

Equity Strategy 2005 - 2010 Executive Summary

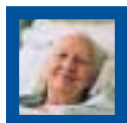




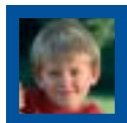
Foreword



The Northern Health and Social Services Board's role is to secure a wide range of health and social care services for the needs of the local community. This involves decisions being made on the use of large sums of taxpayers' money. In 2004/05 the Northern Board was allocated £470m of recurrent funding for the commissioning of health and social care.



In carrying out this role a core objective of the Board is to ensure an equitable and fair approach to commissioning care for our local populations.



Achieving fairness in our allocation of resources is, therefore, important to the Northern Board. In recent years a range of Boardwide initiatives, such as Locality Investment Plans, Health Action Zones, New Targeting Social Need, have all played their part in helping the Board work towards this goal. Tapping into the views of local communities and liaising with locally elected representatives help the Board ensure that local views and needs inform and influence the Board's commissioning decisions.



In the past two years the Board has embarked on a highly ambitious project to develop a five-year Equity Strategy which would, among other things, examine whether or not Health and Personal Social Services resources are fairly shared across Board populations, our local resident populations and Programmes of Care (such as the Elderly). It also makes recommendations, where required, for the "direction of travel" needed to ensure equity.

Two important recent regional initiatives, which have been strongly supported by the Board, have provided the basis for the detailed analysis.

Firstly, following the results of a ten-year programme of detailed research, the work completed by the regional Capitation Formula Review Group (CFRG) provides the most comprehensive analysis available of relative level of need across Boards and localities (by Programme of Care). This is known as the Capitation Formula.

When this information is analysed it allows us to calculate different levels of need across these areas and what share we should be spending on each area of our annual commissioning allocation if we wish to be equitable.



Through a second new regional initiative, the Strategic Resource Framework (SRF), a comprehensive and consistent analysis of commissioning expenditure plans for the region, Boards, Programmes of Care and services areas is available. When the results of the SRF and the Capitation Formula are compared the differences show us where potential inequities are within the Board's area.

At Regional level the results of this comparison give cause for concern, as there are material inequities. The Board is currently receiving £9m less than its fair share of the resources allocated to Boards for Health and Social Care. Population projections indicate that this figure will continue to increase.

Currently there is no regional strategy in place to address this issue. It is, therefore, important that the Board seeks a greater share of the overall resources and continues to work with the DHSSPS to achieve a more equitable allocation for its population.

The results of the comparison at Board level are both comforting and challenging in that they confirm the earlier findings of less detailed studies within the Board.



They show that locality populations are all close to their fair shares, but highlight the need for the Board to move localities and Programmes of Care even closer.

In particular, the Board will need to continue to focus its efforts to plan to meet the increasing needs of our growing elderly population. This Report provides a rich source of data and information to local people within the Board committed to addressing and achieving equity.

This Equity Strategy has implications for everyone and your views are invited to assist our decision-making on funding the provision and further development of high quality health and social care services.

Signed: _____
Chairman

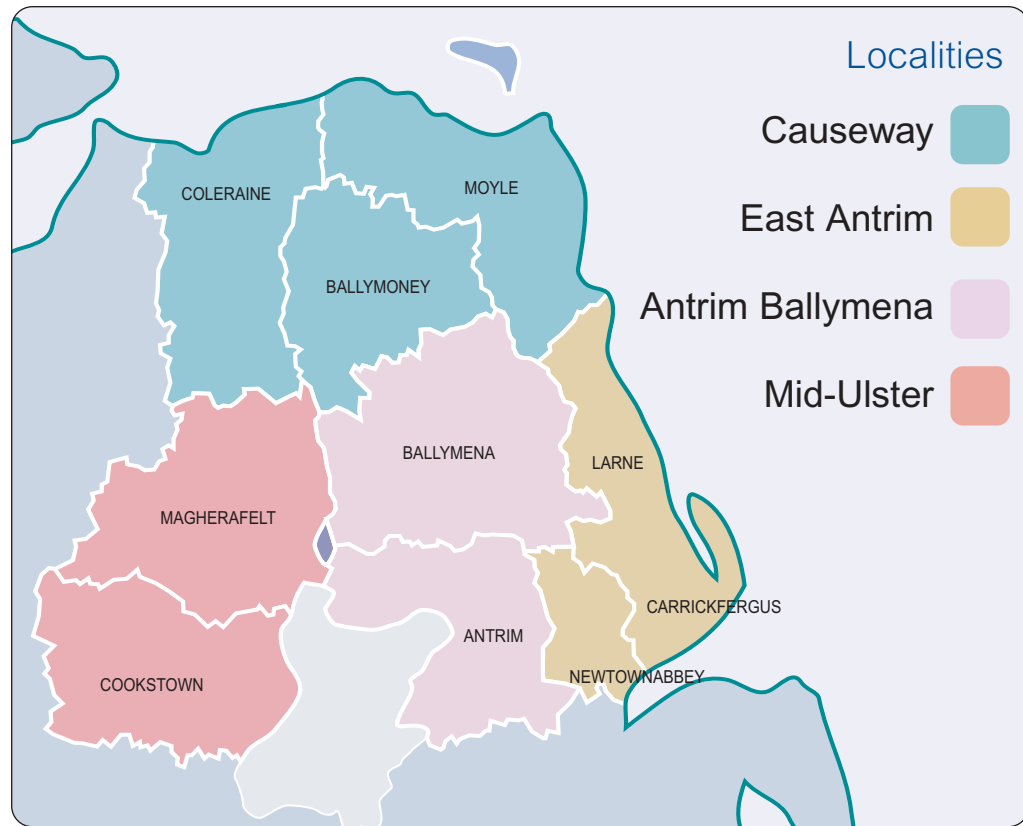


Background

Introduction

The Northern Health Social Services Board (NHSSB) commissions services for the population within its area. This involves assessing the health and social care needs of local people and securing services to meet these needs.

Map of the Northern Board Area



The Northern Board receives around 24% of Northern Ireland’s funding for health and social care services each year from the Department of Health, Social Services and Public Safety (DHSSPS). Ensuring these resources are fairly distributed across the Board’s local populations and Programmes of Care is a key objective of the commissioning process. In addition, ensuring the Board is receiving its fair share of regional resources is also key.

The Board is constantly developing its commissioning processes in a way that takes account of the diverse needs of the local population within its area.

The Funding Process

In 2004/05, the DHSSPS received £3.2bn, of which £1.98bn was allocated to the four Health and Personal Social Services (HPSS) Boards for commissioning care on behalf of their resident populations (Northern Board received £470m).

The DHSSPS, in association with the Boards, has developed a formula for determining the resources that should be allocated to the four HPSS Boards. This is called the Capitation Formula. This Formula shows the DHSSPS how much each Board should be receiving of the available regional resources to ensure equity of funding. It also shows the Board how much it should be spending of its available resources to ensure equity across its four localities - Antrim Ballymena, Causeway, East Antrim and Mid-Ulster.



The Fourth Report of the Capitation Formula Review Group was issued for consultation on 10 September 2004. The Northern, Southern and Western Boards are satisfied that this Formula is the fairest method of allocating resources. The Minister approved the Report in March 2005, subject to further analysis to address issues, raised by the Eastern Board, around the cost of acute and elderly hospital sites. This work is to be complete by early 2006. In the meantime, Boards have been asked by the DHSSPS to complete their equity strategies in the context of the Fourth Report.

Approach

A comparison of fair shares with planned spend at Board, Locality and Programme of Care level has been used to identify inequities for each of these areas. Planned spend was provided through a recent Departmental initiative, the Strategic Resource Framework (SRF). The SRF provides a consistent breakdown of the HPSS budget (£1.98bn) across Boards, localities, Programmes of Care and services.

This Equity Report presents the results of a review of resource allocation for the resident population of the Northern Board and sets out the Board's strategy for achieving greater levels of equity over the next five years. It identifies the key issues facing the Region, Board and Localities, taking account of the significant demographic changes predicted.



Regional Issues

The key strategic regional issues identified are as follows:

- Over the period of the Strategy the HPSS will face a number of significant changes, which will impact on the structure, commissioning, and provision of services, such as the Review of Public Administration, the re-organisation of the Acute Hospital sector through the Developing Better Services initiative and the Government's Modernisation agenda. These will have implications for how the HPSS is resourced. Ensuring equity and equality will be integral in planning the delivery of these changes.
- The Capitation Formula calculates each Board's fair share of regional resources. **In 2004/05, the NHSSB received £9m less than its target/fair share.**
- The following table shows the overall position for all Boards.

Board	Current Allocation 2004/05	Current Allocation 2004/05	Fair Share Allocation 2004/05	Fair Share Allocation 2004/05	Difference
	%	£m	%	£m	£m
EHSSB	41.61	824	40.50	801	+23
NHSSB	23.76	470	24.20	479	-9
SHSSB	17.93	355	18.28	362	-7
WHSSB	16.70	330	17.02	337	-7
Total	100.00	1,979	100.00	1,979	0



- In recognition of the difficulties moving Boards immediately to their fair shares would pose to the Eastern Board, the Northern Board's response to the Fourth Report of the Capitation Formula stated that Boards should be moved to their fair shares over a three year period to ensure current services are not de-stabilised. However, in the 2005/06 Budget the Board's share of regional resources has been increased marginally. **The current pace of change is too slow and will mean that the actual underfunding in this area will continue to increase.**
- Almost £1bn of HPSS resources are outside the direct control of the Boards. This includes General Medical Services (GMS) and Prescribing resources which are allocated through their own formulae. However, other centrally held funds are not currently included in the Capitation Formula.
- Historically, some of the resources allocated to the Board have been identified to particular Programmes of Care or service areas. This means the Board must use these resources for the named purpose and, as a result, its ability to address inequities within Programmes of Care through the use of these funds is restricted.



Demographic Issues

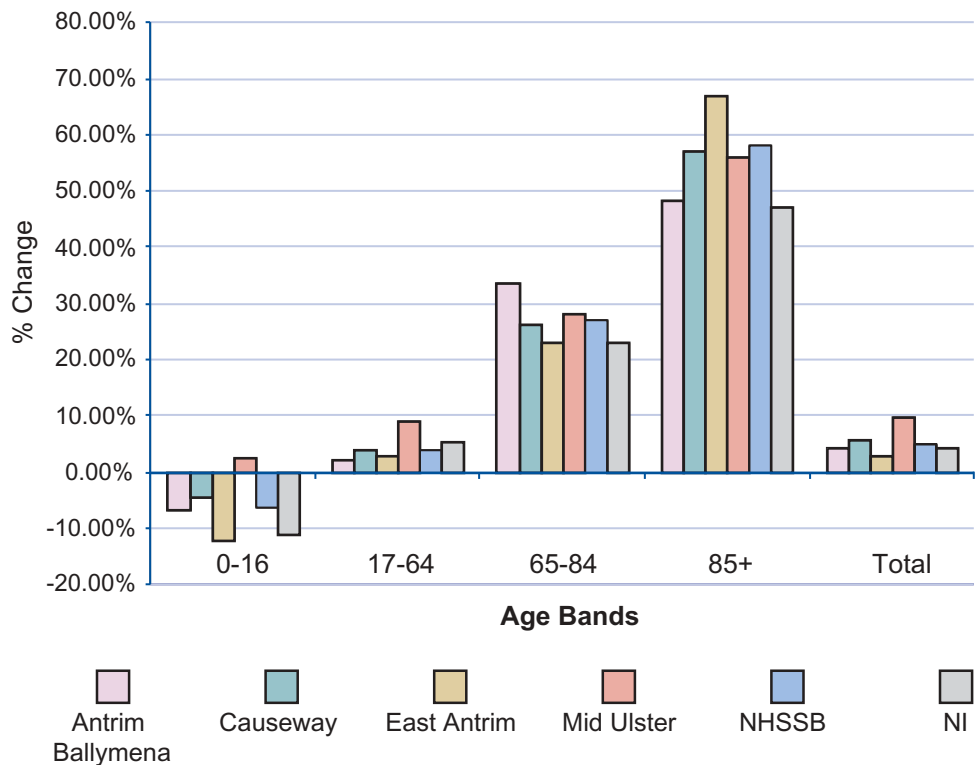
The main demographic issues identified are as follows:

- The population of the NHSSB is projected to increase at a higher rate (5.24%) than the Northern Ireland average (4.31%) over the next ten years and at twice the rate of the Eastern Board. The needs of the population are also projected to grow at a greater rate than the average. As a result, **the NHSSB will require a substantially increased proportion of the total resources available to Boards over this period.**
- The NHSSB will require an additional amount of almost £2m per year to meet the needs arising from our growing population in the next five years, by a re-allocation of resources from other Boards. **This means that the NHSSB's current shortfall of £9m will increase to £18m, if not addressed.**
- The elderly population (over 65) is projected to increase by 30.44% (NI 25.62%) over the next ten years. This dramatic increase has major implications for both Regional and Board strategic planning if the needs of this population group are to be addressed given that this population group currently use over 40% of the regional commissioning resources.



- The under 16 population is projected to decrease by 11.06% NI (-6.06% NHSSB) over the next ten years. Both Regional and Board strategic planning will take account of the impact of this on the need for services.

Population Percentage Change from 2003–2015 by Locality



Source: NISRA

- Causeway and Mid-Ulster populations are predicted to grow at a higher rate than both the NHSSB and NI average meaning a greater need for resources.

Board Issues

The Board’s Interim Equity Strategy for 2003/04 indicated that its commissioning processes had achieved an equitable distribution of resources across its localities. This latest study has demonstrated that although the variances have increased they are still not statistically significant, ie, they are all less than 5%. These have occurred as a result of changes brought about primarily through the updating of the Capitation Formula for population changes recorded in the latest census. Nevertheless, **the Board’s objective is to ensure there is an equitable distribution of resources across all localities.**

The following table shows the results by locality.

Locality	Planned Spend 2004/05	Fair Share 2004/05	Difference	Difference
	£m	£m	£m	%
Antrim Ballymena	117.0	113.8	3.2	2.8
Causeway	113.9	114.7	-0.8	-0.7
East Antrim	160.6	160.9	-0.3	-0.2
Mid-Ulster	78.7	80.8	-2.1	-2.6
Total	470.2	470.2	0	

Footnote:

The table above compares the planned spend per the Strategic Resource Framework to the locality fair shares calculated on the Boards actual allocation for 2004/05, £9m less than its target share.

Although the differences are all less than 5% the demographic projections and earlier equity studies within the Board would indicate that, if not addressed, these differences will increase.

Various methods can be used to address these differences:

- Using Capitation Shift Monies - These are additional monies received by Boards from the DHSSPS to move them to their fair share.
- Using Other Additional Funding - These are additional resources given to the Board as part of their annual budget settlement typically to invest in new services or to meet increasing financial pressures arising from existing services.
- Redirecting Existing Services - This would typically involve redirecting existing services across and within Trusts in a way which meets needs more equally.

In order to determine the best approach, or combination of approaches, an equity framework for funding decisions will be developed within the Board.

A supplementary analysis by Programme of Care highlighted material differences in two Programmes of Care, Elderly and Mental Health.

- It showed a material under-investment in the Elderly Programme of Care of around £11m in comparison with other Boards. This affects all the four localities. In addition, over the next five years there are significant

increases predicted in the over 65 population. This Programme of Care has, therefore, been identified as a priority area for action.

- The Board is investing higher levels of resources in the Mental Health Programme of Care than other Boards in the region (an additional £3m). This affects the Antrim Ballymena locality more than other localities. This is partly the result of the NHSSB being more advanced in their Mental Health strategy implementation. Care professionals specialising in this Programme of Care have also highlighted additional resource requirements arising from a localised drug problem.
- Although the SRF and the Capitation Formula are now well established, both are subject to ongoing refinement to improve consistency and accuracy. As a result, the differences identified in this Report and direction of travel may change over the period of the Strategy. This is likely to affect the analysis across community based Trusts and the secondary analysis at Programme of Care level within localities the most.
- A number of other Programmes of Care have been identified for further investigation by Board Programme of Care Teams and Trusts. An annual review of equity over the period of the Strategy will take account of the findings emerging from the recommended actions at Programme of Care and locality level.



Conclusion

The Board has reviewed its share of regional resources and the way monies received by it are planned to be spent across localities and Programmes of Care, over the period of the Strategy.

The key issue for the Board is ensuring that it receives its fair share of regional resources to purchase services for its local population. Currently the shortfall is £9m and it is estimated that this could increase to £18m by 2010.

The Strategy sets out a series of actions which, if addressed, will help to ensure there is an equitable distribution of resources across Boards, localities and Programmes of Care over the period of the Strategy.

This Report has summarised the main issues contained within the Board's Equity Strategy 2005 - 2010. The detailed report is available, including separate sections, for each of the four localities. Details of obtaining this report can be found on page 23.



Recommendations and Actions

Critical to the success of the Strategy is the implementation of the Fourth Report of the Capitation Review Group at regional level, which will provide the Board with its fair share of resources for its population. Notwithstanding this, the Board will seek to ensure the resources that it actually receives from the Department of Health, Social Services and Public Safety are distributed across its localities and Programmes of Care in as fair a way as possible taking account of their different levels of need.

In order to facilitate these objectives the following key action points have been identified:

- The Board will work with the Department of Health, Social Services and Public Safety (DHSSPS) to ensure the Capitation Formula Review Group Fourth Report is implemented within three years and to support the development of a Regional Equity Strategy. This objective remains despite the decision to delay implementation of the Fourth Report until after early 2006.
- The implications of the significant population change predicted in Northern Ireland over the next ten years and within the Northern Board and its four localities, must be managed as part of an agreed regional approach. This should take account of the major service delivery changes and associated resource requirements necessary to meet emerging need, focusing on the areas of greatest change:



- the Elderly population
 - Board populations
 - Younger populations
- The Board's Senior Management Team will provide the strategic direction to allow investments to be targeted equitably over the period of the strategy and set the criteria to achieve this.

The priority areas with relative under-investment are:

- Elderly Programme of Care across all localities
- Mid-Ulster and Causeway localities generally.

The priority areas with relative over-investment are:

- Mental Health
 - Antrim Ballymena locality.
- The framework for investing resources equitable within the Board will take account of the Regional Equity Strategy (when available), budget and population projections. It will set out the scope for addressing inequities from:
 - Capitation Shift Monies - Additional monies identified by DHSSPS to move Boards to their fair shares as part of their annual budget settlement.



- Other Additional Funding Areas - Additional resources given to the Board as part of their annual budget settlement typically to invest in new services or to meet increasing financial pressures arising from existing services.
- Redirecting Existing Services - This would typically involve redirecting existing services across and within Trusts in a way which meets needs more equally.

The extent to which these options, or combination of options, are implemented will be informed by public consultation.

- An annual Equity Review will take place to evaluate progress and to refine and update the equity analysis.
- The Board will reflect the results of the Equity Strategy in its future strategic planning, reform and modernisation, strategic care plans and its implementation of Developing Better Services.
- The Board's Programme of Care Teams will set up short term working groups with providers to examine community based Trust anomalies in resource allocation identified across localities where there are material differences.



- The Board will work with Trusts in order to ensure services both existing and new take account of demographic change identified in this report. The demographic changes indicate that it may be necessary to constrain expenditure in certain Boards, localities and Programmes of Care. It will be necessary to manage this in an appropriate manner.



Glossary

Capitation Formula

Statistical allocation formula developed by the DHSSPS, in conjunction with the Boards, to determine equitable funding shares for Boards and localities, taking account of their different levels of need for resources. These are known as target/fair shares.

Commissioning

The Commissioning process involves securing care from a wide range of Providers such as Health and Social Services Trusts and Voluntary Organisations, across nine Care Groups. These are known as Programmes of Care.

Fair Share

The Capitation Formula takes account of different population sizes, age profiles, and other additional needs such as levels of deprivation or rurality to provide target/fair shares for each Board.

Locality

Antrim Ballymena locality covers Council areas of Antrim and Ballymena

Causeway locality covers Council areas of Ballymoney, Coleraine and Moyle.

East Antrim locality covers Council areas of Larne, Carrickfergus and Newtownabbey.

Mid-Ulster locality covers Council areas of Cookstown and Magherafelt.



Programme of Care

The nine Groups are

- Acute
- Maternity & Child Health
- Family & Child Care
- Elderly
- Mental Health
- Learning Disability
- Physical & Sensory Disability
- Health Promotion & Disease Prevention
- Primary Health & Adult Community



Communicating Information Well

In line with its Communicating Information Well Policy, the Board has prepared this document to make information on its funding expenditure and the complex issues which surround this as open, accessible and equitable as possible, in order to promote positive and meaningful dialogue with local people.

Alternative Formats


In an effort to make information as accessible as possible, the Equity Strategy is also available in large print, computer disc, audio tape or translation.

For an alternative format, please contact:

The Patient/Client Information Service on 08457 626428 or
Textphone: 028 25662618

The full Equity Strategy can also be found under
Publications on the Board's website at:
www.nhssb.n-i.nhs.uk.

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