

# Health and Care Devolution

What it means for London

November 2017



# Contents

## SECTION 1

### Health and care devolution in context

Introduction

Background

London's journey to devolution

In brief: What devolution means for Londoners

## SECTION 2

### How devolution will help London to become a healthier city

#### Better health and care services

Contracts and payments

Regulation

Workforce and skills

#### Better use of NHS buildings and land

Collaboration, capacity and decision making

Reinvesting London's money back into London

Getting the most out of NHS land and buildings

#### Preventing ill health

Tackling obesity

Creating healthier environments

Forging links between good health and employment

# Foreword

We have reached a major milestone in health and care for Londoners. The London Health and Care Devolution Memorandum of Understanding (MoU) confirms the commitment to accelerate health and care transformation for the benefit of all Londoners through the devolution of powers to within the London system.

For the past two years, health and care partners from over 100 local, regional and national organisations have worked tirelessly to develop and agree London's health and care devolution deal. The scale, dedication and shared sense of purpose underpinning this work is unprecedented. As Chair of London's Health and Care Devolution Programme Board, I have seen first-hand the journey and efforts of health and care leaders and organisations in London and beyond. It has been inspiring to see colleagues and organisations develop a common understanding of local and city-wide health and care challenges and set aside different organisational priorities to combine efforts and expertise for the benefit of Londoners. Partners have worked within their own networks to test and shape the right deal for London and to ensure widespread engagement and ownership.

Since the publication of *Better Health for London*, health and care partners have worked to develop and implement plans to support those who live and work in London to lead healthier independent lives, to prevent ill-health, and to make the best use of health and care assets. More recently, the London Health and Care Devolution Programme and five London devolution pilots have together explored how moving resources and decision-making more locally could accelerate the improvements that Londoners want to see. This work has highlighted the significant progress that we can make by working better together within London. We have made tremendous progress both in working better together and securing the ability to make important decisions about London, in London. This is a testament to the commitment and engagement from everyone involved. We are grateful for the interest and support from wide-ranging stakeholders who have invited us to discuss our plans and thinking with them along the way and provided us with helpful feedback and insight throughout our journey to devolution.

The London Health and Care Devolution Programme has been led and resourced by a wide health and care partnership, with relationships and joint working only strengthening over time. For almost two years, partners from London Boroughs, NHS commissioners and providers, the Greater London Authority, public health leaders, clinicians, central government departments and many more have met regularly within the forum of the Devolution Programme Board and a variety of working groups. We have certainly faced our challenges and it hasn't always been smooth sailing but the commitment never faltered and that makes our achievements even more worthwhile. Our shared focus has been to develop solutions to support those who live and work in London to lead healthier independent lives. The London Health Board, chaired by the Mayor of London, has given political oversight and leadership and has provided a solid platform for important strategic discussions to help ensure Londoners have remained at the heart of all our work.

London's devolution deal marks a significant step forward, but our journey does not end here. We have unlocked opportunities to do more to prevent ill-health, improve how services are provided and release money and land from the NHS estate in London. We must continue to work together and to strengthen our partnerships to ensure we deliver on our commitments and make them a reality as soon as we can. This is the only way that we can make the changes necessary for the benefit of all Londoners.

On behalf of the London Health and Care Devolution Programme, I would like to express our immense gratitude to everyone who has been involved in helping us to get this stage. A special thanks to the devolution programme team for their dedication and hard work. I encourage Londoners and health and care partners to join us and to help us shape the next steps for London.



*Will Tuckley*

**Will Tuckley**

*Chair, London Health and Care Devolution Programme Board and Chief Executive, Tower Hamlets Council*

# SECTION 1

Health and care devolution in context





# Introduction

London aspires to be the healthiest major global city. But for this to become a reality, we need to work better together, make the best use of all our assets – within health and care and beyond – and ensure that the diverse needs of Londoners are clearly understood and met.

Over recent years, 'London partners' (the Mayor of London, the NHS in London, Public Health England and London Councils) have been working together to prevent ill health, improve the quality of care and create a more efficient and joined up health and care system that meets the needs of Londoners.

In 2014, the independent *Better Health for London* report recognised the considerable efforts already underway to improve health in our capital and described specific actions that could be taken by local, London and national partners to unlock greater progress.

As a result, London partners set an overarching goal to make London the world's healthiest major global city. The London Health Board partners published a shared vision of ten key aspirations to improve the lives of Londoners. These are ambitious goals and will take time – but as a city we are building strong foundations to deliver lasting improvements in health and care.

London's Health and Care Devolution Memorandum of Understanding (*MoU*) marks a significant milestone to help meet the ambitions and aspirations set for the city. This document explains London's devolution journey; how we arrived here and what the impact will be for Londoners and the health and care system.

## London's 10 aspirations



Give all London's children a healthy, happy start to life.



Get London fitter with better food, more exercise and healthier living.



Make work a healthy place to be in London.



Help Londoners to kick unhealthy habits.



Care for the most mentally ill in London so they live longer, healthier lives.



Enable Londoners to do more to look after themselves.



Ensure that every Londoner is able to see a GP when they need to and at a time that suits them.



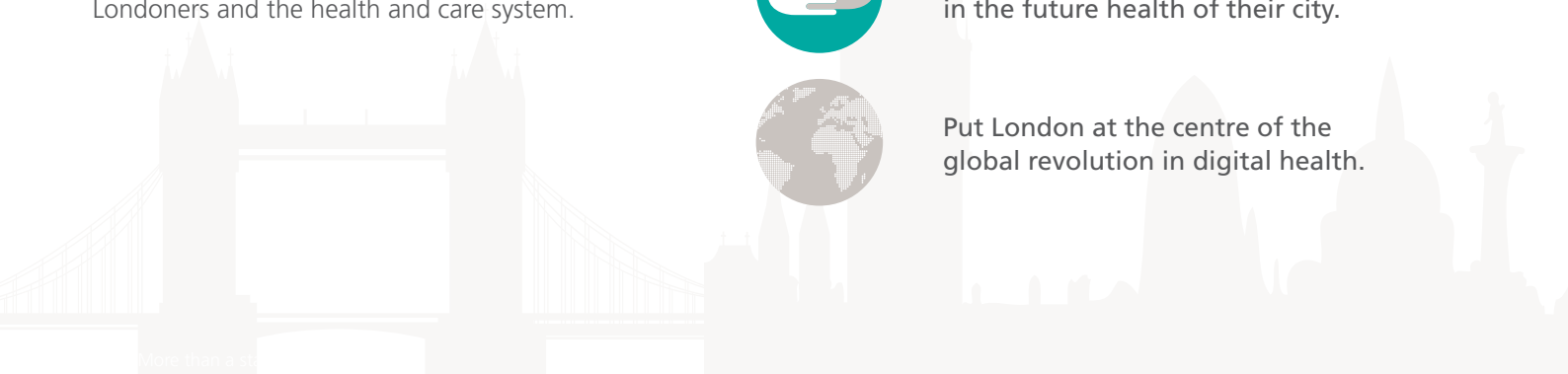
Create the best health and care services of any world city, throughout London and on every day.



Fully engage and involve Londoners in the future health of their city.



Put London at the centre of the global revolution in digital health.



# Background

London faces unique health and care challenges and many of these are set to increase as our population grows and changes. So, while we need to work to improve the health and care of today's population, it is also important to support Londoners to stay healthy for as long as possible and to ensure that the health and care system is sustainable long-term.

Local areas are best placed to understand the needs of their citizens. London has different health challenges, population characteristics, health and care service challenges and opportunities than the rest of the country. This is also true at the level of individual London boroughs, given the diversity of local communities.

We also have wide inequalities in life expectancy between and within London boroughs. We need to work together to make London a healthy city for all Londoners.

## Our journey to better health and care

Over recent years, our health and care system has made significant strides to organise services around the changing needs of our city's growing and diverse population. In December 2015, London Partners committed to work more closely together to support those who live and work in London to lead healthier independent lives, prevent ill-health, and to make the best use of health and care assets<sup>1</sup>. Central government and national bodies backed this vision through the *London Health Devolution Agreement*. This Agreement invited London to explore the transfer of powers, decision-making and resources closer to local populations as an important tool to accelerate transformation plans and respond to the needs of Londoners more quickly.

Many decisions about health service planning and budgets are taken at national level. This can sometimes create unintended barriers to delivering the connected and tailored local services that Londoners want. London has already made significant progress in working better together within the current system. Devolution will allow us to go even further by enabling health and care decisions to be made for London, in London.

The London Health and Care Devolution Programme is underpinned by three key principles: devolution proposals must be co-developed locally by pilots; grounded in the needs of our local populations; and shaped through collaboration with national and London partners. Given the size and complexity of London's health and care system, our approach has been to explore how devolution could work in practice through five 'pilots'. These pilots have focused on three priorities that emerged from *Better Health for London* - prevention, health and care integration and making best use of NHS buildings and land.

Over the past two years, the pilots have been working to make rapid improvements to health and care within existing powers and exploring how more local powers, resources and decision-making could accelerate the improvements that Londoners want to see at the most appropriate and local level. Different parts of London have diverse communities, health challenges and quality of health and care services. It is therefore entirely appropriate that different solutions are developed for different areas and that enabling tools, such as devolution, be adopted at different pace and scale based on local appetite.

<sup>1</sup>The 2015 Collaboration Agreement

# London's journey to devolution

## National milestones

### NHS Five Year Forward View

A shared vision for transforming health and care



### Better Care Fund

Transformation in integrated health and social care



### Public health transfer to local government



### Health and Social Care Act passed

2012

2013

2014



### London Health Board formed



### Better Health for London

64 recommendations to improve health and healthcare in London

## London milestones



**2015**



**New Care Models Programme**



**London Health Devolution Agreement**



**Greater Manchester's health and social care devolution deal**



**Sustainability and Transformation Plans (STPs) announced**



**London Health Board refreshed**



**London Health and Care Collaboration Agreement**



**Better Health for London: Next Steps**

First collaborative vision for London

**2016**



**Healthy London Partnership established**



**Better Health for London: One Year On**



**Cities and Local Government Devolution Act 2016**



**Next Steps for the Five Year Forward View**



**London Health and Care Devolution MoU signed**



**London Health and Care Strategic Partnership Board formed**



**London Health and Care Devolution Programme established**



**Devolution pilots underway in Haringey, Hackney, Lewisham, Barking & Dagenham, Havering and Redbridge and North Central London**



**Five London Sustainability and Transformation Plans developed**

# In brief: What devolution means for Londoners

## Better health and care services that meet the needs of Londoners:

Our health and care challenges in London are different from elsewhere in the country.

For example, Londoners are much more mobile – moving around the city to live, work and access their care. Our older population is also growing faster than the UK average, with the population expected to increase to 11 million by 2039. Between 2017 to 2039, there will be an 88% increase in over 80 year olds – the biggest users of health and care services.

We need to make sure that our health and care services meet the specific needs of Londoners. Devolution helps us to join up our health and care services and align decisions about where and how these services are provided. This aims to ensure that Londoners get better and more seamless care.

## Better use of NHS buildings and land:

The NHS is one of the largest owners of land and buildings in London. Our hospitals occupy around 1000 acres of land, that's three times the size of Hyde Park. But many of our buildings are in need of repair and so can't be used to provide care for patients. These unused sites still drain much-needed NHS money in maintenance costs. Through devolution, NHS trusts will be incentivised to sell unused land and buildings and reinvest the money back into London's health and care system to build better GP surgeries, community services and hospitals. By releasing land, Londoners will be able to build the homes and schools that Londoners need.

## Helping Londoners to be as healthy as possible:

Nearly *one third* of all Londoners are under the age of 25. These young Londoners must be supported to be as healthy as possible for as long as possible. By acting now we can prevent or delay poor health and disability later in life.

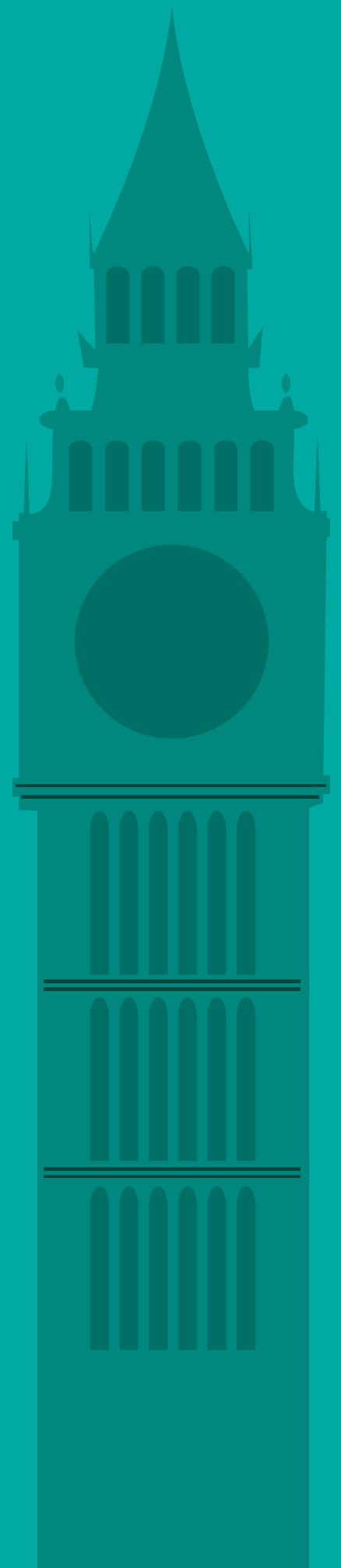
We know that childhood obesity is a major problem in London. Many parts of London are already working to have healthier high streets by preventing new fast food outlets opening near schools. We can now go further. We will aim to reduce targeting of food and drink adverts where these can cause health harm - for example, near schools. And as the soft drinks levy is introduced, we will be able to make sure that the money raised helps London's children to be as healthy as possible.

We also know that work and health are closely linked. London employers lose more than 6 million working days due to stress, anxiety and depression, and stable employment is a major factor for successful recovery. Devolution means that London will have control of work and health support so that this can better meet the needs of Londoners.

These are just a few examples of the changes that health and care leaders, NHS and social care staff, the voluntary sector and Londoners can now make together.

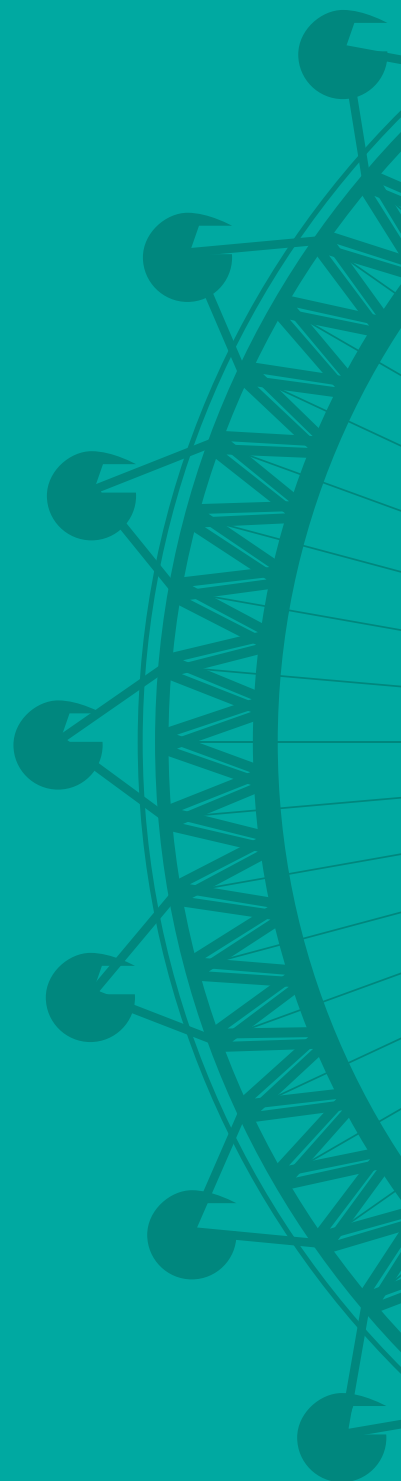
We want to make London the healthiest city in the world and devolution will help us to make this a reality.





# SECTION 2

How devolution will help London  
to become a healthier city





# BETTER HEALTH AND CARE SERVICES



## Contracts and payments

As our population grows, ages and becomes ever more diverse, the demand on health and care services increases. It also becomes more important to deliver more tailored care that meets the needs of our communities. But this must be delivered amid significant financial challenge.

This requires us to change the way we work – so that different parts of the system can work better together. We need to refocus our investment on prevention, early intervention and planned care, rather than just supporting Londoners when a health issue is causing immediate problems. High quality, locally responsive care closer to home is the best way of ensuring we can cope with population growth, reduce dependency on hospitals, and secure system sustainability.

We know that much can be achieved within existing powers, and significant strides have already been taken in developing more place-based, joined-up services for whole communities or specific groups of Londoners.

However, too often these efforts remain hampered by organisation or service-specific contracting and financial processes. If these processes are not joined up within and between health and care organisations, the system as a whole is not incentivised to work in a joined up way.

### The opportunities devolution will bring

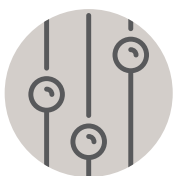
Some NHS England functions will be devolved or delegated from the national level to within the London system. This will include primary care and some specialised commissioning. Decisions on the best way to invest national transformation funding will now be taken in London so that this money can be used more flexibly, in a way that better reflects London's specific needs.

The devolution pilots and many other local areas in London have been exploring how to bring decision making between local authorities and Clinical Commissioning Groups closer together to improve the health and wellbeing of local communities. National partners will work with London in an effort to overcome barriers to implementing these shared arrangements to support personalised and joined up care at local, multi-borough and London levels.

National partners will also work with London to develop, adopt and implement innovative payment models at pace and scale.

### The benefits

- Care will become more joined up and person-centred much sooner in England's largest region through moving to place-based commissioning and local pooling of budgets.
- A clear shift from siloed organisations and fragmented services to more effective, joined up local health and care systems that better meet the needs of local communities.
- We will be able to support Londoners by reacting and intervening earlier, through greater investment in primary and community care. For example, in North East London, where half of boroughs are part of devolution pilots, early intervention and effectively dealing with long-term conditions in the community is expected to reduce 4 in 10 unnecessary A&E attendances.
- We will have political accountability for health and care transformation and transparent decision-making.



## Regulation

If health and care organisations are to work more closely together, the approach to regulation needs to reflect this more integrated way of working.

Regulation is important to ensure that health and care services are safe, high quality and sustainable. More streamlined guidance, rules and regulations makes it much easier for organisations to work better together. Typically, if patients with chronic conditions are managed in the community rather than in hospitals, the payment for care moves from the hospital to the primary or community care provider. This means that sometimes organisations are penalised for working better together. Devolution gives us an opportunity to change this.

Regulators – including NHS England, NHS Improvement and the Care Quality Commission (CQC) – are keen to actively support the development of health and care systems, through more collaborative and coordinated approaches.

### The opportunities devolution will bring

Health and care regulators will work more closely together in London and will align their regulatory actions and timelines where possible. NHS England and NHS Improvement will develop joined-up processes for working in London, including joint appointments between these organisations for some key roles.

London and national partners will develop an approach to regulation and oversight that meets the needs of London. This will include the ability for joined up delivery systems to be regulated as a whole.

### The benefits

- Health and care organisations will receive consistent advice and guidance, a joined up and targeted approach to any quality or financial issues and fewer administrative burdens to respond to different requests for information.
- A more aligned and system-based, rather than organisation-based, approach to regulation. This will better support prevention, early intervention and integration.
- Regulation that supports and reinforces shared leadership and accountability for pathways of care and system challenges, supported by regulation.



## Workforce and skills

The people who work in health and care are critical to achieving London's transformation goals and improving our overall health. New models of care rely on roles that cross current organisational or care boundaries.

Numerous health and care employers and a variety of contractual and co-location arrangements, professional requirements and pay scales govern the health and social care workforce. Integrated working therefore means navigating all of these different arrangements.

Integrated working is a key enabler to joined up health and care services. If health and care workers are to work in a more joined up way, their training and development also needs to be as joined up as possible. London partners have recognised the need for joint health and care training and workforce development to support integrated working.

Despite the London health and care system training a significant proportion of the workforce, costs of living and working in London contribute to challenges in recruitment and retention of staff. There are currently recruitment challenges across London with particular shortages in a range of social and primary care roles. In North East London alone, 17.5% of registered roles in social care lie vacant.

### The opportunities devolution will bring

A London Workforce Board will bring together health and care partners to take a more collaborative approach to issues facing our workforce. This will support a joint approach to training and workforce development. Collaborative approaches will also aim to make the best use of associated funding, such as from the apprenticeship levy, through joint programmes wherever possible.

By working in close partnership, including with employers and trade unions, we have an opportunity to explore ways to support more integrated health and care roles. The Board will also explore whether 'London weighting' takes into account true costs of living and working in London.

### The benefits

- More collaborative working between health and care staff. A collaborative health and care workforce to support new models of care. This will help to deliver higher quality care and extended services to consistent standards.
- Joint health and care training and workforce development where appropriate, co-location of health and care staff where this supports joint working, and supporting combined roles across health and care.
- 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.
- We aim to see improved recruitment and retention, particularly for social care, primary care and mental health.





# BETTER USE OF NHS BUILDINGS AND LAND



## Collaboration, capacity and decision-making

London's health and care estate needs significant repair and investment to support new models of care. But local partners report challenges in transforming NHS estate at the necessary scale and speed.

The processes around developing business cases require considerable local capacity and capability. The large number of organisations involved in planning and decision-making has made it challenging to set a clear vision for health and care estate in London. It is often difficult for leaders at local, multi-borough or London level to have a clear view of the money available to invest in health and care estate, the total investment required or how the estate plans support the health and care service in a given area.

There are also many opportunities to involve local and London government more closely in NHS estate issues. Health is closely linked to wider issues such as housing and economic development. If NHS estate decisions also consider wider public sector opportunities, these will deliver greater value for citizens. Local and London government are also critical partners in planning and development. Through joint working, London partners have committed to take a wider public sector approach to make the best use of NHS estate while also helping to address London's housing, schools and other needs. This is in line with the One Public Estate (OPE) initiative.

### The opportunities devolution will bring

The London Estates Board (LEB) will provide a single place for London-level NHS estate discussions. This aims to overcome challenges of fragmentation and ensure that there is greater clarity on the status of individual business cases and an agreed pipeline of locally-owned health and care estate schemes that London and national partners can help to progress. Over time, the LEB will also provide a forum in which new London-level powers, such as business case approvals, can be exercised.

A London Estates Delivery Unit (LEDU) – a dedicated team with the ability to draw on partner expertise – will help consolidate and align regional and regionally-based national resource to better support local estates planning and delivery efforts. The LEDU will support local and sub-regional areas to prepare high quality business cases for capital investment or surplus site disposals.

These arrangements have been developed by a broad partnership, including the Department of Health, NHS England, NHS Improvement and local and London government.

### The benefits

- For each development, we will know who is making key decisions and when. The process and decisions around health and care estate development will be more efficient, transparent and informed by wider considerations.
- Decisions will be made in a more timely manner and work will get underway much sooner than the current 5-10 year average for schemes to be delivered. For example, a key devolution pilot scheme in North Central London is likely to be delivered two years earlier through devolution and collaboration.
- NHS organisations in London will have access to new forms of development, delivery expertise and funding options through partnerships with local and London government.
- By realising wider public sector estates opportunities in partnership with local government, new health facilities could be co-located with other public sector facilities. This will mean a fit-for-purpose primary and community care infrastructure, through redeveloping existing health, care and wider public land and buildings. For example, Hackney has plans to develop a new quadrant 'campus' model that co-locates health, wellbeing, and wider local authority services.



## Reinvesting money from London's NHS estate back into London

London's health and care transformation relies on capital investment. London's five sub-regional areas have identified the requirement for an additional £4 billion by 2020/21 to support health and care estate. However, this is unlikely to be met by the national capital available to the NHS.

The NHS is one of the largest owners of land and buildings in London, and the value of London estate is significantly greater than anywhere else in the country, estimated at over £11 billion, with around 70% belonging to acute hospital trusts.

To date, the NHS has generated relatively little money and land through the sale of estate that is surplus to requirements. There have been few incentives for NHS sites to declare their assets as surplus. Health and care leaders are typically not reassured that money generated through the sale of local NHS land or buildings will be reinvested to make health and care improvements. The costs of this issue have been considerable – potential capital and land has not been released for the NHS and wider public sector use and NHS organisations have needed to pay maintenance costs each year for empty buildings.

### The opportunities devolution will bring

Many more NHS trusts in London will now be incentivised to sell surplus NHS land and buildings as the money generated by these sales can be invested back into London's health and care system.

### The benefits

- There will be more capital available to support the much-needed investment in health and care estate, with less reliance on the availability of national monies.
- Through local government partnerships, we can ensure that we get the greatest possible value from land sales by considering opportunities for 'marriage value' from nearby surplus public sector sites.
- London will be able to plan health and care investment more effectively with opportunities to raise capital clearly linked to robust and sustainable estates strategies that support local health and care plans.
- There will be less waste in the system, with surplus sites released rather than NHS organisations having to pay to maintain these buildings.
- As surplus land is released, this will be available for much needed primary and community care, housing, schools and wider public sector ambitions in London.



## At least £900m and significant land for housing could be released from the current surplus estate

### Capital release potential

- London STPs have identified c.£900m in capital receipts from NHS estate disposal.
- This figure would likely increase over time through marriage value opportunities, and greater incentivisation of site rationalisation and asset disposal. Of note, further savings would be derived from lower running costs across the rationalised estate.

Source: NHSE, London STP submissions, October 2016

### Land release potential

- There is potential for developing an estimated 2500 extra housing in the devolution pilot sites alone representing a third of boroughs.
- Additional housing will be released elsewhere in London faster than would have happened without devolution.

Source: NHSE, London STP submissions, October 2016



## Getting the most out of existing NHS estate

A number of NHS sites are not being used to their full potential, with an estimated 15 per cent of total NHS assets under-utilised.

Many primary and community care services need fit-for-purpose facilities so there is a need to make the best use of existing high quality estate. But, it can be challenging to make better use of suitable but under-used facilities due to the terms of contracts to rent empty space.

### The opportunities devolution will bring

Through local, London and national partners working more closely together we will have a clearer picture of the condition and purpose of NHS land and buildings in London. This will help us to shape and plan how these assets are best used. Greater efficiency and flexibility in how NHS estate is used will help reduce waste and improve usage.

# PREVENTING ILL HEALTH



## Tackling obesity

London has a higher rate of childhood obesity *than any peer global city* and any region in England, with *two out of five* Year 6 (10-11 year olds) children overweight or obese.

A major cause of childhood obesity in London is the built environment which too often encourages children to eat unhealthily and not take enough exercise. Our 11 to 18 year olds consume three times more than the recommended amount of sugar every day.

London recently held a Great Weight Debate – a conversation on childhood obesity with over two million Londoners. Through devolution, partners have come together to take forward Londoners' own ideas for what would make the biggest difference to their families' eating habits.

### The opportunities devolution will bring

London and national partners will be working more closely together to:

- Ensure that money raised through the sugar levy is able to best support action to address childhood obesity in London by building on and complementing efforts already underway.
- Explore how advertising restrictions can support young Londoners to make healthier food and drink choices. London will also be exploring options to further restrict the advertising and marketing of unhealthy food and drinks in specific locations.

London partners will also be taking firmer action within existing powers, particularly the health-related parts of the London Plan. This could include stronger guidance for tackling childhood obesity, including increased efforts to stall the spread of fast food shops in areas close to schools.

### The benefits

- An environment which promotes health and supports London's children to be healthier through reducing the availability and appeal of unhealthy options and supports parents by making it easier to make healthier choices.
- Stronger and smarter investment in programmes to tackle childhood obesity in a sustainable way. Working in close partnership with key health-promoting environments, such as schools.
- Reducing advertising of unhealthy food and drink that is targeted to children.

This aims to support the delivery of London's ambition to achieve a 10% reduction in the proportion of children obese by Year 6 and a reversal of the trend in those who are overweight.

# PREVENTING ILL HEALTH



## Creating healthier environments

For London to be the healthiest global city, we need to better support all Londoners to live healthier lives. This means making healthier choices easier, protecting young Londoners from developing unhealthy habits and better supporting Londoners for whom gambling, smoking or alcohol are causing health and wider harm.

Smoking remains the single biggest cause of early mortality in London. Significant actions have already been taken locally, nationally and in London, but more could be done to address London's specific challenges.

Although smoking rates have decreased over recent decades, one in five deaths in London is due to smoking. Smoking reduces the length and quality of life for Londoners and increases the demand for and cost of health and care services. On average, smokers need care nine years earlier than non-smokers.

Illegal tobacco encourages children to start smoking. *Around 40%* of London smokers have been offered illegal cigarettes in the last 12 months.

Problem gambling can severely impact the health of affected Londoners, requiring primary care, mental health and even hospital inpatient services. These effects are often amplified by significant family, social, work and financial challenges.

Problem gambling, smoking and the consumption of illegal tobacco and alcohol are more common in lower income families, exacerbating financial vulnerability and worsening mental health problems.

### The opportunities devolution will bring

London will explore the case for further action to address unhealthy habits. Through pilot or city-wide action, we will examine the evidence for establishing a borough-led London-wide illegal tobacco and counterfeit alcohol enforcement team.

London partners will also work with central government partners to inform the government's reviews of:

- Sanctions to tackle illegal tobacco, with HMRC and the Department of Health.
- Gaming machines and social responsibility measures, with Department for Digital, Culture, Media & Sport (DCMS)

### The benefits

If the evidence shows these interventions to be effective, London could enjoy:

- Effective city-wide working, based on coordinated action and information sharing to tackle the supply of illegal tobacco and alcohol. This aims to support London's children to be as healthy as possible by making it more difficult to access illegal tobacco and helping to make London an illegal tobacco-free city.
- A reduction in the proliferation of Fixed Odds Betting Terminals which risk leading to unhealthy behaviour for vulnerable people.
- Significantly reducing health inequalities through focusing on problem gambling, smoking and the consumption of illegal tobacco and alcohol.

# PREVENTING ILL HEALTH



## Forging links between good health and employment

There are significant links between employment and health, especially mental health. Stable employment is a major factor for successful recovery but only *43 per cent* of people with mental health problems are in employment.

The relationship between health and employment also has implications for London's economy. London employers lose over six million working days due to stress, anxiety and depression. At a £30,000 annual wage this equates to *£1.1 billion* in lost output. The average London firm of 250 employees loses £4,800 per week due to sickness absence.

National services to help people return to work are available, but they could be better tailored to meet the needs of Londoners. Despite significant need, referral rates to national services are as low as 0.007 per cent in some London boroughs. The consequence of this low take up is significant as we know that once Londoners are out of work they find it harder to return.

### The opportunities devolution will bring

Work and health programme funding is being transferred to London so that London can deliver initiatives tailored to the needs of Londoners.

Through this, local areas will increasingly be able to shape the employment support offer for the very long-term unemployed and those with health conditions and disabilities to return to, or enter, work.

London will also explore new models for integrating health and employment support and examine the role prevention and early intervention can play. For example, Haringey will test improvements to the Fit for Work support offer for people experiencing mental health problems and who are at risk of falling out of work.

### The benefits

- A step-change in reducing entrenched worklessness and broader dependency on public services through greater local design, leadership and integration of employment support services. This will mean tailored interventions for different groups and also a more integrated employment, skills, housing and health offer.
- An accelerated return to work for people experiencing mental ill-health and a reduction in the risk of unemployment.
- Greater focus on keeping people in work and keeping working people healthy to enable a more productive economy in London; supporting the ambition to achieve one million extra working days in London through an improvement in health and a reduction in sickness absence.
- Better health outcomes with a reduction in mental ill health through less long-term unemployment and earlier intervention to ensure employees' mental health does not deteriorate.
- Improvements to London's productivity and prosperity by reductions in costs to health and welfare services, enabling people to lead healthier lives as well as improving employment outcomes for Londoners. London estimates that enhanced support services for people at risk of falling out of work are likely to save £5 million in reduced healthcare and welfare costs for every 1000 people reached.







# Acknowledgments

London's Health and Care Devolution Memorandum of Understanding has been supported and developed by organisations including:

- All 32 London Clinical Commissioning Groups (CCGs)
- London Councils, 32 London boroughs and the City of London
- The Mayor of London and Greater London Authority (GLA)
- NHS England
- NHS Improvement
- Public Health England (PHE)
- HM Treasury (HMT)
- Department of Health (DH)
- Cabinet Office
- Department for Communities and Local Government (DCLG)
- Department for Work and Pensions (DWP)
- Department for Culture, Media and Sport (DCMS)
- Department for Education (DfE)
- Community Health Partnerships (CHP)
- NHS Property Services
- Care Quality Commission (CQC)
- Health Education England (HEE)
- National Institute for Health and Care Excellence (NICE)
- One Public Estate

The Health and Care Devolution MoU is available at <https://www.london.gov.uk/what-we-do/health/london-health-and-care-devolution/london-health-and-care-devolution-programme>

## With thanks to:

Members of the London Health Board,  
London Health and Care Devolution Programme Board,  
London Health and Care Strategic Partnership Board,  
Sustainability and Transformation Partnership Leads,  
Capital Ambition Board, and London Estates Board.

**Devolution Pilots, including:** Andrew Blake-Herbert, Aileen Buckton, Conor Burke, Cheryl Coppel, Jeanelle DeGruchy, Tamara Djuretic, Zina Etheridge, Tracey Fletcher, Jane Gateley, Paul Haigh, Carmel Langstaff, Tim Shields, Sarah Wainer, Dawn Wakeling, Martin Wilkinson, Devora Wolfson.

**London partners, including:** Mayor of London Sadiq Khan, Cllr Claire Kober, Dr. Marc Rowland, Lord Ara Darzi, Duncan Selbie, Nick Bowes, Jeff Buggle, Justin Carr, Tom Coffey, Amanda Coyle, Jane Cummings, Shaun Danielli, Cllr Kevin Davis, Yvonne Doyle, Michelle Drage, Andrew Eyres, Clive Grimshaw, Vicky Hobart, Jeff Jacobs, Naz Jivani, Peter Kohn, Marilena Korkodilos, David Lunts, Aaron Mills, John O'Brien, Cllr Teresa O'Neill, Lee Outhwaite, Emma Pawson, Paul Plant, Simon Powell, Anne Rainsberry, Julie Scream, Steve Russell, Stuart Saw, David Slegg, Martin Smith, Dick Sorabji, Will Tuckley, Graeme Walsh.

### **The London Health and Care Devolution**

**Programme Team, including:** Nabihah Sachedina (Director), Geoff Alltimes, Emily Sawdon, Una Carney, Charlotte Harpin, Elodie Broad, Marianne Brook, Hayley Parkinson-Roberts, Tom Walters, Helen Beazer, Monica Pabualan, Marlene Cummings, Kate Soffer, Stephanie Ying.

