanguards can be used for this measure.

Figure 12

NHS vanguards' intentions for their new care models after March 2018

Almost all vanguards expect to continue to develop or expand their models of care

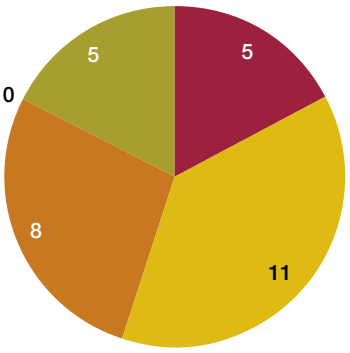
After the end of the new care models programme in March 2018, will you continue to run all, some or none of the components of the new care model you developed through your vanguard?



Total responses: 31

- All of the components
- Most of the components
- Some of the components
- None of the components

Do you plan to expand the scope of your vanguard to a wider population (or to other organisations if your vanguard is an acute care collaboration) by 2020-21?



Total responses: 29

- Yes, all of the components
- Yes, most of the components
- Yes, some of the components
- No, none of the components
- Plans to continue to develop the current model and introduce new features

Note

1 For the two survey questions, there was an additional option – "Don't know". We have not included this in the pie charts as none of the vanguards that responded to our survey chose this answer.

Source: National Audit Office survey of vanguards, 2018

4.9 Vanguards highlighted that there are still a number of risks ahead as they try to sustain and develop their new care models (**Figure 13**). The areas where they consider that they face the greatest risks include workforce (for example, availability of staff with the right clinical or programme management skills), funding pressures, and misaligned financial incentives across stakeholders. Some vanguards told us that managing their day-to-day business in a financially constrained environment while developing new care models would become a major issue. To some extent these are system issues. However, if unresolved, these risks could hinder the spread of new care models as they evolve from local transformation initiatives into business-as-usual operations. For example, a number of vanguards highlighted the importance of a programme management office to lead and embed the changes. But if local partners are not able to fund such offices from local resources it may be harder for vanguards to make progress in transforming their services.

Spreading new care models to the wider NHS

4.10 As set out in Part One, vanguards were often selected because their partners were already collaborating effectively (for example, through existing NHS initiatives) and were enthusiastic about service innovation.

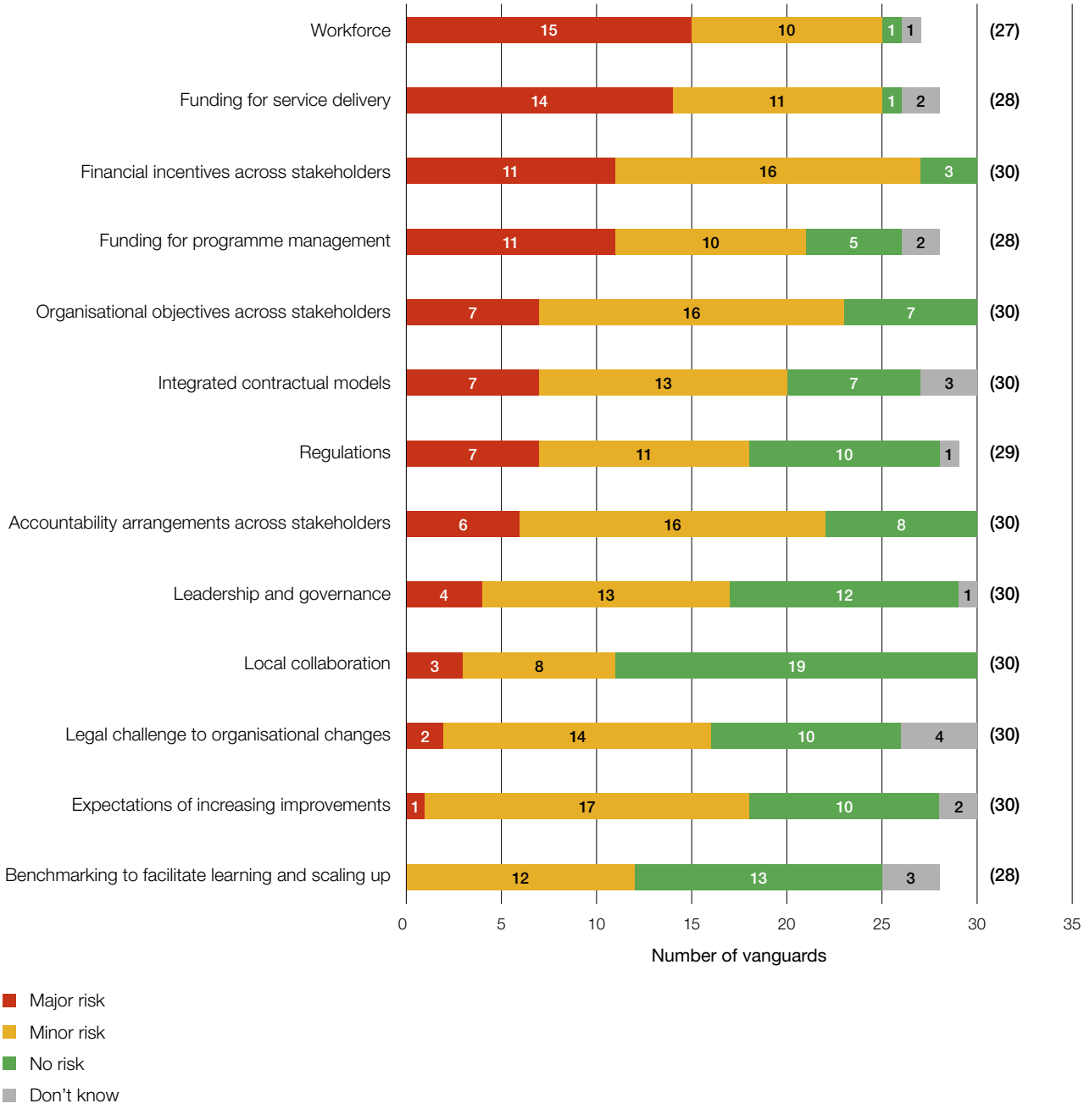
4.11 Despite their previous work to transform services, the vanguards that responded to our survey told us that they had faced a number of significant barriers when setting up their new care models. The most common major barrier related to information technology (IT), including the compatibility of IT systems and restrictions on sharing patients' data due to information governance regulations. Other common barriers included pressure on finances, capacity for change within the organisation, workforce, and national requirements and regulations (**Figure 14** on page 42). Some barriers, for example VAT regulations, are a consequence of current legislation. Many of the same barriers have also been identified in previous programmes and it is important there are national policy responses that reflect the learning from the vanguard programme. New adopters may have to tackle similar problems, but with less national funding and support than that received by vanguards. This creates a risk that areas that have already begun to transform services will progress, while some other parts of the country will be left behind. NHS England told us that the STG would ensure that the learning from the vanguards will continue to be shared with the wider NHS.

4.12 NHS England intends that knowledge from vanguards will be shared with the wider NHS through the FutureNHS online platform. FutureNHS is an information-sharing site, which contains a large volume of material built up by vanguards and the national new care models team and can be used to initiate discussions between practitioners. The number of users accessing FutureNHS has increased rapidly (from 1,500 in January 2017 to 14,500 in March 2018). Approximately 7,400 users per month have viewed the new care models pages on the platform since March 2018. NHS England also intends to share knowledge from vanguards through STG workstreams and other engagement and communication activities, including events and bulletins.

Figure 13

Main areas of risk to the sustainability of NHS vanguards and to the further development of new care models

Vanguards considered workforce and funding to be the biggest areas of risk to sustainability



Notes

1 Responses to the survey question: "What do you consider to be the main risk areas to the sustainability and development of your new care models going forward?"

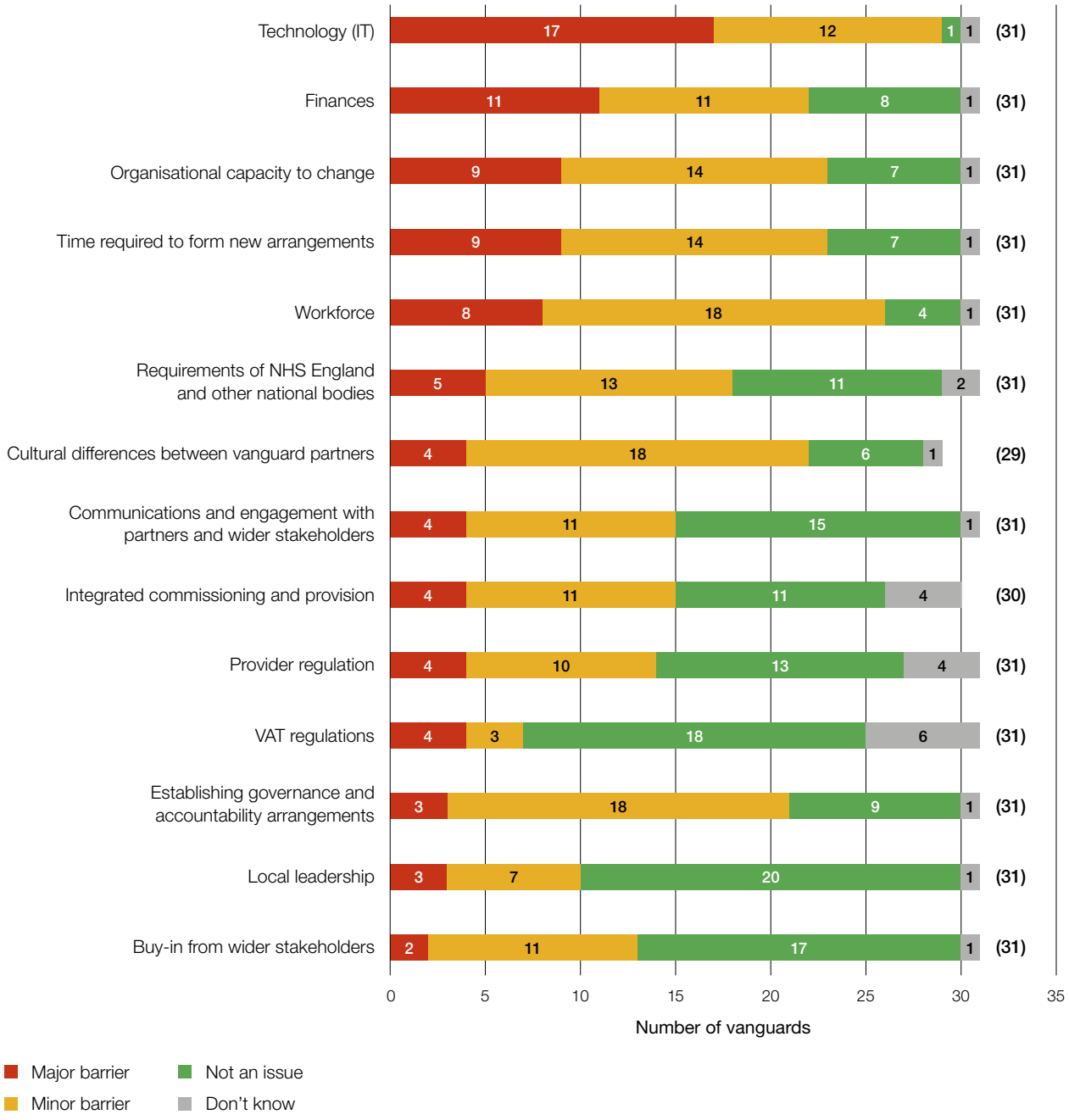
2 The number of respondents for each answer is in parentheses.

Source: National Audit Office survey of vanguards, 2018

Figure 14

Barriers faced by NHS vanguards in developing their new care models

Vanguards considered technology to be the biggest barrier to developing new care models



Notes

1 Responses to the survey question: "For each of the factors listed below, please indicate whether you experienced any major or minor barriers to implementing the new care model in your vanguard."

2 The number of respondents for each answer is in parentheses.

Source: National Audit Office survey of vanguards, 2018

4.13 Since 2015-16, NHS England has applied a two-level approach to local transformation. These levels are intended to be complementary:

- transforming provider organisations through vanguards, focusing on new care designs, trust and relationships between organisations, and on new forms of organisation; and
- transforming local health systems through 44 sustainability and transformation partnerships (STPs) and subsequently integrated care systems (ICSs), by creating system-wide incentives to integrate services (**Figure 15** on pages 44 and 45).

Transforming through broadening vanguards

4.14 In response to vanguard demand and to put integration on a more sustainable footing, NHS England drafted a standard contract for MCP and PAC models. However, as set out in paragraphs 3.5 to 3.7, NHS England's efforts to produce a workable contract have not gone as planned. Accountable care organisations (ACOs), intended by NHS England as a contractual form of organisation for MCPs and PACs, are being challenged by campaigners in court over the role of ACOs (if introduced) and a lack of transparency. However, the vanguard frameworks can still be useful for replicating what works. For example, 86% of clinical commissioning groups have now assessed themselves against the EHCH vanguards' framework to benchmark their performance.

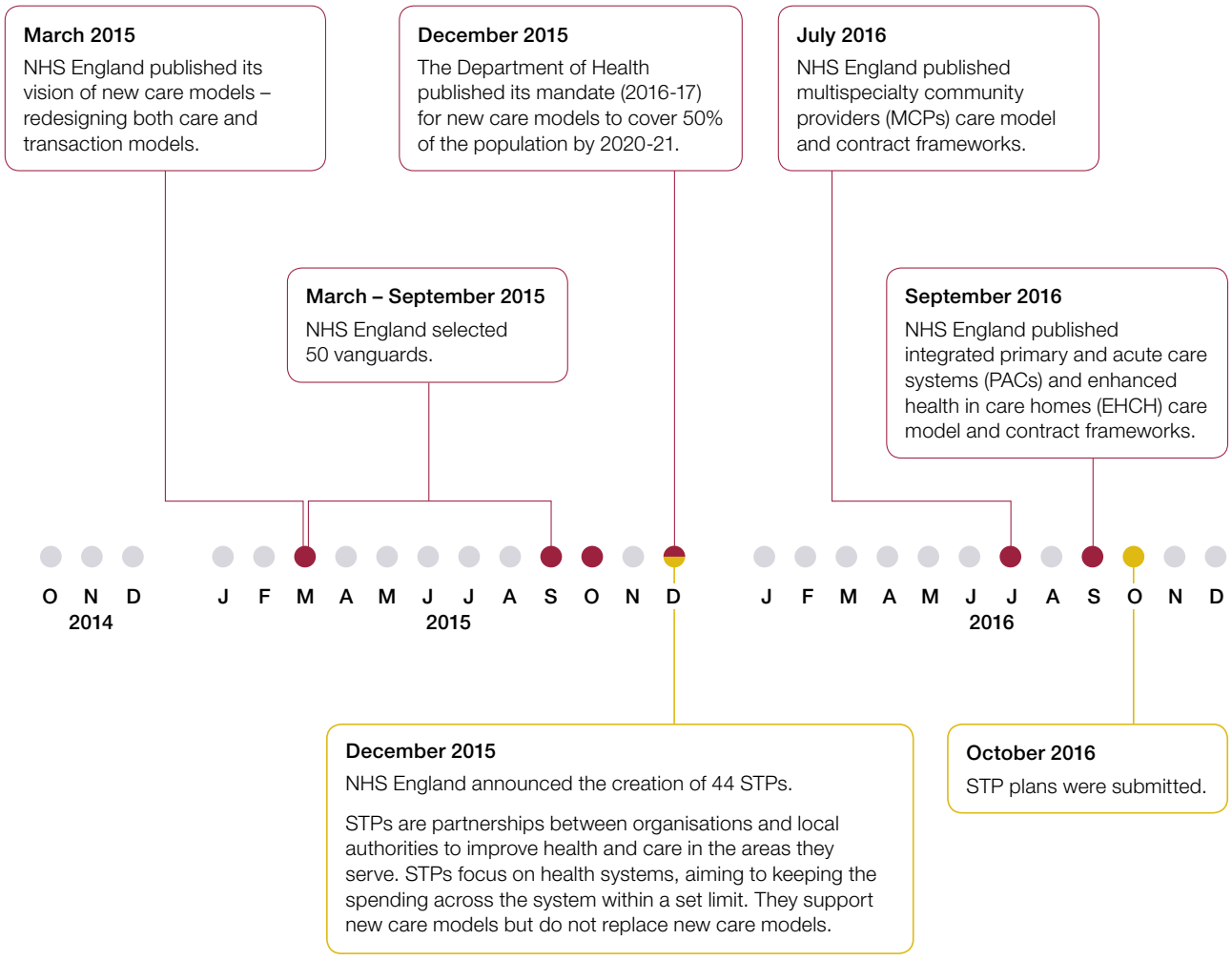
Transforming through local health systems

4.15 NHS England is now focusing on integrating services through a 'whole-system' collaboration across the country in the form of 44 STPs and their more advanced form, integrated care systems (ICSs). There were 14 ICSs by May 2018. These are partnerships between NHS organisations and local authorities to improve and integrate health and care in the areas they serve, while also aiming to keep the spending within a set limit across their area. NHS England told us that a forthcoming NHS 10-year plan will set out how new care models will be spread through ICSs as well as networks of primary care providers. However, NHS England has not been able to provide the STPs and ICSs with funding that is comparable to that received by vanguards, given that the newer vehicles have much larger geographic and population footprints.

4.16 Some ICSs have helped to embed the new care models developed by vanguards in their area. For example, learning from the North-East Hampshire and Farnham vanguard is being used across the wider Frimley ICS. It is still early to see to what extent that STPs and ICSs have successfully adopted new care models developed by, and learnings from, vanguards at a large scale across England. There is also a risk of increasing variation across the country, as areas where there are good relationships between stakeholders and past experience through vanguards may continue to develop, while other areas which may need more support risk being left further behind. NHS England told us that the STG and its STP delivery unit will ensure that no parts of the country will be left behind.

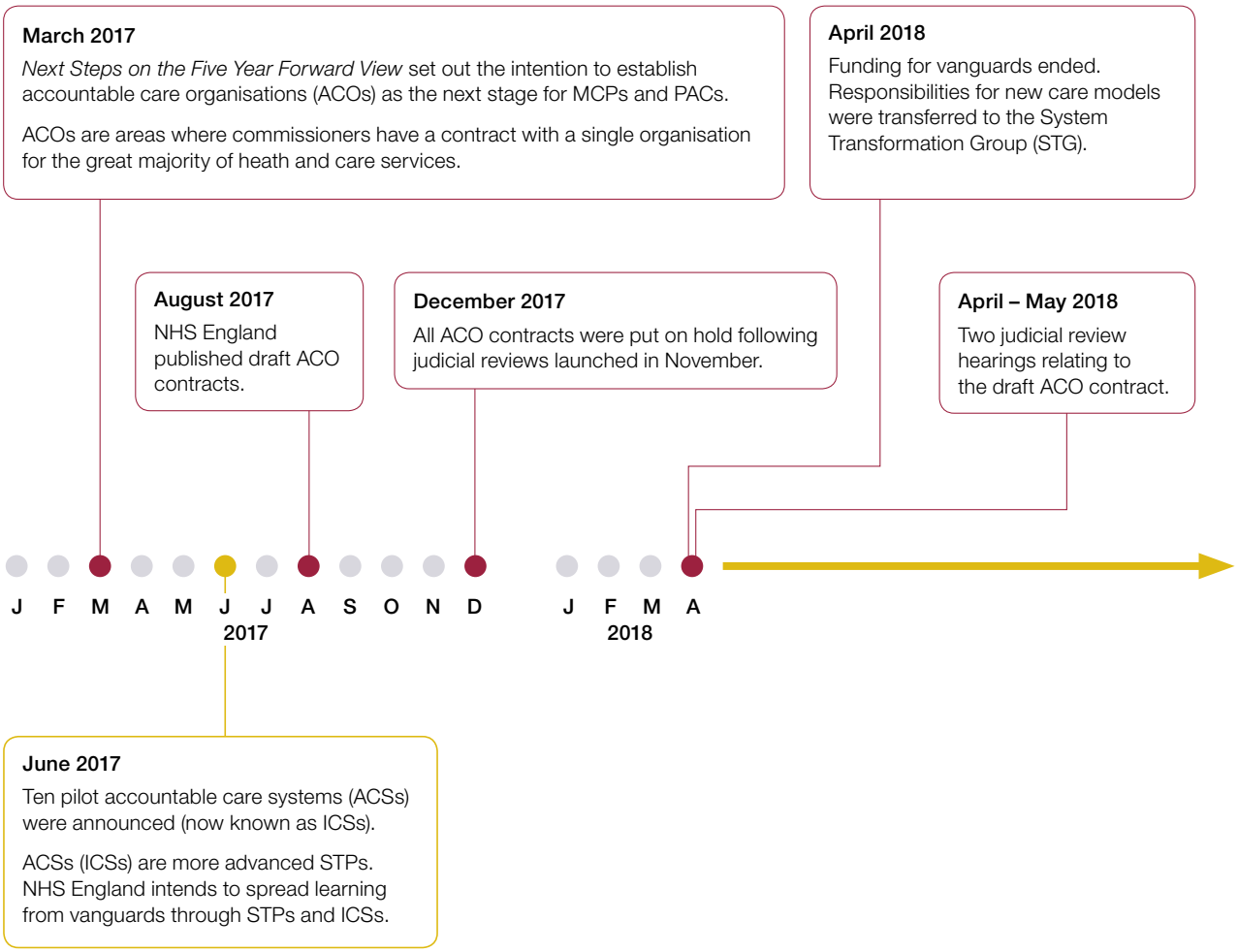
Figure 15
NHS England's approach to spreading local transformation

NHS England's approach to spreading local transformation has evolved



Source: National Audit Office

4.17 NHS England told us its 'whole-system' approach is based on lessons learned from the vanguards' successes. It stated that the vanguards that made the most progress had demonstrated a range of 'soft' success factors, such as strong relationships, cooperative behaviours between key leaders, and collective willingness to address problems within the system. However, at a local level, where trust and good relationships are less well developed, this is likely to have a substantial impact on new care models.



4.18 The support of a wide range of stakeholders has played an important role in the vanguard programme. Stakeholders we spoke to expressed uncertainty about NHS England's future intentions on new care models. Despite early enthusiasm and commitment to the vanguard programme, some stakeholders have become concerned that now that the vanguard programme has ended, momentum may be lost and important lessons risk becoming forgotten as they believed that vanguards have been superseded by STPs and ICSs.

Appendix One

Our audit approach

1 This report examines whether the NHS is well placed to build on progress made by vanguards in developing new care models. In particular, it focuses on:

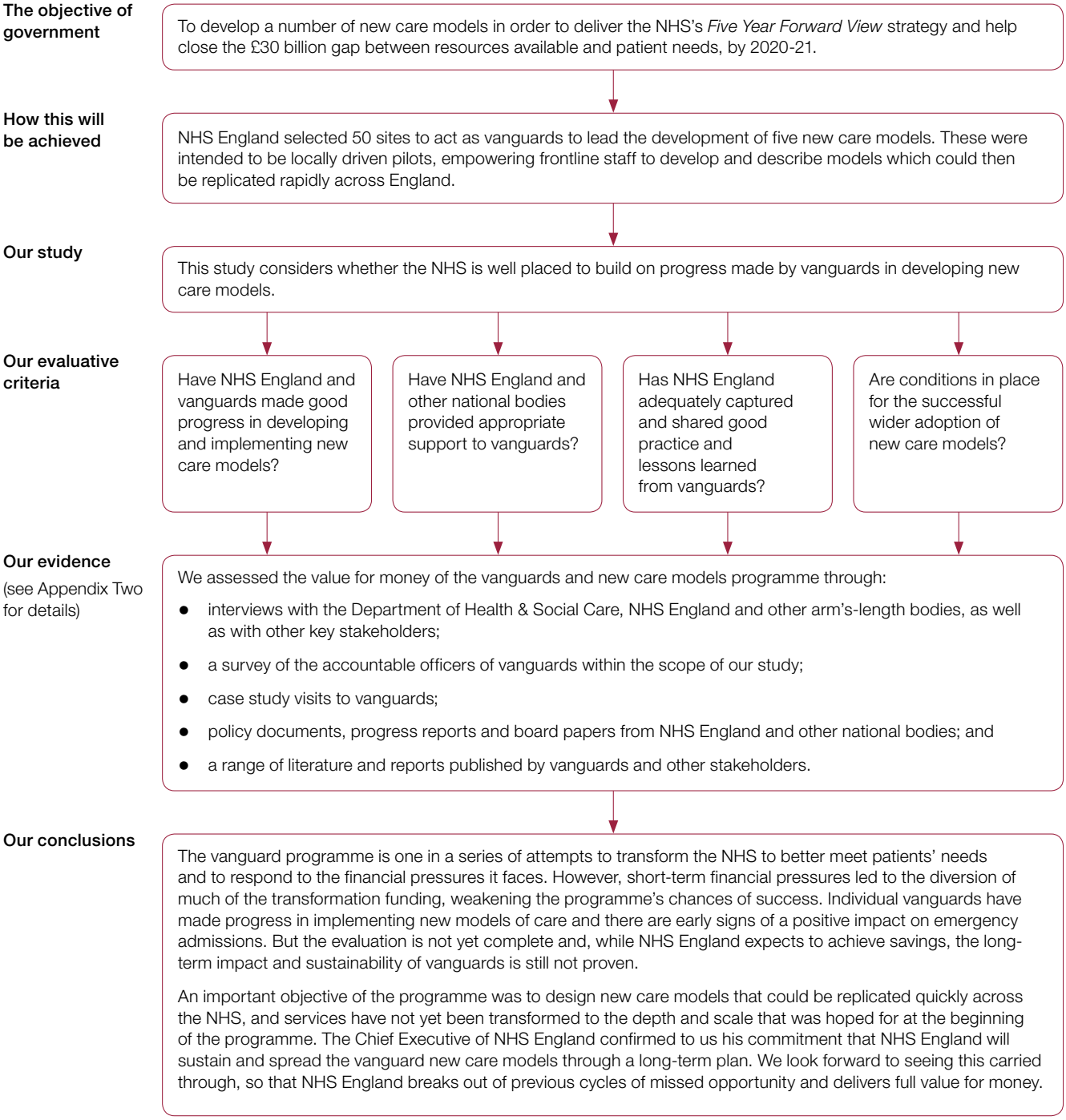
- the progress made by vanguards in developing and testing new care models and their early impact;
- the effectiveness of the support provided nationally, including through evaluation, shared learning and spreading of good practice; and
- whether the conditions are in place for the spread and adoption of these new care models.

2 In reviewing these issues, we applied an analytical framework with evaluative criteria that consider what arrangements would be optimal for making progress in developing new care models thanks to vanguards. By 'optimal' we mean the most desirable possible, while acknowledging expressed or implied restrictions or constraints. A constraint in this context is the current legislation.

3 This report focuses primarily on the two types of vanguards that were designed to test integrated models of health and social care for a local population: integrated primary and acute care systems (PACs) vanguards, and multispecialty community providers (MCPs) vanguards. For completeness and contrast our report also covers enhanced health in care homes (EHCHs) and acute care collaborations (ACCs) vanguards. We have excluded urgent and emergency care (UECs) vanguards from our scope, as they were moved from the new care models programme after the first year.

4 Our audit approach is summarised in **Figure 16**. Our evidence base is described in Appendix Two.

Figure 16
Our audit approach



Appendix Two

Our evidence base

We reached our independent conclusions on whether the NHS is well placed to build on progress made by vanguards in developing new care models from evidence we collected between December 2017 and May 2018. Our audit approach is outlined in Appendix One.

1 **We interviewed officials across the Department of Health & Social Care (the Department), NHS England and NHS Improvement.** This was to gain a better understanding of the context and development of vanguards and the new care models programme. The interviews were also designed to help us understand how these organisations have worked together to support vanguards, what they have done to ensure lessons from vanguards are learned to inform – and arrangements for – spreading of the new care models after the end of the vanguard programme.

2 **We interviewed and consulted a range of stakeholders.** These included: the Association of Directors of Adult Social Services, the Cabinet Office, the Care Quality Commission, the Health Foundation, the King's Fund, the Local Government Association, the National Association of Primary Care, NHS Digital, NHS Providers, the Nuffield Trust, and the Royal College of General Practitioners. We also met regularly with the University of Manchester team responsible for the external national evaluation of the vanguard programme.

3 **We conducted an online survey of accountable officers in all 42 vanguards within the scope of our study between February and May 2018.** We received valid responses from 31 vanguards. The questions we asked covered the following:

- progress made in implementing their new care models;
- support received from the Department, NHS England and other national bodies;
- the ways in which good practice and lessons learned were captured and shared; and
- whether necessary conditions are in place for successfully adopting new care models more widely.

4 **We conducted case study visits and telephone interviews with six vanguards:** Mid Nottinghamshire Better Together, Connecting Care – Wakefield District, Wakefield Connecting Care Multispecialty Community Provider, Tower Hamlets Together, North East Hampshire and Farnham, Encompass (Whitstable, Faversham, Canterbury, Ash and Sandwich). The aim of these case studies and interviews was to gain a better understanding of how vanguards operate, and to gain their views on the support provided, the barriers they face, the learnings so far and future risks to their vanguards. We selected our sample by considering: geographic spread across England; different types of vanguards; relative progress in implementing key elements of new care models; and the impact on services.

5 **We conducted case study visits and telephone interviews with three sustainability and transformation partnerships (STPs) or integrated care systems (ICSs):** Frimley Health and Care ICS, South Yorkshire and Bassetlaw ICS, and Suffolk and North East Essex STP. The main aim of these case studies was to gain insight into how systems have been developed locally, including their interactions with any of the vanguards and new care models, and any learning opportunities available to them from vanguards. We selected our sample by considering the following factors: a geographic spread across England; a range of areas with or without vanguards; and a range of progress in applying good practices learned from vanguards at a system-level.

6 **We carried out secondary analysis on data collected and analysed by NHS England.** These data included progress and performance metrics, as well as financial data. We reviewed the methodology and governance arrangement put in place by NHS England for its national indicators, but have not validated or quality assured the analysis carried out by NHS England or local vanguards. These data gave us an indication as to the position of each vanguard at the time of the report. However, they are not conclusive as many of the vanguards' new care models are still in progress.

7 **We reviewed policy documents and published literature** from the Department, NHS England, NHS Improvement and other NHS national bodies, as well as health think tanks and vanguards. These included progress reports and board papers, as well as documents on service transformations in general and more specifically on the new care models programme.

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National Audit Office

Design and Production by NAO External Relations
DP Ref: 005027-001

£10.00

ISBN 978-1-78604-204-0