

Leaders' Committee

Transforming Health and Care through Devolution

Item 5

Report by: Clive Grimshaw **Job title:** Strategic Lead for Health and Adult Social Care

Date: 21 March 2017

Contact Officer: Clive Grimshaw

Telephone: 020 7934 9830 **Email:** Clive.grimshaw@londoncouncils.gov.uk

Summary This report provides an overview of the drivers of health and care integration, the critical importance of devolution as an enabler and proposes action for further development during 2017.

Recommendations Following a discussion at Executive on 28 February about health and care transformation, this report reflects how Leaders at that meeting wished to take forward the discussion with Leaders' Committee. Accordingly, Leaders' Committee is asked to address the questions set out in paragraphs 34 and 35 and provide political guidance.

Transforming Health and Care through Devolution

Context

1. This report brings together a number of developments directly connected to the integration and reform of health and care. Together, those developments lead to some important decisions for Leaders to take which will shape how London responds to health and care integration and reform in the coming 12 to 24 months. Those developments are –
 - The financial challenges facing adult social care and health.
 - The outcome of the Health and Care Devolution Memorandum of Understanding (MoU), which potentially provides an important tool to drive forward integration and reform at pace and scale.
 - Wider developments in the integration and reform landscape, where London local government is leading the way.
2. Reaching a view about how to move forward will require a balanced judgement to be reached in terms of how change and transformation in health at the local and sub regional level will evolve in near to medium term. At the meeting of Executive on 28 February, endorsement was given for an approach to agreeing how to carve out and assert a clear and coherent role for local democratic leadership which brings both scrutiny and consent to how local systems change. This approach is described in detail under paragraphs 34 and 35.

Introduction

3. The health and adult social care sector is facing increasing pressures and integration, driven by multiple national policy initiatives, has long been seen as part of the solution to addressing these pressures. More recently, locally designed and driven integration plans have become more prominent, notably as a core component of the case for devolution.
4. In February the National Audit Office (NAO) published its report on health and social care integration and made several recommendations which could shape integration over the coming years. The NAO called for further work to be done building an evidence base for how, and whether, integration can alleviate financial pressures in the sector.

5. The report identified some risks and potential barriers to integration which need to be addressed for integration to gather pace. These included the risk that integration could become side-lined in pursuit of NHS financial sustainability if there wasn't full local authority engagement in the joint sustainability and transformation planning process. Other long standing barriers and risks identified in the report were workforce challenges, misaligned financial incentives and problems around information sharing.
6. The report concluded that the pace towards full integration has been slower than had been hoped and that more needed to be done if full integration was to be achieved by 2020. It also found that national initiatives such as the Better Care Fund did not achieve the level of financial savings in the system that had been anticipated.
7. This paper sets out some integration initiatives in London and describes the finance and policy context for borough led models of integrated health and care.
8. The paper also suggests a range of high level actions to drive the further development of the reform propositions, based on pilot and non-pilot integration area models. It further suggests how London Councils can help to shape the national debate by beginning to develop a strong integration evidence base across London.
9. However, it must be noted that the initial evidence is that despite the most ambitious integration programmes, the funding pressures facing health and social care are unlikely to be addressed without new money coming into the system. While integration is not altogether a solution to the financial challenge ahead, it does offer an important means for improving user outcomes in the sector and supports local democratic influence over decisions which will remain central to the financial sustainability of local health and care systems.

Financial and policy context of health and care transformation

10. London's population is growing at a faster rate than the rest of the England, including significant growth in the over 65s population and the number of people with physical/learning disabilities. Demographic growth and change in

recent years has also seen an increasing number of people living with long-term, complex conditions.

11. Spending Review 2015 (SR15) outlined further significant cuts to local government, which was again asked to shoulder a greater than average share of the funding reductions to deliver the Government's deficit reduction plans: a real terms cut to core funding (Settlement Funding Assessment) of 37 per cent over four years. Core funding to London boroughs from Government will have fallen by 63 per cent in real terms over the decade from 2010-11 to 2019-20
12. The funding challenge in adult social care is one of the biggest facing London local government over the Spending Review period. This remains the largest area of spend at £2.2 billion across London in 2016-17; representing 31 per cent of total spend (as high as 43 per cent in some boroughs). Recognising the critical impact this can have on people's lives, boroughs have sought to protect adult social care as much as possible since 2010-11 but despite this, boroughs are spending around £450 million less in real terms than in 2010-11.
13. The 2015 Spending Review found an additional £3.5 billion nationally for adult social care by 2020 across England - £2 billion through the introduction of the social care precept and £1.5 billion through the Improved Better Care Fund grant to local government. Of the £1.5 billion to be made available through the Improved Better Care Fund (in 2020), £247 million is available for London, while £244 million could potentially be raised from the Social Care precept.
14. In his Budget Statement on 8 March, the Chancellor of the Exchequer announced additional grant funding of £2bn to adult social care in England over the next 3 years. Of this grant funding, £1bn would be available in 17/18. This funding, it was said, would form a bridge to BCF which will become available towards the end of the Parliament. The Chancellor also announced a Green Paper on the future of adult social care funding would be published later in 2017.
15. Notwithstanding the fact that more detail is needed of how the additional funding will benefit London, investment to assist in meeting the financial pressures facing adult social care is welcome. London Councils had, based on SR15, estimated a cumulative £600 million funding gap in 2019-20. This is

likely to have been mitigated by the injection of new funding. Therefore, while short term pressures may have eased, in the long term the financial sustainability of adult social care remains uncertain.

Devolution as an enabler of transformation

16. In December 2015, the London Health and Care Collaboration Agreement was signed and it set out London's devolution proposals for transforming health and wellbeing outcomes, inequalities and services across the capital through new ways of working together and with the public.
17. London health devolution pilot areas, involving a large number of member boroughs, have undertaken a huge amount of work during 2016 in refining the evidence base and specificity of devolution needs and propositions. These are critical to the faster and deeper integration and reform of health and care. The offer explicit alongside these asks is that local integration is central to better equipping Londoners to live longer, healthier lives.
18. Key devolution enablers coming out from the pilot projects include:
 - Devolution of funding and commissioning powers as agreed with the relevant national bodies
 - Changes to governance and regulation
 - Joint capital strategic planning and delivery
 - Joint workforce strategic planning
 - The development of new payment mechanisms to support integration
19. At Leaders' Committee in December, a paper detailing the latest position on asks and offers emerging from London's health devolution pilot areas was considered. That paper also established a process for engagement and clearance of the final agreement. Following discussions, as agreed, between Cllr Kevin Davis, London Councils' Health Lead, Cllr Claire Kober as Chair of London Councils and Cllrs Sarah Hayward and Richard Watts as members of the London Health Board, agreement on the London Councils' position in respect of the Memorandum of Understanding was reached.
20. Subject to the final MoU with national partners being agreed, the roll-out of devolution as an enabler of deep and successful integration and reform will require strong political leadership underpinned by a coherent narrative around which borough Leaders will wish to engage. This would not imply a single London system, but a narrative which captures the rich variety of local and

multi-borough models of integration of health and care which political leaders are willing to advocate throughout London and which clearly demonstrates to Londoners the powerful role of devolution in the objectives underpinning the narrative.

21. The new powers that may be gained through devolution can provide a platform for accelerating the development of borough-led integration models and so reforming the health and care system locally. The period immediately after agreeing the MoU represents the greatest opportunity for London boroughs to shape the public narrative of reform showing how boroughs are positively shaping the future of health and care in the Capital, how new and emerging models are grounded in the local needs from an integrated health and care systems and the vital role of local powers gained through devolution in taking those models further and faster.

22. This development further raises a question of how to fully optimise the unique position of borough Leaders. The financial challenge in the system is well-known and devolution offers tools to drive integration and reform of health and care. In the same manner as individual pilot areas have led the agenda, so the task facing the wider system, in part, appears to be how to ensure reform emerges through bottom-up, locally designed solutions. This will be a central task for the coming 12 to 24 months and points to questions of how best the local story can be told and how Leaders can shape this.

Transformation through integration and reform

23. London Councils welcomed the announcement in SR15 that all areas of the country will be mandated to produce plans for complete health and social care integration by 2017, to be implemented by 2020. However, the government has now scaled back on these plans there will no longer be an expectation for all local areas to produce separate 2020 integration plans although a vision of how they plan to achieve full integration will be expected as part of the Better Care Fund 2017/19 plans.

24. The process of developing new models of integration of health and care has evolved and taken on a new, stronger emphasis in recent years. At its core, the policy drive behind the Better Care Fund (BCF) is that integration is key to improving a range of health related outputs and outcomes, often practically enabled through budget pooling and some shared governance. London as a

region has led the way in delivering the integration agenda for example last year London's performance against the national conditions in the BCF surpassed other regions consistently in at least 5 of the 8 national conditions. While of the 25 national integrated care pioneer sites, 5 were selected from London covering 16 London boroughs.

25. Alongside the BCF there have been other national initiatives pushing for increased integration of health and care such as the Integrated Care pioneers and the Vanguard and more recently the introduction of STPs all with a primary aim of improving the care received by people by changing how the care is delivered. However, the NAO report found that despite these initiatives the pace of integration has been slow.
26. Integration and reform across London has not been restricted to these initiatives. Many local and sub regional areas have taken the opportunity to go further in developing integrated care pathways, for example by bringing together health and care commissioners. More recently, boroughs have begun to develop visions for integration of primary and social care which are deeper and more comprehensive, creating fully integrated commissioning which brings together substantive budget commitments around new care models.
27. Evidence from a number of boroughs considering the potential benefits of integration and reform to meet the financial and demographic challenges, suggests that Londoners consistently prioritise health and care provision which enables:
 - i. Longer healthier lives
 - ii. Self-help and self-care
 - iii. Individual resilience which allow for lives to be as independent as possible
 - iv. Access to high quality care when it is needed
28. Examples of areas in London where comprehensive integration of health and care plans are progressing include the devolution pilots (London Borough of Hackney, London Borough of Lewisham and London boroughs of Barking and Dagenham, Havering and Redbridge), London Borough of Croydon (through Outcomes Based Commissioning for over 65s) and the Royal Borough of Kingston upon Thames Kingston Coordinated Care programme.

29. While areas and plans noted above are not exhaustive and don't fully capture the variety of locally led and developed initiatives, some of the common themes that do emerge from these borough-led propositions include:

- Integrated primary care and social care commissioning.
- Integrated multi-disciplinary health and social care teams co-located to support populations of between 40,000 and 60,000 Londoners.
- Involvement of integrated voluntary sector organisations into a range of social, wellbeing and public health services via social prescribing and integration with statutory services.
- Introduction of an integrated single point of access allowing for the efficient and quick referral to health and self-care provision
- Empowering and equipping Londoners with skills and information to help them self-manage, access the right services when needed, make informed decisions on the evidence and options for their care and who are active in the co-design of service delivery arrangements and pathways
- Access to a high quality local hospital delivering, among a number of things:
 - 7 day services.
 - Digital solutions that drive down demand for face-to-face intervention.
 - Management of pressures on specialised services.
 - Aligned clinical behaviours across primary community and secondary care, which see the community / home as the default and support the delivery of patient care plans.

30. While there will be a mixed picture of progress between different areas, on the whole London has successfully begun its transformation of health and care. It is moving it towards a more integrated care pathway. However, it is important that local government continues to make the case that integration is only part of the solution to addressing the challenges that the sector is facing. Further work is needed to look at how the sector can be made more sustainable in the long term.

Recommendations

While local and multi-borough areas have embraced the integration agenda there is further evidence building which suggests the system would derive added value

from a full narrative setting out how integration can be used to drive further reform of health and care.

31. In order to develop that narrative, elected Leaders will need to consider how to present and explain local initiatives to Londoners. It will also be important to develop local approaches to use the new powers that come from successful devolution negotiations and by doing so to accelerate the rate of reform and the pace at which health and care services are improved for Londoners.
32. Discussions at Executive endorsed an approach which would carve out and assert a clear and coherent role for local democratic leadership which brings both scrutiny and consent to how local systems change. Commentary at Executive reflected the importance of local government Leadership in driving forward the agenda, particularly in the context of reform within constrained finances. Leaders at Executive were also keen for pilot areas to be enabled to tell more of their story and direction of travel and to be able to access analysis which can support local decision making on integration which.
33. Leaders' Committee is therefore asked to address two questions.
34. Firstly, Leaders are invited to provide political guidance on the recommendation that through London Councils a London health and care integration political narrative is developed that builds on work to agree a Memorandum of Understanding with government in order to fully describe London elected leaders full ambition for improving health and care in every London borough. This will require the development of a policy platform that is robust enough to capture the core of borough-led initiatives illustrating the financial impact of these initiatives on the long term sustainability of social care in London and:
 - i. Through London Councils a London health and care integration political narrative is developed which will underpin a policy platform explaining the essential components of borough-led initiatives and illustrating the financial impact of these initiatives on the long term sustainability of social care in London.
 - ii. That this narrative must be supported by evidence from devolution pilot areas and non-pilot areas, and that pilot areas must be enabled to tell their story of progress and direction of travel.

- iii. That this narrative considers the long-term destination for health and care in London, with a supporting analysis of changing nature of demand.
- iv. To show how tools from devolution can form an enabler of integration and reform.
- v. Learn from integration and reform to identify new devolution propositions.
- vi. That Leaders' support borough Health and Wellbeing Board Chairs to lead this work and through the Health Lead report to Leaders' Committee.
- vii. That campaigning and lobbying propositions be included in a future report back to Leaders' Committee.

35. Secondly, Leaders' consider and offer early guidance on how individual London borough leaderships can be supported to gain the best value from the new powers and tools available as a result of devolution negotiations. Following discussion at Executive, it was agreed this should include consideration of:

- i. The mechanism for effective local government political oversight of opportunities opened up by the MoU, which should include the role of Health and Wellbeing Boards as well as Cabinet leads and overview and scrutiny leads.
- ii. Mapping current proposals and strategies for health and care improvements within each London borough with a view to providing some analysis which can support local and multi-borough decision making on integration.
- iii. The resource and support requirements to make the delivery of devolution work for all boroughs.
- iv. Assessing how the London Estates Board and other central resources devoted to health and care reform can best support individual boroughs and multi-borough partnerships to deliver successful reform, including exemplifying the benefits of devolved arrangements
- v. Considering what other resources and support may be required for boroughs to be able to develop clear plans for health and care reform that are led by locally democratically accountable leaderships.
- vi. Assessing the potential for collaboration across borough boundaries to enhance plans for health and care improvement.

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.