Executive

Health and care devolution – Emerging asks

Item 6

Report by:	Clive Grimshaw	**Job title:**	Strategic Lead for Health and Adult Social Care
Date:	13 September 2016		
Contact Officer:	Clive Grimshaw		
Telephone:	020 7934 9830	**Email:**	Clive.grimshaw@londoncouncils.gov.uk

Summary: This report provides an update to Executive on emerging developments in health and care devolution and seeks agreement in principle to the governance of agreement on final propositions.

Recommendations Executive is invited to note and endorse the process for engagement with London Councils' Executive and Leaders' Committee between September and December 2016 as set out in paragraph 11 and to note that a report will be presented to Leaders' Committee in October.

Health and care devolution – Emerging asks

Background

1. This paper updates Executive on the emerging health and care devolution asks for London and sets out an approach to engagement with pan-London political and professional leadership and to governance for reaching agreement in respect of London's proposition to Government in December 2016.

Health and Care Devolution - Progress in the first half of 2016

2. The first half of 2016 has been a period of building governance infrastructure and developing a more detailed understanding of the London asks and the evidence base for devolution. A report to Leaders' Committee in April 2016, and update to Executive in May 2016, reported the progress in establishing governance and emerging high level issues in respect of the estates pilot. Members will recall that under the Collaboration Agreement London partners agreed to establish the London Health and Care Devolution Programme Board, Chaired by the London Chief Executive lead for health. This is the coordinating and convening machinery for the operational leadership of health and care devolution and reports into the London Health Board.

3. The meeting of the London Health and Care Devolution Programme Board on 29 July marked a significant milestone – the high level menu of devolution propositions received endorsement with an explicit expectation on London Partners to undertake a process of engagement with constituent members to further refine asks and gain a measure of the system's appetite for devolution asks as they are emerging. Details of the asks as of July 2016 are set out in this report.

4. For London local government, the process of engagement presents a complex challenge. There are multiple stakeholder groups who are critical to the success of reaching December with a strong and binding agreement on London's devolution asks. This will include being assured of active engagement with individual pilot projects, London borough leaders and borough chief executives.

5. For London to deliver against the December deadline to report on devolution asks, the coming 3 months will be a critical phase during which to:
    - Strengthen communication and engagement across the system at a political and operational leadership level.
    - Engage more intensively with a political audience at the pilot and pan-London level as appropriate to socialise asks and shape propositions.
    - Agree the final December asks.

Emerging asks for devolution of health and care

6. Pilot areas have been active in refining the evidence base and specificity of devolution propositions. **Attached** as appendix A is a summary of the vision for devolution as described in the Strategic Outline Case as prepared by boroughs and their pilot partners.

7. The following high level summary describes the key propositions being brought forward.

    Estates

    Key issues and asks:

    I. Local prioritisation and investment of capital receipts.

    II. NHS capital business case approval to be accelerated and consolidated through the implementation of a jointly owned and collaborative process; and potentially devolved to sub-regional or London level.

    III. All capital receipts generated by the London system would be retained within London, in line with gainshare principles to be negotiated and agreed.

    IV. Greater collaborative work to understand how we can work with regulators to obtain benefits from a joined up London approach.

    Integration

    Key issues and asks:

    I. Full devolution of primary care commissioning to Borough/CCG level.

    II. The ability to adopt new payment models and vary national contracts, within a regionally developed framework, including new approaches to

innovative models of payment for non-vanguard sites encompassing issues relating to tariff flexibilities, multi-year funding cycles and the ability to pool budgets (including across primary and secondary care and the current commissioner/provider split).

III. A streamlined and better aligned regulatory regime, including CQC and NHSI functions, to a system-wide view. This would be enabled through delegations by national regulatory bodies to London representatives

IV. CCG commissioning functions delegated to a joint local authority / CCG structure, with associated legislative reform to enable joint decision making committees between CCGs and LAs.

VI. Reform to enable joint decision-making committees between CCGs and boroughs:

a. Amendment of the Section 75 regulations to remove the "management" restriction for joint committees established under this framework.
b. Amendment of the NHS Act 2006 (as amended) to ensure that London has the same options available to it as elsewhere in England.
c. Exploration of options to expand the range of delegable CCG functions, beyond those that fall within the definition of "Commissioning functions" as a precursor to more formal devolution of functions.

Prevention

I. Universally embed public health in all borough services in order to create healthy communities.

II. Through fiscal devolution, maximising the local freedom to invest in preventative activity to make London the world's healthiest City.

III. Bring forward propositions to gain new powers and freedoms which enable London to:

a. Address problem gambling
b. Establish health as a licensing objective
c. Further reduce tobacco consumption, distribution and illicit circulation

IV. Support people who have mental health problems to prevent long-term unemployment through service integration, building support for the national Fit for Work scheme to integrate with existing local services.

Strategy to December

8. In the context of the complex governance landscape, multiple opportunities have been identified to engage with political and operational leaders in order to shape and refine final asks. These opportunities are not suggested as an exclusive list and do not account for engagement planned by individual pilot areas. However, it is believed that the following opportunities will be valuable to meeting the obligation to provide a December submission:
    - Executive – 13 September
    - Leaders' Committee – 11 October
    - London Health Commission: Two years on event –Winter 2016
    - London Councils' Summit – November
    - London Health and Wellbeing Board Chairs' Network – September and November
    - London Health Board – dates to be announced
    - Officer level workshops – multiple during September, October and November
    - Leaders' Health and Care Devolution Workshop – November
    - Leaders' Committee – 6 December (to report progress)
9. These opportunities for engagement with the developing devolution propositions will be critical, but they will not by themselves offer the mechanism for propositions to be explored comprehensively in detail or "agreed", nor will these opportunities allow for the detailed and ongoing political engagement likely to be required in the run up to December. For example, as pilot areas develop asks and discussions with London partners refine the detail, London's political leadership may wish to be able to offer political engagement which can respond flexibly and in an iterative way.

10. Furthermore, the strategy for reaching agreement on London's December asks will require an approach which recognises that decision making will be necessary for different asks at different spatial levels. For example, where asks are emerging which would not of themselves affect all of London if granted (i.e. they are permissive and discrete to local or sub-regional

footprints) then the appetite and support from a pan-London level would be beneficial but may not be essential to the case being made by the pilot area. However, where asks are emerging which would affect the whole of London if granted (i.e. where a pilot is making the case for devolution which would impact on all boroughs), then there would need to be clear and explicit agreement from all of London.

11. In order to recognise the complexity of this approach to decision making, the following is proposed to simplify the London-wide process of reaching agreement:
    - Pan-London agreement will be essential where asks have binding pan-London implications if introduced (i.e. should Government grant the ask, all borough will be affected).
    - Pan-London input to asks which do not have pan-London implications will be invited but comment not binding on individual pilot projects (i.e. all boroughs will have an opportunity to understand, discuss and shape asks, but will not make decisions which bind pilot projects).
    - As appropriate, individual pilot projects will make final decisions in respect of asks which are not pan-London as described in 1).
    - In respect of 1) to 3) above:
        - A further update report will be provided by the Executive member to Leaders' Committee on 6 December.
        - A Leaders' seminar be hosted in November to brief on the health and care devolution asks as they are emerging at that time.
        - Between September and December, the London Councils' Portfolio Holder Executive member comment on urgent matters and provide guidance and sign-off on behalf of Leaders' Committee.
        - Between September and December, the Executive Portfolio Holder and the London Council's Chair will be asked to comment on urgent matters and provide guidance and sign-off on emerging positions.

The London Health Board

12. The London Health Board held its first meeting under the Chairmanship of the new Mayor in June. The meeting affirmed the Mayor's commitment to Board priorities in respect of mental health and health and care devolution, the

Mayor also agreed plans to review and refresh the London Health Inequalities Strategy.

13. Following the London Health Board (LHB) meeting in June, the Mayor invited Board members to offer comment on how the LHB has worked thus far, its role over the coming year and longer term and how the Board could be strengthened. The Board is expected to consider these questions and how to take forward the responses during future discussions.

14. The Mayor has asked for a report back on devolution at the next meeting of the Board. The next meeting of the Board is due in the autumn, with the date still to be confirmed.

Financial Implications for London Councils

There are no financial implications for London Councils resulting from this report.

Legal Implications for London Councils

There are no legal implications for London Councils resulting from this report.

Equalities implications for London Councils

There are no equalities implications for London Councils resulting from this report.

Recommendation

Executive is invited to note and endorse the process for engagement with London Councils' Executive and Leaders' Committee between September and December 2016 as set out in paragraph 11 and to note that a report will be presented to Leaders' Committee in October.

Appendix A

Summary of the vision of each pilot area

Hackney – the vision is for an integrated, effective and financially sustainable service that meets the population's health and wellbeing needs. This vision includes an ambition for fully integrated health and social care teams, working with primary care and a fully integrated commissioning system, moving to capitation and an accountable care system. This vision is built on a long history of collaboration across the partners in Hackney, which has already delivered a number of successful outcomes. However, the pilot sees devolution as an enabler, meaning it can move faster on developing its clinical models and achieving its overall vision.

Lewisham – building on a long history of strong partnership working, the Lewisham pilot's vision is for a viable and sustainable single health and care system. Estates, workforce and commissioning are recognised as key enablers for this vision. The Lewisham pilot partners recognise that for a new model of integrated care to be successful, "financial incentives will need to be aligned to reinforce the change in behaviours and practices that they want to see, to deliver care differently". The pilot has commenced work around "risk stratification and the initial financial modelling that will underpin the design of capitation … to ensure that this is robust and flexible".

Barking, Havering and Redbridge – aims to deliver a personalised health and care service, focusing on self-care, prevention and local services, and based around a locality model. This new integrated health and wellbeing service model will be based on the principles of place-based care and will be designed to promote wellbeing services that tackle the root causes of poor physical and mental health. The pilot's analysis of the scale of the challenges facing the area mean that its view is that changing the service model alone is not enough and that to "achieve the full potential we need to change our business model and organisational form". Collaborative productivity and new transactional commissioning arrangements are noted as opportunities to enable the pilot to go further and faster.

North Central London – The vision for the NCL estates pilot is to provide a fit for purpose, cost-effective, integrated, accessible estate which enables the delivery of high quality health and social care services for local residents. The benefits anticipated through devolution include:

- Better local health economy planning including establishing estates requirements;
- Contribution to affordability of estates change across NCL.
- Greater certainty on treatment of capital receipts in project development.

- Greater incentives to dispose of surplus property for organisations which do not currently retain receipts.
- A whole system approach to estates development across NCL, with different partners, currently subject to different governance processes, working together on projects and developing a shared view of the required investment and development to support clinical change.
- Focused action on the development of the out of hospital estate, to deliver clinical strategies and better outcomes for patients.
- Greater efficiency and flexibility in the estate, reducing voids and improving utilisation and co-location, to deliver financial benefits.
- Increased capital receipts, achieved through the incentives of devolution.
- Release of land for housing, resulting from improved utilisation and disposals.

Haringey – the council, CCG and partners are determined to improve the health of local residents at pace and scale. The vision for prevention is fundamentally to 'normalise good health'. The borough recognises that nothing less than a whole system approach is required in which we embed health objectives in all policies and shift every partner's core business towards prevention. Recognising that where we live is a major determinant of our health, it is about using the council's place-making role to shape the borough's physical and commercial environment so that residents can make healthy choices more easily. It is about addressing the inter-relationship between inequality, poor health and unemployment by working with employers and joining up services to prevent people with health problems dropping out of employment