

Capital Ambition Board

London health and care devolution – December submission

Item 6

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

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Contact Officer: Clive Grimshaw

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

Summary: At its June 2015 meeting, the Capital Ambition Board (CAB) agreed in principle to provide up to £250,000 to support the development of new working arrangements for health, subject to the agreement of a detailed business case. An update on progress towards agreement of a more detailed business case was reported to the CAB in October 2015, when members reaffirmed the in principle commitment of financial support.

In February 2016, CAB considered a request to provide £100,000 to support work streams emerging from the Health and Care Devolution Agreement – an agreement between London and national partners.

This report provides an update on health and care devolution and invites the Board to comment on the propositions emerging from the five devolution pilot projects and agree to provide further financial support to assist London local government in the delivery of devolution.

Recommendations Members are recommended to:

- a) Note and comment on the progress of the London health and care devolution pilots.
- b) Confirm its decision at February 2016 CAB and provide up to £150,000 to assist London boroughs in the delivery of devolution commitments.

Introduction

1. This paper describes the developing proposals for reform of the London health system that are emerging from the five London health pilots. It reports on the process of negotiation linked to agreeing new freedoms for health and care delivery in London; and seeks Capital Ambition Board agreement to commit an additional £150,000 of CAB funding to support the delivery of devolution.

Background

2. At its June 2015 meeting, the Capital Ambition Board agreed in principle to provide up to £250,000 to support the development of sub-regional working arrangements for health with strong borough engagement, subject to the agreement of a detailed business case. An update on progress towards agreement on specifics of a more detailed business case was reported to the Capital Ambition Board in October 2015, when members reaffirmed the in principle commitment of financial support.
3. At the time, however, running alongside this process were discussions which were working to deliver a London Health and Care Devolution package. There was clearly an intimate connection between the type of work envisaged in previous reports to the Capital Ambition Board and what would be required to support learning and innovation between different areas in London as a result of the emerging Devolution Agreement.
4. Following the December 2015 Health and Care Collaboration Agreement with national government, London partners launched five pilot projects intended to identify reforms to the rules governing the health and care system that would permit faster improvement in health and care services across the capital.
5. In February 2016, CAB considered a request to provide £100,000 to support work streams being developed using the contributions from the London Partners. In particular, London partners, through their contributions, agreed resources to:
 - draw insights from the pilots and other major initiatives to:
 - inform a strategic view on the implications for sustainable and high quality health and care across the whole of London;
 - ensure the learning from pilots is made available to other parts of London; and

- work with national partners to agree the conditions other parts of London would need to satisfy to unlock devolution from the contingent menus to support and accelerate their own transformation plans.
- 6. In February 2016 CAB Members approved the balance of the £250,000 identified in principle in 2015 as a reserve against future health devolution programme support requirements. Any agreement on access to the balance would be subject to a further detailed report to the Board.

Developing London's Proposals

- 7. As part of the agreement reached in 2015, London Partners agreed both to work for the success of the pilots and to prepare to take advantage of any devolved powers agreed in the 2016 negotiation. While it was assumed that pilot areas would use these new powers first, the agreement included the presumption that all London boroughs would seek to use the new powers wherever they were applicable.
- 8. During the first half of 2016 London pilots developed a more detailed evidence base for devolution. As part of the original agreement London set up machinery for joint oversight of work on devolution including the London Health and Care Devolution Programme Board, Chaired by the London Chief Executive lead for health.
- 9. The resources provided by CAB have been critical to ensuring the London has been able to make a strong, system-wide case for significant devolution asks. In particular, the resources have been helpful to ensure learning and benefits can be shared and unlocked.
- 10. Notably, the asks described in this report on estates have been rooted in a programme of work has engaged with local authority and health strategic leaves to develop a strategic view on the implications for sustainable and high quality health and care across the whole of London, has engaged in sharing the learning from pilots to other parts of London and has worked intensively with national partners to agree the conditions other parts of London would need to satisfy to unlock devolution.

11. Together with the devolution asks on integration and prevention, the contribution of CAB to the specific activity on estates has opened up game-changing opportunities for the London system. Realising those opportunities will require a new focus for activity during 2017/18. To do that, CAB can provide essential support to boroughs in making devolution a success.

Emerging asks for devolution of health and care

12. Pilot areas have undertaken a huge amount of work during 2016 in refining the evidence base and specificity of devolution needs and propositions.
13. In developing proposals for devolution, London partners were working to a timeline that anticipated the London Health and Care Devolution Memorandum of Understanding (MoU) being signed ahead of or at the start of the financial year 2017/18. However, delays in reaching agreement on final wording on the section relating to prevention required a pause in plans for publication. The calling of a General Election in June further slowed progress towards resolution and at the point of writing this report. However, CAB may wish to note that the Chancellor of the Exchequer set out a commitment to a health devolution agreement with London in his March budget statement, and it had been hoped this would have been published in the near future.
14. The full range of proposals that London aspires to achieve are reported below. Prior to final discussions it cannot be clear how much of this agenda can be locked into a firm agreement. It is therefore important for London local government to take a view on priorities within a discussion process that will inevitably be both extremely rapid and involve many London Partners, each with slightly differing priorities and needs.

Capital and Estates

Background to devolution: The NHS estate in London is considerable, but significant capital investment is required to ensure high quality health and care infrastructure and greater investment in primary and community care facilities. All parties recognise the opportunity to improve system-wide planning, reduce under-utilisation, release surplus land and capital and realise wider one public sector estate opportunities.

London is proposing:

- Devolve capital business case approval to be through the implementation of a new London Estates Board (LEB). The LEB will work with sub-regional estates boards to support the development of a clear capital and estates plan for each sub-region. Local and sub-regional boards will be supported to develop accountability and governance arrangements to a sufficient standard to enable delegated decisions to be taken at more local levels.
- Agree in principle to the internal delegations of business case approval authority to the London level through members of the LEB.
- Agree in principle to London retaining the capital receipts generated by the London system to enable investment in health and care, subject to robust STP and London estates strategies.

Integration

Background to devolution: The current structure of commissioning and the associated financial flows do not incentivise or enable more ambitious integration of health and social care. Funding flows are largely determined on an individual service basis. This means that it is difficult to shift funding between services to address locally specific needs or to prioritise prevention initiatives, rather than acute service provision. London partners see opportunities to commission services with a whole system outlook, with the overall aim of improving outcomes. Although there is much that can be done to develop integrated systems by flexing the current system, faster and more ambitious transformation would be enabled by the devolution of key funding streams and changes to the commissioning and financial frameworks.

Regulatory approaches remain designed around individual statutory bodies and on the basis of current ways of working. They do not easily facilitate integrated working, especially in the more formal and ambitious forms envisaged by the integration pilots.

The people that work in health and care are critical to achieving London's transformation goals. London will build on its position as the home of popular and world-class health education, to develop new roles, secure the workforce it needs and support current and future staff to forge successful and satisfying careers in health and care. London partners have recognised the need for joint health and care training and workforce development, to support integrated working as a key enabler to new models of care.

Commissioning models and payment mechanisms – Asks and offers:

London is proposing:

- Delegate all primary medical care commissioning to the local level by April 2017 and to consider full devolution by April 2018.
- Enable delegation of health and care commissioning functions to a joint local authority / CCG structure, with associated pooling of budgets.
- Devolve London's 'fair share' allocation of sustainability and transformation funding to London from April 2018.
- Explore delegation of some specialised commissioning functions to the sub-regional level from April 2018, contingent on the development of robust plans and governance arrangements.

Regulatory approaches – Asks and offers:

London is proposing:

- Work with London to develop new ways of regulation to enable and promote the implementation of ambitious new ways of integrated working.
- Work with London to develop, support and resource, a re-designed regulatory framework that meets the needs of the London system.

Workforce and skills – Asks and offers:

London is asking national partners to:

- Establish a London Workforce Board for issues related to London, to ensure a collaborative strategic approach.
- Through the London Workforce Board, deploy transformation and development funding on London's strategic health and care workforce priorities, aligning with the national requirements set out in Health Education England's (HEE) mandate.
- Establish a collaborative, London-wide workforce delivery system with HEE, Skills for Health and Skills for Care working together on key training and development priorities.
- Agree in principle to London positively altering London weighting, enabling harmonisation between inner and outer London and modifications to the weighting, subject to London building an economic case and exploring the workforce impacts outside of London of this approach.

Prevention

Background to devolution: Improvements in the health and wellbeing of Londoners have to be led within communities. Through a place-based approach that puts health and wellbeing at the heart of devolution plans, London has real opportunities to tackle the wider determinants of health – including employment, planning and housing - and address health inequalities. Devolution provides an opportunity to create better environments in which people can flourish, complementing individual Londoners' efforts on staying healthy.

The emphasis on prevention through a place-based approach opens up wider consideration of fiscal levers, including business rates retention. This allows for a longer-term consideration of how those powers could be put to best use to the benefit of health outcomes. For example, London Government is seeking flexibility to determine all business rates discounts and reliefs, including scheme parameters and thresholds. Locally determined reliefs and discounts would encourage greater dialogue and engagement between London Government and the business community. It would also enable more strategic planning around high streets to meet wider public health objectives.

London is asking national partners to:

- Commit to collaborating on and jointly resourcing efforts to establish the opportunities to explore the evidence base for:
 - Reducing health harm by granting local authorities the freedom to extend smoke-free areas to include alfresco dining areas of restaurants and pub gardens
 - Including health and wellbeing as a licensing objective, through a research programme which will conclude in September 2017.
 - Establishing a London wide illegal tobacco and counterfeit alcohol enforcement team. This team will work to reduce the availability of cheap illicit tobacco and alcohol and minimise health harms, especially to children and young people, along with strengthening city-wide action on illegal tobacco and alcohol and generating more duties paid to the exchequer.
- Through the ASA (advertising standards agency) explore the application of a precedent of a London-specific Communities of Advertising Practice (CAP) policy to restrict advertising/marketing of unhealthy food/drink in specified locations.
- Explore new models for integrating health and employment support and the role prevention and early intervention can play, specifically through:
 - Devolution of the Work & Health Programme to London to deliver initiatives tailored to the needs of Londoners.
 - Support for local enhancements to the Fit for Work service to be tested to support people at risk of becoming long term unemployed. This will include enabling contract variation to enable Fit for Work to refer back to local services once a person's work plan is in place and to allow earlier referrals to Fit for Work from employers.

Delivering the Health and Care MoU

15. 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.

16. To enable London local government to have the best chance of making a success of health and care devolution, the next phase of activity will need to develop and expand in, but not be limited to, two significant areas – communications and engagement, and integration.
17. Discussions with London Partners regarding the approach to funding the next phase of activity has established an agreement on the principle of shared responsibility to funding, which will include the pre-existing resource commitments to pan-London activity. While London Council's resource commitment would be significant in terms of financial and in-kind, the broader benefit would be such as to enable local government to leverage more significant support for its interests, both financial and in-kind, by the wider system is aligned in all ways possible with our focus.
18. These resources will allow London local government to invest significantly in the areas of communications/engagement and integration.

Communication and Engagement

19. The coming year will require regular and broad engagement to communicate progress and opportunities for pilot and non-pilot areas, as well as with stakeholders outside of the London Partners (MPs and Peers, national partners and politicians).
20. A comprehensive communications and engagement plan, produced by London Partners collectively and updated/refreshed regularly, will be a pre-requisite of successful mobilisation of the London system around the devolution activities. This plan should encompass the activities of London Partners. The plan should include the practical outputs of devolution during 2017/18, as well as campaigning activity to tell the story of devolution across the London system and to national partners. This plan should build in communications and engagement activity which is both professionally and politically led.

Integration

21. Activity will need to include, but not be limited to:
 - Providing visible commitment to integration enabled by health and care devolution in London, promoting effective communication of the goals and progress of the integration theme.

- Development of a London health and care integration political narrative 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.
- 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, including a report that will set out the advantages and disadvantages of different integrated models including where possible the outcomes that each model has achieved enabling local areas to choose the option that works best for them.
- Engaging with political and professional leaders in pilot and non-pilot areas to ensure opportunities allowed through devolution are 1) visible to boroughs, and 2) fully utilised across the transformation programmes in London.
- Working with London Partners to develop and deliver products and events which support the delivery of the MoU and improve awareness of integration opportunities enabled by the MoU across the London system.

Financial Implications for London Councils

22. The Director of Corporate Resources comments that CAB is asked to approve £150,000 in support of health and care devolution, representing the balance of the £250,000 approved in principle in 2015.

Legal Implications for London Councils

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

Equalities implications for London Councils

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

Recommendation

Members are recommended to:

- a) Note and comment on the progress of the London health and care devolution pilots.
- b) Confirm its decision at February 2016 CAB and provide up to £150,000 to assist London boroughs in the delivery of devolution commitments.