HFMA Covid-19 briefing
October 2020

The impact of Covid-19 on the future delivery of NHS community services

Summary

NHS community health services have played an essential part in the NHS' response to Covid-19. As core services begin to be restored, this briefing considers the long term impact of the pandemic on the role of community services within the health and care system and the resources that are needed to ensure that it can continue to play its part.

Introduction

NHS community services have played a key role in the overall NHS response to Covid-19. At the very early stages of the pandemic, providers of community services were asked to support the rapid discharge of patients from acute settings as beds were emptied in anticipation of increasing Covid-19 cases.

So far during the pandemic, NHS community services have supported many people to stay well and stay at home or be cared for in the community. Through doing this, they have been a vital part of the system response by keeping people away from acute settings, enabling a focused Covid-19 service to be delivered and the expansion of intensive care units into other hospital areas. Many organisations have reported improved relationships with local partners in the acute sector and social care, with noticeable changes to the efficiency of system working and governance processes. Staff flexibility has also been welcomed, with workforce transferring between settings to support the needs of patients. There is much to celebrate in the response of NHS community services, and their wider systems, to Covid-19.

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However, this support has also had implications for NHS community services, as Covid-19 has had for all parts of the health and care system. The acuity of patients in the community increased, placing additional demands on staff. Some community services had to be stopped or much reduced in order to redeploy staff to care for those discharged from hospital. As the pandemic progressed, this support extended to those recovering from Covid-19 in the community, supporting primary care services and care homes as well as people in their own homes. In addition, the way that services were delivered had to change. As for much of the NHS, there was a rapid take up of digital methods in community services with virtual and telephone consultations replacing face to face contact.

As Covid-19 will be present for some time to come, services need to be restored at the same time as maintaining, and increasing, the additional services put in place to address the demands of Covid-19. While many of these begin to address the ambitions for community services in the *NHS long term plan*[1], funding them is difficult with many NHS community providers having to make difficult choices about what level of services can be sustained.

This briefing looks at what Covid-19 means for the future of NHS community services. In this context, NHS community services means community services funded by the NHS. These services may be delivered by NHS provider organisations, social enterprises or the independent sector. It considers the role of community services in the future NHS; how the sector can meet existing, and new, demands and the resources that are needed in order to do this well.

The role of NHS community services in responding to Covid-19

Covid-19 has highlighted the importance of NHS community services like never before. Work during the pandemic has demonstrated the ability of the sector to adapt rapidly as needs change and has shown that it is capable of supporting the delivery of healthcare to shift, moving many services away from their traditionally acute setting. This change in setting for some services was evident prior to Covid-19[2] but was on a small scale and varied between areas. Covid-19 has shown that the sector as a whole, has a much greater role to play in the future NHS.

A recent report by NHS Providers[3] discussed the impact of Covid-19 on community health services. In it they set out what the sector had achieved, supporting the discharge of thousands of medically fit patients to free up acute beds and providing support in the community to allow people to remain in their homes. However, enabling discharge was only part of the sector's response. It also supported primary care services, worked with care homes, and provided vital services for shielding patients, all essential elements for a successful response to Covid-19.

NHS community services' support was critical to the nation's pandemic response. However, as for many other sectors and professions, this was only possible through reducing core services, such as school nursing and corporate functions, and redeploying staff into Covid-19 roles.

Restoration of NHS community services

In August 2020, the national guidance on implementing phase 3 of the NHS response to the Covid-19 pandemic[4] stated that all adult and older people's community health services should now be fully reinstated, building on the prioritisation of restoring children's services in previous guidance. This meant that the sector was effectively told to get back to business as usual. But in a world living with Covid-19, getting back to normal is not straightforward.

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[1] NHS, *The NHS long term plan*, January 2019
[2] HFMA, *The value of community services: comparison with acute settings,* March 2019
[3] NHS Providers, *The impact of Covid-19 on community health services,* August 2020
[4] NHS, *Implementing phase 3 of the NHS response to the Covid-19 pandemic,* August 2020

Workforce

During phases 1 and 2 of the NHS' pandemic response, many community services' staff were redeployed to support the areas most impacted by Covid-19. This was enabled by the closure, or reduction, of many specialist services so that staff could support increasing hospital discharges, primarily bolstering the staffing in integrated community teams and inpatient units. For many this provided valuable experience in a different area of work, but it created a challenge for organisations to co-ordinate staff and ensure that the necessary training was available quickly. While staff demonstrated their resilience throughout the pandemic, the upheaval and change in work support networks, was significant. In addition, new services were established to support post Covid-19 rehabilitation and some organisations held local responsibility for providing the swabbing services to test for Covid-19 infection.

As services restart, the staff are moving back to their substantive roles but the need for Covid-19 specific services has not reduced; increased discharge to assess continues, admission prevention schemes remain important and, as Covid-19 cases rise again, the need for specialist rehabilitation services is growing. Innovative solutions may be possible to address some of these issues, but staff are tired, and innovation and change is far from their minds as they attempt to tackle the needs of those who use their services.

Prior to the pandemic, the NHS community services' workforce was under considerable strain with notable shortages in many areas. As services are required to restart while continuing the new provision to support the pandemic response, in some areas there are just not enough people to do everything. This is leading to some tough choices and an inevitability of increasing waiting lists as services operate at reduced capacity.

Waiting lists

Throughout the pandemic so far, HFMA members have reported that waiting lists for community services have increased. As services begin to fully reinstate, there is a significant backlog to be addressed as well as the new demand that will continue to grow for existing services. The scale of this pent-up demand is unknown as there may still be areas of unmet need where people have avoided contact with health and care services over the last few months. Waiting lists for community services are largely hidden at a national level, despite the impact that these can have on the quality of life for individuals. The ability to deal with this demand is considerably constrained by the necessary changes in working practices due to Covid-19.

Productivity when working with the threat of Covid-19 is severely reduced. Estates' capacity is less due to the need for social distancing, so the use of both waiting and treatment areas is restricted to ensure sufficient space. The need to treat all patients as potentially having a Covid-19 infection means that the time between appointments is increased to allow for cleaning and a change of personal protective equipment.

It is possible that the increased use of digital technology to carry out appointments will reduce the impact of these productivity issues. However, there will always be patients who cannot access digital services, or who it may not be suitable for, and will need face to face contact. Care must be taken to ensure that the methods chosen to deliver services do not create, or widen, inequalities of access. In addition, reduced staff numbers due to maintaining Covid-19 facing services, will mean that the number of patients who can be cared for will reduce, regardless of the method of providing that care.

Growing waiting lists for community services are likely to be a feature of the sector for some time to come unless additional non-recurrent funding can be made available to support the restoration of services. While this would not immediately solve the obvious workforce constraints, it would allow NHS community services' organisations to look at short term solutions involving the voluntary sector or the purchase of capacity from the independent sector. However, longer term, system resource

allocation has to recognise the needs of all sectors. All partners need to have an equal voice in decisions around how resources are used. NHS community services must be considered and resourced appropriately if the benefits seen during the pandemic response, are to be maintained.

Funding

Most community services' organisations are used to working within a block contract structure. While that can cause challenges when activity increases, there is flexibility to move resource to meet short term need and to approach commissioners for additional support in specific cases. However, the Covid-19 financial regime has removed some of that flexibility in the short term. The block contract regime for the whole NHS means that commissioners are unable to flex funding to support changes in demand, at a time when demand is very high. However, as the NHS moves towards a more holistic system approach, funding decisions and changes to cope with demand will become system wide conversations, rather than between individual organisations. It is therefore imperative that NHS community services maintain the higher profile afforded to them by the pandemic.

Many organisations are continuing to work at risk to deliver services that are necessary but without any certainty of how they will be supported in the longer term. This means that any additional staff employed may not be recurrently funded and will cause a longer-term cost pressure for organisations in order to meet current surges in demand.

However, the changes to contract management during the pandemic have been broadly welcomed by both providers and commissioners. While NHS community services are used to the block contract regime, the removal of many contract management processes has freed up time to focus on other areas of the business. It is hoped that this can be maintained as a new business as usual is developed.

As the NHS undertakes the annual winter planning process, community services organisations report having a stronger voice in system discussions than previously. The value that was so clearly demonstrated during the pandemic is being more widely recognised as systems plan for future population needs.

Local authorities commission services from NHS community services organisations such as public health nursing. During the pandemic, they were instructed to continue paying for these services to support the overall financial sustainability of the system, however they did not receive any service for these payments. Now, as services are restored, some local authorities need to call on those overpayments to help tackle the backlog of demand. However, that funding is not available as it was part of the net figure when Covid top up payments were made. This leaves many NHS community services with a funding gap to fill.

Long term Covid-19 response

In the long term it is clearly hoped that an effective Covid-19 vaccine will be developed. However, this will not remove the need for all Covid-19 related services as the long-term effect of the disease is unknown; it is probable that specialist rehabilitation services will be needed for many years to come. In addition, cases are once again increasing and there is little respite in sight for the demands on the NHS.

Role of NHS community services

NHS community services will continue to play a key role in the ongoing response to Covid-19, particularly as part of managing demand and capacity within the acute sector. For local health and care systems, this presents an opportunity to fundamentally review pathways across the whole of the NHS and social care. Community services' organisations already play an important role in supporting

local systems to work in a more integrated way[5]. This experience, and the relationships built up as a result, will potentially allow integrated care systems (ICSs) to make changes quickly, to react to the evolving needs of their population and the ongoing demands of Covid-19.

It is important that the role of NHS community services is seen as part of the long-term local system response to Covid-19, as activity is likely to move between settings. Any change in activity will need to be accompanied by funding transfers and, potentially, a movement in workforce. This approach could also contribute to the achievement of long-term efficiencies in the local system by reviewing where care is best delivered.

It is easy for the government and media to focus on hospital beds and present the NHS as one large intensive care unit buckling under the strain of the pandemic. The community health services sector has to make itself heard and ensure that when national and local systems discuss capacity, these discussions include the capacity of community services. This has to not only recognise the capability and expertise of the sector, but also acknowledge that it is not an infinite resource. Demand and capacity modelling have to be realistic for the whole local health and care system.

Workforce

As for many parts of the NHS, workforce shortages are an ongoing issue for community services. This is of particular concern when considering the expanding role of the sector and the vital part that it plays in preventing people from needing to attend an acute setting. Admission prevention schemes and embedding the discharge to assess scheme across the country are two areas which need adequate resource to really see the benefits that they can bring.

Approaching the issue as an ICS means that a whole system approach can be taken to resource allocation. During the early stages of the pandemic, staff moved between settings to ensure that crucial areas were adequately staffed. This is reported to have had a beneficial impact for many of the staff involved, offering new challenges and opportunities. As systems look to alter patient pathways and provide care in alternative settings, serious consideration should be given to moving staff between organisations and settings to support this, as well as creating new roles in the community to meet the changing needs in a non-acute setting. Several areas are already looking into this approach as part of the solution to workforce challenges in the community.

The *NHS long term plan* ambitions for community services

The *NHS long term plan* (the plan) committed to increase investment in primary medical and community health services between 2019/20 and 2023/24. This increase in funding aimed to address demand pressures, expanding the workforce, and developing new services to meet the various ambitions set out in the plan. Covid-19 has accelerated some of this transformation and presented new opportunities, but it has also exacerbated some of the existing pressures.

The plan set out the intention to ‘dissolve the historic divide between primary and community health services’. Organisations within all sectors of the NHS have reported improved relationships as a result of much closer joint working during the pandemic, when faced with a common problem and clear priorities. This not only gives a good basis to build on as community organisations develop these arrangements, but also demonstrates that shared purpose and understanding are key to working well together.

However, the workforce challenges set out above still remain and will have an impact on the ability of the sector to develop services and new teams while continuing to support the Covid-19 response. The trajectories for some ambitions may need to be reviewed but the progress made in transforming community services must be recognised. The plan highlighted significant investment in out-of-hospital care. While this will be shared among many groups to achieve the ambitions; NHS

[5] HFMA, *The value of community services: enabling system working*, September 2019

community services, GPs, and third sector organisations; the level of change to date and that which is still needed to tackle Covid-19, must be acknowledged. It may be appropriate to bring forward some of the identified investment to support the sector as it struggles to restore pre-Covid-19 activity at the same time as supporting Covid-19 facing services and necessary transformation to meet the challenges of 21st century healthcare. There is also concern that combining the commitment to increase investment across all out-of-hospital settings may mean that systems are unable to invest sufficiently in NHS community services, when all relative priorities are debated.

As for all sectors, the pandemic has resulted in a rapid move to digital methods of care, through the use of telephone and video consultations. This ambition in the plan has been realised in a much shorter timeframe than anticipated, although there is still work to be done to ensure that short term solutions are sustainable in the long term. Again, funding profiles and achievement trajectories should be reviewed and revised to support the new ways of working. NHS community services providers recognise that there is a need for ongoing change in how care is delivered and how organisations work together. Covid-9 has demonstrated what can be achieved when traditional barriers are removed. This momentum must be maintained to support more effective patient care.

Funding community services in a post Covid-19 NHS

The whole health and care system is operating in a period of financial uncertainty. Funding levels and mechanisms for 2021/22 onwards are unknown and organisations are having to make decisions without knowing whether the funding will be there. Many NHS bodies have taken on significant risk in order to do the right thing. Community services are no different and, as new service models are developed, it is essential that some certainty of funding is given so that staff can be employed, estates can be made ready and local populations can understand what services are available to them.

Increasing value

NHS community services continue to consider how to reduce costs and operate more efficiently. During the pandemic, many elements of cost improvement programmes have rightly been paused as organisations focus on the immediate health needs of their population, supported by the temporary removal of the efficiency requirement within the tariff across the NHS. Finance teams have stepped back from asking clinicians to find new and more efficient ways of working. But this does not mean that work on improving financial sustainability has stopped.

Many organisations faced a funding gap last year and see the pause of the financial regime in 2020/21 as an opportunity to make changes and enter 2021/22 in a much better financial position. Some of these efficiencies are in clinical areas where schemes were well progressed before the pandemic hit. However, many more are in the support functions, for example renegotiating contracts in areas such as IT support.

Covid-19 has also presented a number of opportunities to review where money is spent within an organisation. The move to digital consultations for clinicians and remote working for many support functions has led to a dramatic reduction in travel costs. Office overheads such as utilities and photocopying have also seen significant decreases although, conversely, remote working has caused pressure on existing data usage contracts, with some being breached. Many community services' organisations are reviewing these expenditure changes to assess where permanent change could be made, although recognising that some cost savings may not be desirable in the long term.

The potential for a change in setting of care may also give rise to efficiencies but these will need to be considered at a system level, rather than within individual organisations.

The local authority challenge for NHS community services

NHS community services have close working relationships with their local authorities, with many people's needs straddling both sectors. The investment in social care during the pandemic which allowed more beds to be made available for hospital discharge, clearly showed the beneficial impact of properly funded social care to the wider public sector. However, as for the NHS, the financial arrangements for social care during the pandemic are short term and not sustainable. As funding is once again reduced, there is a risk that the NHS community services sector will find that demand for services increases even further. The discharge to assess scheme has been very successful in reducing lengths of stay in an acute setting and enabling people to leave hospital. But without somewhere suitable to go, community services may find that their caseloads become unmanageable.

Throughout the pandemic NHS community services have continued to provide many essential services for local authorities, particularly for children. Media reports have highlighted the dangers of lockdown for vulnerable children and organisations have maintained support for child protection and looked after children, among many other services to support children and young people during this time. As schools have reopened, community services organisations have also supported local authorities in ensuring the safety and wellbeing of children in schools, through public health nursing contracts. The breadth of services provided by the sector mean that community services organisations have been involved in many aspects of the public sector response to Covid-19.

Local authority funding has been severely hit by the pandemic with many income streams curtailed. This has had a knock-on effect on the wider services that the local authority can offer and may impact support to community groups and housing services, both of which will have implications for population health and demand for community services. With the need to reduce demand on the acute sector to cope with future Covid-19 waves and an elective care backlog; and constrained financial resources in local authorities; there is a danger that NHS community services organisations find themselves squeezed in the middle and expected to soak up the excess from both the acute and social care sectors.

Conclusion

The Covid-19 pandemic has highlighted the essential role that NHS community services organisations play in the health and care system. They support all other sectors through providing alternative settings for care, enabling people to stay at home, and supplying a skilled workforce that can support the changing demands of the population. Through their public health nursing services, they support the education sector and many organisations also work with housing associations and the criminal justice system. The breadth of service is vast and not immediately obvious to those outside of the sector.

The pandemic has presented an opportunity for the community services sector to raise its profile and further demonstrate its capabilities. Organisations and services are learning from the experience of Covid-19 so far and adapting the way that they operate. They have shown what is possible when community services have the space to innovate and the funding to support them. However, the sustainability of funding and the lack of certainty around whether services can be supported in the coming months and years, is an area of concern for the sector. The *NHS long term plan* commits to supporting out-of-hospital care and it is essential that this investment is made available to continue to the good work begun during the pandemic.

21st century healthcare relies on a strong community health services sector and now is the time for the NHS to recognise just how valuable it is.

About the HFMA

The Healthcare Financial Management Association (HFMA) is the professional body for finance staff in healthcare. For 70 years, it has provided independent and objective advice to its members and the wider healthcare community. It is a charitable organisation that promotes best practice and innovation in financial management and governance across the UK health economy through its local and national networks.

The association also analyses and responds to national policy and aims to exert influence in shaping the wider healthcare agenda. It has particular interest in promoting the highest professional standards in financial management and governance and is keen to work with other organisations to promote approaches that really are 'fit for purpose' and effective.

The HFMA offers a range of qualifications in healthcare business and finance at undergraduate and postgraduate level and can provide a route to an MBA in healthcare finance. The qualifications are delivered through HFMA's Academy which was launched in 2017 and has already established strong learner and alumni networks.

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HFMA is also a limited company registered in England and Wales, no 5787972. Registered office: 110 Rochester Row, Victoria, London SW1P 1JP

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