

NDTi Insights give you the most important bits of learning from a piece of work by the National Development Team for Inclusion (NDTi). We aim to make them quick to read; they point to more detailed materials for those who want more information.

Incentives for Achieving Change in Private Sector Learning Disability Hospitals

Who should read this?

This report will be of particular interest to people interested in the development and delivery of national policy for people with learning disabilities as well as NHS and local authority commissioners of services for people with learning disabilities who are labelled as 'challenging services'.

Background

This report arises from a project funded by the Department of Health that involved working with providers of private sector learning disability hospitals in order to explore how to support them to change such services to be more in line with national policy expectations.

Private hospital providers were offered two years of free development support to plan and deliver strategic change and new services for individual people. The goals were (i) some people leaving hospital for community services (ii) a reduction in the number of hospital beds being provided and (iii) development of a new model of working for the private sector provider.

Plain English summary

This report is about a project to help private providers of learning disability hospitals change their services. We found that, although some managers and staff working for private hospital providers wanted hospitals to change, it was very difficult to make this happen. For most private providers, the top priority was the financial value of the company and not following government policy. If hospital services are to change, then NHS and local authority commissioners need to work in new ways - helping providers to see that their future lies in doing things in different ways.

Main findings

- Despite the offer of free development support to achieve change, few providers wished to embark on a process of change that would result in a reduction of the number of hospital beds and development of an alternative service model.
- Those providers that were interested in significant change were being largely driven by the vision of senior managers who were connected to the wider learning disability agenda and aspired to a service model where the organisation played a more central and proactive role in services that provided good outcomes for people.
- Achieving change needs the active involvement of the provider **and** the commissioners of the service. Where this could be achieved, progress towards new ways of working, with increased person centred approaches proved possible.
- However, private hospitals typically have a large number of commissioners with each purchasing a small number of places, with few commissioners seeing supporting change in such hospitals as a priority for them. The lack of a national 'steer' or direction that required commissioner action (as was the case with closure of NHS long stay hospitals) compounded this. Together, these things made



Main findings – continued

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- Short Breaks for Disabled Children
- Increasing the voice, choice and control of older people

Other Insights being published soon will cover:

- Wellbeing in mental health
- Employment support for people with learning disabilities

www.ndti.org.uk/publications/ndti-insights

This report

A copy of the full report is available at:

<http://www.ndti.org.uk/publications/ndti-publications/supporting-change-in-private-sector-learning-disability-hospitals/>

For more information on the Local Services for Local People Project, please visit the NDTi website

<http://www.ndti.org.uk/who-were-concerned-with/learning-disability/local-services-for-local-people/> or

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it difficult to create a dynamic for change.

- The major obstacle to change was the private provider's primary obligation to achieve a financial return to its shareholders and demonstrate its financial viability (including to banks that had provided debt financing). Where change was from a proven model in terms of financial return (i.e. the hospital) to one that was untried in the sector (e.g. a focus on community support and partnership with other providers) the financial risk involved deterred decision makers from going down that route.
- This challenge appeared to increase at times of economic difficulty when the basis on which banks provide debt changes. This leads to a greater need for providers to demonstrate short-term profitability rather than take a longer-term financial view.

Conclusions and key messages

- National policy on its own is not a lever to achieve change in private sector provision. Despite some private sector managers and clinicians wishing to support change in line with policy, private providers see achieving financial return as a greater priority than delivering Government policy.
- There are managers and clinicians in the private sector who wish to move to different service models. However, they will only be able to do this if they can present a strategy that demonstrates a continuing market role for the organisation, with new service models achieving similar rates of return to the institutional forms.
- NHS and local authority commissioners thus become key to change – using a 'carrot and stick' approach. Whilst being clear that institutional provision out of line with policy will no longer be commissioned, if they engage with private providers to support them working towards a different, non-institutional service model then some change is possible.
- Such approaches need to be progressed by commissioners collaborating across authority boundaries. Incentives to do this are currently very limited and thus some form of national intervention is likely to be necessary if commissioning practice is to change – particularly given the proposed new GP commissioning consortia.
- However, seeking to achieve change in institutional private sector services is more difficult at times of economic challenge, as the basis on which providers obtain and service debt is liable to be less generous and thus providers are less able to take strategic decision that risk a negative short-term impact on profitability.