

Leaders' Committee

Moving Forward on Health and Care Reform

Item no: 6

Report by: Sarah Sturrock **Job title:** Strategic Lead, Health and Adult Services
Date: 14 July 2015
Contact Officer:
Telephone: 020 7934 9653 **Email:** sarah.sturrock@londoncouncils.gov.uk

Summary This paper considers three areas of focus for significant progress on health and care reform during 2015/16 that form part of the preparation needed to be ready for more ambitious care reform requiring devolution. The Executive supported these proposals in their recent meeting and Leaders Committee is now asked to commit to progress on them across London.

Recommendations **The Leaders Committee is asked to discuss how progress can be made within existing powers to move forward on health and care reform within 2015/16 and, in particular, to:**

1. **agree that all London's Health and Wellbeing Boards should be strengthened as system leaders for locally driven health and care reform during 2015/16 and that London Councils' should refresh the stocktake of London Boards at the end of the year;**
2. **agree to establish effective sub-regional arrangements between boroughs and the NHS in London during 2015/16 and note that a project that the Capital Ambition Board has agreed in principle to fund should be developed to support this;**
3. **commit to working with local partners to secure a significant further step change in integration to deliver on London Councils core principles for the Better Care Fund in 2016/17; and**
4. **that progress around the capital on each of these goals for the current financial year should be reported back to Leaders' Committee regularly.**

MOVING FORWARD ON HEALTH AND CARE REFORM

Background

1. London Councils' Executive and Leaders Committee have agreed clear ambitions for local government in London to play a positive and significant role in health and care reform. This includes exploring the role of devolution as a way of unlocking reform. Further discussion on potential devolution opportunities is continuing, including with the Mayor through the Congress following discussions at the London Health Board, and at the end of this month through a joint meeting with the Mayor and Simon Stevens.
2. However, visible progress on health and care reform will need to be made within the current financial year – and so within existing powers – if London is to be ready for more significant reform. The need to improve outcomes and drive greater efficiency in the light of the impact of austerity on the NHS and local government makes such progress imperative. Achieving this will also strengthen the case for any devolution proposals we choose to pursue.
3. This paper therefore considers three key areas in which significant progress could be sought within 2015/16:
 - strengthening Health and Wellbeing Boards;
 - establishing sub-regional working; and
 - driving integration.
4. The Executive discussed a similar paper at their last meeting and supported collective ambitions to make significant progress in these three areas this year. Leaders' Committee is invited to endorse collective aspirations around each of these, and to make progress locally on these, considering what roles London Councils can play to support this.
5. Much of London local government's ability to influence the London health economy as a whole depends on work carried out at the borough level. The progress of each borough will therefore have an impact on the prospects of all other boroughs. It will be important that Leaders are kept abreast of progress around the capital and it is proposed that progress against these three goals for the current financial year be reported back regularly.

Strengthening Health & Wellbeing Boards

6. Shared Intelligence carried out research¹ for London Councils, published in March, setting out a clear picture of the state of London's Health and Wellbeing Boards. It demonstrates that there is strong commitment to the Boards and they have already made a range of important contributions to driving health and care outcomes and service improvements locally. However, it also identified that no London Boards are yet fully operating in the system leadership role to which they aspire. Further Shared Intelligence work for the LGA has confirmed that the picture in London is similar to that across England.
7. Discussions in the London Health & Wellbeing Board Chairs Network recently confirmed shared ambitions to further strengthen the effectiveness and powers of Boards. Much progress on this will depend on local commitment and action. However, the strength of London local government's argument for further reform will be significantly affected by the extent to which local action delivers progress across all parts of London. Action during 2015/16 will be a powerful signal of commitment and readiness to take on any devolved powers. We propose to refresh the stocktake of London's Boards around the end of this year, to be able to reflect the progress that has been made locally.
8. There are a range of things available to support local action to strengthen Boards, including a programme of LGA leadership and peer support, underpinned by funding from the Department of Health. Some London Boards have already accessed this and found it useful. London Councils will facilitate increased access to this support, including shaping lighter touch facilitated peer support for those who are not ready for or cannot resource full peer reviews. We will also continue to support the Chairs network and an officer leads network to support local efforts to increase the impact of Boards, as well as making the case for increasing Boards roles and influence in health and care reform.
9. In considering how they should strengthen themselves, Boards will also need to consider whether there is in place suitably robust wider infrastructure locally to drive more significant and effective collaboration on improving outcomes and system change eg joint/aligned commissioning arrangements, use of appropriate s75 agreements, etc.

¹ <http://www.londoncouncils.gov.uk/our-key-themes/health-and-adult-services/health/health-and-wellbeing-boards/conquering-twin-peaks>

10. **The Leaders' Committee is asked to agree that all London's Health and Wellbeing Boards should be strengthened as system leaders for locally driven health and care reform during 2015/16 and that London Councils' should refresh the stocktake of London Boards at the end of the year.**

Developing sub-regional working

11. The Executive and Leaders' Committee discussions about health and care reform and devolution have all acknowledged that this will need to be delivered through working at different spatial levels. While local government will always want to reinforce a principle of subsidiarity, with responsibilities and action devolved to the lowest possible level, we have acknowledged that some reform will need to be driven by working at local health economy and sub-regional levels. Sub-regional geographies for health are likely to be different in many cases to those that are emerging around other devolution ambitions eg skills and employment.
12. CCGs are already strengthening their sub-regional arrangements, both as a means of securing delegation of responsibilities from national or regional levels within the NHS and to seek to address systems resilience issues for hospitals. These arrangements will further strengthen and solidify during this year.
13. Some boroughs are finding ways of engaging with these sub-regional arrangements – through officers or Members. However, the pattern is very mixed. The two main challenges are for boroughs to find ways of organising themselves together for effective sub-regional working and to persuade CCGs and NHS England to open up their sub-regional arrangements to creating real partnerships with boroughs.
14. For local authorities to be effective partners in health and care reform, it is vital that we make real progress on establishing sub-regional joint working with the NHS in London during 2015/16. The arrangements developed need to provide credible foundations for taking on devolved responsibilities, including potentially greater responsibility over budgets, estates, transformation planning, etc.
15. Work on developing boroughs' aspirations for and approaches to sub-regional working will need to be owned and driven locally. However, there is a need to have some overall coherence in the approach, to enable real progress to support

devolution negotiations. London Councils will therefore develop some work with chief executives to facilitate and accelerate the development of sub-regional health working across London. This will draw out emerging models and work with sub-regional groupings to clarify functions, delivery mechanisms, governance arrangements and links with local and London level arrangements.

16. In the February meeting of the Leaders' Committee it was proposed that the Capital Ambition programme might provide a source of funding to unlock local partnerships [for health and care reform]. At its meeting on 25 June, the Capital Ambition Board agreed in principle to use up to £250,000 to support the development of sub-regional working arrangements for health with strong borough engagement, subject to approval of a detailed business case. The Board was clear that it would want this work to be ambitious – focused on accelerating progress towards sub-regional arrangements that would drive real change. The business case will be developed with a view to starting work by the early autumn.

17. The Leaders' Committee is asked to agree to establish effective sub-regional arrangements between boroughs and the NHS in London during 2015/16 and note that a project that the Capital Ambition Board has agreed in principle to fund, will be developed to support this.

Driving integration

18. While integration is not the solution to all the challenges facing health and care, it is a critical contributor to improving service quality and personalisation, as well as aligning spend to improve overall efficiency. Across London there has been real progress on integration and the capital has a good range of examples of best practice and innovation. But there is still considerably more to do to deliver full integration. Making visible progress on this in the year ahead is a further way of strengthening health and care collaboration and demonstrating London's commitment to reform.

19. The Better Care Fund has been a powerful catalyst for local collaboration between boroughs and CCGs to increase the scale and pace of integration and has created an important role for Health and Wellbeing Boards that supports their development as forums for system leadership. Despite many frustrations about its surrounding bureaucracy, this approach – of joint planning, pooling budgets

and aligned or joint commissioning – is clearly the way forward. Boroughs and their partners are now focussing on delivering their 2015/16 Better Care Fund Plans. Successful management of this, in the face of growing challenges in the system, will be a significant contribution to demonstrating progress on health transformation and reform.

20. However, the single year plans are not sufficient in themselves. If London wants to demonstrate its commitment to real progress on reform, building on these in ambitious ways over the next few years will be important.
21. In the light of the government's manifesto commitment to continue integrating health and care through the Better Care Fund, the Executive agreed London Councils should called on the government to clarify soon their plans for the evolution of the Better Care Fund in 2016/17. Waiting until the conclusion of the Comprehensive Spending Review in the late autumn for government guidance on how the BCF should develop in 2016/17 would seriously curtail the time for local shaping of joint ambitions for furthering integration in that year – and would particularly impede the development of Health & Wellbeing Boards' role in this.
22. London Councils has also set out the core design principles² that the government should adopt to ensure that 2016/17 sees a significant further step forward in integration, while allowing flexibility for partners to shape their local plans to reflect their circumstances and priorities. These principles are:
 - a. extending scope to different population or service groups, beyond the current focus in most plans on frail elderly people;
 - b. making prevention and early intervention a mandatory component of BCF – and, in recognition that prevention cannot always fully cover its costs within a year, calling for some NHS England national transformation funding to be included in the pooled budgets;
 - c. doubling the minimum amount to be pooled in the BCF 2015/16 from £3.8 billion to £7.6 billion (although individual areas can, of course, choose to go further). As well as this involving boroughs and CCGs incorporating

² <http://www.londoncouncils.gov.uk/node/26600>

more of their budgets into the pool – making the BCF an even more important part of mainstream planning and delivery, we argue for the inclusion of some NHS England funding for specialised commissioning and transformation;

- d. building links between planning at different geographical levels by including funding for operational resilience that is currently planned sub-regionally in the local BCF pool;
- e. ending the nationally mandated payment for performance approach and replacing it with locally negotiated risk-share deals;
- f. strengthening alignment of commissioner and provider plans;
- g. reducing bureaucracy and monitoring intelligently;
- h. requiring local areas to submit a roadmap of how they will move towards full integration of health and care by 2019/20 – to embed further the local leadership and shaping of integration and reduce the scope for future top-down imposed solutions.

23. London Councils will continue to seek to influence government for early clarification of goals and timelines for 2016/17 Better Care Fund planning. However, local authorities and their partners, through Health and Wellbeing Boards, can already be shaping up their local ambitions – and the more robust these are, the stronger the case for locally-led solutions will be.

24. The Leaders' Committee is asked to commit to working with local partners to secure a significant further step change in integration to deliver on London Councils core principles for the Better Care Fund in 2016/17.

Conclusion

25. The Leaders Committee is asked to discuss how progress can be made within existing powers to move forward on health and care reform within 2015/16 and, in particular, to:

- a. **agree that all London's Health and Wellbeing Boards should be strengthened as system leaders for locally driven health and care reform during 2015/16 and that London Councils' should refresh the stocktake of London Boards at the end of the year;**
- b. **agree to establish effective sub-regional arrangements between boroughs and the NHS in London during 2015/16 and note that a project that the Capital Ambition Board has agreed in principle to fund should be developed to support this;**
- c. **commit to working with local partners to secure a significant further step change in integration to deliver on London Councils core principles for the Better Care Fund in 2016/17; and**
- d. **that progress around the capital on each of these goals for the current financial year should be reported back to Leaders' Committee regularly.**

IMPLICATIONS FOR LONDON COUNCILS

Financial Implications for London Councils

The Capital Ambition Board has agreed in principle to fund up to £250,000 to support the development of sub-regional working arrangements of health, subject to the development and approval of a detailed business case.

Legal Implications for London Councils

None

Equalities Implications for London Councils

None